

A Study on the Economy of Adivasis in Gudalur

1. Background

ACCORD has been working with 5 adivasi groups viz. Paniyas, Betta Kurumbas, Kattunaickens, Moolakurumbas and Irulas living in Gudalur and Pandalur blocks of the Nilgiri valley since 1986. In 1988 ACCORD helped form the Adivasi Munnetra Sangam (AMS), an organisation of over 13000 adivasis as members. Together they supported the adivasis to assert their right to a livelihood by reclaiming the land that had been taken away through fraud and exploitation. As the adivasis started regaining more and more of their land, ACCORD helped them plant tea on their lands. While this revolutionized the tribal economy (by way of substantial increase in family incomes), and changed social equations (daily unskilled agricultural labourers were now “planters”), it also catapulted the adivasis from a local wage economy into a global market economy over which they had no control. Hence ACCORD and AMS were constantly looking for ways by which to protect the adivasi economy against the vagaries of a global market.

They began by first looking for local markets and then exporting the tea through a famous fair-trade organisation GEPA, in Germany. Realising the shortcomings of the Fair Trade movement, ACCORD and AMS having been looking for ways to establish a secure and equitable trading system, which is what led to the formation of Just Change. Just Change seeks to create a new and alternative trade structure that will bring together two ends of the market spectrum - producers and consumers - to work as members of a co-operative. At the same time, Just Change is not just about trade but it's an endeavor to help disadvantaged communities take more control on their local economies and thus to fight the injustice of the present “market economy” that impoverishes them.

2. Why the Study?

The realization that in order to take control over the local economies it is important to first learn in-depth about them, led to the thought of conducting a detailed study on the economy of adivasis in this area. This idea was first shared with the adivasi team and few village leaders through a series of meetings at village, area and taluk levels. It was also discussed in other core group meetings like coordination committee, animators meeting, all team meeting, etc. Everyone put their heads together and decided that we should take up a full-fledged study on the economy.

3. Objectives of the Study

The overall objective of the Study is to understand and analyse the adivasi economy critically such that it would help us in deciding where to intervene in order to take control of the economy.

Specific objectives are:

- To study and document patterns of income and expenditure of adivasis in Gudalur.
- To study and document savings, investment and debt by adivasis in Gudalur.
- To know most important products/commodities produced and/or consumed and that have significant impact on the lives of adivasis in Gudalur.
- To validate impressionistic accounts about all the above and quantify them.

4. Methodology and Process

A Flow chart of the entire study is given as Annexure 1.

Identification of the study team:

We have had different meetings with the entire team and finally it was decided to engage the health trainees for the study. The intention was to –

- give them sufficient exposure to different aspects about the community other than health
- to build their capacity in critically looking at the economy with an analytical mind
- to motivate them by providing an opportunity to contribute to the community's endeavour in taking control of the economy

All the trainees showed interest in getting associated with the Study. But it was important to guide them while visiting the villages and interacting with people and hence all the area teams and especially the Sangam animators came forward to get involved in the Study. The Study team thus made is as follows:

Table 1: Composition of Study team

Area	Study Team	Sangam Animator
Gudalur	Kali, Ratheesh	Bomman
Devala	Shanthi	Radhakrishnan
Pattavayal	Mini	Kuttan
Ayyankolly	Chandran, Sheela	Chathy
Erumad	Sheela	K.C.Krishnan
Ponnani	Latha	Jeyachandran
Devarshola	Ramesh	Kumaran
Srimadurai	Achuthan	Marigan

The responsibility of coordination and guidance was taken on by Neelakantan and Sajan.

Training for the Study team and preparation for the Study:

For this purpose, a two-day camp was at Just Change office on 3rd and 4th May 2004. All the 11 health trainees, Dr. Bharath, Ranan, Sajan, Neelakandan, Sangam animators, Mari and Stan participated in the camp. Following are the highlights of the camp –

- Stan went about explaining the group the change in economic situation of adivasis over years and especially after the globalisation and its impact on our economy.
- The whole group played the ‘Filling the Buckets’ game to understand about ‘leaks’ in the local economies and what that actually means.
- Then the need to carry out such a study and its objectives were explained.
- All the operational aspects of the study like sampling in each area (explained below), forming study teams for each area, explaining about the study format (explained below) and how that needs to be filled in, etc. were then discussed.
- Role plays of actually conducting the study in a typical village was done which helped especially the trainees in internalizing certain do’s and don’ts while visiting a village for this study and otherwise.

