

GOOD GOVERNANCE AND POVERTY ALLEVIATION PROGRAMMES IN SRI LANKA: SPECIAL REFERENCE ON SAMURDHI PROGRAMME

M. K. Nadeeka Damayanthi*

The objective of the paper is to examine the governance issues in government's major poverty alleviation programme - the Samurdhi programme- in Sri Lanka. During the past three decades, the concept of 'good governance' became more popular in many subject areas such as development studies, political science, public administration, public policy, management and economics. Specially, the good governance concept is most familiar in poverty alleviation programmes in developing countries. The author uses both primary and secondary data related to poverty alleviation, the Samurdhi programme as well as governance. Primary data was collected through questionnaire survey, key informant discussions and focus group discussions in selected eight districts. The quantitative data were analyzed using the simple statistical method and qualitative data and information were analyzed through descriptive methods. The introduction part of the paper provides a brief introduction to poverty and poverty alleviation programmes. Then, the paper discusses the concept of 'governance', 'good governance' as well as 'poverty'. In the third section of the paper, the author presents poverty situation in Sri Lanka using both monetary approach and non-monetary approach. The fourth part of the article discusses poverty alleviation programmes in Sri Lanka. In this part, author gives details about the Samurdhi programme and its major components. In the fifth part of the article, the author explores the major governance issues related to Samurdhi programme. The conclusion is that the Samurdhi programme is suffering from serious governance issues such as mis-targeting, lack of transparency, accountability, efficiency and effectiveness, equity and social justice as well as informed citizenry.

* Senior Lecturer, Department of Econcomics, University of Kelaniya, Sri Lanka.
E-mail: kndammi@gmail.com

1 Introduction

Poverty is one of the major threats to the world. Approximately, 8 million children dying every year, 1 child dying every 4 second or 14 child dying every minute any where of the world. The silent killers are poverty, hunger, easily preventable diseases (<http://www.globalissues.org>). In 2010, 7.6 million child deaths were (under 5 years) reported in the world. Of them, second highest (2.5 million) was reported from South Asia. According to the World Bank poverty estimation, 1.4 billion people live at the poverty line or below the US \$1.25 per day. Of them, 36 percent live in South Asia. Therefore, poverty is a major challenge for South Asian countries.

All most all the countries have been implementing various projects and programmes with the aim of poverty reduction. For example India has been implementing Swarnajayanthi Gram Swarozgar Yojana, Sampoorna Gramin Rozgar Yojana, National Rural Employment Gurantee Programme and the National Social Assistance Programme. The Kacamatan Development Programme in Indonesia, National Target Programme for Poverty Alleviation in Vietnam, Medium Term Development Framework in Pakistan, Kapit Bisig Laban Sa Kahirapan (Arm-in-Arm against poverty) in the Philippines and Samurdhi Programme in Sri Lanka are some of other examples for government poverty alleviation porgrammes in South Asia.

Though governments have been implementing large number of programmes and projects to reduce poverty and hunger, data and information of the developing countries prove that most of the countries are far behind from their targets. Many argue that lack of good governance practices as a major reason for the situation (CIRDAP, 2009, Gamage, 2006). As revealed by the Surbakti (2009) principles of transparency and accountability were not adhered to government major poverty alleviation programme- Kacamatan Development Programme in Indonesia. The evident were lack of information about the use of funds, poor availability of supporting documents and lack of village accountability meetings.

As revealed by the Department of Census and Statistics, in Sri Lanka, poverty ratio was recorded as 26.1 percent in 1990/91 which declined to 6.5 in 2013 (www.statistics.gov.lk). Though many projects and programmes have been implemented focusing on the issues over the decades, the Janasaviya and Samurdhi programme are the major poverty alleviation programme implemented by the government. Since the initial stages of these programmes, however, a number of governance issues occurred in both

programmes. These issues badly affects the programmes objectives. The paper attempts to explore the governance issues of the Samurdhi programme.

1.1 *Research Methodology*

This paper uses both primary and secondary data. The study uses the primary data collected in 2012 in eight district in Sri Lanka; Kalutara, Batticaloa, Anuradhapura, Monaragala, Kurunegala, Ratnapura, Vavuniya and Jaffna. The total sample of the beneficiaries were 478. The quantitative primary data analyses using simple statistical methods such as tables and graphs while the qualitative data analyses using descriptive method.

