
Sri Lanka Country Report

Review of Social Protection Policies and Programmes Strengthening Family Well-being

Prepared by
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Working Paper 2

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Review of Social Protection Policies and Programmes

Strengthening Family Well-being in Sri Lanka

Introduction

Sri Lanka's achievements in the areas of social development and social protection surpass most developing countries. The country has made considerable progress on the millennium development goals. It provides the most extensive social security coverage in South Asia. However, the performance in poverty reduction during the past decade has been modest. While challenges remain, particularly in improving the quality of education and health services as well as the income levels of the poor and reducing regional disparities in social and economic outcomes, Sri Lanka's accomplishments are remarkable for a developing country which has endured a civil conflict for 25 years (World Bank, 2005).

During the past few decades, the family structure in Sri Lanka has also undergone significant changes transforming the traditional family to a nuclear one. The traditional family comprised a large number of members. The large families were not only due to several generations living together, but also because of the many children in families. The family size was mainly determined by cultural and economic factors. In the rural setting, children became an economic asset to work in the farm and household enterprises. The production of goods and services was largely household-based and having a large family made both economic and social sense.

The widespread social and economic development over the past five decades in Sri Lanka has brought about changes in the family size due to fertility decline and migration of young persons to urban areas for employment. An important feature in the modern family system is the changing attitude towards the value of children resulting from the decreasing economic benefits from children to the family.

Furthermore, with changes in economic structure and urbanization, growth of employment opportunities in urban areas and in the Free Trade Zones and numerous

industries, a large number of females seeking employment outside the home. There is therefore, no doubt that family roles and responsibilities have been transformed as a result of the changes that are taking place in the family structure.

Despite the changing family structure, social protection programmes in Sri Lanka have continued to support and improve family well-being.

1.1 Families and Households

The concepts of the family and household have close similarities. The composition of a family depends on a biological relationship while that of a household is based on certain living arrangements. The United Nations defines a household as “an arrangement made by persons, individually or in groups, for providing themselves with food or other essentials for living. The persons in the group may pool their resources and have a common budget; they may be related or unrelated persons or a combination of persons both related and unrelated” and a family within the household concept is defined as “those members of the household who are related, to a specified degree, through blood, adoption or marriage” (United Nations, 2006). Therefore, according to the United Nations definition, a household can have more than one family, or one or more families together with one or more non-related persons, or it can consist entirely of non-related persons. A family typically will not comprise of more than one household.

In this paper, household data will be used as a proxy for families as in Sri Lanka the large majority of households (97%) comprise of either nuclear or extended families.

1.2 Family Well-being

The well-being of families is fundamentally important to the well-being of individuals and society. In recent years, there has been a growing government and academic interest in the concept and measurement of family well-being in many countries. However, there is yet no widely accepted framework which focuses specifically on family well-being which can guide research and policy development. The Australian Institute of Health and Welfare publishes a report, *Australia's Welfare* every two years using a conceptual framework which considers welfare as a function of healthy living, autonomy and participation and social cohesion - factors that are relevant but not focused on families. In 2005, the Australian Institute published 'A manifesto for

wellbeing' stating that Australians are three times richer than their parents and grandparents were in the 1950s but they are not happier today. The manifesto recommended for government action to improve national well-being by providing fulfilling work, investing in early childhood and discouraging materialism and promoting responsible advertising.

In the UK a children's wellbeing framework under the title 'Every Child Matters' specifies desired outcomes in the areas of health, safety, enjoyment/achievement. In the USA, the 'Redefining Progress' consortium has developed the Genuine Progress Indicator (GPI) to measure the performance of the US economy as it affects peoples lives. The GPI assigns values to the functions of households, communities and the natural environment.

After examining models of national and individual well-being and welfare, Families Australia Inc. (2006) has put forward four main elements of family well-being:

- a) Physical safety and physical and mental health
- b) Supportive intra-family relationships
- c) Social connections outside the family
- d) Economic security and independence

McKeown and Sweeney (2001) have shown that the following concerns affect the well-being of the family in Ireland.

- a) Health
- b) Employment
- c) Low income
- d) Education
- e) Population
- f) Crime prevention
- g) Gender relationships
- h) Human rights and
- i) Social Capital

2. Conceptual Framework on Family Well-being

Taking note of the models and concepts on family well-being discussed in the preceding section, the following conceptual framework is adopted in this report to show the influence of social security and social service programmes on family well-being in Sri Lanka (see Figure1). Although family well-being has both physical and psychological dimensions, in this framework we will discuss only the physical well-being as no study has been undertaken in Sri Lanka to examine the psychological well-being at the family level.

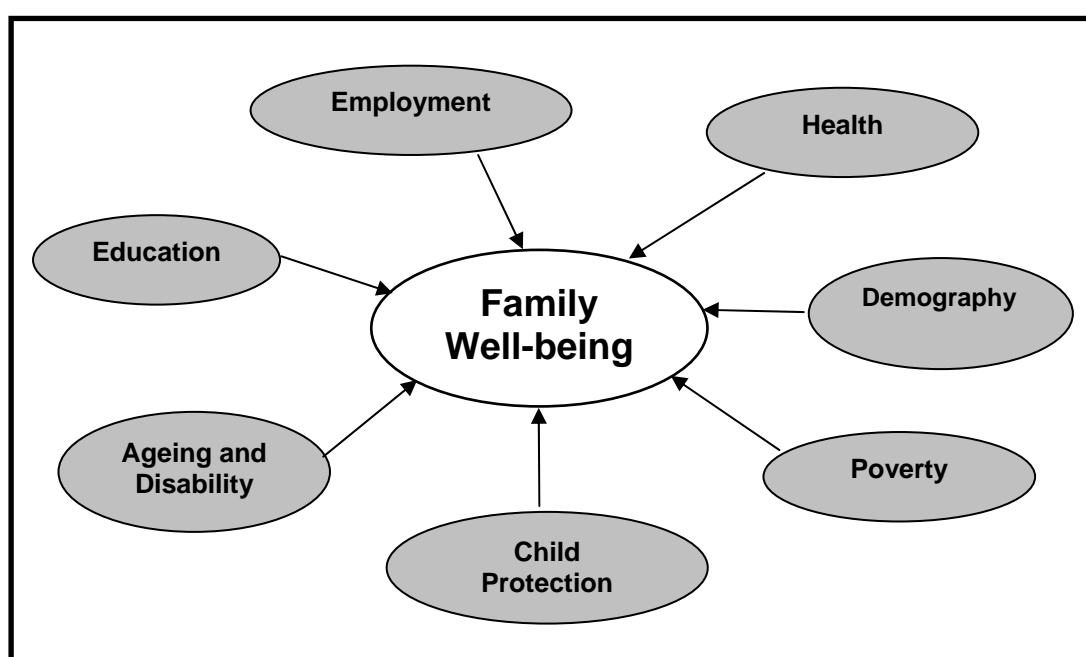


Figure 1: Conceptual Framework on the influence of Social Protection Policies and Programmes on Family Well-being in Sri Lanka

The conceptual framework presented in Figure 1 indicates that concepts such as health, education, poverty and child protection policies and programmes etc. directly influence family well-being. Demographic concerns and family well-being relate to declining fertility and increasing longevity resulting in population ageing and the migration of family members for employment. These have important implications for economic and social life of the family. Similarly, health concerns particularly that relate to mothers and children and of the elderly and the disabled have implications on family well-being. Employment protection particularly of women is another area of concern. Children's well-being are undermined by growing pressure on parents to spend long hours in paid work. Thus the introduction of new work practices to

make "family friendly" employment policies is a way of improving family well-being. Poverty which relates to family income has direct impact on family well-being. The vicious cycle of poverty and educational attainment is well known. The abuse of children for exploitative employment and sexual purposes affect the well-being of both children and parents.

At present Sri Lanka has no overall definition of social protection. Nevertheless, social protection in Sri Lanka addresses policies and programmes on employment protection and promotion, social insurance schemes such as pensions, other defined contributory pensions and the provision of free education and health care to the entire population. The government also maintains other social safety nets and facilities to prevent very low standards of living.

Based on the conceptual framework presented in Figure1 the social protection policies and programmes are briefly described in the following sections.