Sampling for the Study:

A representative sample was drawn based on the number of families in each area and belonging to each tribe. We have approximately 250 village sangams, which are spread over 8 areas, with each area consisting of 30 – 40 sangams. The population under each tribe and each area is given in the table below.

Table 2: Number of individual members of AMS – area-wise, tribe-wise

Area	Total population	Betta Kurumba	Irula	Kattu Naika	Mullu Kurumba	Paniya	Total	%
Gudalur	2675	930	558	87	3	1096	2675	21
Devala	1317	245	0	162	0	910	1317	10
Pattavayal	1392	309	0	172	11	900	1392	11
Ayyankolli	1615	255	0	241	379	740	1615	13
Erumadu	1637	34	0	152	614	837	1637	13
Ponnani	960	31	0	26	0	903	960	7
Devarshola	1843	565	5	385	0	888	1843	14
Srimadurai	1394	233	5	475	0	680	1394	11
Total	12833	2602	568	1700	1007	6954	12833	100
%		20	4	14	8	54	100	

It was decided to do a study of approximately 10 percentage of the total families i.e. about 265 families representing each tribe and each area according to their respective share in the total. For example, Paniya tribe has the largest population and thus largest sample and Irula the smallest and thus smallest sample.

Table 3: Sampling for the Study –area-wise, tribe-wise

Area	Betta Kurumba	Irula	Kattu Naika	Mullu Kurumba	Paniya	Total
Gudalur	13	3	3	3	16	38
Devala	6	0	4	0	21	31
Pattavayal	7	0	7	0	20	34
Ayyankolly	5	0	5	7	14	31
Erumad	3	0	3	12	16	34
Ponnani	3	0	3	0	29	35
Devarshola	10	0	6	0	15	31
Srimadurai	5	0	11	0	15	31
Total	52	3	42	22	146	265

Between 5th to 15th of May, meetings were held in all the 8 areas with the respective area teams to discuss this sampling and then decide the sample families in each area.

Format for conducting the Study:

A format was developed to help the Study team collect require data easily and of better quality. Please see Annexure 2 for the format. One format needs to be filled up for each family under study. It was made clear to the study team that the format was only a guide to do the study that need not be followed item by item. Instead the study team was suggested to have detailed discussion at the village both with the sample family and others about their economic life.

Data Collection:

Though we initially started with an idea that it would take about a month for data collection, as it was a peak monsoon time the study team had problems scheduling their visits to the villages. Also, it took much more time than we anticipated completing the data collection in each sample family. Thus the data collection took about 2 months – 10th May to 30th June 2004. And against the planned target families of 265, we could complete only about 210 families.

While the study was underway, weekly sharing and review of the study were held every Monday at ACCORD office. This helped in capturing major findings, especially qualitative ones, from the study team and in helping and guiding them whenever they faced with difficulty during the study.

Actual Study carried out as per the following table -

Table 4: Number families studied – area-wise, tribe-wise

Area	Betta Kurumba	Irula	Kattu Naika	Mullu Kurumba	Paniya	Total
Gudalur	7	2	2	1	13	25
Devala	6	0	5	0	21	32
Pattavayal	6	0	8	0	16	30
Ayyankolly	0	0	6	4	11	21
Erumad	3	0	3	9	16	31
Ponnani	4	0	0	0	28	32
Devarshola	5	0	6	0	15	26
Srimadurai	4	0	6	0	3	13
Total	35	2	36	14	123	210

Data Analysis and interpretation:

A database programme was developed exclusively to enter the study data and do the analysis. Data entry and analysis took another one and half months. By August end the whole analysis was completed.

