

POVERTY INCIDENCE INDICATORS

Incidence of Poverty by Sectors and Socio-Economic Group of Main Income Earner

(For the purpose of this study main income earner is considered to be the head of the household.)

Table A.6 which presents estimates of incidence of poverty for households belonging to different socio-economic groups as well as sector of residence, show that the poor are disproportionately located in the rural areas and are engaged in agriculture or allied rural occupations. In 1981/82, over a third of poor households were headed by Agricultural, Forestry and Fishing workers, whose incidence was highest (28 per cent: 40 per cent higher than the National Average). This category included mostly landless agricultural labourers and persons engaged in fishing and related activities. Heads of poor households engaged in Production and Related work accounted for 28 per cent of the total poor households. The incidence of poverty in this category was also high (25 per cent). By far the lowest incidence was found among the Professional, Technical, Administrative and Managerial Staff and Clerical, Sales and Service worker categories, which accounted for less than 15 per cent of the poor households. The incidence among households headed by farmers (which was a sizeable group) was relatively high. By all probability, this category included small farmers who operate on marginal and uneconomical land and also tenant farmers.

Both in the Urban and Rural Sectors, more or less the same pattern in the incidence of poverty was discernible. In the Estate Sector, the incidence among households whose heads belong to the Residual category was highest.

Incidence of Poverty by Zones and Socio-Economic Group of Main Income Earner

The estimates of incidence of poverty by Zones (Regions) and

socio-economic groups are given in Table A.7. The overwhelming majority of the poor are to be found in the rural districts. Zones

2 and 3 which are typically Dry Zone rural districts and Zone 4 consisting of hill country districts

Sector	SEG. Code	1978/79		1981/82		
		As a Percentage of Total in Poverty Households	Percentage in Poverty Households	As a Percentage of Total in Poverty Households	Percentage in Poverty Households	
Urban		18.96	14.36	13.25	14.56	
	11	0.43	3.39	0.38	3.39	
	21	8.19	20.14	5.59	20.84	
	31	0.21	5.88	0.44	11.48	
	61	2.70	22.33	2.07	28.21	
	71	5.69	14.06	3.89	12.84	
Rural	91	1.64	11.86	0.88	7.61	
		77.21	22.24	83.17	22.41	
	11	1.35	6.01	1.19	4.86	
	21	22.28	24.63	22.74	25.94	
	31	16.73	16.71	16.77	18.54	
	61	23.49	35.29	28.83	34.96	
Estate	71	3.19	13.08	8.29	13.88	
	91	5.91	23.85	5.35	20.38	
		3.20	5.95	3.58	10.00	
	11	0.07	5.26	0.06	12.50	
	21	0.21	10.34	-	-	
	31	-	-	0.13	12.50	
All Sectors	61	2.78	5.78	3.08	10.02	
	71	2.14	7.69	0.25	12.12	
	91	-	-	0.06	25.00	
		100	18.52	100	20.08	
	All Sectors	11	1.85	5.08	1.63	4.51
		21	30.68	23.04	28.33	24.47
ALL SEGS.		31	16.94	17.34	18.19	
		61	28.97	23.61	33.98	28.19
		71	14.02	13.36	12.44	13.50
		91	7.54	19.34	6.28	16.53
			100.00	18.52	100.00	20.08

SECTORS

All households in the country are grouped into three sectors—Urban, Rural and Estate. The Urban Sector consists of all households in the Municipal, Urban and Town Council areas. The Estate Sector consists of all households in Tea, Rubber and Coconut estates with 20 or more acres and with 10 or more resident workers. The Rural Sector consists of all households not included in the Urban and Estate Sectors.

SOCIO-ECONOMIC GROUPS (SEG)

SOCIO-ECONOMIC GROUPS (SEG)	SEG. CODE
Professional, Technical, Administration and Managerial Staff	11
Production and Related Workers	21
Farmers	31
Agriculture, Forestry & Fishing Workers	61
Clerical, Sales and Service Workers	71
Residual Category	91

together accounted for 75 per cent of the poor in 1981/82. The majority of the Zone 4, consisting of almost the entirety of the estate population, are households from villages surrounded by the plantations. As

the proportion of poor households and the incidence of poverty in the Estate Sector are very low, the regional distribution of the poor confirms that poverty in Sri Lanka is essentially a rural phenomenon.