2.1 Changing Demographic Structure of Households

The total number of households in Sri Lanka has increased from 1.84 million in 1963 to about 4.5 million in 2003/04. However, the average size of household has declined from 5.75 to 4.31 during the same period (Table 1). The declining trend has been observed in all sectors such as urban rural and the estates. The long term decline in the average household size is mainly due to the decline of fertility with the spread of family planning facilities and rising educational level of females and their participation in the economic activities outside the home in urban centers and outside the country.

The effective implementation of population policies and programmes in Sri Lanka have contributed to rapid decline in fertility. Policy decision was taken in 1965 to introduce family planning as part of the maternal and child health programme of the Ministry of health. In 1977 the government policy on population stressed the need to strengthen clinical services and provide financial inducements to providers and acceptors of voluntary sterilizations. In 1991 the policy statement of the government emphasized the need to reach replacement level fertility at least by the year 2000. In 1998 a National Population and Reproductive Health Policy was formulated to address the emerging population issues resulting from the changing demographic scenario in the country.

As a result of these policies and their effective implementation, the contraceptive prevalence rate increased from 34 percent in 1975 to 70 percent in 2000. The rising contraceptive use and the age at marriage of females from 20.9 years in 1953 to 24.6 years in 2000 have contributed to the decline in the total fertility rate from 5.0 children per woman during 1962-64 to 1.9 between 1995-2000. The increasing educational attainment of females and their participation in the labour force outside the home have no doubt influenced this change.

The migration of females for employment in urban areas in the country and the migration to the Gulf States and other South East Asian countries during the past few decades is also seen a new phenomenon that has contributed to the decline in the household size.

Table 1: Average Household Size by Sector, 1963 to 2003/04

Sector	1963	1973	1981/82	1996/97^a	2003/04^b
Urban	5.97	5.78	5.50	4.89	4.44
Rural	5.70	5.63	5.20	4.56	4.28
Estate	5.80	5.24	4.80	4.74	4.56
All Sectors	5.75	5.62	5.20	4.61	4.31

Source: Adopted from Table 3.1 of the Consumer Finance and Socio-Economic Survey Report, 2003/04, Part 1.

^a Excludes the Northern and Eastern Provinces

^b Excludes the Kilinochchi, Mannar and Mullaitivu Districts

It is evident from Table 2 that the income dependency ratio (average number of dependents per income receiver in a household) has declined from 2.7 in 1963 to 1.7 in 2003/04 period. It signifies an improvement with regard to the overall welfare of households over time. This decline is observed both in the urban and rural sectors. However, in the estate sector a slightly reverse trend is noted. This may be partly due to the migration of potential income receivers to households outside the estate sector and the slight increase in fertility during the more recent periods.

Table 2: Income Dependency Ratio of Households by Sector, 1963 - 2003/04

Sector	1963	1981/82	1996/97 ^a	2003/04 ^b
Urban	3.0	2.4	2.3	1.6
Rural	3.1	2.4	1.9	1.8
Estate	1.1	1.0	1.3	1.4
All Sectors	2.7	2.2	1.8	1.7

Source: Adopted from Chart 3.13 of The Consumer Finance and Socio-Economic Survey Report, 2003/04, Part 1. a Excludes the Northern and Eastern Provinces b Excludes the Kilinochchi, Mannar and Mullaitivu Districts

The head of household is defined as the person who usually resides in the household and is acknowledged by other members of the household as the head. The proportion of female headed households in Sri Lanka is about one fifth of the total households (Table 3). This is largely due to the high proportion of widowed population (65 percent). However, it is interesting to note that of the females who head households, nearly one fourth are currently married (Table 4). This may be partly due to the spouses being away from home for employment.

Table 3: Proportion of Female Headed Households, 1993 and 2000

Category	1993	2000
Total number of Sampled Households	8,918	8,169
Female Headed Sampled Households	1,712	1,665
% of Female Headed Households	19.2	20.4

Source: Demographic and Health Surveys 1993 and 2000

Table 4: Distribution of Male and Female Headed Household by Marital Status, 2000

Category	Male	Female
Single	2.1	3.7
Married	93.9	24.4
Widowed	3.1	65.1
Divorced/Separated	0.6	6.8
Total	100.0	100.0

Source: Demographic and Health Survey, 2000

The distribution of male and female headed households by educational level shows that 66 percent of males have had education at secondary and higher levels. The corresponding proportion for females is about 45 percent. It is also to be noted that nearly one fifth of females have had no schooling (Table 5).

Table 5: Distribution of Male and Female Headed Households by Educational Level, 2000

Category	Male	Female
No Schooling	4.7	19.6
Primary	29.0	34.4
Secondary	40.0	29.9
GCE (O/L)	16.5	10.7
GCE (A/L) and Higher	9.6	5.3
Total	100.0	100.0

Source: Demographic and Health Survey, 2000.

Based on data of the Household Income and Expenditure Survey of 2002, Jayathilaka (2007) found that about 21 percent of households were headed by females and of those the majority (72.1 percent) were in the rural sector. The distribution of female headed households by districts shows that Colombo, Kandy and Gampha have relatively high proportions (Table 6).

Table 6: Distribution of Female Headed Households by Sector and District, 2002

Category	Female Headed Households	Total Households
<i>Sector</i>		
Urban	21.9	19.2
Rural	72.1	73.8
Estate	6.0	7.0
<i>District</i>		
Colombo	12.6	12.1
Gampha	9.7	8.7
Kalutara	7.6	7.8
Kandy	11.2	9.5
Matale	4.1	4.1
Nuwara Eliya	3.5	4.3
Galle	6.3	5.7
Matara	4.9	4.2

Hambantota	3.3	3.9
Kurunegala	8.4	7.9
Puttalam	3.8	4.2
Anuradhapura	3.5	3.8
Polonnaruwa	3.3	3.4
Badulla	5.0	5.4
Moneragala	2.3	3.1
Ratnapura	5.9	7.8
Kegalle	4.5	4.1
Total	100.0	100.0
Total Households	3,496	16,024

Source: Adopted from Table 1 in Jayathilaka (2007).

2.2 Educational Programmes

In Sri Lanka, free educational services have been made available to the entire population since 1945. This facility is available for primary, secondary and tertiary levels of education. Schooling is compulsory for children in the age group of 5-14 years. The fruit of these policies and programmes have been reaped in subsequent generations with the large majority of Sri Lankan parents giving high value to education.

Sri Lanka's achievements in literacy are impressive and comparable with developed countries. The literacy rate increased from 88.6 percent in 1986/87 to 92.5 percent in 2003/04 (Table 7). The compulsory education cycle in Sri Lanka is from Grade 1 to Grade 9. Net enrolment in Grade 1 is about 97 percent for both boys and girls, and nearly all children complete grade 5 (Table 8). At the end of the compulsory education cycle, Grade 9, completion rates are about 81 percent for boys and 84 percent for girls.

The high primary education enrolment rates are the outcome of several complementary and mutually reinforcing policies such as free education, special education programmes for disadvantaged students, free text books, free school uniforms and subsidized transport, and strong political commitment for education.

Sri Lanka has not yet achieved universal secondary education, with about 18 percent of the children failing to complete Grade 9. An important equity issue exists as these children are drawn from poorer homes, economically disadvantaged geographical regions such as the rural hinterland, conflict-affected areas and the estate sector, or are disabled and handicapped.

The overall tertiary education enrolment rate is about 11 percent of the eligible population. The major proportion of tertiary enrolment, about 6 percent is in courses outside the national university and formal technical education sectors, that is, the private sector. The university enrolment is approximately 3 percent and advanced technical education enrolment about 2 percent. About 70 percent of tertiary education enrolment is in the private sector. Overall, tertiary education enrollment rates have increased by about 38 percent over the period 1997 to 2002.

Government education expenditure in Sri Lanka currently amounts to about Rs 40 billion annually. The education budget is approximately 3 percent of national income and 7 to 9 percent of government spending.

Table 7: Literacy Rates by Gender, 2003/2004

Category	Survey Period		
	1986/87	1996/97	2003/04
Both (a)	88.6	91.8	92.5
Male (a)	92.2	94.3	94.5
Female (b)	85.2	89.4	90.6

Source: The Consumer Finance and Socio Economic Survey Report 2003/2004. (a) Excluding Northern and Eastern Provinces
(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 8: Net Primary School Attendance Rates by Sex, 1990/91-2002

Sex	1990/91	1995/96	2002
Both	95	96	96
Boys	95	96	96
Girls	95	96	96

Source: World Bank estimates, based on the HIES 2002; Treasures of the Education System in Sri Lanka, 2005, World Bank Annual Report, 2005.

