

THE
CONSUMER FINANCES
AND
SOCIO ECONOMIC SURVEY
REPORT
2003/04
Part 1



CENTRAL BANK OF SRI LANKA
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Foreword

This report on the Consumer Finances and Socio-Economic Survey 2003/04 provides a set of information on social and economic conditions that prevailed in the household sector in Sri Lanka during the reference period. A series of such information helps us understand the evolution of socio-economic conditions over time in response to policies as well as due to internal and external forces of change. Accordingly, this series of data provides vital information for evaluating past policies and guiding future courses of action to achieve broader socio-economic objectives.

In 1953, the Central Bank of Sri Lanka pioneered the establishment of an information base on socio-economic conditions in the country by laying the foundation for a series of Consumer Finances and Socio-Economic Surveys to follow at regular intervals. Seven surveys in the series were conducted between 1953 and 1996/97, during which period the scope and coverage, as well as the sample size and duration of fieldwork, were expanded to improve the reliability of the statistics and provide for a more in-depth analysis of relevant issues. Meanwhile, the questionnaires were also revised continuously to improve the information base by incorporating observed changes in the economy. The required changes to concepts and definitions over time have also ensured that the data so collected are comparable across surveys.

The eighth survey was conducted from October 2003 through October 2004. As with the previous survey conducted in 1996/97, the report on the 2003/04 survey is to be published in two parts. This publication, Part 1 of the report, contains an analysis of the findings, while Part 2, to be published shortly, will contain detailed statistical tables.

A major highlight of this survey was its coverage of most of the Northern and Eastern provinces, after a lapse of 20 years, which was possible under a relatively peaceful environment after the ceasefire agreement in early 2002. Consequently, this is the first household survey since the civil conflict exacerbated in 1983 that provides cross-sectional data on living conditions in Sri Lanka that includes the Northern and Eastern provinces. It provides valuable information for interregional comparisons, including most of the areas affected by the civil conflict. This landmark achievement, coupled with this survey being the first in the new century, provides a benchmark set of information for evaluation of the country's social and economic progress in the 21st century. We therefore hope that the information available from this survey would be widely used by policy makers, development programmers, manufacturers and market researchers for their own planning, monitoring and business purposes, for reconstruction and rehabilitation and the overall economic development of the entire country.

As in the previous surveys, the 2003/04 survey provides comprehensive and detailed data on demographic features; housing, utilities, health, education, and other socio-economic conditions; labour force participation, employment and unemployment; income; expenditure and consumption; and savings, investments and borrowing of households. These data were analysed to identify provincial, sectoral and other sub-strata disparities and changes over time, if any, to improve understanding of the factors influencing such differences.

In view of the importance of releasing timely information to the public, preliminary findings from the survey were presented at a public seminar last December, on the Central Bank website and its Annual Reports of 2003 and 2004. The completion of this publication by July 2005 is the outcome of considerable efforts taken to release the analysis of the survey findings to the public within a short period of completion of field enumeration work, and is a great achievement.

Planning for the survey, questionnaire preparation, sample selection, training of field staff, field enumeration and supervision, software development, electronic data processing and tabulation, data analysis and preparation of reports were undertaken by the officers of the Statistics Department of the Central Bank under the direction and supervision of Dr. Anila Dias Bandaranaike, Director of Statistics.

Sunil Mendis
Governor

31 July 2005

Preface

This report presents a summary of the findings of the eighth Consumer Finances and Socio-Economic Survey conducted by the Central Bank of Sri Lanka from October 2003 to October 2004. The survey was designed and its scope expanded to collect a wide range of socio-economic data from the household population. It covered a sample of 11,722 households representative of the household density across provinces and sectors (urban, rural and estate) in the entire country, except Killinochchi, Mannar and Mullaitivu districts in the Northern Province.

A major achievement of this survey was its coverage of most of the North and East after a lapse of 20 years. The Census of Population and Housing 2001 (Census 2001) conducted by the Department of Census and Statistics (DCS) provided the required sampling frame and the ceasefire between the Government and the LTTE since February 2002 provided the opportunity to conduct the survey in almost the entire country.

The survey findings provided evidence of improved living conditions and changes in consumption and expenditure patterns since the previous survey was conducted in 1996/97. Despite a decline in sectoral differences, significant disparities in living conditions among sub-populations still existed, that were commensurate with the uneven regional economic development in the country over the past few decades. The findings also reflected the impact of social welfare reforms that have been implemented in the country by successive governments since independence. The Central Bank uses the statistics from this survey to upgrade its national income accounts database and to update its statistical estimates on private consumption and investment, consumer price and wage indices, income levels and distribution, and towards further enhancement of other socio-economic indicators and macro economic statistics that it disseminates.

The statistics compiled from the information collected in this survey series, which began in 1953, has traditionally been disseminated in a report comprising two parts. This publication, Part 1 of the report, provides an overall analysis of the survey findings. We expect to publish Part 2 of the report, in both printed and electronic format, later this year. It will contain detailed statistical tables that would be useful to planners, policy makers and researchers. As with the previous survey in the series that was conducted in 1996/97, towards the end of the year, we also expect to make the micro data from this survey available to researchers for more detailed analytical studies.

The conduct of this survey and the availability of this rich new store of information were made possible because of a team of dedicated and committed officers in the Central Bank and the unstinted support of many other government organisations and private institutions.

The names of all officers who contributed to the survey are given in Appendix IV of this report. The survey was planned and conducted under the technical supervision of the two former Deputy Directors of Statistics, Mr. A. Jeewandara, currently Superintendent of Currency, and Mr. D. Wasantha, currently Additional Director of Statistics.

Mr. M.D. Somaweera and Mrs. C.M.D.N.K. Seneviratne, Senior Assistant Directors and Co-heads of the Statistical Investigations Division supervised the review, expansion and final preparation of the questionnaire and field manual in both Sinhala and Tamil languages; preparation of the sample frame and sample selection; the logistics of outsourcing human resources for several activities; identification, interview, selection and training of field investigators; logistics of the field programme and co-ordination of transport arrangements for survey teams and survey materials; and survey budgeting, financial administration and control. They were assisted by Mr. B.H.P.K. Thilakaweera, Mr. W.M. Wijekoon and Mr. T. Siripala, while Mr. V.S. Chandrasoma, Mr. H.A. Wijayawardana Banda, Mr. W. C. Hettiarachchi, Ms. L. Jayaweera, and Ms. D.K. Gunasekara, provided significant technical support for these activities.

Training and field supervision of the survey teams were undertaken by officers of the Statistics Department as well as officers released from other departments and Regional Offices of the Central Bank.

The database and required software was developed and maintained under the supervision of Mr. B.H.P.K. Thilakaweera. Mr. G.A.P. Perera supervised the team of Data Entry Operators and the questionnaire control, data entry, editing and finalisation of the survey data.

This report was prepared by a team comprising Mr. D. Wasantha, Mr. C.P.A. Karunatilake, Mr. K.H.A.S. Ariyaratne, Mr. M.D. Somaweera, Mrs. C.M.D.N.K. Seneviratne, Mr. T.M.Z. Muthaliph, Mr. W.L. Gunasena, Mr. A.R.K. Wijesekera, Mr. J.D. Vithanage, Mr. W.M. Priyankara, Ms. D.S.W. Samaratunga, Ms. T.M.R.P. Yatigammana, Mr. B.H.P.K. Thilakaweera, Mr. S. Gowrisangar and Mr. W.M. Wijekoon. Mr. V.S.

Chandrasoma, Mr. H.A. Wijayawardana Banda, Mr. W. C. Hettiarachchi and Mr. J. Wijayasundara provided technical support for data tabulation and statistical compilation. Ms. D.K. Gunasekara handled the page making. The cover page of this report was designed in-house and executed by Mr. W. C. Hettiarachchi.

I wish to gratefully acknowledge the significant contribution made by the staff of the Statistics Department, through their dedication to this survey and its successful completion. In particular, I wish to place on record the immeasurable contributions made in so many ways by former Deputy Directors, Mr. A. Jeewandara and Mr. D. Wasantha, and Co-Heads of the Statistical Investigations Division, Mr. M.D. Somaweera and Mrs. C.M.D.N.K. Seneviratne, whose commitment, professionalism and striving for excellence, made this task possible. I thank all other officers of the Statistics Department, who contributed in different ways, both big and small, to make this survey a success.

Directors of the Economic Research, Bank Supervision, Secretariat, Exchange Control, Supervision of Non-Bank Financial Institutions and Legal departments and Managers of the Matara and Matale Regional Offices of the Central Bank released their officers to function as Field Supervisors. Directors of the Information, Premises, Secretariat and Security Services departments and all three Regional Managers provided logistical support in various ways during the last three years to ensure smooth administrative, accommodation, transport and printing arrangements. I acknowledge, with gratitude, the ready co-operation and support received from all of them. Mr. A. Jeewandara, Superintendent of Currency, and Dr. D.S. Wijesinghe, Director, Domestic Operations, readily agreed to served on the external editorial committee. We are extremely grateful to them both for their valuable comments and suggestions that enhanced the analytical content and quality of this report.

The fieldwork in Tamil speaking areas was undertaken by three officers from other departments. Mr. P. Pushparajah, Mr. K. Gangatharan and Mr. K. Balasubramaniam. Mr. K. Balasubramaniam and Mr. T. Chandrakumaran undertook all Tamil translation and typing work. I thank them all for their co-operation, professionalism, commitment and enthusiasm.

We greatly appreciate the support received from Mr. V. Karunatilake, Printing Manager, and his staff at the Central Bank Printing Press, and the efficiency and high standards of professionalism with which they handled the printing of the 7 questionnaire schedules and analytical reports.

Following on the Voluntary Retirement Scheme implemented in the Central Bank in 2001, tasks that had hitherto been undertaken by Central Bank staff in past surveys such as field investigation, transport services, software support and data entry operations, had to be outsourced in this survey. I wish to thank the graduate foundations of the universities for providing us with lists of graduates with the required academic training for selection of field investigators and Mr. S. Shivakumaran, consultant systems analyst, for his invaluable support services in the software and data base development.

The DCS assisted us by providing the population frame as well as the housing unit lists for the selected census blocks from the Census 2001 from which to select our sample of census blocks and housing units. I thank the Director General, DCS, and his team, for the use of their Census 2001 information and the spirit of mutual co-operation in which we have been able to work together to improve statistics at the national level in Sri Lanka in so many areas in the last few years.

We record with gratitude, the assistance rendered to this survey by the Secretary, Ministry of Defence, the Secretary, Ministry of Home Affairs, Provincial Councils and Local Government, and all District Secretaries. The Divisional Secretaries, Grama Niladharis and Samurdhi Niyamakas responsible for the selected census blocks actively supported our fieldwork and we are grateful to them all. I also wish to thank estate managers and superintendents of the Sri Lanka State Plantations Corporation, Janatha Estates Development Board and plantation companies who assisted us with our fieldwork in the estate sector.

Finally, my grateful thanks to all householders in the selected sample, whose co-operation, patience and public spiritedness enabled 99.6 per cent coverage of the selected sample of households.

It is our hope that this report would be useful to evaluate economic and social progress in Sri Lanka towards more evidence-based policies and informed decision-making.

Anila Dias Bandaranaike

Director of Statistics

31 July 2005

Contents

	<i>Page</i>
Foreword	(iii)
Preface	(v)
Key Features of the Consumer Finances Survey Series 1953 – 2003/04	(xix)
Key Socio Economic Indicators for Sri Lanka 1953 – 2003/04	(xx)
Key Socio Economic Indicators by Provinces 2003/04	(xxii)
Chapter 1 – Overview	1
1.1 Structure of the Report	1
1.2 Survey Coverage	1
1.3 Key Findings	2
1.4 Conclusions	6
Chapter 2 – Objectives and Methodology	7
2.1 Background	7
2.2 Sampling Plan	7
2.3 Structure of Questionnaire	9
2.4 Concepts and Definitions ...	9
2.5 Field Programme and Data Collection	11
2.6 Sample Coverage and Response Rate	12
2.7 Data Processing	13
2.8 Reliability of the Data	13
2.9 Data Review and Dissemination	14
Chapter 3 – Demographic Features	15
3.1 Definitions, Concepts, Methodology of Data Collection and Limitations	15
3.2 Household Size, Spending Units, Income Receivers and Dependents	16
3.3 Composition of Population	20
3.4 Marital Status	26
3.5 Migration	28
Chapter 4 – Education and Health	33
4.1 Concepts, Definitions, Methodology of Data Collection and Limitations	33
4.2 Literacy	34
4.3 Education	35
4.4 Health	45
Chapter 5 – Labour Force, Employment and Unemployment	51
5.1 Concepts, Definitions, Methodology of Data Collection and Limitations	51
5.2 Labour Force Participation	52
5.3 Employment	56
5.4 Underemployment	64
5.5 Unemployment	66
5.6 Non-Participation in Labour Force	76
Chapter 6 – Housing, Household Amenities and Land Ownership	77
6.1 Concepts, Definitions, Methodology of Data Collection and Limitations	77
6.2 Housing Conditions	77
6.3 Availability of Utilities	83
6.4 Availability of Other Household Amenities	88
6.5 Land Ownership of Households	93

						<i>Page</i>
Chapter 7 – Income	...	...	...	...	...	97
7.1	Concepts, Definitions, Methodology of Data Collection and Limitations	...	...	...	...	97
7.2	Income Levels	...	...	...	...	99
7.3	Income Distribution	...	...	...	...	104
7.4	Types of Income	...	...	...	...	108
7.5	Sources of Income	...	...	...	...	109
7.6	Factors Affecting Inequality	...	...	...	...	111
Chapter 8 – Expenditure and Consumption	...	...	...	...	...	119
8.1	Concepts, Definitions, Methodology of Data Collection and Limitations	...	...	...	...	119
8.2	Overall Expenditure	...	...	...	...	121
8.3	Expenditure by COICOP Categories	...	...	...	...	128
8.4	Nutritional Intake	...	...	...	...	152
Chapter 9 – Savings, Investment and Borrowings	...	...	...	...	...	161
9.1	Concepts, Definitions, Methodology of Data Collection and Limitations	...	...	...	...	161
9.2	Savings	...	...	...	...	162
9.3	Investment	...	...	...	...	164
9.4	Borrowings	...	...	...	...	169
Appendix I	– Survey Questionnaire					
Appendix II	– Estimation Procedure					
Appendix III	– Summary Statistics for Comparison of Key Variables between 1996/97 and 2003/04					
Appendix IV	– Monthly Per Capita Consumption and Expenditure by Item under Major COICOP Categories					
Appendix V	– Contributors					
Appendix VI	– Calendar of Activities					