Table A.7 Incidence of Poverty by Zones and Socio-Economic Group of Main Income Earner 1978/79 and 1981/82.

ZONES	SEG. CODE	1978/79		1981/82	
		As a Percentage of Total in Poverty Households	Percentage in Poverty Households	As a Percentage of Total in Poverty Households	Percentage in Poverty Households
Zone 1		34.4	18.4	25.8	16.7
	11	0.8	5.9	0.4	2.7
	21	14.4	22.1	11.0	21.7
	31	2.7	14.9	1.4	8.5
	61	7.5	29.0	7.4	27.4
	71	6.1	13.3	4.0	12.0
ZONE 2	91	2.9	17.1	1.6	11.9
		10.4	16.8	19.3	23.1
	11	0.1	2.4	0.3	5.7
	21	2.8	20.9	4.1	25.1
	31	4.2	16.3	5.5	19.7
	61	2.0	24.3	7.0	37.7
Zone 3	71	0.9	9.7	1.5	12.1
	91	0.4	17.6	0.9	22.1
		4.8	9.4	9.2	14.1
	11	0.1	2.3	0.3	5.4
	21	1.2	13.9	1.5	19.8
	31	0.5	3.9	1.5	12.8
Zone 4	61	1.8	14.4	4.5	27.0
	71	0.6	7.1	1.0	10.6
	91	0.6	10.9	0.4	7.3
		48.0	22.0	43.5	23.2
	11	0.9	5.9	0.7	5.7
	21	11.2	28.9	11.1	30.2
Zone 5	31	9.5	20.4	8.9	22.8
	61	17.6	23.2	15.1	25.9
	71	5.4	16.9	4.6	18.7
	91	3.4	29.1	3.1	26.3
		2.4	10.8	2.2	13.6
	11	0.1	2.7	0.1	4.2
Zone 5	21	1.1	14.7	0.6	14.7
	31	-	-	-	-
	61	-	-	-	-
	71	1.0	10.9	1.3	17.2
	91	0.2	8.3	0.2	7.9

ZONES

The 24 Administrative Districts excluding the area covered by the Colombo Municipality are divided into 4 zones.

Zone 1 consists of households in the districts of Colombo (excluding households in the Colombo Municipality), Gampaha, Kalutara, Galle and Matara.

Zone 2 consists of households in the districts of Hambantota, Monaragala, Amparai, Polonnaruwa, Anuradhapura and Puttalam.

Zone 3 consists of households in the districts of Jaffna, Mannar, Vavuniya, Mullaitive, Trincomalee and Batticaloa.

Zone 4 consists of households in the districts of Kandy, Matale, Nuwara Eliya, Badulla, Ratnapura, Kegalle and Kurunegala.

Zone 5 consists of households in the Colombo Municipality.

The incidence of poverty was also high in these Zones, with the exception of Zone 3 which has recorded a somewhat low incidence compared to the other Zones. The incidence of poverty in the relatively urban maritime Zones, Zones 1 and 5, was low.

The rural Zones (Zones 2, 3 and 4) followed closely, the pattern of distribution and incidence of poverty for the whole country. As for the whole country, the incidence of poverty was highest among households by Agricultural, Forestry and Fishing workers. A minor exception was Zone 4, where the incidence among households headed by Production and Related Workers was highest. In more Urban Zone 1, the Production and Related worker category which was the dominant category, also faced the second highest incidence of poverty. In Zone 5, (Colombo Municipal Region) where the majority poverty group was the Clerical, Sales and Service worker category, the Production and Related Worker category occupied the second position. The bulk of the urban poor presumably included the unskilled workers employed in the Manufacturing, Construction, or Service Sectors and the self-employed skilled workers such as carpenters and artisans who operate on a very small scale and the self-employed in small scale household enterprises.

A generalization emerging from the data is that the proportion and incidence of poverty in the Dry Zone districts (Zones 2 and 3) have substantially increased over the years. A striking feature is the substantial increase in both the proportion and incidence of poverty among households headed by Agricultural, Forestry and Fishing workers in these Zones. This may be partly due to the influx of recent migrants into the Major Development Project areas located in the Dry Zone. It is possible that these persons would have taken on casual marginal employment as agricultural workers.