There are several other welfare programs currently functioning under the Ministry of Education involving the provision of free school text books, uniforms and meals.

The objective of providing free text books to children is to sustain the free education programme by providing equal opportunities for all children and enhance the quality and value of education as a poverty reduction strategy. The beneficiaries of the programme are students in the Government schools and government assisted schools and students in primary Pirivenas (Temple schools). Total expenditure on text books as at 2005 was approximately Rs1.08 billion for the 3.55 million children.

Secondly, the primary objective of the free school uniform programme is to promote the school attendance of students in poor families. According to the National Budget Report of 2006, the actual expenditure for year 2005 has been Rs 1.06 billion for approximately 3.84 million students.

Thirdly, the objective of introducing the school nutrition programme is to: Increase the nutrition level of primary school children; minimize nutrition deficiencies; to increase the school attendance and reduce school avoidance; promotion of pupil activities and abilities and enhance good health and nutrition habits and prevention of bad nutritional attitudes about local foods.

The most suitable schools to implement this project were identified via a critical level assessment done in year 2002. Therefore, the types of beneficiaries are limited to the students in grade one of selected schools. Food is provided on a daily basis. The total expenditure on the school nutrition program in 2005 was Rs. 166 million.

Other programmes include: scholarship programmes and student assistance and special assistance programmes. The total actual expenditure for these programmes as at 2005 was Rs. 157.3 million (Table 9).

Table 9: Expenditure and Beneficiaries of other Welfare Programmes in Education, 2005

Activity	2005	
	No. of Students (Approx)	Rs. (m)
Free school text books	3,551,657	1,080,000,000
Free school uniform material	3,836,555	1,060,288,000
School nutrition program	48,320	166,077,000
Scholarships and special assistance	64,007	157,284,000

Source: Ministry of School Education, Budget Reports 2006/2007.

2.2.1 Impact of Educational Programmes

The educational programmes have contributed to the improvement of both literacy and educational attainment of the general population in Sri Lanka (Table 10). These achievements no doubt, have also contributed to improving family well-being at the household level.

The influence of education on an individual's occupational attainment is not only an important source of economic benefit, but it also facilitates inter-generational social mobility. It is evident from Table 11 that education clearly has a strong and positive effect on seeking higher level occupations thereby enhancing family well-being.

Table 10: Percentage Distribution of Population by Educational Attainment, 1971-2001

Educational Attainment	1971			2001		
	Total	Male	Female	Total	Male	Female
No Schooling	25.7	19.5	31.2	6.4	4.8	8.0
Primary	30.0	31.7	28.2	22.8	23.7	21.9
Secondary	43.6	47.4	39.7	69.4	70.0	68.8
Tertiary	1.2	1.4	0.9	1.4	1.5	1.3
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Census of Population, 1971 and 2001

Table 11: Employed Population by Occupation and Educational Attainment by sex, 2001

Occupational group	Male (%)			Female (%)		
	Primary education	Secondary education	Tertiary education	Primary education	Secondary education	Tertiary education
Legislators, senior officials and managerial occupations	13.3	2.7	15.0	-	1.7	8.6
Professionals	1.2	3.4	56.3	-	14.5	81.0
Technicians, clerical, sales and service workers	7.2	30.6	26.2	3.0	25.9	8.6
Skilled workers, crafts persons and artisans	78.3	63.3	2.5	96.9	57.8	1.7

Source: Census of Population, 2001

2.3 Health Programmes

The health services in Sri Lanka are provided to the entire population at no cost. Given the rising educational levels in the population, the health seeking behavior among families has been high. As a result, the achievements in Sri Lanka's health sector are remarkable when compared with developing countries with comparable per capita incomes (World Bank, 2006).

Of the total expenditure on health in 2005, expenditure by the government accounted for approximately 46 percent, while private sources accounted for the balance. Government expenditure on healthcare was 1.9 percent of the GDP in 2005. The private sector operates a parallel fee-based system. Table 12 summarises the salient features for the two sectors.

Table 12: Health Services and Expenditure, 2002-2005

Item	2002	2003	2004	2005 (a)
Government Hospitals (b)	605	606	598	606
Beds	59,781	61,808	60,328	61,835
Central Dispensaries	385	387	375	397
Doctors	7,459	8,342	8,749	9,070
Nurses	16,139	16,711	17,316	20,332
Attendants	6,955	6,880	6,696	6,701
Private Hospitals (b)	n. a	172	174	190
Beds	2,843	3,009	3,441	3,713
Total Health Expenditure (Rs.bn)	61.61	69.87	86.44	99.06
Government (%)	43	42	46	46
Private (%)	57	58	54	54
Current expenditure (Rs.bn)	56.02	62.27	76.99	89.73
Capital expenditure (Rs.bn)	5.60	7.27	9.44	9.62

Source: Ministry of Healthcare and Nutrition and Central Bank of Sri Lanka, MOH-IHP, Private Hospital Census 2006.

(a) Estimated expenditure. (b) Practicing Western medicine.

Besides the free health system available to the entire population, there are other facilities made available by the government under different Acts of Parliament.

The Thripasha Programme is the national supplementary food programme implemented throughout the country by the Ministry of Health (MOH) for pregnant and lactating mothers, infants and preschoolers, in order to improve their nutritional status. This programme commenced in 1973 with the assistance of CARE Sri Lanka and the complete food product was imported under PL 480 assistance. Since 1991, the programme has been completely maintained with government funds.

World Food Programme (WFP) also initiated a food supplementary programme in the year 2002 with the objective of reducing the prevalence of low birth weight by half of the current rates, among young children (ages 1-3 years) and pregnant and lactating mothers. The programme provides distribution of food in six districts. Distributions of supplements are done via the Ministry of Health.

The results of the Demographic and Health Survey (DHS) of 2000 revealed that there had been significant improvements in child nutrition which no doubt would have contributed to family well-being. The percentage of children (3-59) months classified by nutritional status shows that in terms of stunting, wasting and underweight, there has been a significant improvement during 1993 to 2000 (Table 13).

Table 13: Nutritional Status of Children, 1993 and 2000

Nutritional Status	1993	2000
Stunted	19.7	7.7
Wasted	12.2	10.1
Underweight	31.2	18.2

Source: Demographic and Health Survey, 2000.

The President's Fund was established under an Act of Parliament in 1978 to provide funds for programmes beneficial to a large segment of the population, whose poverty and the lack of resources does not enable them to access certain specialized facilities in the private health and education sectors. The President's Fund has made a significant contribution towards providing modern facilities for government hospitals, which will largely benefit the less affluent patients seeking treatment at government hospitals.

During the period 1995 – 2004 the President's Fund disbursed a sum more than Rs. 2.5 Billion to patients suffering from life threatening diseases such as heart disease, kidney failure and cancer to access specialist surgery, costly drugs and private services. For instance, it is estimated that around 700 new cases of kidney failure occur annually in Sri Lanka and each kidney transplant surgery costs more than Rs.300,000. The Fund granted Rs. 315.5 Million to kidney patients between 1995-2004. This has provided immense relief to hundreds of patients from poor families who would have otherwise been unable to meet such high costs.

While any individual could apply to receive assistance from the fund, the portion to be disbursed to each applicant is based on their incomes and other assets owned by them. Table 14 gives a summary of grants approved by the President's Fund for the years 2003 to 2005.

Table 14: Summary of Grants approved by the President's Fund, 2003-2005

Categories	2003 Rs. (M)	No.	2004 Rs. (M)	No.	2005 Rs. (M)	No.
Heart Patients	353.24	2,576	470.7	3359	581.83	4,097
Kidney Patients	34.02	118	48.09	177	44.28	179
Cancer Patients	156.7	758	199.77	1,046	261.41	1,485
Other	41.78	409	71.76	667	110.84	660
Total	585.74	3,861	790.32	5,249	998.35	6,421

Source: <http://www.presidentsfund.gov.lk/performance.html#>

2.3.1 Impact of Health Programmes

With a life expectancy at birth of 73 years, an infant mortality rate of 11.1 per 1,000 live births and a maternal mortality ratio of 19 per 100,000 live births, the health programmes have demonstrated considerable success in improving the general health of the population (Table 15). Sri Lanka has also achieved the goal of universal child immunization and contained the spread of communicable diseases. Thus the decline in mortality and increased life expectancy may have contributed to family well-being in Sri Lanka.