The whole process of the study was shared with the entire team of ACCORD/AMS/ASHWINI, etc. during meetings. The findings of the study were shared on 29th September 2004 with the entire team. We will be translating the study report in to Tamil to be given to all area teams. This will be used to have a series of discussions in the villages, with area leaders, etc. to decide about future course of action.

5. Limitations of the Study

While designing the study there was a slight confusion whether to keep it structured with elaborate questionnaire or to keep it flexible and leave it in the hands of study team to come out with qualitative inputs. At the end of discussions we felt the need to take the middle path and thus put together a format, which is almost like a guide to the study team. It was expected that the study team would be able to bring in more information through open discussions with the people. To keep the format short enough we could not have an exhaustive list of expenditure items where in lot of incidental expenses viz. travel, tea expenses from outside shops, buying footwear, saloon expenses were not shown. The study could not capture such information and thus the expenditure figures came out of the study are little lesser than the actual figures. Thus in the final analysis we see the incomes of these people are higher than the expenditure, which we know is not true.

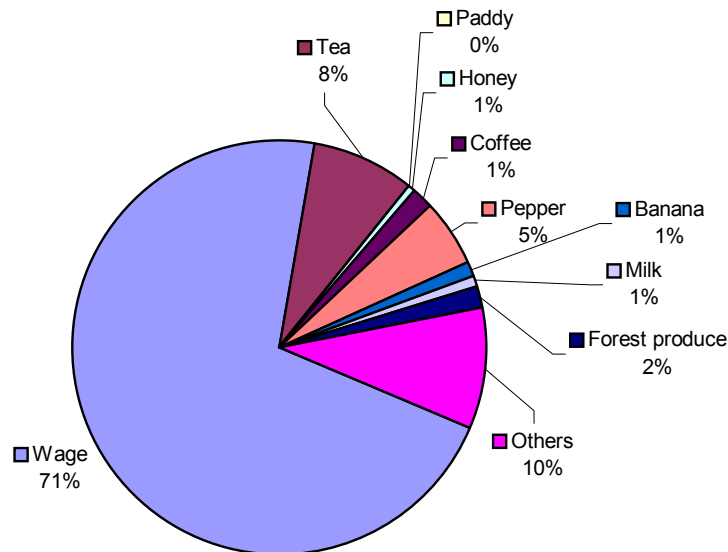
6. Major findings of the Study

Income details:

Average annual income per family is Rs. 26734. Among different tribes, Irulas (Rs. 38890) and Mullu Kurumbas (Rs. 34706) show higher average incomes where as Kattu Naikas (Rs. 23354) show lowest.

Most of the adivasi families considered for the study have been traditionally cultivating variety of food crops on their land regardless of however much their landholding may be comparing with the non tribal land owners who have given more importance to cash crops like tea, coffee, pepper etc. The number of adivasi families we visited had planted food crops like Banana, Yam, Pumpkin, Papaya, Tapioca, etc. along with some cash crops like tea, coffee etc.

Chart 1: Income pattern of Adivasis in Gudalur



Major source of income is Wages with 71.5 % share.

- Out of 210 cases studied, as high as 196 cases showed some income from wages. That means only 14 people had no income whatsoever from wages.
- On an average an adivasi labourer gets 166 days of work in a year.
- Men getting average wage of Rs. 77 per day and women Rs. 50 per day.

Income from agriculture is 16.7 % and out of that 8 % is from tea.

- 103 out of 210 (about 50 %) had tea and 98 had income from tea. On an average, one family owns 1284 plants – about 0.25 acre of tea. Average yield of tea – 933 kgs per year.
- 13 people have paddy fields, with an average size of 0.55 acres.

- 79 people have coffee plants – average of 104 plants
- 118 people have pepper vines – average of 46 vines.
- 13 people have banana – average of 108 plants.
- Only 12 people have cows.

Income from all forest produces including honey, firewood, etc. accounts to 2.3 %.

- 16 people have income from honey - 36 kg per year average.

Income from other sources including salaries, etc. is 9.5 %.

