Selection Criteria and Targeting the Poor for Poverty Reduction: The Case of Social Safety Nets in Sri Lanka

Author: Dr Manana Dewage Diana Dilshanie Deepawansa

Coauthors: Manana Dewage Diana Dilshanie Deepawansa

Submission ID: 392

Format: CPS Paper

Reference Number: 392

Presentation File

abstracts/ottawa-2023_df072c72f984cffced63527b88f0adb2.pdf

Brief Description

Abstract Reducing poverty and improving the living standard of the poor and vulnerable populations in Sri Lanka have been among the vital critical agendas of governments.

Hence the incumbent government has also designed and accelerated poverty-targeting programs to reduce poverty.

The relevant government agencies significant play a major role in determining low-income families, supporting them in multiple ways and assisting them in achieving sustainable development by providing them with cash transfers, microfinance and various community-based and livelihood development activities.

The primary safety net program currently targeting the poor in Sri Lanka is the "Samurdhi" programme.

Although consecutive governments have spent vast amounts of money over several decades on social safety net programs, the impoverished people have been excluded considerably and continue to remain poor.

The high leakage is present because of mistargeting, less transparency and accountability, political inspirations in the implementation of programs, and weakness of beneficiary selection methods.

Hence, it is more important to redesign the selection criteria for social safety-net programs to effectively target the poor.

This article explores measures to identify the target beneficiaries and potential beneficiaries assessing the deprivations at the household level in multidimensional aspects named as "Multidimensional Deprivation Score Test (MDST)", which captures the experiences of the poor in several dimensions at the same time and computing weighted deprivation score by weighting each deprivation which was derived by a data-driven approach to capture the poorest and vulnerable people more accurately.

The effectiveness of the criteria is ensured by empirical evidence through the Household Income and Expenditure Survey data in 2019 conducted by the Department of Census and Statistics, National Statistical Office in Sri Lanka.

The output indicates that shifting to the MDS test to select beneficiaries could improve the targeting and significantly increase the impact of social protection programs on poverty. Keywords: Poverty, Social safety net, Selection Criteria

Abstract

Abstract
Reducing poverty and improving the living standard of the poor and vulnerable populations in Sri Lanka have been among the critical agendas of governments. Hence, the incumbent government too has designed and accelerated poverty-targeting programs to reduce poverty. The relevant government agencies play a significant role in determining low-income families, supporting and assisting them in multiple ways in achieving sustainable development. Thus, the government provides families with cash transfers, microfinance and various community-based and livelihood development activities. The main safety - net program currently targeting the poor in Sri Lanka is the "Samurdhi" programme. Although consecutive governments have spent vast amounts of money for several decades on social safety net programs, impoverished people have unfortunately been excluded and remain poor. The high vulnerability is due to mistargeting, less transparency and accountability, political influences in the implementation of programs, and weakness of beneficiary selection methods. Thus, it is essential to redesign the selection criteria for social safety-net programmes to target the poor effectively. This article explores measures to identify the target and potential beneficiaries, assessing the deprivations at the household level in multidimensional aspects named "Multidimensional Deprivation Score Test (MDST)". This programme captures the experiences of the poor in several dimensions simultaneously. It computes the weighted deprivation score by weighting each deprivation derived by a data-driven approach to capture the poorest and most vulnerable people more accurately. Empirical evidence via the Household Income and Expenditure Survey data in 2019 conducted by the Department of Census and Statistics, National Statistical Office in Sri Lanka, ensures the effectiveness of the criteria. The output indicates that shifting to the MDS test to select beneficiaries could improve the targeting and significantly increase the impact of social protection programs on poverty.

Keywords: Poverty, Social safety net, Selection Criteria