Table 15: Health Indicators, 1946- 2001

Indicator	1946	1981	2001
Crude Death Rate per 1000 population	19.8	6.2	5.9
Infant Mortality rate per 1000 live births	141	29.5	12.2
Maternal Mortality Ratio per 100,000 live births	155	60	15
Life Expectancy at Birth			
Male	43.9	67.7	68.1
Female	41.6	72.1	76.6

Source: Registrar General's Department; Department of Census and Statistics.

It is also evident that with the implementation of the family planning programme, to a large extent the family size desires have been met (Table 16). No doubt, this may have improved family well-being particularly that of mothers in the family.

Table 16: Total and Wanted Fertility Rates, 1993 and 2000

	1993	2000
Fertility Rate		
Total Fertility Rate	2.3	1.9
Wanted Fertility Rate	1.8	1.8
Difference	0.5	0.1

Source: Demographic and Health Surveys, 1993 and 2000.

2.4 Employment Programmes

The availability of employment for family members contributes to both physical and psychological well-being of the family. The estimated total household population 10 years and over was about 16.9 million in 2005, of which 8.1 million (48.3 %) were economically active (Table 17). Of the total estimated economically active population, 67 percent were males and 33 percent were females while of the economically inactive population, 31 percent were males and 69 percent were females. The labour force participation rate for males is 94 percent for those who are in the age range of 25-29 yrs. The highest participation rate for females is reported as 45 percent in the age range of 30-39 years. Of the total estimated employees, 31 percent were engaged in agricultural work, while the balance, 69 percent were engaged in non agricultural work.

About 623,000 persons were unemployed in the year 2005. Of which 301 thousand were males and 322 thousand were females. The unemployment rate has declined from 12.3 percent of the labour force in 1995 to 7.7 percent in 2005. Youth unemployment, especially among the more educated, has been a long-standing problem.

Table 17: Labour Force Status of the Household Population, 1995-2005

Year	Household Population (10 years and over)	Labour Force	Labour Force Participation Rate	Economically Active Population				Not in the Labour Force
				Employed		Unemployed		
				Number	Rate	Number	Rate	
1995	12,736,185	6,106,138	47.9	5,357,117	87.7	749,021	12.3	6,630,048
2000	13,564,660	6,827,312	50.3	6,310,145	92.4	517,168	7.6	6,737,345
2005	16,870,976	8,141,347	48.3	7,518,007	92.3	623,341	7.7	8,729,628

Source: Sri Lanka Labour Force Survey 2005

2.4.1 Labor Market Programmes

Sri Lanka provides basic protection of core labour standards to formal sector workers. The country has ratified eight ILO conventions on core labour standards, including the right to collective bargaining and freedom of association. Tripartite mechanisms for social dialogue have been in place for a long time and trade unions, employers and the government interact collectively to resolve critical issues in industrial relations, for example, wages and other disputes.

Salary review commissions, Tripartite Wages Boards and Collective Bargaining institutions play an important role in establishing wage levels. There is a three-tier wage-setting structure: the public sector, the formal ('protected') private sector and the informal ('unprotected') sector. Public-sector wages are governed by two key mechanisms: periodic recommendations by government-appointed salary review commissions and adjustments by the Cabinet in the cost of living allowance. Formal private sector wages are determined via Tripartite Wage Boards (which determine minimum wages) and via collective bargaining between unions and the employers represented by the Employers Federation of Ceylon.

Sri Lanka provides high compensation to laid-off workers and imposes correspondingly high costs on employers. The Termination of Employment of Workmen Act (TEWA) 1971 requires employers with more than 15 workers to inform

the Commissioner of Labour about their intended layoffs and to obtain the Commissioner's authorization (for individual cases, not only for mass layoffs). The Act requires that the request be examined and a response provided in three months, but it does not determine the compensation to be provided to the laid-off workers.

The level of compensation under TEWA has been as high as 6 months of wages per year of service, the average being 1.6 months' wages per year of service in 2000 and 3.1 months' wages in 2001 (HPRA,2005). Pay-out to laid-off workers has been large, with the maximum amounting to 36-50 months (Halcrow et al., 2007). In 2005, around 22 workers received a total of Rs. 31 million; the comparable figures for 2004 were 47 and Rs. 30.5 million.

In Sri Lanka, social security programmes within the labour market are implemented by several agencies at different capacities (see Table 18).

Table 18: Government and Private Sector Social Schemes for the Employed

GOVERNMENT SECTOR	PRIVATE SECTOR
Mandatory Non Contributory	Mandatory Contributory
1. <i>Public Sector Pensions Scheme (PSPS)</i> (The Department of Pensions)	1. <i>Employees' Provident Fund (EPF)</i> (Department of Labor – EPF Division) 2. <i>Employees' Trust Fund (ETF)</i> (Employee Trust Fund Board)
Mandatory Contributory	Other Schemes
1. <i>Public Services Provident Fund</i> 2. <i>Widows' & Orphans' Pension Scheme</i> (The Department of Pensions)	1. <i>Approved Private Provident Fund (APPF)</i> (The individual companies)
Self Employed – Voluntary Contributory	
1. <i>Farmers' Pension Scheme</i> 2. <i>Fishermen's Pension Scheme</i> (1 & 2 by Agricultural and Agrarian Insurance Board) 3. <i>Pension Scheme for the Self-employed</i> (Sri Lanka Social Security Board)	

Source: Scaling Up of the Social Protection Index for Committed Poverty Reduction: Sri Lanka, ADB/Halcrow China/ HPRA, 2007

The Public Sector Pensions Scheme (PSPS) is a mandatory pension scheme covering permanent public sector employees. It was closed to new entrants in 2002. At which time the coverage consisted of an estimated 800,000 currently serving civil servants, and 120,000 retired pensioners. Coverage of those eligible is 100 percent as it is a condition of service. PSPS has now been reinstated as of year 2006 and back dated to all new entrants.

PSPF is operated by the state; this is for the benefit of certain non-pensionable employees of the government. At end of 2002, there were approximately 165,000 members registered, but the active membership base was around 50,000.

In addition to the above the government has introduced three contributory social security pension schemes for farmers, fishermen and the self-employed. All three schemes are voluntary and contributory schemes with contributions from the government. The benefits under the schemes are in the form of a monthly pension for life after reaching the age of 60.

The Employees Provident Fund (EPF) is administered by the EPF division of the Department of Labour, whilst the Monetary Board of the Central Bank of Sri Lanka is responsible for the fiduciary matters, including the management of fund investment. The EPF is a compulsory contributory scheme primarily covering those in the private sector and public sector corporations. Both the employee and the employer are expected to make a minimum contribution (proportions: employer 8 percent and employee 12 percent) on the earnings of the employee. EPF does not provide any pensions benefit, instead the worker may withdraw an accumulated amount as a lump-sum if he/she retires at the age of 55 years (50 for women), which is the optional age of retirement.

The Employees Trust Fund (ETF) was introduced under Act No. 46 of 1980. The administration of the fund is carried out by the Employee Trust Fund Board. Contributions are due from the employer at the rate of 3 percent of every employee's monthly earnings. Employees on whose behalf contributions are received regularly are considered as active members. Active members for a year are eligible for the following benefits: Death benefits, permanent disability benefit, financial assistance for heart and eye surgery, financial awards for five year scholarships or when a member takes up a pensionable appointment. The membership at 2005 is

approximately 2 million and the contributions have grown to Rs. 400 million per month.

It is to be noted that out of a workforce of about 8 million, three million are in the formal sector and the balance five million work in the informal sector. While the formal sector workers are covered by old age income schemes, those in the informal sector are not fully covered. For instance, only 57 percent farmers and 42 percent fishermen are covered by the State sponsored schemes despite these workers being offered aside pensions, disability and survivor insurance as part of their benefit package.

2.4.2 Services for the Unemployed

Sri Lanka is presently considering the introduction of an unemployment insurance (UI) system to address unemployment risks, but there are no structured and direct UI systems existing in the country at the moment.

The payment of employment gratuity could be considered a means of protection against unemployment as much it is for old age protection. There is no requirement for employers to establish a paid-in fund for gratuities, although an accounting reserve should be established. Gratuity funds are essentially unregulated and do not benefit from any type of government support. The only supervision that exists come from the Inland Revenue whose interest is limited to determining the legitimacy of expense which is charged against income.