Income from different sources of an average adivasi family is given below.

Table 5: Income of a typical adivasi family

Income source	Amount (Rs.)	% Share
1. Income from wages	Rs. 19108.00	71.5
2. Income from agriculture	Rs. 4477.00	16.7
Tea	Rs. 2159.00	8
Pepper	Rs. 1465.00	5.5
Coffee	Rs. 390.00	1.5
Banana	Rs. 262.00	1.0
Milk	Rs. 201.00	0.7
3. Income from Forest Produce including honey	Rs. 447.00	2.3
4. Income from other sources	Rs. 2546.00	9.5
Total Income	Rs. 26734.00	100.0

Income sources also vary from area to area and tribe to tribe. For example, wage income among Paniyas is the highest with 78% share where as to Mullu Kurumbas it is only 37%. Mullu Kurumbas earn about 32 % of the income from agriculture.

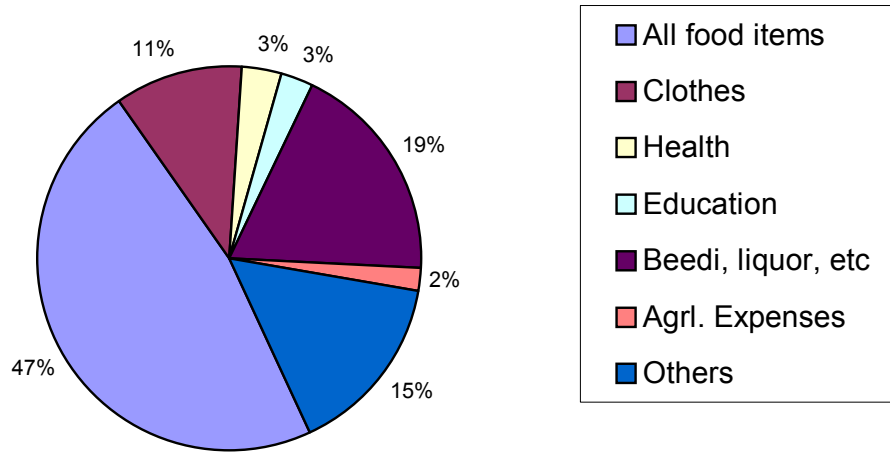
Among different areas, Ponnani with 89 % and Pattavayal with 83 % show very high share of income from wages. At the same time in case of Gudalur, income from other sources is as high as 31 %.

If we extrapolate the data available with us after the study to find out income of all the AMS members put together we get a startling figure of about **Rs. 8 crores !!**

Expenditure details:

Average annual expenditure per family is Rs. 25456. Among different tribes, Mullu Kurumbas (Rs. 35714) and Irulas (Rs. 35188) show higher average expenditure where as Kattu Naikas (Rs. 20722) show lowest.

Chart 2: Expenditure pattern among Adivasis of Gudalur



- 47 % of total expenditure is on food items. Out of this as high as 25 % is only for purchasing rice.
- 11 % expenditure is for buying clothes.
- As high as 19 % is spent on expenditure like liquor, beedi, tobacco, etc.

Expenditure for different items of an average adivasi family is given below.

Table 6: Expenditure of a typical adivasi family

Expenditure item	Amount (Rs.)	% Share
All food items	Rs. 12038.00	47.1
Ration rice	Rs. 1050.00	4.1
Open market rice	Rs. 5243.00	20.6
Vegetables	Rs. 1692.00	6.6
Sugar	Rs. 1044.00	4.1
Oil	Rs. 953.00	3.7
Tea	Rs. 597.00	2.3
Pulses	Rs. 439.00	1.7
Other items	Rs. 1020.00	4.0
Beedi, liquor, etc.	Rs. 4721.00	18.5
Cloth	Rs. 2739.00	11.0
Health	Rs. 853.00	3.4
Education	Rs. 694.00	2.7
Agricultural expenses	Rs. 501.00	2.0
Other expenses	Rs. 3910.00	15.3

Note: Average income of the family per year is calculated as Rs. 26,734.00 and the expenditure is Rs. 25,456.00. Few minor expenses like travel, tea expenses from outside shops, buying footwear, saloon expenses were not shown in the study. If we include all those expenses, then the expenditure might be more than their income in most families.

