

Obstacles in using Money-metric Measurement to Alleviate Poverty - A Study of 8th Grama Niladhari Division, Nintavur Divisional Secretariat

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Abstract

Poverty is the main cause for the suffering of mankind. It is an important aspect in Sociology, Economics as well as in many social sciences. These disciplines deal with the theories of poverty, causes of poverty, poverty measurement, poverty eradication and its importance in social, economic, cultural, educational and political life of human. Therefore, this paper basically considered the poverty alleviation approach especially, the “money-metric” measurement and its application in Nintavur Divisional Secretariat area, with special reference to the 8th Grama Niladhari division. This study tries to verify the Samurdhi program that is implemented to eradicate poverty from the country and to evaluate the government’s threshold for measuring poverty as well as its practical circumstances.

Introduction

Poverty has various meaning from the concept of underdevelopment. The concept of poverty focuses, particularly, to mainly understand the economic deprivation of individuals, social group and communities, whereas the underdevelopment attempts to grasp the aggregate situation of the societies as an opposite face of the rich or developed societies. Poverty is the deprivation of common necessities such as food, clothing, shelter and safe drinking water, all of which determine our quality of life. It also includes the lack of accessibility to opportunities such as education and employment which aid the poor to escape from the poverty and/or allow one to enjoy the respect of fellow citizens. In general, poverty means, ‘the people who are unable to satisfy with their basic needs’. Poverty may affect individuals or groups, and is not confined to the developing nations. It is found all over the world measuring from different angles of growth, energy and strength.

Sri Lanka is one of the smallest islands of the South Asian Nations. As a developing country, Sri Lanka also faces the problems of poverty. It is estimated that around 22.4% of the population are being poor. But around 45% out of total families

are being covered under the safety net programs funded by the government of Sri Lanka in terms of

income transfer (food and income subsidy), nutrition package for pregnant and lactating mothers and milk feeding subsidy for children between two and five year (http://med.gov.lk/english/?page_id=21). Therefore the main responsibility of government of Sri Lanka is to eradicate poverty from our mother land. Thus, this paper mainly focusses on the money-metric approach of poverty reduction program and its implication in the study community.

Objectives

The objectives of this study are;

- To understand the method of the measurement of poverty, especially money-metric measurement.
- To analysis the categorize of the Samurdhi beneficiaries in the 8th Grama Niladhari division of Nintavur Divisional Secretariat area and their eligibilities on different ground under different circumstances.
- To identify the practical problems in measuring real poor condition and

implementing Samurdhi program in the same area.

Method of study

This is a qualitative study. Data have collected from primary and secondary sources. Interview (with Samurdhi development officer and people who are eligible and non-eligible to get Samurdhi), direct observation are used to collect the primary data. And secondary data was collected from the profile of the Samurdhi division, Nintavur Divisional Secretariat and from the electronic sources. In Nintavur 8th Grama Niladhari division, there are nearly 450 families living and 160 (approximately) are getting benefits from Samurdhi subsidy program. The researcher has selected 20 families as samples from the list of Samurdhi beneficiaries and 10 families who do not get Samurdhi assistance as Simple Random Samplings to analyze this study.

Measurement of Poverty: ‘Money-metric measurement’

The percentage of the world's population living on less than \$1 per day has halved in twenty years. Most of this improvement has occurred in East and South Asia. Life expectancy has been increasing and converging for most of the world. About 1/2 of the human population suffers from poverty which can be measured in terms of absolute or relative poverty based on capability approach, participatory approach, monetary / money-metric approaches and so on (Dilani Gunawardena, 2004). This study tries to compose the money-metric measurement to verify the eligibility to receive Samurdhi benefit in terms of their monthly income on the basis of the government threshold.

This measurement is dominated the poverty discourse, particularly in the area of measurement. The poverty line, in this approach, is the minimum cost of the poverty level of utility at prevailing prices and household characteristics. This measurement has also been called the income approach or monetary approach, because in practice, the welfarist approach typically leads to measures based solely on the goods and services consumed by a household, and the household's size and demographic composition (Dilani Gunawardena, 2004).

In Sri Lanka, the government is implementing Samurdhi program and is identifying the poor by using their threshold of Rs. 1500.00. According to this money-metric measurement, government is considered the monthly income of a family, household's size and the demographic composition to indicating poverty line and identifying poor to give assistance (Samurdhi) for their wellbeing. If any family living under poverty line (government threshold, 1500/=), they are eligible for Samurdhi.

Samurdhi (poverty alleviation) program

“Samurdhi” is the National program introduced by the government in 1994 to alleviate poverty. The objective of this program is to find a solution for the poverty. It is not an easy task, but through the Samurdhi program priorities has been given to activities such as development of rural infrastructure facilities, improving health and nutritional conditions among rural community and creates opportunities. The ministry of Samurdhi, Youth affairs and Sports was established in 1994 to launch the above program. In 2004, the ministry's name was changed to ministry of Samurdhi and Poverty alleviation and again it was converted in to the division of Samurdhi under the Ministry of Nation Building and Estate Infrastructure development (<http://www.samurdhi.org/>).