The Government of Sri Lanka has made some progress in addressing youth unemployment with the implementation of the graduate employment program in the public sector in 2005, which contributed to the decline in the overall unemployment rate in the country. As this programme would includes underemployed graduates from the less privileged classes of the country it also contributes to the improvement of the well-being of the individuals concerned and their families.

2.4.3 Impact on Employment Programmes

Undoubtedly, the employment protection and promotion programmes have no doubt contributed to family well-being as evident from its effect at the macro level. It is evident from Table 19 that over the past four decades there has been a shift in the

employment pattern from the primary to secondary and tertiary sectors of the economy. This implies that demands for employment in the more modern sectors have been met to a significant extent. The proportion of the employed population engaged in the secondary sector has increased from 12.4 percent to 25.6 percent during 1971 to 2005. Similarly in the tertiary sector the corresponding proportion has increased from 37.1 percent to 43.7 percent. It is also seen from Table 20 that as a result of the growth in employment, the unemployment rate has declined from 18.7 percent to 7.7 percent during the same period. It is to be noted that the decline in the female unemployment rate has been faster than that of males.

Table 19: Employment Composition by Industry, 1971-2005 (percent)

Year	Primary	Secondary	Tertiary	Total
1971	50.5	12.4	37.1	100.0
1981	46.2	13.5	40.3	100.0
1990	50.5	17.8	31.7	100.0
2002	34.5	22.4	43.1	100.0
2005	30.7	25.6	43.7	100.0

Sources: Census of Population 1971 and 1981; Labour Force Survey, 2005

Table 20: Unemployment Rate by Sex, 1971-2005 (percent)

Year	Male	Female	Total
1971	14.3	31.0	18.7
1981	12.9	32.8	17.9
1990	9.1	23.4	14.4
2001	6.2	11.5	7.9
2005	5.5	11.9	7.7

Source: Census of Population and Labour Force Survey, 2005.

2.5 Poverty Alleviation Programmes

Poverty in Sri Lanka is relatively high. It has however declined from the levels observed in the 1990s. According to official statistics, about 23 percent of the population lived below the national poverty line in 2002 (World Bank, 2002) Household data on poverty measurement does not include the conflict affected provinces of the North and East. However, the North and Eastern Provinces have by

far the lowest per capita income of all the provinces and it is therefore, likely that the incidence of poverty in the North and East is higher than the national average. Poverty by sector shows that the Estate sector has the highest rate while the urban sector shows relatively low level. The poverty rate increases with higher number of children in the family. Similarly, in households where older members live, poverty tends to be higher. Households receiving disability payments have a higher rate of poverty than the national average (Table 21).

Sri Lanka does not have a poverty line stipulated by the state but what is available is a cut-off point for household income that has been decided, over time, on a relatively ad hoc basis, for each household transfer programme. However, the Department of Census and Statistics (DCS) formulated a poverty line for Sri Lanka for the year 2002 (the survey included only 7 provinces) based on the per capita expenditure for a person to be able to meet the nutritional anchor of 2030 kilocalories in 2002. In other words, the persons living in the households whose real per capita monthly total consumption expenditure was below Rs. 1,423 in the year 2002 were considered poor.

With reference to occupation and industry of employment, poverty rates are highest among individuals working in elementary occupations; Agriculture, forestry and fisheries. Most of these workers are in the informal sector. The poor in Sri Lanka are drawn predominantly from the uneducated and less educated social groups (Table 22).

Table 21: Household Characteristics of Poverty in Sri Lanka, 2002

Characteristic	Total Poverty Rate (%)	Urban Poverty Rate (%)	Rural Poverty Rate (%)	Estate Poverty Rate (%)
Size of the family	22.7	7.9	24.7	30.0
1-3 members	11.0	1.1	12.2	13.9
4-6 members	19.9	7.3	21.8	20.3
6 + members	33.4	11.2	36.9	47.5
Presence of elderly				
Elderly 60-69	19.9	7.4	21.2	37.3
Elderly 70-79	22.2	5.1	24.0	47.9
Elderly 80+	25.0	7.0	27.5	40.2

Widows	21.8	4.9	24.2	30.0
Widowers	19.0	2.8	21.8	17.6
Number unemployed				
None	21.1	6.9	22.8	28.8
One	23.5	7.8	25.7	31.3
Two or more	33.7	14.6	35.7	35.4
Receiving disability payments	34.4	29.7	41.4	32.6

Source: World Bank, 2006.

Table 22: Distribution of Male and Female Headed Households by Educational Level and Poverty Status, 2002

Educational Level	Female Headed Households (%)		Male Headed Households (%)	
	Poor	Non-Poor	Poor	Non-Poor
No Schooling	11.8	5.8	8.2	3.5
< Grade 6	34.8	22.1	38.4	23.3
Grade 6-9	43.4	41.3	43.6	41.7
G.C.E. (O/L)	5.6	13.8	5.6	13.7
G.C.E. (A/L)	4.3	15.1	3.9	15.5
Higher	0.2	1.9	0.2	2.4

Source: Jayathilaka (2007).

Part of Sri Lanka's difficulty in raising incomes and reducing poverty can be traced to the 17 year old ethnic conflict. The 1999 Annual Report of the Central Bank of Sri Lanka has estimated that the conflict has reduced Sri Lanka's economic growth by about 2 to 3 percentage points a year (Central Bank, 1999).

The economic and social repercussions of over two decades of conflict have affected people throughout the country. Over 65,000 people have died, nearly a million citizens have been displaced, private and public properties and economic infrastructure have been destroyed, local economies and community networks have been disrupted, and health and educational outcomes have deteriorated in the North and the East.

The Tsunami of 26 December 2004 struck a relatively thin but long coastal belt stretching over 1,000 kilometers, or two thirds of the country's coastline. The damage stretched from Jaffna in the north down the entire eastern and southern coast, and covered the west coast as far north as Chilaw. The total number of deaths/missing recorded is at 36,000, whilst displacing 1 million persons. Besides the tremendous loss of life and injuries, the tsunami caused extensive damage to property (119,000 houses) and disrupted other fisheries and livelihood activities and business assets.

2.5.1 Assistance to displaced persons and to populations affected by war

The Government initiatives include providing (i) dry rations for displaced persons, both inside and outside welfare camps, (ii) operation of welfare camps, and (iii) resettlement and relocation grants, along with other compensations. The amounts disbursed in the form of dry rations by the government and the WFP under the Protracted Relief and Recovery Operations (PRRO) is Rs.4, 286 million.

The PRRO project includes six programmes which are dry rations for the IDP's, Mother and child nutrition programme, food for education programme, food for work programme and the food for training programme. Table 23 shows the beneficiary and expenditure details of all of the above programmes.

Table 23: Assistance to Conflict and Tsunami IDP's, 2004-2005

Programs	2004		2005	
	Persons	Value (Rs)	Persons	Value (Rs)
Dry rations (CGES)	141,672	1,704,000,000	444,306	1,592,000,000
WFP and Government programs (PRRO)				
a. Dry Rations	145,269	-	Subsumed by CGES program	
b. FFE	143,338	-	155,448	-
c. FFW / FFT	277,976	-	245,250	-
d. MCH	148,152	-	331,943	-
Total : Government		428,900,000		841,190,000
WFP		na		3,445,190,000

Grand Total				4,286,380,000
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Source: Ministry of Nation Building & Budgetary Report 2006 & 2007. Programs a-d are done in combination with the Ministry of Nation Building and WFP

2.5.2 Samurdhi Social Security Programme

The Samurdhi social security programme was launched with the aim of helping poor households at times of various family and unforeseen events and protecting from falling into severe poverty due to such unexpected events within the household. This covers four types of events include, (i) child birth, (ii) marriage, (iii) illness and (iv) death. Marriages have accounted for the highest share of claims during 2005 (35 percent). Besides the above mentioned, there also are other programmes such as nutritional allowance programmes and women's support programmes that are conducted by the Samurdhi social security programme. Table 24 summarises the social security allowances.