2 Theoretical Background

2.1 *The Concepts of 'Governance' and 'Good Governance'*

The concept of 'governance' is constantly related to power and old as human civilization. During the last four decades, the word 'governance' has become more popular in development literature, even without agreement on definitions. As Aminuzzaman (2007) cited, Mills and Serageldin (1991) defined governance as 'how people are ruled, how the affairs of the state are administered and regulated as well as nation's system of politics and how these function in relation to public administration and law'. The concept is always related with power and management of the development process, involving both public and private sector (Singh, 2005, Khadka, 2005). The 'human governance' concept emerged in 1990s fulfilling the vacuum or unmet basic human needs in governance process. Human governance pressures the state, civil society and the private sector to provide room for building capacities favourable for meeting the basic needs of all people, particularly women, children and the poor ensuring sustainability of human development (Aminuzzaman, 2007). Expanding the extent of the subject, the concepts of 'good governance' and 'pro-poor growth' come into the forefront since 1990 in the development literature as well as practice.

The definitions of 'good governance' differ from institution to institution as well as person to person by their purposes. Kautilya described good governance expressing three elements. First, provisions of national security and public infrastructure. Second, formulation of efficient policies and their effective implementation, removal of all obstacles to economic growth and provide tax intensives to encourage capital formation. Third, ensuring a fair,

caring and clean administration (Sihag, 2007). Concept of 'good governance' consists of constitutionalism, rule of law, justice, security of persons and management, electoral and participatory democracy, respect for human rights and basic freedoms, transparency, accountability, ethics and integrity in the conduct of public and private corporate affairs, equity, informed citizenry, effective and efficient delivery of public services and at least the minimum of a decent standard of living for all (Singh, 2005). The United Nations Development Programme (UNDP) described good governance with the elements of people centered, equity, accountability, transparency, participation, consultation in planning and decision making, effective and efficient public sector management, involvement of civil society, rule of law and service oriented. Considering the situation in Sri Lanka, good governance in poverty reduction is a process of management of the poverty reduction, pro-poor and development programmes ensuring transparency, peoples' participation, equality and equity, gender balance, rule of law, justice, informed citizenry, ethics and integrity, accountability, efficiency and effectiveness of service delivery and provide at least the minimum of a decent standard of living for all.

As many believe, good governance is an essential ingredient for poverty reduction (World Bank, 2001). According to Grindle (2004), when governance is poor, the consequences are wasted resources, undelivered services and denial of social, economic and legal protection of citizens especially the poor.

Good governance is deeply problematic as a guide to development. The problematic issues of good governance in poverty reduction in developing countries paved the way towards to emerge the concept of 'good enough governance' in 2000. As described by Jabben (2007), governance is a cultural phenomenon. Therefore, societal values govern the behaviour of people in formal and informal institutions. The modern concept of governance evolved in developed countries with stable democratic political system and competitive markets. Due to the mismatch of different cultures (western and developing countries) and economic and political background, the application of good governance concept for developing countries is making unintended and serious consequences.

2.2 What Poverty Is?

Normally, poverty is defined based on the income, but it is a multi-dimensional phenomena. Often, Poverty is measured by the amount of income needed

for purchasing the required nutritional level of food¹. Such amount of money uses as the cut-off income level of poor from non poor (Ravallion, 1990).

In a broader perspective, poverty is a phenomena occurring due to deprivation of employment, infrastructure, housing, land, water, food and sufficient income. In this sense, poverty has spatial-infrastructure, political-economic, environmental, socio-cultural and gender dimensions. Lack of infrastructure is linked with lack of access to health services, education, communication, market and other public and private services as well as lack of income and employment opportunities (ADB, 2001). Considering the above situation, poverty can be defined as a general state of deprivation, having more to do with entitlement and capacity, rather than conventional indicators such as income and nutrition (Sen, 1999). Therefore, poverty means, the forms of economic, social and psychological deprivation occurring among people lacking sufficient ownership, control or access to resources to maintain or provide individual or collective minimum levels of living standards (Hye, 1996). The World Banks suggested to measure poverty including powerlessness, voicelessness, vulnerability and fear while European Commission defined it including lack of access to education, health, natural resources, employment, land and credit, political participation, service and infrastructure (Pathak etal, 2005).

Poverty is measured based on two approaches. These are: i) Monetary approach, ii) Non-monetary approach (Alailima, 2007).

In monetary approach, poverty is defined as a shortfall in consumption or income in relation to a poverty line. Two types of poverty could be identified within the monetary approach; absolute poverty and relative poverty. Commonly, absolute poverty refers to people's basic needs and it is defined as subsistence below the minimum requirement of physical well-being (Jabbar and Senanayake, 2004). Amartya Sen (1981) defines absolute poverty as "there is an irreducible core of absolute deprivation in our idea of poverty, which translate reports of starvation, malnutrition and visible hardship into a diagnosis of poverty, without having to ascertain first the relative picture". On the other hand relative poverty refers to income or consumption levels that are below a given percentage of the national average. In 2004, the Department of Census and Statistics had computed an official national poverty line using consumption data. However, before that some independent researchers had attempted to measure absolute poverty in Sri Lanka².