Results and Discussion (Sample Testing)

Samurdhi beneficiaries' verification was done in Nintavur Divisional Secretariat, by using simple random sampling method as follow;

Sample - 1

Table 1

Samurdhi beneficiaries in 8th Grama Niladhari division of Nintavur Divisional Secretariat area - 2011

Family	Male	Female	Total Family Members	Monthly Income (Rs.)
01	01	02	03	600.00
02	01	01	02	750.00
03	05	03	08	900.00
04	02	03	05	500.00
05	01	04	05	700.00
06	03	03	06	700.00
07	03	04	07	800.00
08	02	03	05	1000.00

09	01	03	04	1100.00
10	03	02	05	900.00
11	04	02	06	1200.00
12	02	03	05	1000.00
13	01	01	02	800.00
14	03	01	04	850.00
15	04	01	05	800.00
16	01	03	04	900.00
17	02	02	04	900.00
18	02	01	03	700.00
19	02	03	05	1000.00
20	01	01	02	650.00

Sources: Profile, S.D.O*, Samurdhi division, D.S. Office, Nintavur – 2011

* S.D.O: Samurdhi Development Officer.

Chart for Table 1
Different level of monthly income

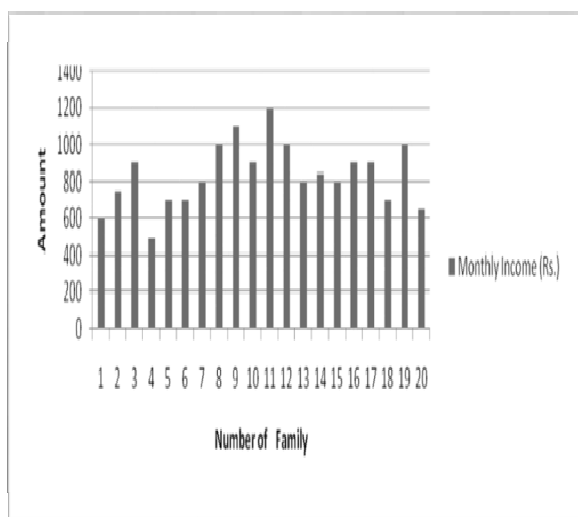


Table number one is describing the Samurdhi beneficiaries (20 families as samples) in the 8th Grama Niladhari division in Nintavur Divisional Secretariat area. According to the S.D.O report, the above table indicates the size of families (including the male female members of a family) and their monthly income.

But, when the researcher could observe 08 families are not eligible for Samurdhi according to the criteria of selection but are more suitable for Samurdhi benefits, because of their conditioning of livelihood that are pathetic warranty and the government assistance for survival. Through the direct observation the following table describes the

marginal groups with conditions in addition to the undependable income source.

Table 2

Beneficiaries' verification from table 1

Family Number (from the table - I)	Monthly Income * (Rs.)	Additional Income ** (Rs.)	Differen tiation (Rs.)
03	900.00	1000.00	400.00
08	1000.00	900.00	400.00
09	1100.00	900.00	500.00
10	900.00	800.00	200.00
12	1000.00	1000.00	500.00
16	900.00	900.00	300.00
17	900.00	800.00	200.00
19	1000.00	750.00	250.00

Source: Researcher's observation and experiences

* Monthly income (According to S.D.O report)

**Additional income (According to the observation)

Above table explain the difference between their levels of income and actual amount of incomes. The additional income was not given by these benefited people while the government officers are measuring poverty condition in this area, because these incomes are being gained by these beneficiaries from non-visible incidental ways such as income from their domestic production (home garden), from handy craft and seasonal vender.

There are two questions to be analyzed, why those beneficiaries hide their actual income? And what are the reasons behind them?, Generally, the opinions of majority of the people are that level of income of most of the families is not enough to recover their basic needs. In this situation they are expecting some additional assistance from government or the Non-governmental organizations to complement their needs.

Further, this paper highlights some reason for why non-eligible household getting Samurdhi;

- **Aspiration or attitude of people:** In general, most of the people like to get any benefits from the government. If the government introduces any subsidy program or poverty alleviation programs like Samurdhi, all people who are interested favorably to join with such programs. This is a different type of attitude or

aspiration could be observed in the village taken for research.

- **Flexibility provided by the government:** When a family faces any critical situations, they are given priority based on Samurdhi. A person getting benefits from Samurdhi can get some amount of money or allowances through Samurdhi when he/she admitted to the hospital or applying for water supply, gets it with less government costs.
- **Influence of officers or administrators:** In many areas, especially in the research area, some of the marginalized families are getting benefits through the Samurdhi alleviation program as a result of the moral support of Samurdhi officers or administrator's support.
- **Inappropriate measurement method:** The money-metric measurement is not an absolute measurement method to identifying poor. This measurement method is only to focuses on the monthly income of a family based on their work. But, it is not considered the other forms of income like income from their home garden and their additional income from other sources ...etc. when the Samurdhi development officers make measurement among people they are able to hide their absolute income and other sources of income. Thus, the money-metric measurement is not an absolute method to identifying the real poor condition but, the government should use some other alternative measurements to find out poor condition easily.
- **Inadequate threshold:** Another important factor is that the government threshold (LKR. 1500.00) always considers the absolute poor condition. So these poor are eligible to get Samurdhi based on their poverty line or low level of income and the government threshold. But many poor people have been suffering from the seasonal poverty. During some period they have enough income for their survival but, under some circumstances their income may become very low than the government threshold. So, the lack of measurement method also the enormous causes for the people to hide their actual income and willing to get some benefits from Samurdhi.