Table 24: Social Security Payments, 2002 - 2005

Category	2002	2003	2004	2005	Total
Registered No.	1,149,703	1,309,076	1,289,913	1,228,005	4,976,697
Births: Disbursements	10,172	17,116	16,002	10,516	53,806
Amnt. (Rs)	12,488,000	21,092,500	19,483,000	12,623,000	65,686,500
Marriage: Disbursements	33,640	48,080	34,405	24,592	140,717
Amnt. (Rs)	36,693,000	37,298,000	35,258,000	25,141,000	134,390,000
Illness: Disbursements	23,906	26,910	26,390	17,907	95,113
Amnt. (Rs)	18,829,743	19,606,537	19,138,550	13,036,300	70,611,130
Death: Disbursements	21,643	23,650	24,763	17,747	87,803
Amnt. (Rs)	112,948,636	115,920,308	121,369,610	87,974,083	438,212,637

Total					
Disbursements	89,361	115,756	101,560	70,762	288,0778
Amnt. (Rs)	180,919,379	193,917,344	195,249,160	138,774,383	708,860,266

Source: Department of the Commissioner General, Samurdhi

However, the benefits of the Samurdhi programme is considered small when compared with the actual transfer needed to move households out of poverty. In 2002, the average income shortfall needed to move a person over the poverty line has been estimated as four times the size of the actual grant (World Bank, 2006). The World Bank study notes that with perfect targeting the Samurdhi programme could have moved 60 percent of the poor out of poverty with a budget one and half times that was spent in 2002.

2.5.3 Microfinance

The provision of financial services to low income households has a long history dating back to the early years of the 20th century in Sri Lanka. Thrift and Credit Cooperative Services, which were established in 1911, were the pioneers in providing financial facilities to the poor. Nevertheless, it was only in the late 1980s, with the introduction of the Government's Janasaviya programme that microfinance, in its strict sense, began to be widely recognized in Sri Lanka as a central tool for alleviating poverty and empowering the poor. In the 1990s, the expansion of microfinance activities embraced all sectors namely governmental, non-governmental and cooperative sectors.

Currently, there is a wide range of institutions that are involved in providing microfinance services to low income groups. These include, Cooperative Societies e.g., TCCSs, a large number of local and international NGOs, commercial banks (both state-owned and private) and development banks such as Regional Development Banks and the Sanasa Development Bank. The Central Bank of Sri Lanka is another key player, which functions as the executing agency of a number of rural credit programmes funded by various donor agencies and the Government of Sri Lanka. Table 25 lists the most important micro-finance providers in Sri Lanka.

Table 25: Principal Microfinance Providers in Sri Lanka

Sector	Government	Non-Government/Private	Multilaterals/ Bi-laterals/ INGOs
Formal Sector Institutions associated with Microfinance programs	Central Bank State owned banks	Hatton National Bank National Development Bank Development Finance Corporation of Ceylon Ceylinco Development Bank	UNDP, UNHCR (conflict areas)
MFIs	MFIs set up by Central Bank including Samurdhi Banks	Sarvodaya/SEEDS, SANASA Bank and TCCS, Janashakthi Banku Sangam , Hambanthota, Agromart Foundation Ltd NFPO, Sewalanka, Co-operative rural banks	CARE, SAP FORUT, SCF Oxfam, and others
Traditional village-based financial services		Merchants/Money lenders Community Based Organizations, e.g. death benevolent societies	

Source: Nayar and Gunatilaka (2000)

Despite the long history and the large number of Micro Finance Institutions (MFIs), the actual impact of microfinance at the household level is still unclear. The studies undertaken so far are confined to a limited number of MFIs or to distinct geographical locations. A number of facts limit the spatial expansion of MFIs, particularly to remote rural areas. Remote areas are often associated with poor or inadequate infrastructure facilities such as roads, transportation, and electricity and communication

2.5.4 Impact of Poverty Programmes

It is evident from Table 26 that the incidence of poverty has declined from 26 percent in 1990/91 to 23 percent in 2002. Though the overall decline has been modest, faster decline is seen in the urban sector. However, most of the decline over this period has taken place in the households in the Western and Central provinces. It has to be noted that decline of poverty is the result of many factors such as economic growth, employment creation and poverty alleviation programmes which have improved purchasing power of goods and services at the family level.

Table 26: Incidence of poverty by sector and province, 1990/91-2002

Sector & Province	Poverty Incidence %		
	1990-91	1995-96	2002
National	26	29	23
Urban	16.3	14	7.9
Rural	29.4	30.9	24.7
Estate	20.5	38.4	30
Western province	19	17	11
Central Province	30	36	24
Southern Province	29	32	28
North Western Province	26	27	27
North Central Province	24	25	21
Uva Province	32	47	37
Sabaragamuwa Province	31	42	33

Sources: World Bank estimates, based on HIES, DCS, 1990/91, 1995/96 and 2002; Sri Lanka Poverty Analysis, 2002, World Bank

2.6 Ageing and Disability

2.6.1 Ageing

Population ageing is a universal phenomenon and Sri Lanka is one of the fastest ageing countries in the world. Sri Lanka's share of population over 60 years old in 2000 was 9.2 percent. By 2050, the share of Sri Lankan population over 60 years is projected to reach 28.5 percent an increase in comparison to 2000 matched by very few countries (World Bank, 2008). With increasing longevity, families with four living generations will increase in Sri Lanka (Abeykoon, 2000). Therefore, social protections programmes need to be in place not only to assist the needs of the elderly but also to enhance family well-being.

While the majority of Sri Lankan elderly live with their children only 6 percent live alone. The elderly who live only with their spouse, are younger well educated and are economically better off than others in the elderly population. Those who live only with their children are more aged, widowed and less educated. Similarly, the elderly who live alone are by and large are older women with little education and appear to be more vulnerable than men. There has been little change in living arrangements. The World Bank study shows that only about half of all Sri Lankan elderly consider living with children to be the best arrangement. About 45 percent of elderly who are more educated would prefer to live in alternate arrangements. In contrast 80 percent of all children believe that their parents should live with them. While it is difficult to predict, the findings suggest as income and education increase, co-residence with children may decline in Sri Lanka.

Co-residence is only one way in which Sri Lankan children support their parents. Cash and in kind transfers are also used by children to provide support for the elderly. About half of all Sri Lankan elderly receive cash assistance as the primary source of income. A much larger share about 75 percent receive food and assistance in kind, while slightly less than a third report receiving household help from their children. Emotional support is the least common assistance provided to the elderly. Only 13 percent report emotional support as the main support received from family members. On the other hand, children also receive support from their parents. About half of the elderly (46%) provide childcare for their grandchildren. However, monetary transfers provided by the elderly to their children are lower in Sri Lanka than in other Asian countries. Poverty among the elderly increases with age over 65 years (World Bank, 2008). Although about 90 percent of the elderly in Sri Lanka presently live with their children, only 65 percent of them consider it as a preferred arrangement.

Policies directed towards the elderly dates back to 1982 when a National Committee on Ageing was established in the Department of Social Services. In July 1993 a National Policy for the Elders was formulated with the objective to prepare the population for a productive and fulfilling life in old age and to ensure the independence, participation, care, self fulfilment and dignity of the elderly. As it was felt that legislation and an administrative mechanism for implementing these policies was necessary, legislation on the Protection of the rights of Senior Citizens was enacted in 2000 (Act No.9 of 2000). The Act provided for the establishment of 1) A Statutory National Council for Elders and a Secretariat 2) Maintenance Board for determination of claims from the elders 3) National Fund for Elders and 4) Protection

of rights of elders. A national charter and National Policy for Senior Citizens has been adopted by the Cabinet of Ministers in 2006.

The likely decline of family support for the elderly in the coming decades will create the need for formal social security systems or safety nets. The formal support mechanisms may be beneficial to poorer households in particular. On the other hand, rapid ageing will increase fiscal pressures of the formal pension system and to make it an affordable pension scheme will be an important policy issue. It is necessary to make it a fiscally affordable system before expanding its coverage to the informal sector as well.

2.6.1.1 Programmes implemented for the Elderly

The following social protection programmes implemented for the elderly could be summarised under different themes as given in Table 27.

