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PUBLIC WELFARE POLICIES AND RURAL

POVERTY IN SRI LANKA:

WITH REFERENCE TO HAMBANTOTA DISTRICT

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Abstract

In Sri Lanka, as one of the first developing nations that understood multidimensional nature of well-being and poverty, public welfare policies are playing a vital role in improving the well-being and reducing poverty incidence for over six decades since independence.

Indeed, Sri Lanka has long standing reputation on the improvement of the social aspects of development as a result of the massive public investments on the sphere. Meanwhile, targeted poverty alleviation programs, which focused on enhancement of income earning abilities and skills of the poor, have made substantial contribution to ease the income aspect of poverty. Sri Lanka's success story in human development has discussed widely in development literature. However, as empirical evidences shows, considerable number of rural households has not reached to the required achievement levels of most of the essential dimensions, which need to get out from the ill-being. Even though, multidimensional nature of poverty has been well understood even before the independence, the efforts, made to identify this nature of poverty and to design the poverty reduction strategies taking into consideration its multidimensionality, are extremely little.

The main objective of this study is (a) to examine the effects of public welfare policies on the improvement of well-being of the rural households in Sri Lanka. In addition to that the study intends (b.1) to identify the core dimensions or basic capabilities of multidimensional poverty of rural households, (b.2) to assess the existing level of multidimensional poverty among rural households by adopting an appropriate evaluative framework and (b.3) to identify the most effective public welfare policies in reducing multidimensional poverty of rural households. Retaining the notion of multidimensionality of poverty, this study is based principally on fundamentals of the Sen's Capability Approach (CA).

The identification of basic capabilities essential for *a good life* is based on the framework developed mainly by Qizilbash (2002; 2003), which inspired from Kit Fine's (1975) 'supervaluationist' account of vagueness and the writings of Max Black (1937). The identification and aggregation of multidimensional poverty is based on the 'counting approach' suggested by Alkire and Foster (2007; 2008). Logit model is

developed to assess the effects of public welfare policies on the improvement of well-being of the rural households.

The analysis found food, education, health, housing, drinking water and sanitation as basic capabilities essential for well-being of rural households in Sri Lanka. Even though, they have eliminated significantly the hunger and food insecurity, over two third of the rural households are deprived of at least 1 out of the above 6 capabilities. The highest deprived capability is health. Because of this health policies are the most effective public policy in reducing multidimensional poverty among rural households. Overall, the study concluded that long standing public welfare policies have not capable providing adequate opportunities for the rural households.

Keywords: Pubic welfare policy, well-being, multidimensional poverty, capability, functionings