In some families (family 6, 8, 10 & 11) there are three children go to the school and aged people also depending under this income platform. So they need more economical basic support to run their day to day life. Some times, the S.D.O can understand the real socio-economical background of these poor, that's why he recommended them to get assistance through this poverty alleviation program, although their actual income is above than the government threshold. For an example, Mason, Carpenter is earning Rs. 600.00 (Average) per day, but this income is not enough to run their families. In some situations farmers and fisheries may have seasonal poverty. Therefore, the S.D.O indicates their monthly income by calculating their annual income level.

Actually this money-metric measurement and government threshold should be changed in the system of measuring poverty in these villages. The government threshold still not increased from 1994 (beginning period of Samurdhi). But the level of income, cost of living, demographic transition, life expectance and needs for the people have been changed through the deference socio-economical aspects. The government threshold should be increased according to this present economical condition of Sri Lanka, and then it will be possible to identify the real poor condition and give assistance for them to provide good standard of their lives.

Sample - 2

Table 3

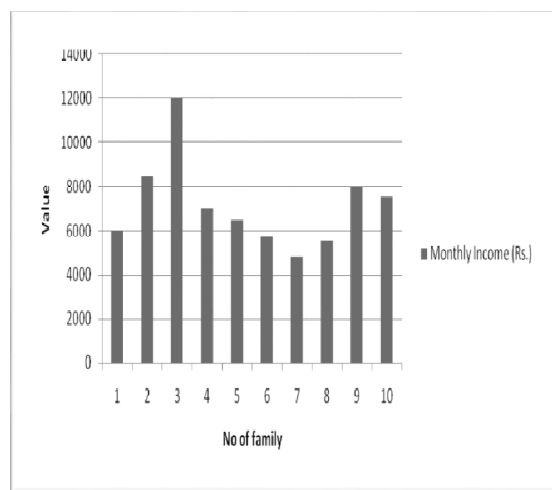
Samurdhi Non-beneficiaries in 8th Grama Niladhari division of Nintavur Divisional Secretariat area - 2011

Family	Male	Female	Total Family Members	Monthly Income (Rs.)
01	02	01	03	6000.00
02	03	01	04	8500.00
03	03	01	04	12000.00
04	01	02	03	7000.00
05	02	03	05	6500.00
06	02	01	03	5700.00
07	01	01	02	4800.00
08	02	02	04	5500.00
09	03	03	06	8000.00
10	03	02	05	7500.00

Sources: From Samurdhi development officer, GN Division 8th - 2011

The following chart details the family size and different level of monthly income of the families taken as samples for this study.

Chart for Table 2
Different level of monthly income



The above table consists of the family size and their monthly income. According to the observation and S.D.O's report, it can be realized that the above families are not eligible for Samurdhi, because their monthly income is very higher than the government threshold. Through this money-metric measurement and threshold they are unable to get Samurdhi. Thus, directly it can be pointed out that the above families are not qualified for Samurdhi based on their income, therefore, we do not need to verify their eligibility as usual.

Conclusion

Poverty is the major social issue in all over the world, especially in the third world countries. As a developing country, Sri Lanka also faces the problems of poverty. Sri Lanka government has been implemented several poverty alleviation programs, especially Samurdhi program being implementing since 1994. This program used the money-metric measurement on the basis of government threshold to give assistance for poor. This study emphasized the eligibility of Samurdhi beneficiaries and non-beneficiaries in the 8th Grama Niladhari division of Nintavur Divisional Secretariat area. According to the findings (through simple random sampling), 40% of beneficiaries are not eligible for Samurdhi due to their additional income and lack of measurement. However, it is to

be suggested the government threshold should be considered the present socio-economical condition of the families, group and villages. This government's threshold (1500/=) has to be increased according to the cost of living and different level of income of the families. The money-metric measurement is not enough to measure absolute poor in our country properly. Therefore, the new approaches or the measurements such as absolute or relative poverty measurement, capability approach and participatory approach can be used for find out an absolute poor and give assistance, and to take them in to the main stream of the society.

References

- 1) Dileni Gunawardena, (2004), Poverty Measurement: Meaning, Method and Requirement.
- 2) Poverty Issues in Sri Lanka, (2003), Centre for Poverty Analysis (CEPA), Colombo.
- 3) Profile, Samurdhi Division, Divisional Secretariat, Nintavur.
- 4) <http://www.gov.lk/Samurdhi>
- 5) http://med.gov.lk/english/?page_id=21