Table 27: Programmes for the elderly

Social, economic, cultural & spiritual development of elders	<ol style="list-style-type: none"> 1) Village level committees of elders: responsible for implementing services for their welfare as well as participating in community level development activities. 2) Divisional level elders committees 3) Day centres for elderly 4) Self-income generation programmes for members of the elders committees
Strengthening of welfare services	<ol style="list-style-type: none"> 1) Homes for the aged 2) Monthly public assistance programmes 3) "Wedihiti Awarna" sponsorship schemes 4) Assistive devices
Protection and promotion of rights of elders	<ol style="list-style-type: none"> 1) Special identity cards 2) Maintenance Board for elders
Health services	<ol style="list-style-type: none"> 1) Establishing a separate Directorate for Elderly and persons with disability at Ministry of Health (MOH) 2) Community programmes to train volunteer home care 3) Establishing Separate counters for Elders in Government hospital 4) Awareness programmes for elderly on promotion of health lifestyle and life course approach through pre retirement seminars and community awareness programmes 5) Promotion of establishing day centres for elderly

Source: Ministry of Social Services and Social welfare; Ministry of Healthcare and Nutrition

2.6.2 Disability

The total number of disabled persons enumerated in 18 districts at the 2001 census of population was 274,711. Disability is high among persons aged 20-54 years and more prevalent among males. Of the total disabled population 11.2 percent were in the age group 0-14 years. About 32 percent of the disabled population did not go to school. Majority of the disabled (73%) are supported by the family members or relatives. The highest percentages of disabled persons were found in the Hambantota district and the lowest percentage was seen in Colombo district. About 16 percent of the disabled population 10 years and over were employed mainly in elementary occupations (Department of Census and Statistics, 2003). Disability among the elderly has increased dramatically during the period 1981 to 2001. It is seen that disability of the elderly increases with age and that among males is much higher (De Silva et al. 2007).

The criteria used to denote disability have varied between surveys. The following estimates are available:

- Estimated at 900,000 to 1.4 million or 5% to 8% of the total population. The national census carried out by the Department of Census and Statistics in Sri Lanka in year 2001 counted persons with disability under a separate schedule and reported a total of 274,711 but excluded parts of the Northern and Eastern provinces.
- Data collected by the Ministry of Social Welfare in 25 districts identified 78,802 persons with disabilities.
- Sri Lanka Armed Forces official statistics indicate 4500 disabled soldiers, whereas unofficial data refer to more than 10,000 soldiers.
- Globally it has also been estimated that in any country the present disability rate is between 7 to 10 percent.

The Census of Population and Housing conducted in year 2001, information on disabled persons was collected. According to this census, a person who was unable or limited in carrying out activities that he or she can do due to congenital or long term physical/mental disabilities, was identified as a disabled person. Here the short-term difficulties due to temporary conditions were excluded. Given in Table 28 are data collected on disabled persons by sex, at the Census of 2001. It is evident that more males are disabled than females. Further, there have been other studies that

have given the figures of disabilities between the gender, as 2.1% of the population as females with disabilities while 2.9% to be males with disabilities. The Ministry of Social Services conducted a study into the number of children with disabilities of school going age and found that out of 6,010 children in 76 Divisional Secretary Divisions, over half (50.1%) do not go to school. The figures are even higher among pre-school children. Out of 1,425 children with disabilities of pre-school age, 909 (63.7%) do not attend a pre-school. This could be due to poor attitudes of parents, teachers and other pupils, poor access to, and a lack of transport to and from schools. Most specially trained teachers do not go on to work in the special units of schools.

Table 28: Disabled Persons by Sex, 2001

Source: Department of Census and Statistics, Information on Disabled persons, 2001

Type of disability, rate per 10,000 population	Sri Lanka	Male	Female
Disability in Seeing	41.0	42.5	39.5
Disability in Hearing / Speaking	43.5	48.6	38.4
Disability in Hands	28.5	37.2	20.0
Disability in Legs	53.7	67.8	40.0
Other Physical Disabilities	7.9	8.8	7.0
Mental Disability	40.9	44.6	37.4
Total	162.9	189.9	136.4

2.6.2.1 Social Protection Programs for the Disabled

(a) Disability Legislation

The Constitution of the Democratic Socialist Republic of Sri Lanka Chapter 3 on Fundamental Rights, Article 12 subsection 4 states that “Nothing in this article shall prevent special provisions being made by law, subordinate legislation or executive action for the advancement of women, children and/or persons with disability.”

Parliamentary Act No. 28 of 1996 to Protect the Rights of Persons with Disabilities has been passed in accordance with Sections 108,109,110 and 111, of the World Program of Action to achieve equal opportunities for persons with disabilities.

In the Act, the definition of the term disability means any person who, as a result of any deficiency in his physical or mental capabilities, whether congenital or not, is unable by himself to ensure for himself, wholly or partly, the necessities of life. This Act provides a legal framework for the activities of the National Council for Persons with Disabilities for the promotion, advancement and protection of rights of persons with disabilities in Sri Lanka; and to provide for matters connected therewith or incidental thereto.

Under the Social Security Board (Amendment) Act No. 33 of 1999, Section 4 repealed Section 4 of the principal enactment and substituted the following section: subject to other provisions of this Act the functions of the Board shall be to establish pension and social security benefit schemes for self employed persons other than those in the fisheries and agriculture sectors, and to administer and manage such schemes with the following objectives in view: to provide social security to self-employed persons during their old age and on disability. Section 7 of the amended Act refers to Section 9 of the principal enactment amended by the insertion of sub section (1a) immediately after subsection (1) and states, *“A contributor who is certified by a Medical practitioner registered under the Medical Ordinance to be mentally retarded and who commences to contribute to the Fund before reaching the age of thirty five years shall be entitled to a pension on reaching the age of forty years.”*

The Widows and Orphans Pension Scheme under Ordinance No. 13 of 1906 grants financial assistance to persons with disability irrespective of age.

In addition to the above, the Rana Viru Seva Authority (RSVA) was established through an Act of Parliament on 5th June 2000 (Ranaviru Seva Act No. 54 of 1999). RSVA is a semi government organization working under the Presidential Secretariat in close collaboration with the private sector. RVSA has a broad mandate, which includes the promotion, welfare and socio-economic integration of disabled ex-service combatants as well as their families.

Other relevant legislation are: the Mental Diseases Ordinance of 1873 to protect the rights of persons with mental illness which is in the process of being amended; Parliamentary Act on Trust Fund for Visually Handicapped Persons of 1992; an Act for the establishment of a Fund for the National Council; and the Poor Relief Act which repealed the Poor Persons Ordinance. The objective of the Trust Fund for the Visually Handicapped is to promote education and vocational training facilities for visually disabled children. The purpose of the fund includes creating employment opportunities and provision of financial assistance and guidance where necessary to persons with visual disability for self-employment. The Trust also assists in securing housing and implements activities for the welfare of visually handicapped persons, including sports. The Trust provides facilities for the marketing of products manufactured by the visually disabled, and takes action to eliminate situations, which prevents persons with visual disability gaining equal rights and equal opportunities. Under the General Circular No. 1221 of Sri Lanka, any patient whose income is less than Rs.123, 480 per annum is eligible to receive standard spectacles free of charge.

In addition, Public Administration Circular No. 27/88 of August 18th 1988, instructs all ministries, departments and corporations to allocate 3 percent of the job opportunities to persons with disabilities.

The Employees' Trust Fund (ETF) is set up to assist in times of disability (see section E.3). The Workmen's Compensation Act Chapter 139 of 1934 provides compensation to workers who become disabled on the job.

The Wages Board Ordinance No.27 of 1941 is set up to assist disabled people defined as 'non able bodied', who are given easy work and are paid less than non-disabled people.

b. Assistance to the Disabled

Welfare Programs by the Department of Social Services

Established in year 1948 the Department of Social Services comes under the purview of the Ministry of Social Services and Social Welfare. The mission of the department is to encourage participation of the disadvantaged and suffering social groups in social development, by providing relief and rehabilitation and creating a background to enable them to participate in mainstream society. The main function of

this unit is to train disabled persons for self employment. The main activity areas are described below.

- Conducting early intervention programs for the disabled children
- Development of vocational skills of the persons with disabilities and provision of job placement services
- Provision of artificial limbs
- Provision of special identity cards
- Rehabilitation of drug addicts

Programmes by the Ministry of Health

The Ministry of Health carries out many programmes for the disabled, among them are; vitamin A supplementation, immunizations (polio, measles, Japanese Encephalitis and rubella), establishment of rehabilitation centers and development of health records for children with special needs.

Ranaviru Sevana

The Ranaviru Sevana, the first of its kind in Sri Lanka was inaugurated on October 10, 1990. The Ranaviru Sevana Rehabilitation Centre in Ragama, managed by the Army for soldiers who were disabled in Sri Lanka's war in the northeast, conducts a variety of rehabilitation programs at both physical and psychological levels on the direction of a panel of experts.