The non-monetary approach can be divided into three dimensions as

capability approach, social exclusion approach and participatory approach (Alailima, 2007). Though, it has generally been accepted that in the need of non-monetary approach for defining, measuring and monitoring poverty, there is no consensus about which dimensions to include, what indicators to be used or which method to be adopted (Alailima, 2007, Gunawardane, 2004, Gamage, 2006). A number of dimensions have been used to capture the level of non-monetary poverty such as economy (consumption and assets), human development (education, health, safe sanitation, safe drinking water, electricity), socio-cultural dimension (dignity and network), political dimensions (power and voice) and protective aspects (conflict, natural disasters, risk of eviction) (Cader, 2007, Alailima, 2007). Most methods under the capabilities approach try to measure absolute poverty while social exclusion and participatory approach focus on relative poverty and inequality.

3 Poverty Situation in Sri Lanka

According to the international measures of poverty, 6.6 percent of the Sri Lankans were below the poverty line of US\$ 1 and 45.4 percent were below the US\$ 2 per a day (Alailima, 2007). In Sri Lanka, poverty headcount ratio reduced from 26.1 percent in 1990/91 to 8.9 percent in 2009/10. Further, percentage of poor households based on the official poverty line has decreased from 24.3 percent in 1995/96³ to 7.0 percent in 2009/10⁴. All sub sectors-urban, rural and estate- show the significant achievement reducing poverty headcount ratio from 14 percent to 5.3 percent in urban sector, from 30.9 percent to 9.4 percent in rural sector and 38.4 percent to 11.4 percent in estate sector during the period of 1995/96 to 2009/10. Similarly, percentage of poor households reduced from 11 percent to 3.8 percent in urban sector, 25.9 percent to 7.5 percent in rural sector and 32.2 percent to 8.9 percent in estate sector during the reference period. The present government policy of providing government employment has largely contributed to declining the poverty ratio.

Though, the poverty ratio has been declining, income distribution increased in the recent past. For example, Gini-Coefficient has slightly increased from 0.46 in 1995/96 to 0.49 in 2009/10 islandwide (Department of Census and Statistics, 2013).

Poverty is a rural and agricultural sector phenomenon in Sri Lanka. The largest proportion of the poor population, 85 percent are from the rural sector (Gunawardane, Meedeniya and Shivakumaran, 2007, Department of Census and Statistics, 2011). As revealed by Gunawardane et al (2007), there were

clear differences in poverty by ethnicity. When compared with the Sinhalese, poverty was higher among Tamils and Moors. There is a strong and inverse relationship with education and Poverty. Also, poverty is higher among disabled and in households with a disabled member, regardless of poverty line or measure. Land ownership is linked with poverty and around 1/3-1/2 of the population in landless households were poor (Ibid, 2007). Households with members engaged in paddy farming (29.1 percent), vegetable farming (31.1 percent), plantation crops growing (tea-33.1 percent, rubber-27.8 percent, coconut-16.9 percent, cinnamon-28.1 percent), fishing (26.3 percent), beedi manufacturing (20.7 percent), brick manufacturing (28.4 percent), carpenters (21.4 percent) or construction workers (23.6 percent) had high incidence of poverty (Ibid, 2007). Furthermore, there is a wide variation in the magnitude of poverty in the country across the districts and provinces (Department of Census and Statistics, 2011, Institute for Policy Studies, 2011, Gamage, 2006).

In terms of relative poverty, two major patterns can be observed. First, the income accrued to the bottom 20 percent of the population has remained around 5 percent of total household income in the country over the last five decades. Second, population's nutritional levels have been low, but some improvements have been recorded during the last two decades. In spite of poverty and malnutrition, Sri Lanka's achievement is impressive in terms of the physical Quality of Life Index and Human Development Index. Most indicators are comparable with those of developed countries.

Though, the Country has been achieving high performance in poverty reduction in line with income level, it shows that country faces the issues related to poverty in terms of malnutrition, child labour and many other aspects. Though percentage of children below five years of age, who are underweight for their age, has declined progressively during last decades, 1/5 of children under five years of age are reported to be underweight. On the other hand, half of the Sri Lankan population is deprived of adequate dietary energy (Department of Census and Statistics, 2009a). This phenomenon is remaining unchanged since 1990 but the situation is differing by sectors. For example, as revealed by Department of Census and Statistics (2009) in their work of midterm review of Millennium Development Goals, 65 percent of the urban population deprived of adequate dietary energy while it was reported as 33 percent for estate sector.