Text Tables

						<i>Page</i>
Chapter 2 – Objectives and Methodology						
Table	2.1	Allocation of Sample Proportionate to Housing Units in Population Frame	...	...	...	8
	2.2	Sample Coverage by Sector and Province ... ..	...	...	...	12
Chapter 3 – Demographic Features						
Table	3.1	Average Household Size by Sector 1963 to 2003/04	...	...	...	16
	3.2	Distribution of Household Size 1981/82 to 2003/04	...	...	...	17
	3.3	Average Number of Spending Units per Household by Sector 1963 to 2003/04	...	...	...	17
	3.4	Average Number of Income Receivers per Household by Sector 1973 to 2003/04	...	...	...	19
	3.5	Distribution of Population by Age Group and Sector 1963 to 2003/04	...	...	...	23
	3.6	Age Dependency Ratio by Province 1996/97 and 2003/04	...	...	...	24
	3.7	Population Distribution by Gender 1963 to 2003/04	...	...	...	25
	3.8	Distribution of Females by Age at Marriage 1981/82 to 2003/04	...	...	...	27
	3.9	Distribution of Age at Marriage by Sector and Gender 1996/97 and 2003/04	...	...	...	28
	3.10	Distribution of Age at Marriage for Females by Province 1996/97 and 2003/04	...	...	...	29
	3.11	Distribution of Age at Marriage for Males by Province 1996/97 and 2003/04	...	...	...	29
	3.12	Number of External Migrants by Reason for Migration and Region of Migration 1996/97 and 2003/04	...	...	...	32
Chapter 4 – Education and Health						
Table	4.1	Literary Rates by Sector and Gender 1986/87 to 2003/04	...	...	...	34
	4.2	Literary Rates by Province and Gender	...	...	...	34
	4.3	Literary Rates by Sector and Age Group	...	...	...	35
	4.4	Literary Rates by Province and Age Group	...	...	...	35
	4.5	Attainment of Education by Gender 1986/87 to 2003/04	...	...	...	36
	4.6	Attainment of Education by Sector and Gender	...	...	...	36
	4.7	Attainment of Education by Province and Gender	...	...	...	37
	4.8	Attainment of Education by Age Group and Gender	...	...	...	37
	4.9	Students in Formal Education by Sector and Gender 1996/97 and 2003/04	...	...	...	38
	4.10	Students in Formal Education by Age Group and Gender 1996/97 and 2003/04	...	...	...	38
	4.11	Students in Formal Education by Age Group, Sector and Gender	...	...	...	38
	4.12	Students in Formal Education by Age Group, Province and Gender	...	...	...	39
	4.13	School Avoidance by Sector and Gender 1996/97 and 2003/04	...	...	...	39
	4.14	Reasons for School Avoidance by Sector 1996/97 and 2003/04	...	...	...	39
	4.15	School Avoidance by Sector and Gender 1996/97 and 2003/04	...	...	...	40
	4.16	School Avoidance by Province and Gender	...	...	...	40
	4.17	School Avoidance by Income Quintile and Sector	...	...	...	40
	4.18	Students Attending Tuition by Level of Education 1986/87 to 2003/04	...	...	...	41
	4.19	Students Attending Tuition by Sector and Gender 1996/97 and 2003/04	...	...	...	41
	4.20	Students Attending Tuition by Level of Education, Sector and Gender	...	...	...	41
	4.21	Students Attending Tuition by Income Quintile and Sector	...	...	...	42
	4.22	Students Attending Tuition by Level of Education, Province and Gender	...	...	...	42
	4.23	Tuition Hours per Week by Level of Education and Sector	...	...	...	42
	4.24	Tuition Hours per Week by Level of Education and Province	...	...	...	43
	4.25	Tuition Hours per Week by Level of Education and Income Quintile	...	...	...	43
	4.26	Monthly Tuition Expenditure by Level of Education and Sector ..	...	...	...	43
	4.27	Monthly Tuition Expenditure by Level of Education and Province	...	...	...	43
	4.28	Monthly Tuition Expenditure by Level of Education and Income Quintile	...	...	...	44
	4.29	Extra Curricular Activities by Sector	...	...	...	44
	4.30	Extra Curricular Activities by Province	...	...	...	44

	<i>Page</i>
4.31 Extra Curricular Activities by Age Group and Gender ...	44
4.32 Persons in Ill Health by Sector and Gender 1996/97 and 2003/04 ...	45
4.33 Persons in Ill Health by Province and Gender ...	45
4.34 Persons in Ill Health by Sector and Age Group 1996/97 and 2003/04 ...	45
4.35 Persons in Ill Health by Province and Age Group ...	46
4.36 Days Sick and Days Abstained from Normal Activity by Sector 1996/97 and 2003/04 ...	46
4.37 Days Sick and Days Abstained from Normal Activity by Province ...	47
4.38 Type of Illness by Sector 1996/97 and 2003/04 ...	47
4.39 Type of Illness by Province ...	48
4.40 Type of Illness by Income Quintile ...	48
4.41 Type of Treatment by Sector 1996/97 and 2003/04 ...	48
4.42 Type of Treatment by Province ...	49
4.43 Type of Treatment by Income Quintile ...	49
4.44 Source of Treatment by Sector 1996/97 and 2003/04 ...	49
4.45 Source of Treatment by Province ...	50
4.46 Source of Treatment by Income Quintile ...	50
4.47 Disabled Persons by Sector 1996/97 and 2003/04 ...	50
4.48 Disabled Persons by Age Group ...	50

Chapter 5 – Labour Force, Employment and Unemployment

Table	5.1 Labour Force Participation Rate by Gender 1996/97 and 2003/04 ...	52
	5.2 Labour Force Participation Rate by Age Group and Gender ...	53
	5.3 Labour Force Participation Rate by Level of Education and Gender 1996/97 and 2003/04 ...	53
	5.4 Labour Force Participation Rate by Sector and Gender 1996/97 and 2003/04 ...	53
	5.5 Labour Force Participation Rate by Sector and Age Group 1996/97 and 2003/04 ...	54
	5.6 Labour Force Participation Rate by Sector and Level of Education 1996/97 and 2003/04 ...	54
	5.7 Labour Force Participation Rate by Province and Gender 1996/97 and 2003/04 ...	55
	5.8 Labour Force Participation Rate by Province and Age Group ...	55
	5.9 Labour Force Participation Rate by Province and Level of Education ...	55
	5.10 Labour Force Participation Rate by Income Quintile ...	56
	5.11 Employment Rate by Gender and Sector 1996/97 and 2003/04 ...	56
	5.12 Employment Rate by Province 1996/97 and 2003/04 ...	56
	5.13 Employment Status by Gender 1996/97 and 2003/04 ...	57
	5.14 Employment Status by Level of Education 1996/97 and 2003/04 ...	57
	5.15 Employment Status by Sector 1996/97 and 2003/04 ...	58
	5.16 Employment Status by Province ...	58
	5.17 Employment Sector by Gender 1996/97 and 2003/04 ...	59
	5.18 Employment Sector by Level of Education 1996/97 and 2003/04 ...	59
	5.19 Employment Sector by Sector 1996/97 and 2003/04 ...	59
	5.20 Employment Sector by Province ...	60
	5.21 Employment by Production Sector and Gender 1996/97 and 2003/04 ...	60
	5.22 Employment by Major Production Sector and Level of Education 1996/97 and 2003/04 ...	60
	5.23 Employment by Major Production Sector and Sector 1996/97 and 2003/04 ...	61
	5.24 Employment by Major Production Sector and Province ...	61
	5.25 Employment by Main Occupation and Gender 1996/97 and 2003/04 ...	62
	5.26 Employment by Main Occupation and Level of Education 1996/97 and 2003/04 ...	62
	5.27 Employed Persons having Subsidiary Occupation by Gender and Sector 1996/97 and 2003/04 ...	63
	5.28 Distribution of Subsidiary Occupation by Gender 1996/97 and 2003/04 ...	63
	5.29 Average Hours Worked per Week by Employed Persons 1996/97 and 2003/04 ...	63
	5.30 Distribution of Labour Force within Sector 1996/97 and 2003/04 ...	64
	5.31 Distribution of Labour Force within Province ...	64
	5.32 Distribution of Labour Force within Gender 1996/97 and 2003/04 ...	65
	5.33 Underemployment Rate by Gender and Age Group 1996/97 and 2003/04 ...	65

	<i>Page</i>
5.34 Underemployment Rate by Gender and Level of Education 1996/97 and 2003/04 ...	65
5.35 Underemployed by Occupation 1996/97 and 2003/04 ...	66
5.36 Underemployed by Employment Sector and Sector 1996/97 and 2003/04 ...	66
5.37 Underemployed by Production Sector and Gender 1996/97 and 2003/04 ...	66
5.38 Unemployment Rate by Sector 1996/97 and 2003/04 ...	66
5.39 Unemployment Rate by Province 1996/97 and 2003/04 ...	67
5.40 Unemployment Rate by Gender and Sector 1996/97 and 2003/04 ...	67
5.41 Unemployment Rate by Gender and Province ...	68
5.42 Unemployment Rate by Age Group and Sector 1996/97 and 2003/04 ...	68
5.43 Unemployment Rate by Age Group and Province ...	69
5.44 Unemployment Rate by Level of Education and Sector 1996/97 and 2003/04 ...	69
5.45 Unemployment Rate by Level of Education and Province 1996/97 and 2003/04 ...	70
5.46 Distribution of Expected Occupation within Gender 1996/97 and 2003/04 ...	70
5.47 Distribution of Expected Occupation within Age Group ...	71
5.48 Distribution of Expected Occupation within Level of Education ...	71
5.49 Distribution of Expected Occupation within Sector 1996/97 and 2003/04 ...	72
5.50 Distribution of First Time Job Seekers and Previous Job Holders within Sector 1996/97 and 2003/04 ...	72
5.51 First Time Job Seekers and Previous Job Holders by Age Group and Gender ...	72
5.52 First Time Job Seekers and Previous Job Holders by Sector and Gender ...	73
5.53 Distribution of Unemployed Persons by Professional or Technical Skill 1996/97 and 2003/04 ...	73
5.54 Duration of Unemployment by Sector 1996/97 and 2003/04 ...	74
5.55 Duration of Unemployment by Province 1996/97 and 2003/04 ...	74
5.56 Duration of Unemployment by Level of Education 1996/97 and 2003/04 ...	74
5.57 Distribution of Persons Not in the Labour Force by Gender 1996/97 and 2003/04 ...	75
5.58 Reasons for Non-Participation in Labour Force by Gender 1996/97 and 2003/04 ...	75
5.59 Reasons for Non-Participation in Labour Force by Province ...	76

Chapter 6 – Housing, Household Amenities, and Land Ownership

Table	6.1 Types of Houses by Sector 1996/97 and 2003/04 ...	78
	6.2 Types of Houses by Province ...	78
	6.3 Types of Houses by Income Quintile ...	78
	6.4 Type of Ownership by Sector 1996/97 and 2003/04 ...	79
	6.5 Type of Ownership by Province ...	79
	6.6 Type of Ownership by Income Quintile ...	79
	6.7 Measures of Congestion in Houses by Sector 1996/97 and 2003/04 ...	80
	6.8 Measures of Congestion in Houses by Province ...	80
	6.9 Measures of Congestion in Houses by Income Quintile ...	80
	6.10 Types of Construction by Sector 1996/97 and 2003/04 ...	81
	6.11 Types of Construction by Province ...	82
	6.12 Types of Construction by Income Quintile ...	82
	6.13 Sources of Water by Sector 1996/97 and 2003/04 ...	83
	6.14 Sources of Water by Province ...	84
	6.15 Sources of Water by Income Quintile ...	84
	6.16 Sources of Energy for Lighting by Sector 1996/97 and 2003/04 ...	84
	6.17 Sources of Energy for Lighting by Province ...	85
	6.18 Sources of Energy for Lighting by Income Quintile ...	85
	6.19 Sources of Energy for Cooking by Sector 1996/97 and 2003/04 ...	85
	6.20 Sources of Energy for Cooking by Province ...	86
	6.21 Sources of Energy for Cooking by Income Quintile ...	86
	6.22 Latrine Facilities by Sector 1996/97 and 2003/04 ...	86
	6.23 Latrine Facilities by Province ...	87
	6.24 Latrine Facilities by Income Quintile ...	87
	6.25 Type of Latrine by Sector 1996/97 and 2003/04 ...	87

						<i>Page</i>
6.26	Type of Latrine by Province	...	...	...	...	88
6.27	Type of Latrine by Income Quintile	...	...	...	...	88
6.28	Availability of Other Household Amenities by Sector 1996/97 and 2003/04	...	...	...	...	89
6.29	Availability of Other Household Amenities by Province	...	...	...	...	89
6.30	Availability of Other Household Amenities by Income Quintile	...	...	...	...	90
6.31	Ownership of Land by Utilisation and Sector..	...	...	...	...	94
6.32	Average Land Size per Household by Utilisation and Sector	...	...	...	...	94
6.33	Land Ownership and Size per Owning Household by Utilisation and Sector	...	...	...	...	95
6.34	Average Land Size per Household by Utilisation and Province	...	...	...	...	95
6.35	Land Ownership and Size per Owning Household by Utilisation and Province	...	...	...	...	95
6.36	Land Ownership by Utilisation and Size	...	...	...	...	96
6.37	Land Ownership per Household by Income Quintile	...	...	...	...	96

Chapter 7 – Income

Table	7.1	One Month Income by Sector 1996/97 and 2003/04	...	...	...	99
	7.2	One Month Income by Province 1996/97 and 2003/04	...	...	...	100
	7.3	One Month Income by Income Quintile 1996/97 and 2003/04	...	...	...	100
	7.4	One Month Mean Income of Income Receivers by Income Quintile and Sector 1996/97 and 2003/04	...	...	...	101
	7.5	One Month Mean Income of Households by Income Quintile and Sector 1996/97 and 2003/04	...	...	...	101
	7.6	One Month Mean Household Per Capita Income by Income Quintile and Sector 1996/97 and 2003/04	...	...	...	102
	7.7	Distribution of Income Receivers, Households and Total Income by Sector 1996/97 and 2003/04	...	...	...	102
	7.8	Distribution of Income Receivers' Income by Income Quintile 1953 to 2003/04	...	...	...	104
	7.9	Distribution of Household Income by Income Quintile 1996/97 and 2003/04	...	...	...	105
	7.10	Distribution of Income Receivers' Income by Sector and Income Quintile	...	...	...	105
	7.11	Distribution of Household Income by Sector and Income Quintile	...	...	...	106
	7.12	Distribution of Income by Province 1996/97 and 2003/04	...	...	...	107
	7.13	Distribution of Income by Sector 1996/97 and 2003/04	...	...	...	108
	7.14	Composition of Income by Sector 1996/97 and 2003/04	...	...	...	109
	7.15	Composition of Income by Province 1996/97 and 2003/04	...	...	...	109
	7.16	Composition of Income by Income Quintile 1996/97 and 2003/04	...	...	...	109
	7.17	Distribution of Income Receivers' Income by Source 1996/97 and 2003/04	...	...	...	109
	7.18	Sources of Income Receivers' Income by Sector 1996/97 and 2003/04	...	...	...	110
	7.19	Sources of Income Receivers' Income by Province	...	...	...	111
	7.20	Sources of Income Receivers' Income by Income Quintile	...	...	...	111
	7.21	Distribution of Income Receivers by Gender within Sector 1986/87 to 2003/04	...	...	...	111
	7.22	Distribution of Income Receivers by Gender within Province	...	...	...	112
	7.23	Distribution of Income Receivers by Gender within Income Quintile	...	...	...	112
	7.24	Labour Force Participation Rate by Gender and Sector 1996/97 and 2003/04	...	...	...	112
	7.25	Sources of Income within Gender	...	...	...	112
	7.26	Mean and Median Income by Gender and Sector	...	...	...	113
	7.27	Mean and Median Income by Gender and Province	...	...	...	113
	7.28	Distribution of Income Receivers and Income Levels by Age	...	...	...	113
	7.29	Distribution of Income Receivers and Income Levels by Age and Sector	...	...	...	114
	7.30	Distribution of Income Receivers by Age and Income Quintiles ..	...	...	...	114
	7.31	Distribution of Income Receivers and Income Levels by Level of Education 1996/97 and 2003/04	...	...	...	115
	7.32	Distribution of Income Receivers and Income Levels by Level of Education and Sector	...	...	...	115
	7.33	Distribution of Income Receivers by Level of Education and Income Quintile	...	...	...	116
	7.34	Distribution of Income Receivers and Occupation Income Levels by Main Occupation and Gender	...	...	...	116
	7.35	Mean Income from Main Occupation Income Levels by Employment Sector and Gender	...	...	...	117
	7.36	Distribution of Income Receivers and Occupation Income Levels by Production Sector	...	...	...	117

Chapter 8 – Expenditure and Consumption

Table	8.1	Monthly Per Capita Expenditure at Nominal and 1996/97 Prices 1996/97 and 2003/04	...	121
	8.2	Monthly Per Capita Expenditure by Sector 1996/97 and 2003/04	...	122
	8.3	Nominal and Real Changes in Expenditure by Sector	...	123
	8.4	Distribution by Expenditure by Sector 1996/97 and 2003/04	...	123
	8.5	Monthly Per Capita Expenditure by Province	...	125
	8.6	Annual Real Growth Rates of Expenditure by Province	...	125
	8.7	Distribution of Expenditure by Province	...	126
	8.8	Monthly Per Capita Expenditure by Income Quintile 1996/97 and 2003/04	...	126
	8.9	Annual Real Growth Rates of Expenditure by Income Quintile	...	127
	8.10	Distribution of Expenditure by Income Quintile 1996/97 and 2003/04	...	128
	8.11	Monthly Per Capita Expenditure on Food 1996/97 and 2003/04	...	129
	8.12	Monthly Per Capita Expenditure on Food and Real Growth Rates by Sector	...	130
	8.13	Distribution of Food Expenditure by Sector 1996/97 and 2003/04	...	131
	8.14	Monthly Per Capita Food Expenditure by Province	...	132
	8.15	Annual Real Growth Rates of Food Expenditure by Province	...	132
	8.16	Distribution of Food Expenditure by Province	...	133
	8.17	Monthly Per Capita Food Expenditure and Real Growth Rates by Income Quintile	...	134
	8.18	Distribution of Food Expenditure by Income Quintile	...	135
	8.19	Monthly Per Capita Expenditure on Alcohol and Tobacco 1996/97 and 2003/04	...	136
	8.20	Monthly Per Capita Expenditure on Alcohol and Tobacco and Real Growth Rates by Sector	...	137
	8.21	Distribution of Expenditure on Alcohol and Tobacco by Sector 1996/97 and 2003/04	...	137
	8.22	Monthly Per Capita Expenditure on Alcohol and Tobacco by Province	...	138
	8.23	Distribution of Expenditure on Alcohol and Tobacco by Province	...	138
	8.24	Monthly Per Capita Expenditure on Alcohol and Tobacco and Distribution by Income Quintile	...	139
	8.25	Monthly Per Capita Expenditure and Real Growth Rates by Sector for Clothing and Footwear	...	139
	8.26	Monthly Per Capita Expenditure and Real Growth Rates by Sector for Housing and Utilities	...	140
	8.27	Monthly Per Capita Expenditure and Real Growth Rates by Sector for Furnishings and Household Equipment	...	141
	8.28	Monthly Per Capita Expenditure and Real Growth Rates by Sector for Health	...	142
	8.29	Monthly Per Capita Expenditure and Real Growth Rates by Sector for Transport	...	143
	8.30	Monthly Per Capita Expenditure and Real Growth Rates by Sector for Communication	...	144
	8.31	Monthly Per Capita Expenditure and Real Growth Rates by Sector for Recreation and Culture	...	145
	8.32	Monthly Per Capita Expenditure and Real Growth Rates by Sector for Education	...	146
	8.33	Monthly Per Capita Expenditure and Real Growth Rates by Sector for Tuition	...	147
	8.34	Monthly Per Capita Expenditure and Real Growth Rates by Sector for Restaurants and Hotels	...	148
	8.35	Monthly Per Capita Expenditure and Real Growth Rates by Sector for Miscellaneous Goods and Services	...	148
	8.36	Monthly Per Capita Expenditure and Real Growth Rates by Sector for Interest on Debt 1996/97 and 2003/04	...	149
	8.37	Distribution of Expenditure on Non-Food Categories by Province	...	150
	8.38	Distribution of Expenditure on Non-Food Categories by Income Quintile	...	151
	8.39	Monthly Per Capita Consumption and Daily Energy and Protein Intake 1996/97 and 2003/04	...	153
	8.40	Monthly Per Capita Consumption of Key Food Items by Sector 1996/97 and 2003/04	...	154
	8.41	Daily Per Capita Energy Intake from Key Food Items by Sector 1996/97 and 2003/04	...	154
	8.42	Daily Per Capita Protein Intake from Key Food Items by Sector 1996/97 and 2003/04	...	155
	8.43	Daily Per Capita Nutritional Intake by Sector, Province and Income Quintile 1996/97 and 2003/04	...	155
	8.44	Monthly Per Capita Consumption of Key Food Items by Province	...	156
	8.45	Daily Per Capita Energy Intake from Key Food Items by Province	...	157
	8.46	Daily Per Capita Daily Protein Intake from Key Food Items by Province	...	157
	8.47	Monthly Per Capita Consumption of Key Food Items by Income Quintile 1996/97 and 2003/04	...	158
	8.48	Daily Per Capita Energy and Protein Intake from Key Food Items by Income Quintile	...	158
	8.49	Distribution of Daily Energy Adequacy by Sector, Province and Income Quintile 1996/97 and 2003/04	...	159

Chapter 9 – Savings, Investments and Borrowings

Table	9.1	Household Savings by Sector	...	...	...	163
	9.2	Household Savings by Province	...	...	...	164
	9.3	Household Savings by Income Quintile	...	...	...	165
	9.4	Distribution of Net Investment 1996/97 and 2003/04	...	...	...	165
	9.5	Distribution of Capital Losses by Sector 1996/97 and 2003/04	...	...	...	168
	9.6	Borrowing Rate by Sector 1996/97 and 2003/04	...	...	...	169
	9.7	Households with Borrowings by Sector 1996/97 and 2003/04	...	...	...	169
	9.8	Borrowing Rate by Province	...	...	...	169
	9.9	Households with Borrowings by Province	...	...	...	169
	9.10	Borrowing Rate by Income Quintile 1996/97 and 2003/04	...	...	...	170
	9.11	Households with Borrowings by Income Quintile 1996/97 and 2003/04	...	...	...	170
	9.12	Distribution of Number and Amount of Loans by Income Quintile 1996/97 and 2003/04	...	...	...	171
	9.13	Distribution of Number and Amount of Loans by Purpose 1996/97 and 2003/04	...	...	...	171
	9.14	Distribution of Number and Amount of Loans by Purpose within Sector	...	...	...	172
	9.15	Distribution of Number of Loans by Purpose within Province	...	...	...	172
	9.16	Distribution of Amount of Loans by Purpose within Province	...	...	...	172
	9.17	Distribution of Number of Loans by Purpose within Income Quintile	...	...	...	173
	9.18	Distribution of Amount of Loans by Purpose within Income Quintile	...	...	...	173
	9.19	Distribution of Number and Amount of Loans by Source	...	...	...	173
	9.20	Distribution of Number and Amount of Loans by Source within Sector	...	...	...	175
	9.21	Distribution of Number of Loans by Source within Income Quintile	...	...	...	175
	9.22	Distribution of Amount of Loans by Source within Income Quintile	...	...	...	175
	9.23	Distribution of Number and Amount of Loans by Collateral	...	...	...	176
	9.24	Distribution of Number and Amount of Loans by Collateral within Sector	...	...	...	176
	9.25	Distribution of Number of Loans by Collateral within Province...	...	...	...	176
	9.26	Distribution of Amount of Loans by Collateral within Province...	...	...	...	177
	9.27	Distribution of Number of Loans by Collateral within Income Quintile	...	...	...	177
	9.28	Distribution of Amount of Loans by Collateral within Income Quintile	...	...	...	177
	9.29	Shares of Capital Repayment and Interest Payment by Sector	...	...	...	177
	9.30	Average Commodity Loans per Household by Sector	...	...	...	178
	9.31	Average Commodity Loans per Household by Province	...	...	...	178
	9.32	Average Commodity Loans per Household by Income Quintile	...	...	...	179

Text Charts

				Page
Chapter 3 – Demographic Features				
Chart	3.1	Average Household (HH) Size, Spending Units (SU)/HH and Income Receivers (IR)/HH	...	16
	3.2	Average Household Size by Sector 1963 to 2003/04	...	16
	3.3	Average Household Size by Province 1996/97 and 2003/04	...	16
	3.4	Average Household Size by Income Quintile 1996/97 and 2003/04	...	17
	3.5	Distribution of Household Size 1981/82 to 2003/04	...	17
	3.6	Average Number of Spending Units per Household by Sector 1981/82 to 2003/04	...	17
	3.7	Average Number of Spending Units per Household by Province 1996/97 and 2003/04	...	18
	3.8	Average Number of Spending Units per Household by Income Quintile 1996/97 and 2003/04	...	18
	3.9	Average Number of Income Receivers per Household by Sector 1981/82 to 2003/04	...	18
	3.10	Average Number of Income Receivers per Household by Province 1996/97 and 2003/04	...	19
	3.11	Average Number of Income Receiver per Household by Income Quintile 1996/97 and 2003/04	...	19
	3.12	Distribution of Income Receivers by Status of Income Receivers in the Household	...	19
	3.13	Income Dependency Ratio by Sector 1963 to 2003/04	...	20
	3.14	Income Dependency Ratio by Province 1996/97 and 2003/04	...	20
	3.15	Income Dependency Ratio by Income Quintile 1996/97 and 2003/04	...	20
	3.16	The Median Age of Population 1963 to 2003/04	...	21
	3.17	Distribution of Population by Age Group 1963 to 2003/04	...	21
	3.18	Population Pyramids	...	22
	3.19	Population Share Below 14 years and Above 55 years by Sector	...	22
	3.20	Distribution of Median Age by Sector 1996/97 and 2003/04	...	23
	3.21	Distribution of Population by Age Groups within Province	...	23
	3.22	Distribution of Median Age by Province 1996/97 and 2003/04	...	24
	3.23	Age Dependency Ratio by Sector 1996/97 and 2003/04	...	24
	3.24	Age Dependency Ratio by Province 1996/97 and 2003/04	...	25
	3.25	Sex Ratio by Sector 1963 to 2003/04	...	25
	3.26	Sex Ratio by Province 1996/97 and 2003/04	...	26
	3.27	Sex Ratio by Age Group 1996/97 and 2003/04	...	26
	3.28	Distribution of Marital Status 1996/97 and 2003/04	...	26
	3.29	Distribution of Marital Status by Gender 1996/97 and 2003/04	...	27
	3.30	Marital Status by Sector 1996/97 and 2003/04	...	27
	3.31	Median Age at Marriage by Sector 1996/97 and 2003/04	...	27
	3.32	Distribution of Females by Age at Marriage 1981/82 to 2003/04	...	28
	3.33	Average Age at Marriage by Level of Education	...	29
	3.34	Number of Migrants per 1,000 Households by Sector 1996/97 and 2003/04	...	30
	3.35	Number of Internal and External Migrants per 1,000 Households by Province	...	30
	3.36	Distribution of Internal and External Migrants by Age Group 1996/97 and 2003/04	...	30
	3.37	Distribution of Internal and External Migrants by Gender 1996/97 and 2003/04	...	30
	3.38	Percentage Distribution of Reason for Migration by Sector	...	31
	3.39	Distribution of Internal Migrants by Gender and Type of Employment	...	31
	3.40	Distribution of External Migrants by Gender and Type of Employment	...	32
Chapter 4 – Education and Health				
Chart	4.1	Literacy Rates by Gender 1981/82 to 2003/04	...	34
	4.2	Attainment of Education 1986/87 to 2003/04 ..	...	36
	4.3	School Avoidance by Sector 1996/97 and 2003/04	...	40
	4.4	Students Attending Tuition by Level of Education 1986/87 to 2003/04	...	41
	4.5	Students attending Tuition by Income Quintile	...	42

Chapter 5 – Labour Force, Employment and Unemployment

Chart	5.1	Labour Force Participation Rate	...	...	...	53
	5.2	Labour Force Participation Rate by Sector 1996/97 and 2003/04	...	...	...	54
	5.3	Labour Force Status 1996/97 and 2003/04	...	...	...	56
	5.4	Employment Status by Gender	...	...	...	57
	5.5	Distribution of Employment Status within Sector	...	...	...	58
	5.6	Distribution of Employed Persons by Production Sector	...	...	...	61
	5.7	Distribution of Labour Force by Sector 1996/97 and 2003/04	...	...	...	64
	5.8	Unemployment Rate by Sector 1996/97 and 2003/04	...	...	...	67
	5.9	Unemployment Rate by Province 1996/97 and 2003/04	...	...	...	67
	5.10	Unemployment Rate by Level of Education and Sector	...	...	...	69
	5.11	Distribution of Unemployed Persons by Expected Occupation 1996/97 and 2003/04	...	...	...	70
	5.12	First Time Job Seekers and Previous Job Holders by Age Group	...	...	...	73
	5.13	Duration of Unemployment by Level of Education	...	...	...	75
	5.14	Reasons for Non Participation in Labour Force by Gender 1996/97 and 2003/04	...	...	...	75

Chapter 6 – Housing, Household Amenities and Land Ownership

Chart	6.1	Measures of Congestion in Houses	...	...	...	80
	6.2	Housing Conditions 1996/97 and 2003/04	...	...	...	81
	6.3	Sources of Water 1996/97 and 2003/04	...	...	...	83
	6.4	Sources of Energy for Lighting 1996/97 and 2003/04	...	...	...	85
	6.5	Availability of Selected Household Amenities 1996/97 and 2003/04	...	...	...	89
	6.6	Average Availability of Household Amenities by Province	...	...	...	90
	6.7	Availability of Household Amenities by Income Quintile	...	...	...	90
	6.8	Availability of Radio, Television and Telephone by Sector 1996/97 and 2003/04	...	...	...	91
	6.9	Availability of Radio, Television and Telephone by Province	...	...	...	91
	6.10	Availability of Motorised Transport by Sector 1996/97 and 2003/04	...	...	...	91
	6.11	Availability of Motor Vehicles and Bicycles by Province	...	...	...	92
	6.12	Availability of Washing and Sewing Machines by Sector 1996/97 and 2003/04	...	...	...	92
	6.13	Availability of Washing and Sewing Machines by Province	...	...	...	92
	6.14	Availability of Washing and Sewing Machines by Income Quintile	...	...	...	92
	6.15	Availability of Fan and Refrigerator by Sector 1996/97 and 2003/04	...	...	...	93
	6.16	Availability of Selected Amenities by Province	...	...	...	93
	6.17	Availability of Selected Amenities by Income Quintile	...	...	...	93
	6.18	Distribution of Land Ownership	...	...	...	94
	6.19	Land Ownership by Sector	...	...	...	94

Chapter 7 – Income

Chart	7.1	One Month Mean and Median Income per Income Receiver by Sector	...	...	...	103
	7.2	One Month Mean and Median Income per Income Receiver by Province	...	...	...	103
	7.3	One Month Mean and Median Income per Household by Sector	...	...	...	103
	7.4	One Month Mean and Median Income per Household by Province	...	...	...	103
	7.5	One Month Mean and Median Household Per Capita Income by Sector	...	...	...	104
	7.6	One Month Mean and Median Household Per Capita Income by Province	...	...	...	104
	7.7	Share of Household Income 1996/97 and 2003/04	...	...	...	105
	7.8	Distribution of Income Receivers' Income by Income Quintile within Province	...	...	...	106
	7.9	Distribution of Household Income by Income Quintile within Province	...	...	...	107
	7.10	Lorenz Curve for Income Receivers	...	...	...	108
	7.11	Distribution of Income by Source	...	...	...	110
	7.12	Mean Income of Income Receivers by Age Group	...	...	...	113
	7.13	Mean Income of Income Receivers by Level of Education	...	...	...	115
	7.14	Occupation Income by Gender and Occupation	...	...	...	116

Chapter 8 – Expenditure and Consumption

Chart	8.1	Distribution of Expenditure by Sector 1996/97 and 2003/04	...	...	124
	8.2	Distribution of Expenditure by Income Quintile 1996/97 and 2003/04	...	...	128
	8.3	Distribution of Food Expenditure 1996/97 and 2003/04	...	...	129
	8.4	Distribution of Food Expenditure by Sector	...	...	131
	8.5	Distribution of Food Expenditure by Province	...	...	134
	8.6	Distribution of Food Expenditure by Income Quintile	...	...	135
	8.7	Distribution of Expenditure by Sector for Clothing and Footwear 1996/97 and 2003/04	...	...	140
	8.8	Distribution of Expenditure by Sector for Housing and Utilities 1996/97 and 2003/04	...	...	141
	8.9	Distribution of Expenditure by Sector for Utilities 1996/97 and 2003/04	...	...	141
	8.10	Distribution of Expenditure by Sector for Furnishings and Household Equipment 1996/97 and 2003/04	...	...	142
	8.11	Distribution of Expenditure by Sector for Health 1996/97 and 2003/04	...	...	143
	8.12	Distribution of Expenditure by Sector for Transport 1996/97 and 2003/04	...	...	144
	8.13	Distribution of Expenditure by Sector for Communication 1996/97 and 2003/04	...	...	145
	8.14	Distribution of Expenditure by Sector for Recreation and Culture 1996/97 and 2003/04	...	...	145
	8.15	Distribution of Expenditure by Sector for Education 1996/97 and 2003/04	...	...	146
	8.16	Distribution of Expenditure by Sector for Tuition and Other Education 1996/97 and 2003/04	...	...	147
	8.17	Distribution of Expenditure by Sector for Restaurants and Hotels 1996/97 and 2003/04	...	...	148
	8.18	Distribution of Expenditure by Sector for Miscellaneous Goods and Services 1996/97 and 2003/04	...	...	149
	8.19	Monthly Per Capita Expenditure by Sector for Interest on Debt 1996/97 and 2003/04	...	...	149
	8.20	Distribution of Expenditure on Non-Food Categories by Province	...	...	150
	8.21	Distribution of Expenditure on Non-Food Categories by Income Quintile	...	...	152
	8.22	Sources of Nutritional Intake 1996/97 and 2003/04	...	...	153
	8.23	Distribution of Energy Adequacy by Sector 1996/97 and 2003/04	...	...	159
	8.24	Distribution of Energy Adequacy by Province 1996/97 and 2003/04	...	...	160
	8.25	Distribution of Energy Adequacy by Income Quintile 1996/97 and 2003/04	...	...	160

Chapter 9 – Savings, Investment and Borrowings

Chart	9.1	Distribution of Households by Savings Rate	...	...	162
	9.2	Unadjusted Savings Rate by Sector	...	...	163
	9.3	Adjusted Savings Rate by Sector	...	...	163
	9.4	Percentage of Households with Positive Adjusted Savings by Sector	...	...	163
	9.5	Expenditure on Jewellery and Consumer Durables as a Percentage of Household Income by Sector	...	...	163
	9.6	Percentage of Households with Positive Adjusted Savings by Province	...	...	164
	9.7	Percentage of Households with Positive Adjusted Savings by Income Quintile	...	...	164
	9.8	Distribution of Households by Net Investment Rate	...	...	165
	9.9	Net Investment Rate by Sector	...	...	165
	9.10	Net Investment Rate by Province	...	...	165
	9.11	Net Investment Rate by Income Quintile	...	...	166
	9.12	Percentage of Households with Positive Net Investment by Sector	...	...	166
	9.13	Percentage of Households with Positive Net Investment by Province	...	...	166
	9.14	Percentage of Households with Positive Net Investment by Income Quintile	...	...	166
	9.15	Net Physical Investment Rate by Sector	...	...	167
	9.16	Net Physical Investment Rate by Province	...	...	167
	9.17	Net Physical Investment Rate by Income Quintile	...	...	167
	9.18	Net Changes in Claims Rate by Sector	...	...	167
	9.19	Net Changes in Claims Rate by Province	...	...	167
	9.20	Net Changes in Claims Rate by Income Quintile	...	...	168
	9.21	Net Financial Investment Rate by Sector	...	...	168
	9.22	Net Financial Investment Rate by Income Quintile	...	...	168
	9.23	Distribution of Household Borrowings by Amount	...	...	169
	9.24	Average Number of Loans Taken per 100 Households by Sector	...	...	170
	9.25	Average Size of Loan per Household by Sector	...	...	170

				<i>Page</i>
9.26	Average Number of Loans Taken per 100 Households by Province	...	...	171
9.27	Average Size of Loan per Household by Province	...	...	171
9.28	Mean and Median Size of Loans by Purpose ...	...	...	171
9.29	Distribution of Number of Loans by Source 1996/97 and 2003/04	...	...	173
9.30	Distribution of Amount of Loans by Source 1996/97 and 2003/04	...	...	174
9.31	Mean and Median Size of Loans by Source ...	...	...	174
9.32	Distribution of Number of Loans by Source within Sector	...	...	174
9.33	Distribution of Amount of Loans by Source within Sector	...	...	174
9.34	Distribution of Number of Loans by Source within Province	...	...	175
9.35	Distribution of Amount of Loans by Source within Province	...	...	175
9.36	Mean and Median Size of Loans by Collateral	...	...	176
9.37	Percentage of Households that Borrowed from Retail Shops by Sector	...	...	178
9.38	Percentage of Households that Borrowed from Retail Shops by Province	...	...	178
9.39	Percentage of Households that Borrowed from Retail Shops by Income Quintile	...	...	179
9.40	Credit Card Use per 100 Households by Sector	...	...	179
9.41	Credit Card Use per 100 Households by Province	...	...	179
9.42	Credit Card Use per 100 Households by Income Quintile	...	...	179

KEY FEATURES OF THE CONSUMER FINANCES SURVEY SERIES 1953 – 2003/04

	1953	1963	1973	1978/79	1981/82	1986/87	1996/97	2003/04
1. Sample Size (Households)	1,100	5,184	5,088	8,000	8,000	7,104	8,880	11,768
2. Sample Design and Stratification	Uni stage stratified random sample design. Population divided into 2 Strata. Stratification by Non-Estate and Estate Sectors.	Stratified 2 stage sample design. Population divided into 12 Strata. Stratification by 3 Sectors and 4 Zones.	Stratified 2 stage sample design. Population divided into 13 Strata. Stratification by 3 Sectors and 5 Zones.	Stratified 3 stage sample design. Population divided into 13 Strata. Stratification by 3 Sectors and 5 Zones.	Stratified 2 stage sample design. Population divided into 13 Strata. Stratification by 3 Sectors and 5 Zones.	Stratified 2 stage sample design. Population divided into 13 Strata. Stratification by 3 Sectors and 5 Zones.	Stratified 3 stage sample design. Population divided into 13 Strata. Stratification by 3 Sectors and 5 Zones.	Stratified 2 stage sample design. Population divided into 61 Strata. Stratification by 25 Districts and 3 Sectors.
3. Sampling Frame	List of households in Estate and Non-Estate Sectors maintained by the Food Controller's Department.	List of households maintained by the Food Commissioner for the purpose of issuing rice ration books.	Census Blocks prepared for the 1971 Population Census by the Department of Census and Statistics (DCS).	Census Blocks prepared for the 1971 Population Census by DCS.	Census Blocks prepared for the 1981 Population Census by DCS.	Census Blocks prepared for the 1981 Population Census by DCS.	List of households in towns and villages prepared by DCS.	Census Blocks prepared for the 2001 Population Census by DCS.
4. Geographical Coverage	All Island	All Island	All Island	All Island	All Island	All areas excluding Northern and Eastern provinces.	All areas excluding Northern and Eastern provinces.	All areas excluding 3 districts Killinochchi, Mannar and Mullaitivu in Northern province.
5. Duration of the Survey	5 Weeks	5 Weeks	2 Months	One Year	One Year	One Year	15 Months	One Year
6. Data Collection Method	Direct personal interview of household members.	Direct personal interview of household members.	Direct personal interview of household members.	Direct personal interview of household members.	Direct personal interview of household members.	Direct personal interview of household members.	Direct personal interview of household members.	Direct personal interview of household members.
7. Field Staff	Investigators drawn from DCS and Research Students.	Investigators drawn from Co-operative Inspectors of the Department of Co-operative Development.	Investigators drawn from School Teachers of the Ministry of Education.	Investigators drawn from the Central Bank.	Investigators drawn from the Central Bank.	Investigators drawn from the Central Bank.	Investigators drawn from the Central Bank.	Investigators were outsourced university graduates from the private sector.

KEY SOCIO ECONOMIC INDICATORS

Item	1953	1963	1973	1978/79	1981/82	1986/87 (a)	1996/97 (a)	2003/04 (a)	2003/04 (b)
Household Characteristics									
Number of Individuals per Household									
Urban	n.a.	5.97	5.78	5.67	5.50	5.17	4.89	4.40	4.44
Rural	n.a.	5.70	5.63	5.49	5.20	5.09	4.56	4.24	4.28
Estate	n.a.	5.80	5.24	4.73	4.80	4.78	4.74	4.56	4.56
All	n.a.	5.75	5.62	5.46	5.20	5.10	4.61	4.27	4.31
Number of Spending Units per Household									
Urban	n.a.	1.21	1.09	1.20	1.15	1.22	1.16	1.26	1.23
Rural	n.a.	1.07	1.05	1.08	1.04	1.05	1.07	1.10	1.10
Estate	n.a.	1.02	1.01	1.01	1.01	1.01	1.02	1.04	1.04
All	n.a.	1.08	1.05	1.10	1.06	1.08	1.08	1.12	1.11
Number of Income Receivers per Household									
Urban	n.a.	n.a.	1.12	1.63	1.60	1.78	1.80	1.76	1.73
Rural	n.a.	n.a.	1.30	1.54	1.50	1.51	1.59	1.56	1.55
Estate	n.a.	n.a.	2.50	2.40	2.50	2.39	2.06	1.87	1.87
All	n.a.	n.a.	1.40	1.64	1.60	1.62	1.64	1.60	1.59
Population Distribution									
By Gender, %									
Male	51.7	50.7	50.1	48.9	49.0	48.5	48.4	47.7	47.6
Female	48.3	49.3	49.9	51.1	51.0	51.5	51.6	52.3	52.4
By Age Groups, %									
0 - 13 Years	n.a.	40.5	38.4	34.2	34.0	30.8	25.1	23.4	24.2
14 - 18 Years	n.a.	11.5	11.5	12.3	11.3	11.7	11.5	9.9	10.0
19 - 25 Years	n.a.	10.9	13.1	13.7	13.5	12.5	11.7	12.0	12.0
26 - 35 Years	n.a.	12.4	12.3	13.7	14.4	14.3	14.4	13.7	13.6
36 - 45 Years	n.a.	10.1	9.9	9.6	9.9	11.2	13.3	14.1	13.9
46 - 55 Years	n.a.	7.3	6.4	7.6	8.0	8.4	10.7	12.7	12.5
Above 55 Years	n.a.	7.2	8.4	8.9	8.9	11.1	13.3	14.1	13.8
Education and Health									
Education, % of Population Aged 5 years and above									
Literacy Rate, %	n.a.	79.4	80.8	86.2	85.4	88.6	91.8	93.0	92.5
Male	n.a.	87.1	86.9	90.9	89.9	92.2	94.3	94.9	94.5
Female	n.a.	71.4	74.7	81.9	81.1	85.2	89.4	91.3	90.6
Educational Attainment, %									
No Schooling	41.8	26.8	22.9	14.9	15.1	11.8	8.6	7.4	7.9
Primary	46.8	45.5	43.2	43.8	42.9	41.1	35.2	29.1	29.9
Secondary	9.8	22.7	27.3	29.8	29.2	32.1	35.5	42.2	41.0
Post Secondary	1.8	5.0	6.6	11.5	12.8	15.0	20.7	21.3	21.2
Health									
Persons in ill Health, % of Population									
Urban	n.a.	n.a.	n.a.	7.5	9.3	10.9	12.8	12.3	12.2
Rural	n.a.	n.a.	n.a.	8.6	10.9	12.6	13.5	13.8	13.7
Estate	n.a.	n.a.	n.a.	9.7	11.4	8.8	8.5	10.1	10.1
All	n.a.	n.a.	n.a.	9.7	10.6	12.0	13.2	13.4	13.3
Labour Force, Employment and Unemployment (c)									
Labour Force, % of Population	40.0	31.7	33.9	38.0	34.3	38.1	39.7	40.2	38.9
Male	56.0	n.a.	48.0	50.1	49.7	51.7	53.0	55.4	54.3
Female	22.9	n.a.	19.8	26.0	19.4	25.4	27.3	26.3	24.9
Employment by Industrial Sector, % of Employed									
Agriculture, Forestry and Fishing	n.a.	53.0	54.5	48.3	51.2	47.7	37.7	32.8	32.8
Industry	n.a.	10.0	11.7	20.9	19.5	21.6	25.6	26.8	26.0
Services	n.a.	37.0	33.8	30.8	29.3	30.7	36.7	40.4	41.2
Unemployment, % of Labour Force Aged 14 and above	16.6	13.8	24.0	14.7	11.7	15.5	10.4	9.0	8.9
By Gender									
Male	15.3	n.a.	18.9	9.2	7.8	11.3	6.4	6.5	6.3
Female	20.0	n.a.	36.4	24.9	21.3	23.6	17.5	13.9	14.2
By Age Groups									
14 - 18 Years	n.a.	47.5	65.8	30.7	30.8	48.0	35.6	36.7	35.3
19 - 25 Years	n.a.	30.3	47.8	31.1	28.8	35.3	30.4	28.9	28.6
26 - 35 Years	n.a.	7.8	15.2	13.1	8.8	10.6	8.8	6.9	7.0
36 - 45 Years	n.a.	2.4	3.9	2.7	1.7	3.2	2.4	2.0	1.9
46 - 55 Years	n.a.	2.7	1.2	0.8	0.5	0.7	1.0	0.8	0.7
Above 55 Years	n.a.	1.9	0.8	0.2	0.1	0.6	0.4	0.5	0.5
By Education Level									
No Schooling - Illiterate	16.6	6.3	8.4	3.5	2.4	3.0	0.7	0.8	0.8
No Schooling - Literate		5.7	6.8	2.8	1.9	1.3	0.0	1.6	1.5
Primary	16.4	10.5	14.1	6.6	4.8	5.0	2.3	2.0	1.9
Secondary	17.9	23.0	37.1	21.3	14.6	19.8	11.4	8.9	8.7
Passed GCE (O/L) / SSC	25.0	39.3	47.4	27.6	24.5	28.5	18.9	13.8	13.8
Passed GCE (A/L) / HSC	2.9	13.9	44.4	36.4	34.8	34.8	27.8	18.8	19.3
Graduate			16.2	5.3	9.7	7.6	9.3	11.9	12.4
By Sector									
Urban	n.a.	17.8	32.1	20.7	14.2	17.3	13.4	9.0	8.8
Rural	n.a.	14.6	24.5	14.6	12.0	16.0	10.2	9.0	8.9
Estate	n.a.	7.5	12.0	5.6	5.0	9.7	6.9	9.2	9.2

FOR SRI LANKA 1953 – 2003/04

Item	1953	1963	1973	1978/79	1981/82	1986/87 (a)	1996/97 (a)	2003/04 (a)	2003/04 (b)
Housing and Household Amenities									
Housing Conditions, % of Households									
Wattle and Daub Walls	59.5	54.9	44.2	38.9	43.4	39.7	23.3	12.0	12.5
Brick Walls	28.9	34.3	25.0	25.2	26.2	35.0	54.0	55.4	55.4
Clay Floors	50.7	40.3	44.9	45.4	41.9	39.3	25.9	14.6	14.5
Cement Floors	24.7	38.6	45.0	54.4	52.5	58.5	73.2	77.7	77.9
Thatched Roof	56.7	49.3	35.1	31.7	36.3	25.0	10.5	4.5	5.6
Tiled Roof	27.6	36.6	33.6	42.9	39.1	45.4	58.3	58.5	58.6
Availability of Electricity, % of Households	4.1	7.0	8.0	13.1	15.8	26.5	56.8	76.1	74.9
Water Supply & Sanitation, % of Households									
Pipe Borne Water	11.3	5.0	21.0	21.8	18.4	22.6	31.0	41.4	38.9
Separate Toilets	53.8	37.6	58.7	56.5	60.5	76.5	88.3	92.1	90.1
Common Toilets	27.7	30.5	n.a	14.9	9.6	6.6	5.2	4.5	4.4
Without Toilets	18.5	31.9	41.3	28.6	29.9	16.9	6.5	3.4	5.6
Availability of Household Equipment, % of Households									
Radio	n.a.	20.0	25.4	49.9	60.7	67.1	73.6	79.9	78.3
Television	n.a.	n.a.	n.a.	n.a.	3.8	19.6	50.6	73.4	70.8
Telephone / Cellular Phone	n.a.	0.8	0.3	0.7	0.9	1.4	4.5	25.5	24.5
Bicycle	n.a.	n.a.	n.a.	21.5	31.5	34.0	40.5	43.1	46.6
Motor Cycle / Scooter	n.a.	n.a.	n.a.	0.9	2.4	5.3	12.0	16.1	16.3
Motor Car / Van	n.a.	n.a.	n.a.	1.9	2.3	3.0	3.4	6.2	5.8
Refrigerator	0.9	1.0	1.3	2.3	2.9	8.1	16.8	31.4	29.7
Sewing Machine	n.a.	22.0	26.2	31.3	30.7	37.2	41.5	45.8	43.6
Washing Machine	n.a.	n.a.	n.a.	n.a.	n.a.	0.8	2.9	8.0	7.6
Air Conditioner	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.3	0.9	0.9
Personal Computer	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.4	4.4	4.1
Income									
Mean Income, Rs. per Month									
Per Spending Unit	169	193	311	921	1,652	2,728	8,744	15,624	15,400
Per Income Receiver	108	134	228	606	1,108	1,817	5,760	10,907	10,754
Income Shares by Deciles of Income Receivers, %									
1st Decile	1.5	1.2	1.8	1.2	1.2	1.1	1.3	1.2	1.1
2nd Decile	3.6	2.7	3.2	2.6	2.5	2.5	2.8	2.6	2.5
3rd Decile	3.6	3.6	4.4	3.6	3.4	3.4	3.9	3.8	4.1
4th Decile	4.4	4.6	5.7	4.8	4.5	4.4	4.9	4.5	4.2
5th Decile	5.7	5.6	7.1	5.9	5.5	5.7	6.1	5.8	5.8
6th Decile	6.3	6.8	8.8	7.4	6.9	6.8	7.4	7.2	7.3
7th Decile	7.9	9.0	10.6	9.1	8.5	8.4	9.1	8.9	8.7
8th Decile	10.4	11.5	12.7	11.4	10.7	11.1	11.6	11.3	11.2
9th Decile	14.2	16.0	15.9	15.4	14.9	15.4	15.7	15.3	15.4
10th Decile	42.5	39.2	30.0	38.7	41.9	41.4	37.3	39.4	39.7
Gini Coefficient, One Month Income									
Spending Units	0.46	0.45	0.35	0.43	0.45	0.46	0.43	0.46	0.46
Income Receivers	0.50	0.49	0.41	0.50	0.52	0.52	0.48	0.50	0.50
Expenditure, Rs. per Month									
Per Spending Unit	162	191	310	877	1,570	2,175	8,592	15,405	15,278
Per Person	34	36	58	179	318	534	2,012	4,032	3,936
Expenditure Shares, %									
Food	59.9	56.3	55.4	56.7	56.5	52.2	48.4	37.0	37.9
Clothing and Apparel	7.9	9.6	7.6	10.6	7.7	7.6	6.3	8.1	8.3
Housing	3.6	7.3	6.8	5.8	5.9	7.8	10.8	11.2	10.7
Medical	1.3	2.8	1.6	1.7	1.6	2.2	2.4	3.5	3.4
Education	2.0	1.8	2.2	1.6	1.6	2.1	2.3	3.0	3.0
Transport and Communication	2.6	2.3	3.4	4.5	3.9	4.9	5.3	9.0	8.8
Fuel and Light	2.0	4.4	4.2	3.9	5.2	4.6	3.9	4.3	4.4
Consumer Durables	3.2	0.4	6.0	4.6	6.4	5.2	6.7	9.1	8.9
Interest on Debt	0.7	0.8	0.1	0.4	0.5	0.9	2.1	1.6	1.5
Other	16.8	14.3	12.7	10.2	10.7	12.5	11.8	13.2	13.1
Savings and Borrowings									
Savings Rate, % of income	n.a.	n.a.	18.4	13.0	11.7	13.0	10.4	12.0	11.1
Distribution of Number of Loans, %									
Institutional Sources	n.a.	7.6	11.5	10.7	9.7	16.6	43.1	45.0	44.4
Non-Institutional Sources	n.a.	92.4	88.5	89.3	90.3	83.4	56.9	55.0	55.6

(a) Excluding Northern and Eastern Provinces

(b) Excluding Killinochchi, Mannar and Mullativu Districts

(c) Household members who worked more than one hour as paid employee, employer, own account worker (self-employed) or unpaid family worker during the reference period were considered as employed only for CFS 2003/04

n.a. - Not available

KEY SOCIO ECONOMIC INDICATORS

Item	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara- gamuwa	All Island
Household Characteristics										
Number of Individuals per Household	4.27	4.35	4.49	4.74	4.61	4.08	4.10	4.35	4.22	4.31
Number of Spending Units per Household	1.21	1.08	1.11	1.07	1.04	1.07	1.07	1.04	1.08	1.11
Number of Income Receivers per Household	1.72	1.59	1.60	1.65	1.43	1.54	1.41	1.39	1.64	1.59
Population Distribution										
By Gender, %										
Male	46.7	48.5	47.2	45.7	46.4	48.2	48.8	48.3	48.6	47.6
Female	53.3	51.5	52.8	54.3	53.6	51.8	51.2	51.7	51.4	52.4
By Age Groups, %										
0 - 4 Years	7.8	8.1	6.8	7.2	10.3	8.0	8.6	7.9	7.4	7.9
5 - 9 Years	7.6	7.6	9.0	10.4	11.2	7.6	7.1	9.0	7.7	8.2
10 - 14 Years	8.2	10.0	11.3	10.8	12.3	9.4	10.9	12.3	9.9	10.0
15 - 18 Years	6.7	8.1	8.8	8.0	9.0	7.8	8.2	10.2	8.1	8.0
19 - 24 Years	10.2	10.8	9.9	12.2	10.4	10.6	11.0	9.6	10.8	10.5
25 - 34 Years	15.4	13.5	12.4	12.3	13.3	14.2	15.0	11.6	13.7	13.9
35 - 44 Years	14.4	13.3	13.0	10.2	13.3	13.9	14.2	15.1	13.5	13.7
45 - 54 Years	12.5	13.7	12.1	11.8	9.9	13.6	12.7	11.8	13.4	12.6
55 - 64 Years	9.0	7.9	7.7	8.9	5.8	8.0	6.8	7.3	8.1	8.0
Over 64 Years	8.1	7.0	9.1	8.3	4.5	7.0	5.6	5.3	7.4	7.3
Migration, Persons per 1,000 Households										
Internal, within last 12 months	15.6	19.6	32.5	91.7	82.6	19.9	27.5	25.5	30.6	29.0
External, within last 24 months	62.5	47.7	34.5	72.2	118.1	105.6	68.1	24.3	22.3	60.5
Education and Health										
Education, % of Population Aged 5 years and above										
Literacy Rate, %										
Male	96.4	89.3	92.7	92.5	86.6	93.5	92.6	88.3	91.5	92.5
Female	97.5	92.7	94.3	93.5	90.0	95.3	94.5	91.4	94.3	94.5
Female	95.4	86.1	91.4	91.8	83.5	91.8	90.8	85.5	88.9	90.6
Educational Attainment, %										
No Schooling	3.9	11.1	7.7	7.6	13.8	6.7	7.6	11.9	9.0	7.9
Primary	23.6	31.6	31.6	32.1	37.9	30.4	30.7	35.6	30.6	29.9
Secondary	45.5	39.6	38.3	31.8	31.3	42.4	44.4	38.7	43.1	41.0
Post Secondary	27.0	17.7	22.4	28.5	17.0	20.6	17.3	13.8	17.2	21.2
Tuition for Formal Education, % of Students in Formal Education										
Primary	55.7	32.9	41.5	56.7	41.9	36.0	29.4	30.5	37.3	41.7
Secondary	63.2	46.1	53.8	71.1	57.2	51.9	40.3	50.3	49.6	54.0
Post Secondary	72.0	72.3	70.8	65.4	61.4	67.8	73.0	77.1	68.5	70.1
All	60.4	42.1	50.3	62.8	48.6	46.2	38.1	42.2	45.7	49.6
Extra Curricular Activities, % of Students in Formal Education										
	24.2	8.0	8.0	3.7	3.4	14.4	5.1	9.2	7.9	11.8
Health										
Persons in ill Health by Age Group, % of Population										
0 - 14 Years	17.7	10.8	17.1	6.6	9.1	14.5	13.6	15.1	13.7	14.2
15 - 34 Years	9.7	6.4	9.7	6.5	9.2	9.6	9.1	8.7	6.5	8.7
35 - 54 Years	15.0	10.7	13.3	16.3	17.6	16.5	11.5	15.2	12.2	14.1
55 - 64 Years	22.1	11.3	15.3	24.5	20.7	19.3	18.4	19.6	15.0	18.4
Over 64 Years	23.2	13.5	21.2	31.2	22.3	26.6	20.1	30.2	19.1	22.1
All	15.2	9.6	14.1	12.3	12.4	14.7	12.2	14.2	11.5	13.3
Labour Force, Employment and Unemployment (b)										
Labour Force,										
% of Population Aged 10 and above										
Male	47.2	47.4	46.7	32.9	37.2	46.1	48.3	48.1	51.4	46.4
Female	67.2	65.3	62.2	51.9	59.2	67.9	68.2	64.0	68.1	65.3
Female	30.0	30.8	33.2	17.5	18.2	26.5	28.8	33.4	35.7	29.5
Employment by Industrial Sector, % of Employed										
Agriculture, Forestry and Fishing	9.3	43.8	39.8	25.9	36.1	28.5	50.9	63.7	44.9	32.8
Industry	35.9	19.1	24.1	17.7	16.6	32.5	15.6	9.2	27.4	26.0
Services	54.8	37.1	36.1	56.4	47.3	39.0	33.5	27.2	27.8	41.2
Unemployment, % of Labour Force										
By Gender										
Male	8.5	10.8	11.7	5.8	8.4	8.0	8.5	8.1	7.1	8.9
Female	6.6	6.9	8.2	3.1	3.9	5.4	6.5	5.5	5.7	6.3
Female	12.0	18.4	17.4	12.5	21.1	14.1	13.3	12.7	9.5	14.2
By Age Groups										
15 - 18 Years	34.1	46.0	45.1	0.0	25.6	33.3	32.7	40.3	24.2	36.0
19 - 24 Years	28.2	34.5	37.3	14.6	32.6	28.3	26.5	31.3	25.2	30.0
25 - 34 Years	8.0	9.3	13.0	13.4	7.7	8.2	8.5	7.3	8.1	8.9
35 - 44 Years	1.9	3.2	3.8	0.0	0.7	1.1	2.6	0.5	2.4	2.1
45 - 54 Years	1.3	0.7	1.4	0.0	0.0	0.2	0.4	0.7	0.4	0.8
55 - 64 Years	0.6	0.4	0.4	0.0	1.1	0.5	0.0	0.9	0.4	0.5
Over 64 Years	0.6	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.3

BY PROVINCES 2003/04

Item	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara- gamuwa	All Island
Housing, Household Amenities and Land Ownership										
Housing Conditions, % of Households										
Own House	90.5	76.4	94.9	63.3	91.5	95.1	97.6	85.4	90.6	89.2
Brick / Cement Block / Cabook / Stone Wall	90.4	86.2	85.1	83.7	77.1	82.1	80.1	81.7	80.1	84.6
Cement / Terrazzo / Tiled Floor	94.0	75.5	81.9	82.2	80.9	82.7	66.2	64.5	78.0	81.8
Tiles / Asbestos / Concrete Roof	90.9	62.9	91.6	78.1	77.2	78.5	77.7	72.4	79.2	81.1
Availability of Electricity, % of Households	92.4	72.7	78.4	63.6	65.6	68.5	62.0	56.7	64.7	74.9
Water Supply and Sanitation, % of Households										
Pipe Borne Water to House	51.7	29.8	34.1	3.1	17.4	15.5	15.2	21.3	25.1	30.8
Own Well	30.8	16.1	32.5	36.7	45.1	43.2	37.7	24.1	22.7	31.1
Separate Water Seal Toilet	84.6	69.6	86.4	42.8	42.6	83.2	71.7	72.7	79.3	76.5
Without Toilet	1.0	5.0	3.4	14.4	29.2	4.6	7.3	4.6	2.7	5.6
Household Ownership of Land, % of Households	93.0	77.8	95.3	82.2	95.7	96.5	97.5	85.2	89.5	91.0
Availability of Household Equipment, % of Households										
Radio	84.1	78.1	79.4	68.9	62.7	78.1	75.7	76.6	78.2	78.3
Television	85.8	70.6	67.7	43.9	49.2	72.6	65.7	57.3	67.6	70.8
Telephone/Cellular Phone	45.3	17.1	18.3	19.7	13.9	23.1	13.9	9.1	13.4	24.5
Bicycle	39.4	16.7	55.5	86.7	73.8	71.2	80.1	31.5	19.7	46.6
Motor Cycle / Scooter	19.9	6.6	14.8	20.3	16.1	27.2	20.9	6.5	9.4	16.3
Motor Car / Van	12.1	3.5	2.8	3.1	2.7	5.5	3.8	2.3	2.7	5.8
Refrigerator	53.6	21.8	24.1	12.8	16.9	27.6	19.4	11.1	18.9	29.7
Sewing Machine	58.4	38.8	45.7	25.6	23.8	44.1	36.9	28.5	39.9	43.6
Washing Machine	17.8	5.5	3.7	0.8	5.4	4.3	2.4	2.0	2.2	7.6
Air Conditioner	2.1	0.4	0.3	0.6	0.5	0.7	0.9	0.1	0.1	0.9
Personal Computer	9.9	2.6	2.5	2.8	1.2	2.5	1.2	0.5	1.6	4.1
Income										
Mean Income, Rs. per Month										
Per Household	25,602	14,029	13,733	15,201	13,395	15,792	15,624	11,178	12,225	17,109
Per Person	5,999	3,222	3,060	3,208	2,905	3,872	3,814	2,570	2,894	3,968
Per Income Receiver	14,892	8,830	8,559	9,228	9,377	10,276	11,093	8,022	7,438	10,754
Median Income, Rs. per Month										
Per Household	17,810	9,835	10,550	10,430	8,500	11,322	10,395	7,800	8,923	11,350
Per Income Receiver	9,475	5,976	6,177	6,500	5,908	7,173	6,820	5,362	5,271	6,975
Income Shares by Deciles of Income Receivers, %										
1st Decile	1.4	1.6	1.1	0.5	0.5	1.2	1.2	1.7	1.3	1.1
2nd Decile	2.5	3.2	2.7	1.8	1.8	2.9	2.9	3.2	2.9	2.5
3rd Decile	3.7	3.9	4.2	2.9	3.4	4.1	3.6	4.0	4.2	4.1
4th Decile	4.2	4.9	5.3	5.2	3.9	5.2	4.6	4.9	5.4	4.2
5th Decile	5.6	6.1	6.6	5.7	5.5	6.4	5.6	6.1	6.5	5.8
6th Decile	7.0	7.4	8.0	8.0	7.0	7.7	6.8	7.6	7.8	7.3
7th Decile	8.6	9.3	9.8	9.5	8.6	9.3	8.0	9.4	9.7	8.7
8th Decile	11.1	11.8	12.3	11.7	10.6	11.7	10.5	11.5	11.9	11.2
9th Decile	16.0	15.6	16.0	15.0	14.7	15.5	14.8	15.3	16.1	15.4
10th Decile	39.8	36.4	34.0	39.8	43.9	36.0	42.0	36.3	34.2	39.7
Gini Coefficient, One Month Income										
Household	0.44	0.43	0.39	0.44	0.51	0.42	0.47	0.43	0.41	0.46
Spending Units	0.47	0.42	0.39	0.44	0.51	0.42	0.48	0.43	0.40	0.46
Income Receivers	0.51	0.47	0.46	0.52	0.55	0.47	0.51	0.46	0.45	0.50
Expenditure and Consumption										
Expenditure, Rs. per Month										
Per Household	25,274	13,449	14,461	15,425	14,461	16,365	12,943	11,152	11,796	16,974
Per Person	5,922	3,089	3,222	3,255	3,136	4,012	3,159	2,564	2,793	3,936
Per Capita Consumption Expenditure Shares, %										
Food and Non-Alcoholic Beverages	27.2	39.7	38.4	42.9	42.4	34.4	40.3	43.3	42.2	34.4
Alcoholic Beverages, Tobacco and Narcotics	1.7	2.9	2.4	2.1	2.6	2.4	2.7	2.8	2.7	2.2
Clothing and Footwear	6.0	8.3	6.0	4.5	8.4	6.2	6.7	6.7	7.4	6.6
Housing, Water, Electricity, Gas and other Fuels	19.2	15.1	11.9	10.6	10.3	10.9	11.0	12.2	12.2	15.0
Furnishings, Household Equipment and Maintenance	5.4	5.6	6.0	5.4	6.2	6.5	7.5	5.9	4.9	5.8
Health	4.1	2.8	3.7	2.5	3.1	3.1	2.4	2.6	2.8	3.4
Transport	10.8	6.5	8.5	9.2	7.1	14.8	7.9	7.6	7.5	9.8
Communication	2.7	1.9	2.0	2.4	1.6	2.3	1.4	1.2	1.3	2.2
Recreation and Culture	7.6	7.0	8.3	8.1	6.7	7.7	6.5	8.1	8.4	7.6
Education	2.8	2.0	2.2	2.7	2.2	1.7	1.4	1.7	1.7	2.3
Restaurants and Hotels	1.9	1.0	1.0	1.9	2.8	1.0	0.8	0.7	0.8	1.5
Miscellaneous Goods and Services	8.7	6.2	7.9	7.0	5.9	7.8	9.6	6.3	6.9	7.8
Interest on Debt	1.9	1.0	1.8	0.8	0.8*	1.2	1.9	0.8	1.1	1.5
Nutritional Intake										
Energy, calories	2,262	2,317	2,259	2,426	2,274	2,465	2,468	2,349	2,329	2,325
Protein, grams	66	64	60	72	66	70	70	58	61	65
Savings and Borrowings										
Savings Rate, % of Household Income	11.5	10.5	6.4	7.6	-0.9	14.5	26.2	8.2	11.4	11.1
Net Investment Rate, % of Household Income	20.0	18.8	10.5	37.4	30.2	28.6	83.2	21.5	22.0	24.9
Borrowing Rate, % of Household Income	19.1	18.4	31.3	39.0	43.6	22.3	14.2	21.3	14.7	22.1

(a) Excluding Killinochchi, Mannar and Mullativu districts

(b) Household members who worked more than one hour as paid employee, employer, own account worker (selfemployed) or unpaid family worker during the reference period were considered as employed

Chapter 1

Overview

The Consumer Finances and Socio-Economic Survey (CFS) 2003/04 that was conducted by the Central Bank of Sri Lanka is the eighth in a multipurpose household survey series that began in 1953. The CFS data series helps to study long-term changes in the living standards of the household sector in the country. The key objective of the CFS 2003/04 was to obtain information on the socio-economic conditions of the household population to update and further improve the household information base. Of particular importance was the identification of differences, if any, and reasons for the same, among sub-populations and across time, that would facilitate recognition of marginalised communities and help to better target economic development and social welfare programmes in the country. At the same time, it was important to identify fast-growing communities of economic prosperity, so that the lessons learnt from their success could be emulated in other regions of the country as well.

A major achievement of the CFS 2003/04 was its coverage of a greater part of the Northern and Eastern provinces after a lapse of 20 years. The selection of a sample from those areas was made possible by the the Census of Population and Housing conducted in 2001 (Census 2001) by the Department of Census and Statistics (DCS), while the underlying fieldwork was made possible in a relatively peaceful environment following the ceasefire agreement in early 2002. Consequently, this is the first household survey since the civil conflict exacerbated in 1983 that provides cross-sectional data on living conditions in Sri Lanka that includes the Northern and Eastern provinces. Thus, the CFS 2003/04 Report Part 1 provides a benchmark set of estimates with which to evaluate the country's social and economic progress in the 21st century. Part 2 of the CFS 2003/04 Report will contain detailed statistical tables and is to be disseminated in both printed and electronic format later this year. It is also expected that micro data from this survey will be made available to researchers and policy makers in electronic format towards the end of the year for more detailed analytical studies.

1.1 Structure of the Report

There are nine chapters in the CFS Report Part 1. Chapter 2 provides a brief introduction to the survey series and its historical background. It then explains in detail the methodology used throughout the survey, from concepts and definitions used for data collection and analysis, to sample design and selection, for the field plan, field programme, data processing plan and data base development. The chapter finally discusses the reliability, analysis and dissemination of the data, including measures taken to minimise both sampling and non-sampling errors. Definitions of the key concepts referred to in this chapter, and the chapters

that follow, are given in Chapter 2, or in the first sections following the introductory paragraphs in the relevant chapters.

The next three chapters present estimates and analyses of the survey findings on household characteristics and demographic characteristics, such as age and gender distribution, marital and migration status (Chapter 3), educational attainment and health conditions (Chapter 4), and labour force, employment, underemployment and unemployment patterns (Chapter 5).

Chapter 6 covers estimates and analysis of physical assets and physical measures of household well-being, namely, housing conditions, access to utilities and other household amenities and land ownership.

The last three chapters mainly cover estimates and analyses of monetary measures of household well-being, namely income (Chapter 7), expenditure (Chapter 8) and savings, investments and borrowings of households (Chapter 9). Chapter 8 also includes analyses on consumption and nutritional intake.

In each chapter, the estimates were analysed with respect to changes over time and three key domains of study, namely, sectors (urban, rural and estate), provinces and income quintiles. In addition, certain variables were analysed, where relevant, with respect to other characteristics of interest, such as gender, age group and education level. Appendix I provides a copy of the questionnaire used in the CFS 2003/04. The main estimation procedures used in the analyses throughout this report are detailed in Appendix II. Summary estimates and standard errors for key variables, together with statistical comparisons between CFS 1996/97 and CFS 2003/04 and related statistics, are presented in Appendix III. In addition, per capita consumption of and expenditure on individual items in the consumption basket of a household in CFS 2003/04 are given in Appendix IV. The major findings, and, in particular, changes from CFS 1996/97 to CFS 2003/04, that are discussed in detail in each of the following chapters, are highlighted in the next section and summarized in the final section of this chapter.

1.2 Survey Coverage

The CFS 2003/04 sample was selected to be representative of the distribution of housing units across sectors and districts within provinces, as recorded in the Census 2001. The CFS 2003/04 population frame excluded 3 districts, Killinochchi, Mannar and Mullaitivu, in the Northern province, as the Census 2001 could not be completed in those areas due to the security situation. Hence, the CFS 2003/04 had to exclude these 3 districts for which there was no enumerated population frame from which to prepare a sampling frame. This undercoverage is estimated at around 2 per cent of the total estimated housing units in the country.

The Census 2001 recorded that around 60 per cent of the urban sector resided in the Western province, with another 30 per cent fairly equally distributed in the Eastern, Central, Southern and Northern provinces. The other 4 provinces were mainly rural. The estate sector, comprising 5 per cent of households in the country, was mainly confined to the Central (50 per cent), Sabaragamuwa (20 per cent) and Uva (20 per cent) provinces.

Similar to the population distribution of housing units, in the sample distribution too, the urban sector accounted for 13 per cent, the rural sector 82 per cent and the estate sector 5 per cent. Similarly, the Western province accounted for 27 per cent, the Central, North Western, Southern and Sabaragamuwa provinces another 10-13 per cent each, the Eastern, Uva and North Central around 7 per cent each and the Northern province (2 districts) around 3 per cent of the sample distribution. Had the CFS 2003/04 covered the entire country, the share of the Northern province would have been 5 per cent of the sample. Accordingly, the sample comprised 11,768 households proportionately distributed in those 22 districts of the 9 provinces in the country.

This sectoral and provincial structure of the population affect economic empowerment of households through access to infrastructure, markets and services and thereby, economic opportunities. The outcome of this structure was seen in the relative comparisons across sectors and provinces in the analyses.

1.3 Key Findings

Demographic Features

The average **household size** was 4.31 and recorded a decline from 4.61 in the previous survey, while the number of **income receivers** per household had also declined, but at a slower pace, to 1.59. Consequently, the **income dependency ratio** had declined marginally to 1.7 dependents per income receiver, signifying improvements in the welfare of households. Following the changes that had taken place within sectors, the differences among sectors had also reduced. Among most provinces, too, the changes were similar. Household sizes were largest in the Northern and Eastern provinces, which may have been due to the extended family lifestyles of those returning to former conflict areas after the ceasefire without having permanent housing available yet.

The findings confirmed that the population was aging. There was a shift in shares from the child and youth population to the middle-aged and elderly population over time. Meanwhile, the **age dependency ratio** had declined, from 54 to 50 per cent between survey periods, since child dependents were being replaced by elderly dependents at a relatively slower rate. As with household characteristics, sectoral differences in the age dependency ratio had reduced with time. A provincial comparison showed that the age dependency ratio was higher in the Northern and Eastern provinces, reflecting a lower proportion in economically active age groups where employment opportunities were probably lowest due to the civil conflict. The ratio was lower in the Western province which contributed half of the country's

GDP, consequent to which employment opportunities were highest there.

The **gender ratio** in the household population had declined further to 91 males per 100 females in CFS 2003/04. This decline in the male household population relative to the female household population was consistent across sectors and most provinces and had taken place at a faster rate for the household population than the entire population (Census 2001), also reflecting that the share of the male population that had migrated to institutional dwellings had risen at a faster rate in recent times.

With regard to **marital status**, consistent with an aging population, the share of ever-married persons in the household population had risen to 52 per cent. The age distribution at marriage appeared to be stabilising for both sexes, while sectoral differences had declined over time. The age at marriage was also positively correlated with educational attainment.

Migration from households was relatively rare, and had risen to 89 migrants per 1,000 households in CFS 2003/04 from 78 in CFS 1996/97, the combined outcome of a significant increase in internal migration to 29 and a small decline in external migration to 60. The overriding purpose of migration was for employment, while education accounted for a much smaller share, indicating the regional disparities in such employment and education opportunities. The differences in migration rates among sectors had declined between surveys. The highest internal migration rates among provinces in 2003/04 were from the Northern and Eastern provinces, and the lowest from the Western province, consistent with the differences in the availability of economic and employment opportunities across these geographical regions.

Education

The overall **literacy rate** had risen further to 92.5 per cent between surveys. However, when 2003/04 data were disaggregated by sector, age and gender, it was seen that literacy rates declined with age and were lower in all age groups for women than for men. They also declined between urban, rural and estate sectors, and were relatively lower for women in the Central, Eastern, Uva and Southern provinces, reflecting past disparities. Improving and more equal educational opportunities over time were clearly seen in the literacy rates among children, youth and young adults (aged 5-24 years) that were over 90 per cent and similar for males and females as well as among sectors and provinces, in contrast to the literacy rates among the older age groups.

Similarly, **educational attainment** in the population had risen to some extent, with the share at primary school level or lower declining from 44 per cent to 38 per cent since the last survey. A commensurate improvement in those with secondary education was recorded, while those with post-secondary education had remained at around a fifth of the population. The share of females with post-secondary education was higher than of males in all age groups up to 55 years, while the share with post-secondary education was lowest in Uva province. However, the share with no schooling was higher for females in all age groups above 25 years and remained at two-digit level in the Eastern, Uva and

Central provinces, again reflecting regional disparities in educational opportunities in the past.

School avoidance was minimal and had declined further in CFS 2003/04 to 2.1 per cent of the population eligible for compulsory schooling. The continuing decline on an already low school avoidance rate reflected the positive outcome of the strong emphasis placed by successive governments since independence on educational attainment in the country that has included free public education services up to and including tertiary level. Sectoral and provincial differences with regard to literacy and education were narrower in the lower age groups, indicating equalisation of opportunities across time in the country. The gaps among the older age groups, including gender differences, reflected the marginalisation of certain parts of the country in the past, particularly in the estate sector, with regard to such opportunities.

However, the high and rising incidence of **tuition** among the student population signifies the waning confidence in the formal education system in the country. Among the student population, the incidence of tuition had increased across the entire country. Around 50 per cent of students attended tuition classes, compared to 35 per cent during the last survey. The incidence of tuition rose with education level, from 42 per cent in primary grades to 70 per cent in post-secondary grades with a commensurate increase in costs as well. The share of students attending tuition was over 20 per cent at all education levels for all household income quintiles and sectors, clearly reflecting that the demand for tuition was widespread. On average, a household spent Rs.384 per month per student undertaking tuition, who, in turn, spent 7 hours per week on tuition in addition to the hours spent on formal education.

Health

Persons in the household population who had reported **illness during the reference period** were around 13 per cent and this share had not changed between survey periods. There had been a shift in the **type and source of treatment** from hospitals to consulting a medical practitioner and from government services to private services, respectively, reflecting the rising demand for and significant expansion of the private healthcare services in the country. This shift was most significant in the more urbanised parts of the country, reflecting greater affordability and better access to such services in urban areas. Persons with disabilities, both physical and mental, had remained at less than 2 per cent of the household population. These statistics, however, do not include those living in specialised institutions and hospitals for the disabled.

Labour Force, Employment and Unemployment

The **labour force participation rate (LFPR)** was 46.4 per cent of the working age population. The male LFPR continued to remain around twice the female LFPR and the LFPRs rose with age cohort. The LFPRs in the Northern and Eastern provinces were considerably lower than in other provinces, most particularly for women, in 2003/04. This may have been due to

obstacles related to the civil conflict of 20 years, as well as cultural factors that limited female participation in the labour force in these areas and constrained their migration to other areas for employment, which had taken place among males. The increase in the share of those giving schooling as a reason for non participation in the labour force across the country for both sexes indicated greater focus than in the past on achieving academic and technical qualifications and skills training, probably with a view to enhancing income-earning capacity before joining the labour force.

The **employment structure** showed that around a third of the employed worked in the Agriculture Sector, another quarter in Industry and the balance two-fifths in Services. The shift over time away from Agriculture to Industry and, more particularly, to Services, continued, consistent with overall economic development trends in the country. However, around 70 per cent of the employed remained working in the informal sector at lower income levels than in the formal sector and with no formal social security benefits after retirement. Wage earners accounted for 57 per cent of the employed, while non-wage earners, namely, the self-employed, employers and unpaid family workers, accounted for the remaining 43 per cent. As expected, the non-wage earner share of employment was highest in Agriculture, where even for wage earners, income levels remained lower than in the other two major production categories, Industry and Services.

The average number of days and hours worked by an employee per week were 4.9 and 39, respectively. The hours per week varied from 34 in Agriculture to 44 in Services among the three production sectors, and were lower, on average, for females than males, for unpaid family workers within employment categories, and in the informal private sector within employment sectors. Meanwhile, **underemployment** continued to be a serious problem in the country, mainly in these same sub categories of employment. The underemployed had remained at 22 per cent of the labour force in CFS 2003/04, similar to CFS 1996/97. The underemployment rate was highest in the informal private sector and was also highest in Agriculture among production sectors, indicating that there is excess labour and implying considerable scope for enhancing the overall labour productivity in those sectors. Underemployment. Relatively more females were underemployed than males. The lower degree of mobility among female labour could be one explanatory factor.

The **unemployment rate** had declined between surveys from 10.4 to 8.9 per cent due to expansion in economic activity during this period. However, despite the lower LFPR, the unemployment rate among females, at 14.2 per cent, was more than double that for males. It was higher in all age categories by different magnitudes. In the pool of unemployed, the proportionate share was higher among the more educated young adults, reflecting the mismatch between the supply of educated labour and the demands of the labour market. Also, a greater share of the unemployed, particularly females, belonged to households at higher income levels, indicating that any perceived link between unemployment and poverty was tenuous, at most. Meanwhile, unlike labour force participation, which was significantly lower

in the Northern and Eastern provinces, unemployment was around the same level or lower in these two provinces than in other provinces, indicating that those in the economically active age groups in those two provinces who wished to be in the labour force had moved to other areas to find employment opportunities during the 20 years of civil conflict and relatively soon after the ceasefire in 2002, against a background of uncertain labour market conditions in those provinces.

Housing and Utilities

Around 89 per cent of households lived in **housing** owned by household members, while single houses were the most predominant type, occupied by 91 per cent of households. These statistics reflected the relatively satisfactory level of **household ownership** and **type of housing** stock in the country. Although sectoral differences had declined from the previous survey, the shares of owner occupied and single houses continued to be lower in the estate sector, despite recent improvements.

Housing conditions had improved across the country, with over 80 per cent having permanent **construction materials** for walls, flooring and roofing. Around 75 per cent of households now had access to **electricity for lighting**, while those having a safe **source of water**, either pipe-borne or well water (93.5 per cent) and **sanitation facilities** (74 per cent) had also risen. However, the main source of **energy for cooking** continued to be firewood (83 per cent). As in the past, despite improvements since the last survey, housing conditions and access to utilities were poorest in the estate sector. Among provinces, access to electricity was lowest in Uva province (57 per cent), while access to safe water and sanitation was poorest in the Eastern and Northern provinces, reflecting the impact of 20 years of civil conflict on the level of basic infrastructure facilities in those two provinces.

Other Household Amenities

Access to **communication** and **transport** facilities and **household appliances** had improved throughout the country. Radios and TVs were available in over 70 per cent of households, while 30 per cent had refrigerators. Access to motorised transport had increased from 15 per cent to 24 per cent. Also, data confirmed that households were reaping the benefits of the expansion in the communication and IT sectors in the economy in recent times. The share of households using land and mobile phones had increased from 5 per cent to 25 per cent, while the share of households with personal computers had increased ten fold from 0.4 per cent to 4.1 per cent between surveys, although still at a very low level of penetration and mainly in urban areas. Despite improvements since the last survey and a decline in sectoral differences, the estate sector lagged behind the other two sectors in these areas of household well-being. As expected, housing conditions and access to utilities and amenities improved dramatically with income level and were significantly better in the Western province compared to all other provinces, while, in general, the Uva province, and in some respects, the Eastern and Northern provinces lagged behind.

Land Ownership

Around 91 per cent of households owned lands that were used for different purposes. Around 89 per cent owned their homestead land, while 30 per cent owned agricultural land and 2 per cent owned land used for commercial and industrial purposes. The distribution of these lands and their sizes varied across sectors and provinces and rose with income, as could be expected. However, land ownership, even among the poorest 20 per cent of households, was relatively high, signifying a possible source of untapped potential to use this household asset in poverty alleviation programmes in the country.

Income

The average monthly **income of an income receiver** was Rs.10,754 in 2003/04 and had risen by 1.8 per cent per annum in real terms since the previous survey. The **structure of income** had hardly changed since the last survey. Occupation income accounted for 64 per cent, while the imputed value of rent (9 per cent), transfer income from friends and relatives locally (6 per cent) and abroad (6 per cent) accounted for relatively higher shares. Transfer income from government other than pensions accounted for less than 2 per cent. When analysed by sector, in the rural sector transfer income from abroad had risen somewhat, while imputed income had declined. In the estate sector, the relative share of occupation income had declined from 84 per cent to 77 per cent, to be replaced by local transfer income since the last survey, while investment and other miscellaneous income shares had also risen. These marginal changes did, however, indicate the greater focus on, and rising importance of, transfer income to households from family members who lived and worked elsewhere in recent times, which reflected greater labour mobility and changes that are taking place in the social structure in Sri Lanka.

The average monthly income received by an income receiver from his main occupation was Rs.7,405. There was a significant **gender** difference in average incomes from the main occupation between male (Rs.8,311) and female (Rs.5,019) income receivers. Average income from the main occupation of an income receiver by **production sector** of employment was highest in the Services sector (Rs.9,846) and lowest in the Agriculture sector (Rs.4,449), while average income from the main occupation of an income receiver by **employment sector** was higher in the government and semi-government sectors (around Rs.10,500), somewhat lower in the formal private sector (Rs.9,000) and lowest in the informal private sector (Rs.6,400), where around 70 per cent of the employed work.

Monthly **household per capita income** had increased annually in real terms by 2.6 per cent. Incomes had risen annually between surveys in a range of 0.5–3.6 per cent in real terms across all household income quintiles. The real change rose with each quintile, signifying that the while the poor and the rich had got richer, it was at a faster pace for the latter.

Monthly average household per capita income was Rs.4,326 in CFS 2003/04. It was lowest in Uva (Rs.2,769), then Sabaragamuwa (Rs.2,996), then Eastern (Rs.3,162) province and was significantly higher in the Western province (Rs.6,603) than the

country average, again reflecting the disparities in economic and employment opportunities among provinces that were reflected in their socio-economic conditions that were discussed earlier.

Meanwhile, the average monthly **per capita income** was somewhat lower at Rs.3,968 in CFS 2003/04 and had risen by 2.4 per cent annually in real terms since the previous survey.

Income distribution had not changed significantly. The Gini Coefficients for both income receivers and households had risen marginally from 1996/97, in the same narrow range of around 0.5 since 1978/79.

Expenditure and Consumption

Monthly average **per capita expenditure** was Rs. 3,936 in CFS 2003/04. Household expenditure had increased annually by 2.4 per cent in real terms between surveys. Also, the structure of household expenditure had changed significantly since the last survey, providing strong evidence of the prevailing trend in economic activities, where the Services sector is emerging as the most important, surpassing the contribution of the other key sectors, Agriculture and Industry. In real terms, expenditure increased in the categories of Communication (21 per cent), Recreation and culture (10 per cent) and Education (9 per cent), albeit from a low base, followed by Furnishings, household equipment and maintenance (6.5 per cent), Clothing and footwear (6 per cent) and Transport (5 per cent). The **expenditure share** on food and non-alcoholic beverages had declined from 44 to 34 per cent, to be replaced by those categories of expenditure. In fact, expenditure on this category had declined marginally in real terms between survey periods, while nutrition levels had been maintained, indicating that household incomes had risen, on average, to a level where their expenditure had shifted from a basic need such as food to other categories of expenditure of choice.

Patterns within each sector were similar to the overall changes, but at different levels, with the estate sector's share of expenditure for basic needs such as food and clothing being relatively higher, reflecting their relatively poorer position *vis-à-vis* the other two sectors.

It was seen that as incomes rose, expenditure shares on Food and non-alcoholic beverages declined, while shares for most other categories rose, with the exception of Clothing and footwear and Furnishings, household equipment and maintenance, which remained relatively stable. The expenditure share on Education also remained stable at around 1–2 per cent, until the highest quintile, where it rose to over 3 per cent.

Consumption of key food items had not changed dramatically, but the marginal changes that had taken place reflected improved awareness of nutritional considerations and a move to better balance in the average diet between energy and protein. Per capita consumption of rice and coconut had remained the same, while that of bread, wheat flour and sugar had fallen. The decline in bread consumption was the most significant and seen across all sectors. Consumption of meat and fish, vegetables and milk powder had risen, while consumption of alcohol and cigarettes had declined. The analysis of **nutritional intake** recorded that energy intake had remained the same, while protein

intake had risen since the last survey. Sectoral and income level differences in nutritional intake had also narrowed between survey periods. However, the share of those below the threshold level of daily energy adequacy (2,015 calories) compiled for the survey sample, according to standards recommended by the Medical Research Institute, had remained at 36 per cent, while the share of those at risk of malnutrition according to international standards (80 per cent of the recommended calorie intake) had fallen from 14 per cent to 13 per cent since the last survey. These statistics revealed that there was considerable room for further improvement in nutrition levels across the country, as the identified inadequacies were prevalent even at the highest income levels.

Savings, Investment and Borrowings

About 53 per cent of households in the country had positive **savings** and average savings per household had risen from 10 per cent to 11 per cent of household income and stood at Rs.1,904.

Net positive **investment** had been reported by 67 per cent of households. The average net investment per household had risen from 23 per cent to 25 per cent of income, and stood at Rs.4,265. It was clear that most investment continued to be in physical assets and that despite the expansion in the financial sector in recent years, the penetration in to the household sector in influencing their use of financial investment instruments was very low, even at the turn of the century.

Borrowings (including cash, commodity credit and credit card purchases) was reported by 49 per cent of households, an increase from 42.5 per cent in the previous survey. The average borrowing per household had fallen from 25 to 22 per cent of income. The use of credit cards was still at a nascent stage among households and had been reported by just under one per cent of households. Cash borrowings accounted for 78 per cent of total borrowings. Commodity credit from retail shops in the neighbourhood stood at 18 per cent and commodity loans from other sources at one per cent. Credit cards accounted for only 3 per cent of total household borrowings.

The average number of cash loans per household was 0.25, or around one loan for every 4 households. The average **loan size** was Rs.2,939. There was no shift in the **number of loans** taken from institutional (44 per cent) and non-institutional **sources** (56 per cent), indicating that the expansion of financial services in the country had mainly serviced the corporate sector and not impacted significantly on the financial activity of the household sector.

The **quantum of loans** taken from commercial banks had fallen, to be replaced by loans from other financial institutions and friends and relatives. There was no significant shift in the structure of loans by **purpose**. The highest number of loans (58 per cent) continued to be taken for consumption. However, in terms of amounts, the largest shares were for business and trade (27 per cent) and housing (21 per cent), while consumption loans, including for ceremonies, accounted for 20 per cent and continued to be significant.

1.4 Conclusions

There was conclusive evidence from the CFS 2003/04 that, in general, socio-economic conditions had improved in Sri Lanka since the CFS 1996/97. The data also indicated that sectoral disparities had declined, although the estate sector continued to lag behind the other two sectors. The disparity between the Western province and other provinces was significant. On many indicators, the Uva and Eastern provinces, and on housing indicators, the Northern province, lagged behind, signifying the adverse impact on the entire country and certain areas, in particular, of the civil conflict that lasted for 20 years. At the same time, differences in socio-economic conditions among income levels had declined, but remained significant.