The following were supported by the Ranaviru Sevana in 2002: 7 disabled soldiers were trained in computer repairs, while 29 took the Leather work course and 16 the course in sign language, 13 the orientation and mobility course and one took the course in music. In addition, a one day workshop was conducted in psychology for personality development, a computer repairs workshop, a three day counseling workshop and a one day workshop on motivation. Through the Ranaviru Sevana, 2 soldiers have been given houses, while battle casualties are also given medical and nursing care, with special education and counseling. 13 disabled soldiers' children received scholarships. No expenditure data are available.

Directorate of Rehabilitation Activities

On the side of welfare and rehabilitation, the Directorate of Rehabilitation has provided houses for a few of the disabled soldiers in need of housing. Soldiers

disabled due to war are provided with the necessary medical care, specialized therapy, required artificial limbs and vocational training.

Other Facilities for the Disabled

The majority of the homes run for the disabled communities in Sri Lanka are voluntary, therefore the administration is individual. The Provincial Ministries of Social Services keeps record of these institutions and maintains a supervisory role. There are 27 schools for the deaf and blind in Sri Lanka, and part of the administration is through the Provincial Councils and the Department of Education.

Income transfers to the disabled are highly skewed towards disability payments for soldiers injured in the conflict and the families of those killed in action. This component comprised more than 90 percent of the transfers made by the Ministry of Social Welfare in 2003 leaving very little support for other vulnerable disabled groups (World Bank, 2006).

2.7 Child Protection Programmes

The abuse of children for exploitative employment and sexual purposes is of much concern in Sri Lanka. Children are trafficked from rural to urban and tourist areas mainly for domestic labour and sexual exploitation. The Child Activity Survey conducted by the Department of Census and Statistics states that 5.3 per cent of children under the age of 18 are involved in economic activity. Trafficking of children to be used as soldiers by the LTTE is also common. Although the Penal Code of Sri Lanka recognized crimes such as abduction, kidnapping and slavery, the crime of trafficking was introduced for the first time by the amendments to the Penal Code in 1995 (Coomaraswamy et al. 2006).

2.7.1 The National Child Protection Authority

The National Child Protection Authority (NCPA) was established by an Act of Parliament in 1998. According to the Act, formulation of national policies on the prevention of child abuse and the protection and rehabilitation of children who are victims of such abuse are among the main objectives of the NCPA. The functions of the NCPA include taking action to prevent child abuse, creation of awareness of children's rights and promoting child protection activities at provincial and district

levels and maintenance of a database for planning child protection interventions (NCPA, 2002).

2.7.2 The Department of Probation and Child Care

There are three programs carried out by the Department of Probation and Child Care.

(i) Grants to affected children, (ii) Parents foster aid, (iii) Aid to distressed rehabilitated and institutionalized children.

Grants to affected children

The primary objective of the grant is to provide relief (medical relief and special relief) for those children below the age of 1, who are living in poverty. The main selection criterion is based on the family's monthly income level, which should be below Rs.1,500.

Conditions upon which grants are provided are; *Child Birth*: Only twin and triple child births will be considered for benefits. *Medical relief*: Relief will be made only for the serious medical treatments. The maximum amount paid out is Rs. 15,000. *Special relief*: Provided for abandoned or orphaned children.

Process of applying for the grant includes filling out an application form issued by the Department of Probation & Childcare available with the District Secretary (DS). The filled application should then be submitted to the Grama Niladhari (GN), who would then direct it to the DS. Then DS would advise the Child Right Probation Officer (CRPO) who would do an inspection report, on which the final selection would be done. Value of transfer for a twin birth and a triple birth is Rs 10,000 and 15,000 respectively. The payment is done on a monthly basis. Total expenditure on these programs in 2004 was Rs. 4 million.

Parents Foster Aid

The primary objective is to assist early school drop outs due to extreme poverty or abandoned by the family. The target group consists of children below 16 years of age.

The eligibility criteria to receive these grants are: (i) Parentless children, OR (ii) illegitimate or single parent children, OR (iii) Children whose sole breadwinner is not living.

Any child who has one of the above characteristics is deemed qualified to receive the grant. The child should be directed by their parent, relatives, and neighbours, GN or CRPO to the DS. A cash transfer of Rs. 200 is done on a monthly basis to the beneficiary and out of which Rs.25 should be deposited with the National Savings Bank under the child's name.

Aid to Distressed, children being Rehabilitated and Institutionalised Children

One of the key activities of the Department is to provide administrative support in rehabilitation programs for the children in the juvenile prisons. Here Children aged 16 years and below are considered as juveniles. If grants are provided they are most often made available via the provincial councils. As at year 2003 there had been 1121 admissions to institutions.

Orphanages

There are state receiving homes and voluntary homes to assist children orphaned. The numbers of children discharged from state receiving homes were 184 males and 126 females as at year 2003.

3. Summary

Sri Lanka has made considerable headway in expanding access to social security for its people. Most Sri Lankans generally have security in the areas of health, education, food and housing. The country's social protection system is much more extensive than in other South Asian countries, with up to a third of the workforce covered in case of employment protection and social security, and about 40 percent of households covered in the case of the largest safety net (Samurdhi) programme.

Sri Lanka's social protection has three main elements: employment protection and promotion; social security/insurance and safety nets. While some social protection programs have a universal coverage (i.e, Health and Education) the others are specially targeted programs (Samurdhi, old age, disability, conflict affected).

As per many studies done by the relevant implementing agencies and the international community, social protection in Sri Lanka could be further strengthened and refined to reap better benefits. Many individuals cope with poverty and vulnerability rather than emerge out of it, thereby perpetuating a continuous cycle of poverty.

There are noticeable weaknesses in all three core areas of social protection in Sri Lanka. Although the Sri Lankan labour market as a whole enjoys some employment protection and social security, the segment that benefits most are the formal sector few of whom are likely to be poor. In contrast, the informal sector workers who constitute two thirds of the labour force and who are much more likely to be poor, are largely unprotected. Sri Lanka's social insurance schemes provide some measure of protection, but they offer limited coverage, provide inadequate benefits, have weak administrations and regulation, and, crucially, their financial sustainability is in question. Similarly in the area of social safety nets, there appears to be considerable targeting problems with the Samurdhi Program. Some of the vulnerable groups for example, the poor and disabled, are not covered as disability payments are mostly focused on soldiers, leaves out other poor disabled groups and fiscal constraints that limits coverage, for example conflict and disaster relief programmes.

However, it is evident that the social protection and social service programmes in Sri Lanka, over the past few decades, have contributed to the improvement of physical well-being of the population particularly in the fields of health and education. Nevertheless, more research is needed to assess the contribution of social protection programmes in enhancing psychological dimension of family well-being.

Social protection programmes are vital to promote growth while ensuring that the dividends of growth are shared more equally among population, and promoting such programmes is one of the key challenges for Sri Lankan policy makers.

4. Recommendations

- a) While considerable progress has been made in providing free educational and health services to the entire population, further progress in enhancing family well-being through these services should require the improvement of quality of services.
- b) As the demographic structure of the family has been changing due to fertility decline and migration, greater attention should to be paid to the welfare of children and the elderly in the family.
- c) Although unemployment rates have declined over the years, they are relatively high among women and youth. Therefore, special attention should be directed at these groups in employment programmes.
- d) Poverty disproportionately affects informal sector workers who comprise about two thirds of workers. Households with informal sector workers comprise more than all households. Therefore, informal sector workers should be given credit and skill training to improve their incomes.
- e) The social safety net programmes such as the Samurdhi and disability payments need to be better designed to serve their objectives. The Samurdhi programme should be better targeted to help the poor to escape poverty. The cash compensation for disability programme need to be expanded to cover the disabled poor.
- f) The old age income support programmes such as the Employees Provident Fund and the Public Servants Pension scheme have major shortcomings in terms of adequacy and sustainability. These problems should to be addressed before extending coverage to the larger segment of the employed population.
- g) The disabled are vulnerable to poor employment prospects. In 2001, only 16 percent of persons with disability worked. Therefore, it is necessary to ensure the participation of the disabled in employment/training

programmes to enable them to have access to employment and improve their well-being.

- h) In the year 2000 there were about 25,000 children aged 10-14 years in employment. Although the incidence of child labour is low in Sri Lanka relative to other South Asian countries, the problem should be addressed to ensure that the 40,000 children of school going age who do not attend school are drawn into employment.

- i) In the context of rapid demographic ageing of population in Sri Lanka, it is necessary that an income security programme is designed for the elderly who are not covered under the formal social security schemes. This is particularly important for the destitute elders.

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