If we extrapolate, the expenditure of all the AMS members put together comes to about **Rs. 7.7 crores !!** Almost all of this flows unhindered out of their local economy.

Importance of Rice:

- One quarter of all the expenditure by adivasis go into one commodity, i.e. Rice.
- Rs. 6293.00 is spent by an average family only to buy rice. Out of this Rs. 1050 for ration rice and Rs. 5243 for open market rice.
- Average rice consumption per family per year is 798 kg, i.e. about 67 kg of rice every month.
- Most families access ration rice of 35 kg per month at Rs. 3 per kg.
- Apart from ration rice about 454 kg of rice per family at an average price of about Rs. 12 per kg is bought from open market.

In case ration rice is not accessible by a family and if they have to buy rice from open market that alone adds a burden of Rs. 3278 on the family and the expenditure on rice goes up to a whopping 38 % !! That means they will have to surely let go some other expenditure and there is likelihood that it could be on health, education and other food items. Hence the importance of proper functioning of PDS.

There were many instances of ration card being mortgaged and people are forced to buy the same ration rice from black market paying a very high rate. This is identified as a major issue during the study and we need to do lot more research into this.

Area wise and tribe wise, there is difference in purchasing behaviour. People in Ayyankolly area access more ration rice and hence least dependence on open market rice. People in Pattavayal area buy more rice from open market – could be that their ration cards are mortgaged, etc. These are the aspects, which need to be studied more carefully to plan action.

All adivasi families put together spend Rs. 1.9 crores on rice alone and out of that Rs. 1.6 crores on open market rice.

Savings:

Most of the adivasis in Gudalur spend their earnings on a daily basis and the habit of saving is absolutely nil in most families.

Out of the sample studied, only 64 families had savings of some kind either in the bank or with the SHG's. That means only about 30% of the population has the habit of saving, whatever small quantities they are able to.

Out of these 64 families, 47 families save with the SHG groups in the form of monthly savings. Average monthly saving with SHG's is Rs. 145, which is only 6 % of their monthly income.

Average total savings per family with SHG's is Rs. 1300.

Only 9 families out of 210 had savings in a bank, averaging Rs. 2960 per family.

Only 5 respondents had a total saving of above Rs. 10000.

Assets and Investment:

Out of the families interviewed, 6 of them had done some kind of investment on land – be it developing already existing land or purchasing new property. By extrapolating this data for the entire population we can see that **only a meager 1 % of total expenditure by the adivasis of Gudalur goes for any kind of investment.**

2 families have concrete houses. 6 families have houses with sheet roof; 66 with thatched roof and 119 with tiled roof.

The use of gold jewelry both for ornamental purposes as well as in the form of investment is not very common among adivasi families. 59 people reported as having gold ornaments.

13 people own bicycles. 48 have radio in their house 3 have tape recorders and 4 have Television. One family has telephone connection at home.

Debt:

Of the 210 respondents only 72 had not reported any debt.

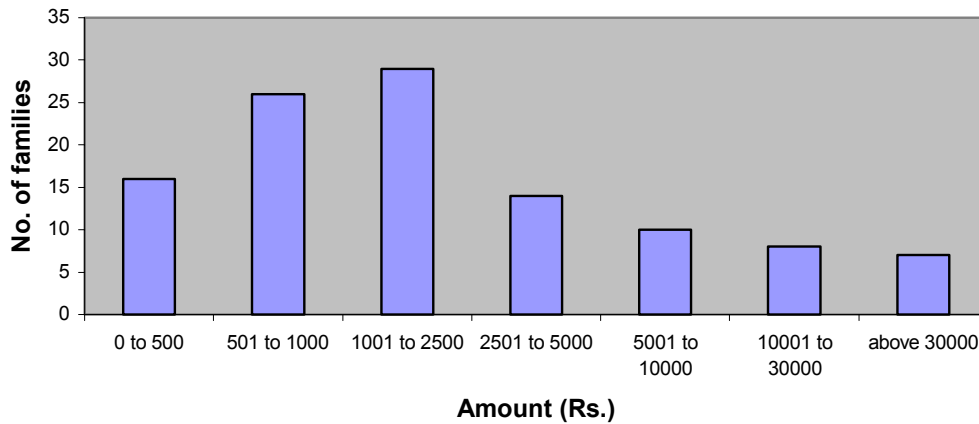
Of the 138 respondents who reported having debts, 28 were not prepared to or were not able to give details about their debts.

