

Regional Poverty in Sri Lanka: A Multidimensional Approach

P.H.T. Kumara¹, G.H. Abyeweera², K.M.R. Siriwardhana²

¹Department of Public Administration, Uva Wellassa University Badulla, Sri Lanka

²Department of Management Sciences, Uva Wellassa University Badulla, Sri Lanka

The reduction of monetary poverty in Sri Lanka is commendable in recent years, yet literature questions the reality of this achievement. One of the major criticisms in this regard is the measurement method applied (monetary approach) in estimating poverty in Sri Lanka. Hence, this study applied the Multidimensional Poverty Index developed by Alkire and Santos in 2010 in order to estimate the regional multidimensional poverty in Sri Lanka. In analysing the regional multidimensional poverty, three indices, namely the multidimensional poverty headcount index, the intensity of deprivations, and the multidimensional poverty index, were estimated at national, provincial, and district levels. The micro datasets compiled from Household Income and Expenditure Survey 2009/10 conducted by Department of Census and Statistics of Sri Lanka were used for the analysis. The study found that multidimensional poverty in Sri Lanka is a regional phenomenon, in that multidimensional poverty in the estate areas is significantly high. The study also found that the levels of multidimensional poverty vary according to the location of the household (sector, provinces, and districts). In addition, living standards dimension of the Multidimensional Poverty Index has contributed to the most of the multidimensional poverty in Sri Lanka, irrespective of the areas of living. However, there are differences between the contributions of 'health' and 'education' dimensions to the Multidimensional Poverty Index, depending on the area of living. The contribution of the health dimension to the Multidimensional Poverty Index is high in the urban areas and in richer regions while the contribution of the education dimension is high in the rural and estate areas and in the poorer regions. Therefore, priority should be given to the improvements of health care and services in the urban areas and of education in the rural areas while the improvements in the living standards dimensions are required irrespective of the area.

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