

Poverty Profile of Sri Lanka: Evidence from Household Income and Expenditure Survey 2009/10

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Poverty has been declined in Sri Lanka for the last two decades from 28.8 per cent (Head Count Index) in 1995/96 to 8.9 per cent in 2009/10. Still, there are significant numbers of poor in Sri Lanka. According to the national poverty line of Rs. 3028 for individual, there were 1.8 million Sri Lankans who were poor in 2010. Thus, it is a need to develop a poverty profile consisting information on the characteristics of poor for the policy makers and others who are interested on poverty alleviation in Sri Lanka. This paper presents a profile of poverty in Sri Lanka using data from the Household Income and Expenditure survey (HIES) of 2009/10, which is a nationwide, multiple-topic household survey. The study used the descriptive statistics of mean and standard error to explain the characteristics of poor and non-poor. The poverty prevalence among different characteristics of poor also described using head count index, poverty gap index and squared poverty gap index.

The study found that there is a significant difference in the average of household size, education level and food and non-food expenditure among poor and non-poor. Poor spend a larger proportion of their total expenditure on food consumption while non-poor spend their a larger proportion on non-food consumption. Moreover, poorer households tend to be relatively larger; the average household size declines from about 5.88 for the poor to about 4.65 for the non-poor. The differences in schooling between the poor and non-poor are also quite clear. The average years of schooling for the non-poor is 8.76 years while the poor have attended school for 7.60 years on average. The results also indicate that the ethnicity, gender, education, marital status, employment and housing and related facilities are the factors that have a considerable association with the level of poverty. The findings of the study suggest that the policies should aim to focus the above characteristics of the poor to come out of poverty.

Key words: *Head Count Index, Poverty Gap Index Poverty, Profile, Squared Poverty Gap Index.*