Further, food ratio⁵ is 63.1 percent for poor household in Sri Lanka while it is reported as 36.3 percent for non-poor households (Department of Census

and Statistics,2009 b). In other words, higher proportion of the income of poor families spends for food and drinks. As revealed by Household Income and Expenditure Survey (2009/10), poor households spent around 61 percent of their expenditure on food items. However, for all income groups, food ratio was 42 percent in 2009/10 while it was varied from 36 percent in urban sector to 51 percent in estate sector.

Though poor households spent more than half of their expenditure on food items, their calorie intakes are far behind the required calorie intakes per persons. For example, poor households' average per capita energy consumption for Sri Lanka was 1472 Kilocalories in 2009/10 while it was reported as 1139, 1497 and 1596 Kilocalories for urban, rural and estate sector poor households. Similarly, urban area non poor households energy consumption was also less than the required energy consumption. It was reported as 1922 Kilocalories in 2009/10 (Department of Census and Statistics, 2011).

Child labour has declined over the years due to government policies and involvement of non governmental sector. However, 12.9 percent (557,599) of children are providing child labour for the economy. Of the total child laboureres, 1.5 percent (63,916 children) provides hazardous child labour. Of the total child labourers approximately 20 percent never attended schools (Department of Census and Statistics, 2011). This provides evidence for lack of accessibility for education.

4 Major Poverty Alleviation Programmes in Sri Lanka

4.1 Poverty Focused Programmes

Since the independence of the country, the government of Sri Lanka has implemented a number of policies and programmes toward benefits the poor directly or indirectly. The government provided welfare, subsidies, land to landless and many other supports for agricultural activities till 1977. In the post 1978 period, the government provided social safety nets and introduced employment promotion programmes like establishment of free trade zones and 200 garment factories established in rural areas, facilitation and support for migration for foreign employment, employment creation schemes associated with Integrated Rural Development Programmes (IRDPP) in many districts, vocational and technical education programmes for youth and self-employment programmes implemented by governmental and non-governmental organizations.

4.2 The Janasaviya Programme

The commencement of the Janasaviya programme was the milestone of the poverty alleviation programmes in Sri Lanka. The programme was differing from other welfare and poverty focused programme which were implemented since independence of the country. The programme consisted of safety net for the poor, enhancing the poor through government assistance for livelihood practices such as animal husbandry, cottage industries, marketing, agricultural activities and social mobilization and programmes for empower of the poor. The Samurdhi programme was launched in 1995 replacing the Janasaviya programme, food stamps and midday meal programmes. Therefore, existing Janasaviya recipients, totaling 403,000 were brought under the Samurdhi programme.

4.3 The Samurdhi Programme

The Samurdhi Programme is the major poverty alleviation programme of the government and is implemented under the Ministry of Economic Development of Sri Lanka. It employs approximately 27,600 employees island wide under various job categories. Of these, around 24,000 are Samurdhi Development Officers, 2,000 are Samurdhi Managers and others are engaged in various job categories attached to the Colombo head office (Samurdhi Authority of Sri Lanka, 2011). The Samurdhi programme had 1,549,107 beneficiaries by the end of the 2012. Of them, around 3 percent of the total beneficiaries (52,686 beneficiaries) had benefited from the social security fund in 2012 (Central Bank of Sri Lanka, 2012).

The government allocates around 0.2 percent of Gross Domestic Products for safety net transfers by annually (Kesavarajah, n.d.). It was around 01 percent of total government expenditure (Jayaweera, 2010). The government has been allocated approximately 4-5 percent of national budget for safety net assistance of the Samurdhi programme (www.med.gov.lk).

The main objective of the programme is to get the low income earning families to join the main stream of the country's economic process by encouraging them, whilst subsidizing them financially to enable them to maintain their living conditions at least at the critical minimum level (Samurdhi Authority of Sri Lanka, 2008). By the end of 2011, Samurdhi benefits had been bestowed on 1,541,619 families. As at end of December 2013 number of small groups were 400,470 island-wide and members of the small groups were 2,489,466.

The programme consists of six major components as follows:

- i) Welfare programme (this consists of food stamp, subsidy for fuel, nutrition package for pregnant and lactating mothers, milk feeding subsidy for children between years two and five)
- ii) Social insurance support to the poor to protect during extreme situations such as hospitalization and death of a family member
- iii) Savings and financial assistance (micro credit and savings)
- iv) Spiritual and social development programme (anti narcotic and anti smoking projects, programme for preventing child abuse, women development projects, scholarship projects, cultural development projects, family development and moral upliftment projects)
- v) Infrastructure development programme
- vi) Human resource development programme (livelihood development and empowerment) (Perera, N.D).

The Samurdhi bank is one major component of the programme. It consists of micro credit, savings and social insurance which consistently supported to reduce the vulnerability of the poor in some occasions such as death, hospitalization and child birth. There are 1,400 banks island- wide in 2013. The total number of members was 3,157,719 as at the end of 2013 (Dinamina, 23.12.2013). Of them, 65.6 percent were females. The Asian Development Bank identified the Samurdhi Banking Union system as the world's fourth largest micro financial structure. The Bank has LKR million 4,212 worth share capital. The Samurdhi Banks have released 3,721,662 loans worth at LKR 4,835 million as at 31.12.2009 (www.samurdhi.gov.lk). According to the Samurdhi Authority of Sri Lanka, 76 percent (790) bank societies have been self-sufficient in financially. As at 31st December 2011, the Samurdhi banks unions had 5,524,025 accounts including member, non-member, group, Diriya Maatha, Kekulu and Sisuraka. The total amount of deposits had grown up from LKR 768.96 million in 1999 to LKR 18,907.33 million in 2011. During the year 2011, 522,226 members had taken credit facilities worth LKR 13,189 million. The recovery rate for the year 2011 was 111.90 while bad debt rate was reported as 5.51 percent.

The Samurdhi Authority has introduced a number of credit programmes for

various activities such as Mihijaya loans programme for self-employment and income generating activities, Loans for fisheries and cultivation, Kirula Development credit scheme, Housing loan, Viduli Athwela credit scheme to provide support for getting electricity connections for beneficiaries houses, Consumer loans, Distress loans and Swasakthi loan scheme. The Samurdhi Authority issues loans for income generating activities with different interest rates for beneficiaries (8 percent) and low income earners (10 percent) while for other loans interest rate is 12 percent. Of the total loans highest proportion (53 percent) has been given for self employment activities while least proportion (4 percent) is for consumption. As explained by the Annual report (2011) of the Samurdhi Authority of Sri Lanka, they had invested LKR 39,048 million in state banks by 31st December 2011.

In addition to banking and financing sector, the Samurdhi Authority of Sri Lanka has been implementing its programme in various ways such as animal husbandry, fisheries programme, infrastructure development programme, agricultural development programme, industrial development programme and marketing development programmes. In the year 2011, infrastructure development projects were implemented giving high priority to irrigation and water supply and under this section, 5,969 projects were completed including roads/bridges, irrigation projects, water supply and sanitary facilities. Number of beneficiary families of those projects were 142,552. The finished value of the projects was LKR 575.13 million and of them 47.15 percent (LKR 271.18 million) was contributed by beneficiaries (Sri Lanka Samurdhi Authority of Sri Lanka, 2011).

Under the animal husbandry and fisheries development programme, the authority basically provided facilities for animal husbandry and fisheries development projects, introduced value added projects and provided market facilities for the beneficiaries. Furthermore, the authority attended to all coordination functions related to the introduction of services and new technology to the beneficiaries. Under this programme the Samurdhi Authority of Sri Lanka implemented 8,393 projects in 2011. These projects consisted of dairy farming, goat farming, breeding of pigs, egg production, broiler production, cattle sheds, marine fisheries, inland fisheries, exotic fish, fishery and dairy products.

The industrial development programmes have been involved in the development of cottage industries and uplifting the income of beneficiaries and low income families. Under this programme the Samurdhi Authority of Sri Lanka implemented 14,204 projects spending LKR 373.4 million during

the year 2011 (Ibid, 2011). These projects consisted of welding industry, carpentry, tailoring, blacksmith industry, masonry, lacquer industry, brick industry, jewellery and gem industry, rice processing industry, pottery, coconut fire related products , exercise books and paper related products , gold and silver related products, cement related products, leather related products, electronic products , aluminum article products, coconut oil production, joss stick/lamp wick products, candle production, jaggery/sweet products, grinding of spices and cereals, bakery industry and machinist work.