Of the 110 respondents who gave details, 11 of them have either mortgaged or sold off gold ornaments to avail credit of amounts ranging from Rs. 2750 to Rs. 7000.

9 of them have mortgaged or sold off their land to avail credit of amounts ranging from Rs. 2500 to Rs. 25000.

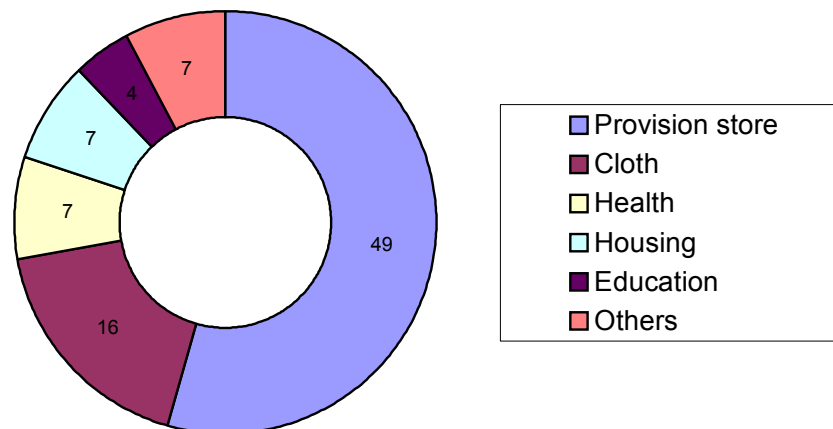
Out of the total 110 families who submitted details of their debts, a majority – 71 - have reported debts below Rs.2500. The debt pattern can be seen in the chart 3 below.

Chart 3: Debt pattern among adivasis of Gudalur



Among various categories of debt, outstanding payment in the provision store is the most common one. Debt incurred for various other purposes like purchasing cloth, housing, health and education needs are given in the chart 4 below. Only one person has taken loan for business purpose.

Chart 4: Debt pattern - Purpose of loan



7. Conclusion

The study which was meant to feed into the development of a long-term strategy for Just Change had an unexpected outcome of galvanizing the entire adivasi community in Gudalur. The process of collecting information triggered off innumerable discussions at the village, area and taluk level of the AMS. The data collected through this study has given the AMS animators yet another opportunity to mobilize the community based on facts.

Working mainly as a daily wage economy or at best a weekly wage economy, no one had ever totaled up the figures and so there was no understanding of the mind-boggling amounts of money that was flowing out of the local economy. Nobody imagined for a moment that so many crores, for example, was being spent on rice alone. This single fact inspired the adivasis to act and close on the heels of the study they decided to launch into the trading of rice. At the time of writing this report 5 villages have got into regular cycles of trading.

