

AN ANALYSIS OF THE WELL BEING OF SAMURDHI BENEFICIARIES

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Samurdhi programme is the largest poverty-alleviating programme operating in Sri Lanka. Main aim of the Samurdhi programme is to promote self-reliance by nurturing the savings habit and developing income-generating self-employment. Since development of micro enterprises and dissemination of appropriate technology is regarded as a better way of reducing poverty, government invests on micro enterprise development through the Samurdhi programme. Therefore, this study was designed to compare the well being of the Samurdhi beneficiaries with respect to their business activities. Stratified random sampling was used to select the respondents. Kandy district was selected to conduct the study purposively and of the 120 Samurdhi beneficiaries, 60 involved in income generating activities and 60 who were not involved were selected from three DS divisions: Gampola, Yatinuwara and Kundasale. Data were collected by using a pre-tested questionnaire. Principal Component Analysis was used to construct the household asset related wealth index.

Results revealed that 53.3% of the micro enterprise owners were females and 85% of the owners have had the access to credit. Of the group who are involved in micro enterprises, 48.3 % have had formal education up to GCE (O/L). Lack of skills and support from the family members were the main reasons for others not to involve in micro enterprises. Of the group of micro enterprise owners, 30 % were involved in trade related activities like retail shops and doing businesses in the pavement, 18.3 percent in service provision like working in service stations. However, only 3.3 percent were involved in crop based agricultural activities such as mushroom cultivation. The group that was not involved in micro enterprises was mainly engaged in casual work.

Respondents were categorised into well-being groups based on the asset index constructed. The variables namely: availability of electricity, quality of wall material, quality of floor material, quality of roof material, sanitation facilities, value of furniture and value of appliances were used in constructing the asset index. The constructed asset index explained 52.7 percent of the total variance and ranged from - 2.522 to 2.031. Eighty percent of micro enterprise owned households falls within the highest well-being group. The *t* test confirms that the difference of means when compared between groups is significant. It could be concluded that micro enterprise owners are relatively wealthier than the people who are not involved in micro enterprises. Thus, promoting micro enterprises can be regarded as a better way to reduce poverty among low-income earners.