The marketing development programme has been implementing functions with the objective of strengthening and making sustainability of ongoing small and medium scale enterprises (SMEs). Fulfill the objective, the authority provides necessary capital equipment to the low income families and Samurdhi beneficiaries who are engaged in small and medium scale enterprises. The Samurdhi Authority of Sri Lanka allocated LKR 309.98 million for the selected projects in 2011 but spent only LKR 144.16 million as at end of 2011. Under this programme, the Samurdhi Authority of Sri Lanka helped to start 7,727 projects. In addition, by using cyclic fund another 2,186 projects were started in 2011 (Ibid, 2011). Most of the project are sales outlets for various items.

5 Governance issues in Samurdhi Programme

There are number of criticisms related to the Samurdhi programme and its' implementation such as weakness of targeting⁶ (Glinskaya, 2000; Gunawardane, Meedeniya and Shivakumaran, 2007; Gamage, 2006), effectiveness⁷ (Glinskaya, 2000; and Gunatilaka and Salih, 1999.), politicization of the programme and achievement of targets (Fernando, 2009).

5.1 Transparency

All poverty alleviation programme launched by the government since 1989 become highly politicized at the implementation stage (Kelegama, 2001, Gamage, 2006). It appears, the animators were appointed under political patronage system. The recruitment process of the Samurdhi Development Officers is not systematic and transparent. Around 7 percent of the Officers of the Samurdhi Authority of Sri Lanka proved the situation mentioning that they do not have systematic and transparent recruitment process (Damayanthi and Champika, 2014). Therefore, officers are very often subject to pressure and interference of politicians and grass root level political organizations in carrying out their duties. This is specially prevalent in selection

of beneficiaries and infrastructure development projects (Salih, 2000). As a result, it has seen serious mis-targeting in the project (Glinskya, 2000, Salih, 2000, Gamage, 2006).

Under the Samurdhi programme, the government provides a huge amount of money for the upliftment of the poor. But, it has been found that the selection process is not much clear or transparent for the beneficiaries. Often, the selection is biased due to personal intervention of the officers. As many bank customers mentioned, at the field survey on evaluation of Samurdhi Banks in poverty alleviation (2012), selection of beneficiaries for livelihood development projects under divineguma programme is not much transparent. Further, even though some people have been selected as beneficiaries they themselves do not know what are the selection criteria and how they were selected for the programme.

In addition to biasness of the officers, it also appears that political patronage also affects the programme. For example, the process of issuing of credit from the Samurdhi banks influence from politicians in some areas. Monaragala district is the best example. Due to influence of the politicians from grass root level to regional level banks had to issues loan moving away from their accepted procedures. As a result, recovery rate has gone down and most of the banks which faced the problem are now identified as lost banks (Damayanthi and Champika, 2014). There are many other problems associated with fulfilling the Samurdhi programme's objectives such as rampant corruption involved with forgoing rent seeking behaviour of people involved (Gamage, 2006). On the other hand, subsidy and social safety net programmes are used as strategy for maintenance of a vote bank favourable for the political parties than reduce poverty and inappropriate policy tends to overlook the issues related to equity (Gamage, 2006).

5.2 Equity, Equality and Social Justices

Major issue related to equity, equality and social justices is poor targeting of the programme. As many researchers pointed out, major weaknesses of the Samurdhi programme is mistargeting (Glinskya,2000, Salih, 2000, Gamage, 2006, Damayanthi and Champika, 2014). Also, the programme provides assistance to a large number of households from its beginning over the numbers reported in national poverty surveys. For example, Glinskaya (2000) revealed that though poverty ratio was 20 percent in 1990, the Samurdhi programme covered 50 percent of the households in the country.

The programme included some portion of well-off people while excluding some portion of poor. The recent research done on Samurdhi banks in eight districts proved the fact (Figure 01). As mentioned by the officers of the Samurdhi Authority, they did not do a survey regarding beneficiaries recently, therefore, the programme can not include even very poor people for the programme or exclude wealthier people due to practical problems. This was proved by survey results. As given in the Table 01, only 7 percent of sample families (including both beneficiaries and non-beneficiaries) get less than LKR 1,500 which was considered as income level for Samurdhi beneficiaries. If, less than LKR 1,500 per month is considered as family income for selection criteria of beneficiaries according to the survey results given in Table 01, of the present Samurdhi beneficiaries only eight percent are eligible for the subsidy.

This logic is proved by another set of data of the survey but in different quantities as given in the Figure 01. According to the Figure 01, more than fifty percent of the Samurdhi beneficiary families in all the districts except Jaffna and Batticaloa, get monthly family income exceeding district poverty line during the survey period. The poverty lines of the survey districts are given in Table 2.

Available information revealed that the programme does not cover 40 percent of the poorest income quintile at all while 51, 45, 36 and 4 percent of the households in third, fourth, fifth and tenth income quintiles get support from the programme (Table 3).