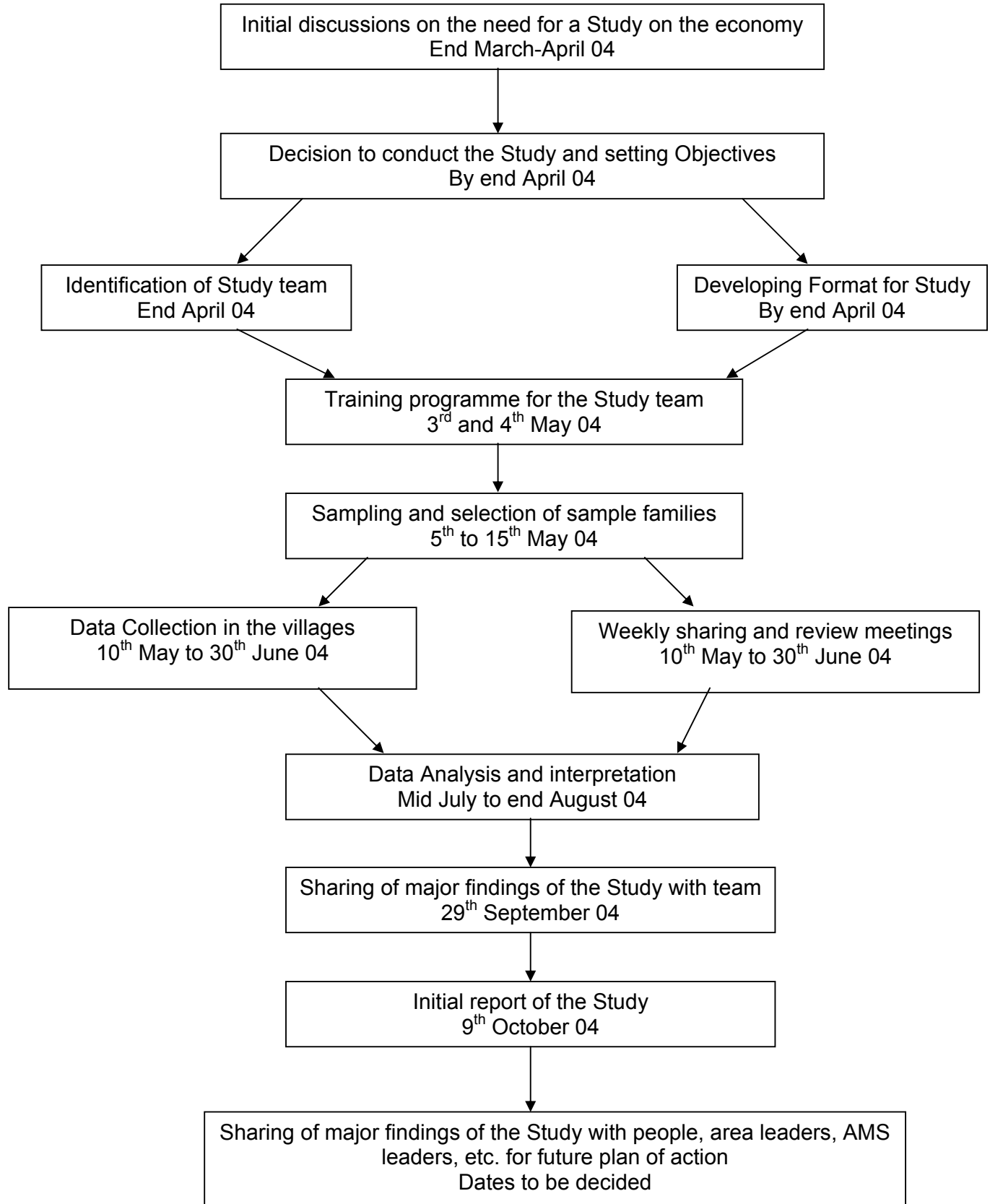
This study has contributed, not just to developing the strategy for Just Change, but also to creating awareness among the adivasis and inspiring them to act. This has led us to encourage and support all Just Change partners to carry out such a study.

The fact that the study was undertaken by members of the community itself, significantly contributed to the people having a sense of power - of taking the first steps towards gaining control over their economy. We, and the people have realized that the study has provided a good foundation on which to launch the strategies for taking control of the economy. Further it will serve as a good base line against which the AMS can chart their progress.

Finally, at the end of the study, it was a big relief for all of us, that in spite of heavy rains and the monsoon fully underway, we were able to complete the task before the end of August. The cooperation from the entire AMS, ASHWINI and ACCORD teams and of the sangam members as well, contributed to the successful completion of this study.

