

(F) CURRENT SAMPLE SURVEYS

In 1973, the Economic Research Department carried out its third Survey of Consumer Finances. A Techno Economic Survey of the Uda Walawe project area was undertaken but its field work will be completed in 1974. During the year the preliminary work for a survey of the present economic situation of the Mahaweli Development Area, was completed.

1. The Consumer Finances Survey of 1973

The Central Bank conducted two Surveys on consumer finance in 1953 and 1963. Field investigation of a third survey was completed during the first two months of 1973.

The primary purpose of the 1973 Survey was to collect data on household income and expenditure. Along with them related demographic and employment data were also collected. The results of the Survey are expected to be published by the middle of 1974. A part of the income data is now available in tabulated form to enable a brief analysis of income changes to be made.

The sample drawn for the Survey consisted of 5088 households with 28587 individuals among whom there were 7326 income receivers. For the purpose of the survey, an income receiver was defined as a recipient of money income or income in kind during the six months immediately preceding the survey. In addition to income data for a period of six months, the survey also collected income data for the two months immediately prior to the survey. The latter data are presented in table II (F) 1.

TABLE II (F) 1.
Sample Distribution of Income for two months

Income for Two Months (Rs.)	Income Receivers	
	Number	Percentage
0 — 100	536	7.3
101 — 200	1388	18.9
201 — 300	1152	15.7
301 — 400	1001	13.7
401 — 500	889	12.2
501 — 600	689	9.4
601 — 700	481	6.6
701 — 800	357	4.9
801 — 900	223	3.0
901 — 1000	141	1.9
1001 — 1200	195	2.7
1201 — 1400	96	1.3
1401 — 1600	44	0.6
1601 — 1800	31	0.4
1801 — 2000	23	0.3
2001 — 2500	35	0.5
2501 — 3000	15	0.2
Over — 3000	30	0.4
	7326	100.0

Based on Table II (F) the average monthly income per income receiver in 1973 was Rs. 228 compared to a consumer finance estimate of Rs. 134 in 1963. When deflated by the Colombo Consumers' Price Index the average monthly income in 1973 would be Rs. 150 at 1963 constant prices. In other words, the average real income, as revealed by the last two consumer finance surveys has increased at a rate of 1.2 per cent per year. This statement needs qualification to the extent that the price index does not reflect the price increases adequately. The Survey also shows that the increase in income has not been indiscriminately distributed: the average real income in the urban sector has declined at the rate of 1.8 per cent annually while the rural and estate sectors taken separately have gained at the rate of 2 per cent.

The income, data also depict a considerable shift in the distribution of income, showing a movement towards greater equality. Gini's coefficient, a well known index of income inequality, has changed from 0.49 to 0.41 over the decade 1963-73. During the previous decade the index hardly changed. (Gini's coefficient ranges from zero to one, and an index figure closer to zero indicates greater equality of income distribution). The process of levelling up of income can be attributed to the government policies that lead to changes in wage structure in favour of low income earners and the widespread development of the once neglected rural sector.

The Gini's coefficients for All island and the Urban, Rural and Estate sectors calculated from the Consumer Finance Survey data of 1963 and 1973 are as follows:

	Gini's coefficient for	
	1963	1973
All Island	.49	.41
Urban	.49	.40
Rural	.44	.37
Estate	.27	.37

In both urban and rural sectors the index indicates considerable redistribution of income. In the case of the estate-sector the two index figures are strictly not comparable, due to a difference in the sampling schemes used for the two surveys. In 1963 the management level staff of estates were hardly represented while in 1973 they were adequately represented. The increase in the index from .27 to .37 may be purely due to this difference.

In the process of redistribution of income the income group that suffered a percentage decline in the share of the total income was the highest 10 per cent of income receivers. From a share of nearly 40 per cent they enjoyed in 1963 it has come down to 30 per cent.

2. The Techno-Economic Survey of the Uda Walawe Project Area

The objectives of the Survey are to measure the economic potential in relation to the available human and physical resources, to study the possible impact of investment in the project, to identify and analyse the problems connected with the farm economy and to examine the expected growth in agro based industries.

In addition to the data on expenses made by the River Valley Development Board the survey will collect data on the cost of production of major crops, employment, income and expenditure of farmers, educational and health facilities and industries. To obtain data from farmers a sample of them will be visited weekly for a period of one year by trained investigators.

The field work of the survey commenced in October 1973 and will be completed at the end of one year

3. An Initial Survey of the State of Growth in the Mahaweli-Development Area

The Survey attempts to record by means of a number of indicators the state of the economic and social conditions of the Mahaweli Development area prior to the use of diverted water. Such a record could form a basis for evaluation of the progress in the region, at a later date.

The survey will collect data on demography, education, employment, housing, various service centres, transport facilities, land utilization and cultivation practices, irrigation, income from regular and chena cultivation, garden crops and village leadership.

A sample of 15 villages and 5 colonisation schemes has been chosen. The field work of the survey will commence in March 1974 and will be completed within two months.