Social justice is questioned in this scenario. Even though the government provides public finance including tax money collected from the people for the Samurdhi programme, it is redistributed among a portion of well-being people while excluding some portion of poor which need to assistance from outside for their survive.

5.3 Informed Citizenry

Lack of accurate, sufficient and timely information is another weaknesses of the Samurdhi programme. As mentioned in the section on transparency, many beneficiaries felt with inadequate information. Most of the officers tend to share information specially related to some sort of subsidy schemes with their closer group instead of announcing publicly. Therefore, benefits will be limited to a few and the most suitable persons may not be included as beneficiaries.

In some areas of the Batticaloa district like kalavanchikudi, beneficiaries were selected for livelihood programme and provided subsidies. However, after getting subsidy they only know what the terms and conditions are. Under this programme, beneficiaries had to put 50 percent of the project cost. Since most of the selected beneficiaries were not willing to invest in such projects or some of them did not have enough capital to invest, most of the projects were unsuccessful even the area had persons who have capacity to implement such project.

This weakness was also noticed in the Samurdhi banks. Though great majority (95 percent) of the Samurdhi bank customers were aware of loan conditions, only 76 percent of the customers have had a clear idea of the insurance scheme which was implemented by the Samurdhi Authority (Damayanthi and Champika, 2014). In some district like Vavuniya, awareness on insurance scheme is less (46 percent in Vavuniya district). Furthermore, majority of the bank customers (63 percent) do not have a clear idea of annual interest rates of their deposits (Ibid, 2014). Making the beneficiaries aware of programmes is a responsibility of the officers and it could have done at small group meeting or village society meeting. But survey result shows that officers did not carry out their duties properly.

5.4 Accountability

Regarding the Samurdhi programme, accountability of officers as well as beneficiaries is problematic. The officers those who are functioning as animators of the programme, have a duty to exclude the beneficiaries those who get rid of the poverty and include those who need government assistance for their minimum standard of living. Also, beneficiaries have a social responsibility to move away from Samurdhi subsidy when they get out of poverty, providing chance to others, those who need help from the programme. Most often, both parties do not consider the matter. Therefore, accountability of both parties are questioning in the present scenario.

The major objective of the Samurdhi programme is stimulating the people to get out of poverty. However, the programme certainly cultivates a dependency culture rather than stimulate the people to get out of poverty (Salih, 2000, Gamage, 2006). Though, some beneficiaries get out of poverty, most of them do not like to give up the subsidy allowance. This is not only for money, but also for other benefits people who can claim as Samurdhi beneficiary such as social insurance, subsidiary price for new electricity and water supply connection, scholarship for grade five scholarship examination and Mahapola scholarship for undergraduates (Damayanthi and Champika, 2014).

5.5 Efficiency and Effectiveness

Furthermore, previous research findings also reveal that the programme is not effective in poor provinces or districts where infrastructure is (very poor) inadequate to a great extent (Glinskaya, 2000, Gunatilaka and Salih, 1999). As pointed out by Damayanthi and Champika (2014), around 12 percent of the Samurdhi bank customers faced the issues of inefficiency and ineffectiveness of the service delivery. Also banks customers (17 percent) mentioned that issuing of the loans by the banks delayed from one week to two months due to inefficiencies of the officers. Though small groups are the most important part of the Samurdhi programme, officers are rarely participate in the meetings. Therefore, communication as well as empowerment of the people is not much success as expected by the government. As a result of inefficiencies of the officers, some times the programme couldn't achieve the target. For example though, the Samurdhi Authority of Sri Lanka was allocated LKR 309.98 million for the selected marketing development projects in 2011, it spent only LKR 144.16 million (46.5 percent of total allocation) as at the end of 2011.

6 Conclusion

The Samurdhi programme was introduced replacing the Janasaviya programme in 1995. The programme is rich with the concepts and procedures but poor in governance in terms of transparency, accountability, efficient and effectiveness, informed citizenry, equity and justice. The programme seems to be politicized since the initial stage. Therefore, though the major objective of the programme is reducing poverty through empowering the poor, it has been performing as an agent to protect and enhance the voter bank of the politicians. Further, programme's objectives are badly affected by the personal biasness of the officers in many ways such as unnecessary intervention for selecting beneficiaries for the programmes and safety net, decision making on infrastructure development and project implementation. Though the government attempts to avoid some governance issues establishing the Janasabhas at grass root level, it does not appear as a success step or remedy for the issues at all.