We would like to take this opportunity to thank SRTT for extending the financial support that made this study possible.

Annexure 1 - Flow Chart of the Economy Study



Annexure 2 – Study Format

STUDY ON ADIVASI ECONOMY OF GUDALUR

Name of the head of the household:

Sangam number:

Village:

Tribe:

No. of family members: ___adults (___men +___women), ___children (___boys +___girls)

Main occupation: Wage labour / Agriculture / Others

Land/assets possession – details:

Crop/ livestock	Area in acres / number of plants/animals	Type of land – patta, section 17, etc.
Tea		
Paddy / Lowland		
Coffee		
Pepper		
Banana		
Cattle		
Other livestock		

Other assets owned (bicycle, motorbike, radio, gold ornaments, etc.etc.) – details:

Income – details:

Wage labour:

The objective is to find out Where do they go for work?, What kind of work? – agricultural, construction, etc., How many days per year? What is the wage paid to you? Are you aware about the minimum wage in the state? Do you migrate out in search of work? To where?

Tea:

How many kilos per month (average)? Where / to whom do you sell your tealeaves? What is the average price you get? Is there difference in payment between ATLM society and others? Any other differences or benefits?

Paddy:

How many kilos per year? Do you sell the paddy or use it for consumption? If you sell, how many kilos do you sell? Where / to whom do you sell? What price do you get? Do you cultivate paddy on lease basis? – details

Honey:

How many kilos/litres of honey do you collect in a season? How many days would you spend to collect the honey? Where /to whom do you sell the honey? What is the average price you get? Is there difference in payment between honey society and others? Any other differences or benefits?

Other crops:

Coffee – Average income per year, Where / to whom do you sell? What price?

Pepper - Average income per year, Where / to whom do you sell? What price?

Banana - Average income per year, Where / to whom do you sell? What price?

Other income:

Milk –

Other forest produce like Nellikka, Sambrani, etc. -

Expenditure details:

Household expenditure:

Rice:

How many kilos per month / per year? Where / from whom do you buy? (Ration shop, Near by grocery shop, etc.) What is the average price you pay? (Ration shop, Near by grocery whop, etc.)

Provisions, Vegetables and others:

Where do you buy your provisions from?

How much do you spend on each of the following?

Sugar - _____ kg _____ Rupees

Kerosene - _____ kg _____ Rupees

Dal - _____ kg _____ Rupees

Tea - _____ kg _____ Rupees

Soap, oil, powder, etc. -

Vegetables -

Honey -

Others (Milk, etc.) –

Cloth:

Where / from whom you buy the cloth ? What kinds of clothes? When do you buy? –
Festival times like Onam, Vishu, Putheri, etc. – and how much in these occasions?

How much you spend on an average on the following items:

Medical/Doctor/Hospital expenses:

Education of children (school fees, etc.):

Festival expenses:

Liquor, beedi, etc.

Cinema, etc.

Other expenses

Agricultural expenditure:

Wages paid:

Fertilisers

Investment:

How much do you spend on developing your existing land? How much you spend in
acquiring / buying new land?

Savings:

How much savings you have in bank or with SHG, etc.?

Debt:

Are you in debt?

If yes, how much you owe to different people? What were the purposes these loans
were taken for?

The table below needs to be filled in by the study team after the interview is over.

Income:

Sl.No	Particulars	Per month (Rs.)	Per year (Rs.)
1	Wages		
2	Tea		
3	Paddy		
4	Honey		
5	Coffee		
6	Pepper		
7	Banana		
8	Others		
	TOTAL		

Expenditure:

Sl. No	Particulars	Per month (Rs.)	Per year (Rs.)
1	Rice		
2	Sugar		
3	Kerosene		
4	Dal		
5	Tea		
6	Soap, oil, powder, etc.		
7	Vegetables		
8	Honey		
9	Cloth		
10	Medical expenses		
11	Education expenses		
12	Festival, Cinema, liquor, etc.		
13	Agricultural expenses (wages, fert.)		
	TOTAL		

General comments and experiences by the study team about adivasi economy: