

Comparison of Current status of well-being of Samurdhi beneficiaries with respect to their business activities

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Although more than half a decade after gaining independence, poverty remains to be a major problem prevailing in Sri Lanka. The Samurdhi is the largest poverty alleviation programme implemented in the country. Main aim of it is to promote self-reliance by developing income generating self-employment. This study was designed to compare the current status of well-being of Samurdhi beneficiaries with respect to their business activities using the asset poverty dimension approach.

A purposive sample of 120 respondents including 60 Samurdhi beneficiaries who are involved in micro-enterprises and 60 Samurdhi beneficiaries who are not involved were selected for the study. Principal Component Analysis (PCA) was used to construct the household asset related wealth index to compare the two groups. Data was gathered using a structured questionnaire.

The findings of the research revealed that, majority of the micro-enterprise owners were females. Many of them have had education up to G.C.E. (O/L) and majority have had the access to credit. Females were more involved in food processing and animal husbandry, while males were involved mainly in trade and service related activities. Lack of skills and support from the family members were the main reasons for others to not involve in micro-enterprises.

The study further constructed a wealth index which explained 52.7 percent of the total variance and ranged between -2.522 to 2.031. Eighty percent of micro-enterprise owned households fall within the highest well-being group. A t test confirms that the difference of means when compared between groups is statistically significant. Based on the above results, it could be concluded that micro-enterprise owners are relatively better off than the people who were not involved in micro-enterprises. Thus, promoting micro-enterprises can be regarded as a better way to reduce poverty among low income earners in Sri Lanka.

Key words: Poverty; Wealth index; Samurdhi; Micro-enterprises; Well-being

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