Endnotes

1 The accept calorie intake for a person is 2030 kilocalories per day. Those who unable to get such amount of calories due to insufficient income called as poor.

2 Bhalla and Glewwe in 1985 calculated poverty line in of 1969/70 as Rs.21 (person/month). Gunaratne in 1985 has calculated Rs.70 and Rs.106 (person/month) as a poverty line in 1978/79 and 1981/82 respectively. Pradhan in 1999 has calculated Rs.860 (lower) and Rs. 1,032 (person/month) as a poverty line in 1996/97.

3 Excluding Northern and Eastern Provinces

4 Excluding Mannar, Kilinochchi and Mulathivu districts

5 Proportion expenditure on food and drink (non-alcoholic) to total expenditure

6 Glinskaya (2000) revealed that though poverty rate was 20 percent in 1990, Samurdhi programme covered 50 percent of the households in the country. Forty percent of the poorest households do not get support from the programme while 51, 45, 36 and 4 percent of the households in third, fourth, fifth and tenth income quintiles get support from the programme.

7 Programme is not effective in poor provinces or districts where infrastructure is (very poor) inadequate to a great extent

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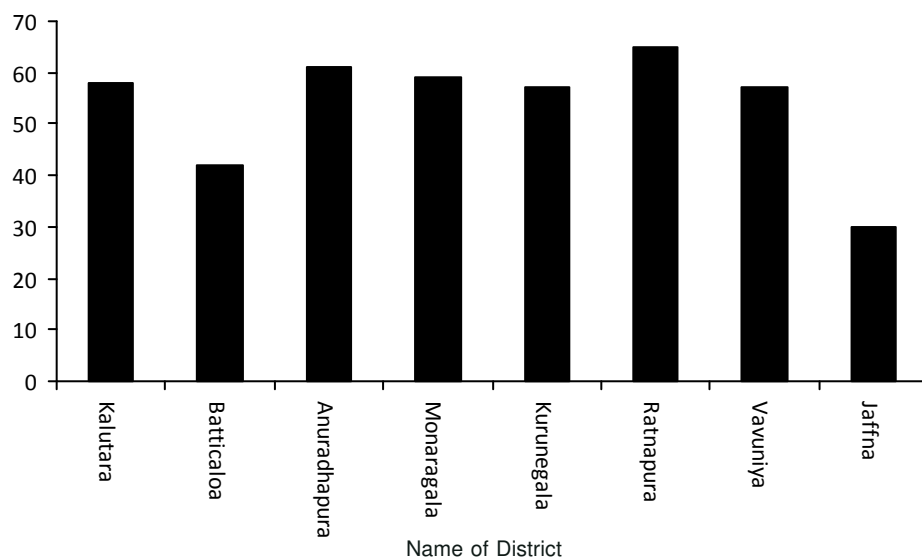


Fig.1 : Percentage of Samurdhi Beneficiary Families having Monthly Income above the Poverty Line

Source : Field Survey, 2012

Table 1 : Sample by Monthly Family Income (LKR)

Level of Income (LKR)	Percentage		
	Samurdhi Beneficiaries (N=383)	Non-beneficiaries (N=95)	Total (N=478)
Less than 1,500	7.8	3.2	6.9
1,500-5,000	11.1	7.4	10.3
5000-10,000	17.8	10.5	16.3
10,000-15,000	22.2	15.8	20.9
15,000-25,000	21.1	24.2	21.8
More than 25,000	20.1	38.9	23.8
Total	100.0	100.0	100.0

Source: Field Survey, 2012.

Table 2 : Poverty Line by Districts (As at March 2013)

Name of District	Poverty Line (LKR)*
Kalutara	3,798
Batticaloa	3,896
Anuradhapura	3,585
Monaragala	3,563
Kurunegala	3,596
Ratnapura	3,626
Vavuniya	3,776
Jaffna	3,933
National	3,659

Source: www.statistics.gov.lk

* Minimum expenditure per person per month to fulfill the basic needs

Table 3 : Distribution of Samurdhi Beneficiary Households by Monthly Income Deciles

Household Income Deciles	Average Household Income (Rs) in 2006/07	Percentage of Households receiving Samurdhi in 2006/07
First deciles	4,288	60
Second deciles	7,680	51
Third deciles	10,170	45
Fourth deciles	12,540	36
Fifth deciles	15,225	32
Sixth deciles	18,404	25
Seventh deciles	22,450	21
Eighth deciles	28,290	14
Ninth deciles	38,467	9
Tenth deciles	105,438	4

Source : Household Income and Expenditure Survey-2006/07, Department of Census and Statistics.