Meanwhile, the population was aging towards becoming an "old" population with the median age rising close to 30 years. Educational opportunities and access to health services had become more equitable, so that the differences had narrowed among sub-populations in the country. Consequently, education levels were rising, but without a commensurate match between employment expectations and opportunities. This was seen from the high levels of youth unemployment at the post-secondary level. Only a third of the unemployed belonged to the poorest two household income quintiles, implying that a major share of the unemployed were willing to wait for employment in households that supported them. The adverse unemployment situation and employment mismatch stress the need to revisit the present education system, where there is a rising demand in parallel to the formal education system, starting from primary grades, for a *de-facto* private, albeit mostly informal, education system.

Despite improvements in education levels, the structure of employment had not changed. Informal sector activities at lower income levels continued to dominate. The informal private sector accounted for the largest share of the employed with the self-employed category forming the single largest share (33 per cent) of the employed workforce. This pattern reflected that, despite their small sizes, such informal economic and commercial activities dominated in the structure of employment. Unpaid family workers also accounted for a significant 8 per cent of the workforce.

Meanwhile, around a fifth of the employed were under-employed, mainly in the informal private sector. Unemployment, which had declined since the last survey, continued to be a serious problem among the youth and better educated, who, however, did not have the skills, experience or training to meet the current demands in the labour market. The unemployment problem was twice as acute among females.

Household living conditions had improved since the last CFS survey was conducted 7 years ago. Overall, housing conditions had improved, while access to utilities, communication and transport facilities, as well as household appliances, had risen.

Against this background, real incomes had risen at all income levels, with greater increases at the uppermost levels. Those in the bottom income quintile had seen a small rise in real income in the last 7 years. Although living conditions had improved, on average, expenditure exceeded income at most income levels,

except at the highest income quintile, indicating a high level of dis-savings among the household population. Yet, household consumption and expenditure patterns had improved, on average, with expenditure on food, alcohol and servicing household debt declining in real terms, while expenditure on all other categories had risen. The highest relative increases were in the categories of communication and education, consistent with the increasing demand for and supply of such services, although on a very low base.

The changing pattern of expenditure reflected a rise in living standards, as the share of expenditure on food had declined considerably without a loss in nutrition levels. In fact, it was seen that nutritional intake had improved at the lowest income levels, while declining at the highest income levels, between survey periods, thereby reducing nutritional disparities between the richer and the poorer. The risk of malnutrition however, continued to affect 13 per cent of the household population by international standards.

While, there was conclusive evidence that living standards and the quality of life had improved in the country since the last survey, the improvements were uneven across sectors, provinces and income groups, re-emphasising existing concerns about the living conditions among the more vulnerable groups in the household population.

The analyses presented in the following chapters complemented previous findings on regional economic disparities. Provincial differences remained severe. Socio-economic conditions in the Western province were well above the national average and all other provinces, while conditions were poorest in the Uva and Eastern provinces, signifying regional disparities in access to economic and employment opportunities. These findings confirmed that the Western province had higher living standards than other provinces, commensurate with better education, employment and income-earning opportunities directly related to its contribution to overall economic activity and development in the country. At the other end of the spectrum, the Eastern and Uva provinces, with limited economic activity and opportunity, lagged behind on most socio-economic indicators. The other six provinces lay between these two extremes. The demographic structure and living conditions in the Northern and Eastern and adjoining provinces also reflected the adverse impact of the civil conflict of 20 years. Historical and continuing disparities among the three sectors, urban, rural and estate, were also reflected in the regional disparities, although sectoral differences had indeed narrowed over time and, in particular, the gap in socio-economic conditions and structure between the estate sector and the other two sectors had narrowed on many fronts.

The CFS 2003/04 findings confirmed what policy-makers in successive governments have been highlighting in recent years, namely, the need to address regional disparities and create economic and income generating opportunities that would provide options for the population in all sectors and provinces and at all income levels to improve their quality of life. The detailed analyses in the following chapters can be effectively used to develop evidence-based policies and implement informed decisions towards this development objective.

Objectives and Methodology

The Consumer Finances and Socio-Economic Survey (CFS) 2003/04 is the eighth in the series of household surveys that was initiated by the Central Bank of Sri Lanka (then Ceylon) over fifty years ago, with a view to collecting information on key economic and social variables at the household level.

The primary objective of the CFS 2003/04 was to collect up to date information on household income, expenditure, consumption, savings and investments, as well as household data on demographic features, education, health, the labour force, housing conditions, household amenities and land ownership, to update the current household level information base serving policy makers, planners, administrators and researchers, in both the private and the public sectors, as well as students and the general public, in assessing the living conditions of households in the country. The changes in living standards ultimately reflect the effectiveness of socio-economic policies that have been implemented by successive governments and can be used to monitor their effectiveness. The information collected in the survey on prices, wages and household consumption are also used by the Central Bank to compile and update price and wage indices and to estimate private consumption expenditure in the national accounts. In addition, international organisations, such as the International Monetary Fund, World Bank and Asian Development Bank, have used these survey data extensively for analytical work on socio-economic conditions, living standards and poverty in Sri Lanka.

2.1 Background

The Central Bank conducted its first household survey in 1953. Since then, seven such surveys have been conducted in 1963, 1973, 1978/79, 1981/82, 1986/87, 1996/97 and 2003/04. Of the eight surveys, the first three were known as Consumer Finances Surveys and the duration of the fieldwork varied from 5 weeks in 1953 to 2 months in 1973. The questionnaires were relatively simple and the field investigation was mostly outsourced. With the survey of 1978/79, the scope of the survey questionnaire was expanded to cover a wider spectrum of socio-economic data to reflect the expansion of household economic activities in parallel with the macro economic changes that took place in response to the 1977 economic liberalisation policy package. Accordingly, the survey series was renamed Consumer Finances and Socio-Economic Surveys. The field enumeration was also extended to span the 12 months of a calendar year and was conducted by permanent employees of the Central Bank itself. Following the voluntary retirement scheme implemented in the Central Bank at end 2001, field investigation was once again outsourced in the CFS 2003/04.

The first three surveys, 1953, 1963 and 1973, were conducted at intervals of 10 years. The rapid economic and social transformation in the country with the introduction of the 1977 policy package, convinced policy makers to conduct the CFS at shorter time intervals of once every 5 years. However, this plan could not be implemented consistently thereafter due to specific requirements and constraints at different periods. In fact, a survey was conducted within a shorter interval to assess socio-economic development in Sri Lanka after the economic liberalisation of 1977. Later, owing to the security situation, the survey could not be conducted as planned in 1991/92. Consequently, the last four surveys were conducted at intervals ranging from 3 to 10 years.

The geographical coverage of the respective surveys varied. The first five surveys up to 1981/82 covered the entire country. Due to civil disturbances in the country, the next two surveys could not cover the eight districts of Jaffna, Mannar, Vavuniya, Mullaitivu, Killinochchi, Trincomalee, Batticaloa and Ampara in the Northern and Eastern provinces. However, the CFS 2003/04 was able to include most of these two provinces due to two key factors. First, the Census of Population and Housing (Census) 2001 conducted by the Department of Census and Statistics (DCS), after a lapse of 20 years since the previous Census of 1981, provided the required sampling frame and second, the ceasefire between the Government and the LTTE since February 2002 provided the opportunity to conduct the survey in these two provinces in a relatively peaceful environment. Only the three districts of Killinochchi, Mannar and Mullaitivu in the Northern province could not be included in this survey due to non-availability of a sampling frame.

In previous surveys, a zonal structure of five socio-economic zones was used for sample allocation and comparative analysis. This zonal structure was replaced by a provincial structure in the CFS 2003/04.

2.2 Sampling Plan

Sampling Frame

The **population frame** for the CFS 2003/04 was the housing units in all census blocks taken from the Census 2001 of 17 July 2001. However, only 18 districts out of 25 were completely enumerated in Census 2001. Of the remaining 7 districts in the Northern and Eastern provinces, Jaffna, Vavuniya, Batticaloa and Trincomalee were only partially enumerated, while Killinochchi, Mannar and Mullaitivu were not enumerated, due to the unsettled security situation that prevailed in those areas, although all building units in the entire country were listed and numbered, as

required. Consequently, there was no enumerated list of housing units from which to select a sample in the 3 districts that were not enumerated.

Accordingly, 4,687,157 housing units in 93,240 census blocks, excluding Killinochchi, Mannar and Mullaitivu districts, from the Census 2001, were used as the population frame for CFS 2003/04. Although this would result in certain limitations to the analyses, it has been estimated that the undercoverage was less than 2 per cent of all housing units in the country.

Sample Design

A **two-stage stratified sampling procedure** was used as the sample design. The population frame was first stratified into three sectors (rural, urban and estate) and 25 districts in the nine provinces. The field enumeration was to be conducted in four Rounds of 3 months each, in order to ensure balanced representation with respect to the seasonality of household activities. Hence, the sample for each Round was to be one fourth of the total sample and selected in proportion to the number of housing units in each stratum.

At the **first stage**, the sampling frame was the list of **census blocks** in the population frame. The primary sampling units (PSUs) were census blocks selected in proportion to the number of housing units in each stratum. Random samples were drawn independently for each stratum and each Round by adopting a circular systematic sampling method to select the required number of census blocks.

At the **second stage**, the sampling frame was the list of **housing units** in each selected PSU. Eight housing units were selected as secondary sampling units (SSUs) per PSU, except in the Colombo Municipal Council (CMC) where twice the relative number of PSUs and 4 housing units per PSU were selected.^{1/} At the second stage too, SSUs were drawn randomly from the housing unit lists by using a circular systematic sampling method.

Sample Size

The sample sizes of surveys conducted in 1953, 1963 and 1973 were 1,100, 5,184 and 5,088 households, respectively. In the CFS 1978/79, the sample size was increased to 8,000 households and retained in CFS 1981/82 and CFS 1986/87. Even though the planned sample sizes in CFS 1986/87 and CFS 1996/97 were 8,000 and 10,000 households, respectively, the actual sample sizes assigned were 7,104 and 8,880 households, respectively, owing to the exclusion of the Northern and Eastern provinces from those surveys.

In the CFS 2003/04, the sample size was increased to 12,000 households taking account of the population increase in the country and inclusion of the Northern and Eastern provinces. This sample size was determined to ensure the reliability of the key statistical estimates for the country as a whole and for each domain of stratification, sector and province (Appendix II). The determination was based on a quantitative study that was undertaken to arrive at the required sample size that would meet a specific level of precision for those key estimates as measured by their standard error estimates.

Sample Selection

On the basis of the above, the sample size for the entire country totalled 12,000 SSUs in 1,538 PSUs comprising 11,696 SSUs from 1,462 PSUs outside the CMC and 304 SSUs from 76 PSUs in the CMC. However, as explained above, 29 PSUs that were to cover 232 SSUs in the districts of Killinochchi, Mannar and Mullaitivu could not be selected due to lack of a population frame in those districts. The actual sample size in the field plan was therefore reduced to 11,768 SSUs in 1,509 PSUs in 22 districts of the country. Accordingly, 1,509 census blocks were selected as PSUs at the first stage and, at the second stage, the Census 2001 lists of housing units for each selected PSU were updated or re-listed in the field and then used to select 11,768 housing units as SSUs, with replacement, for field enumeration (Table 2.1).

Table 2.1
Allocation of Sample Proportionate to Housing Units in Population Frame

Province	Population of Households		Sample of Households		Sample Allocation by Sector		
	No.	Percentage	No.	Percentage	Urban	Rural	Estate
Western	1,289,446	27.5	3,224	27.4	856	2,344	24
Central	612,368	13.1	1,536	13.1	120	1,104	312
North Western	603,840	12.9	1,512	12.8	56	1,448	8
Southern	599,765	12.8	1,512	12.8	104	1,376	32
Sabaragamuwa	485,237	10.4	1,216	10.3	40	1,064	112
Eastern	339,341	7.2	856	7.3	168	688	0
Uva	310,139	6.6	784	6.7	32	640	112
North Central	304,569	6.5	768	6.5	32	736	0
Northern (a)	142,452	3.0	360	3.1	80	280	0
Total	4,687,157	100.0	11,768	100.0	1,488	9,680	600

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

^{1/} As the housing unit density is high relative to the rest of the country and living conditions vary considerably in the CMC, the sample was designed to cover relatively more PSUs and less SSUs per PSU in the CMC to capture its inherent heterogeneity.

2.3 Structure of Questionnaire

The basic structure of the questionnaire used in the CFS 2003/04 remained the same as in the CFS 1996/97. The questionnaire consisted of seven schedules each covering key characteristics of the household and its members as follows:

- Schedule I – Demographic and Socio-Economic particulars
- Schedule II – Housing, Land Ownership, Tuition, Health and Migration
- Schedule III – Economic Activity Status, Employment and Unemployment
- Schedule IV – Expenditure on Food and Non-alcoholic Beverages, Alcoholic Beverages, Tobacco Products and Narcotics
- Schedule V – Expenditure on Non-durable Consumer Goods and Services and Consumer Durables
- Schedule VI – Income of Individual Income Receivers
- Schedule VII – Savings, Investments and Loans

A few modifications were made to the schedules to accommodate the prevailing structure of consumer behaviour and preferences in the household sector following changes that had taken place with economic development in the country (Appendix 1). In view of the current emphasis among the student population, the section on tuition in Schedule II was expanded and also covered extra curricular activities. In order to obtain information on household ownership of land, a new section was included for this purpose, also in Schedule II. In Schedule IV, a few new items were included and some obsolete items were dropped. The structure of expenditure in Schedules IV and V were also revised to reflect the internationally accepted Classification of Individual Consumption by Purpose (COICOP). In view of new developments in financial services, a new component to capture credit card usage was included in Schedule VII. A full set of seven schedules had to be completed for each selected household in the sample.

2.4 Concepts and Definitions

The following sections describe the key concepts and definitions used for the collection of information in the field, as well as for key variables of analysis common to all chapters that a reader might look for.

Reference Periods

In order to minimise memory lapses and subjective biases in the information collected from the respondent households, different reference periods were used for different economic activities of the household members, as relevant and meaningful for each variable. Certain activity and expenditure information was collected for a reference period of **one week**, while different types of income and expenditure data were collected for reference

periods of **one month, six months or one year**. The specific reference periods used are detailed in each chapter, as relevant.

Sectors

The housing units listed in the sampling frame were grouped into three sectors, **urban, rural and estate**. The urban sector consisted of all housing units in the Municipal or Urban council areas, as defined by the DCS. The estate sector consisted of all housing units in tea, rubber or coconut estates comprising 20 or more acres and with 10 or more resident workers. The rural sector consisted of all housing units not included in the urban or estate sectors. It should be noted that the administrative units in the country were re-classified in the mid 1980s. Under the reclassification, the former Municipal, Urban, Town and Village Councils had been reclassified into Municipal and Urban Councils and Pradeshiya Sabhas. Hence, while the first two categories remained, certain Town Councils were reclassified as Urban Councils and the remainder were re-classified as Pradeshiya Sabhas, along with the Village Councils. Consequently, since then, certain areas which previously came under Town Councils and therefore came under the DCS definition of the urban sector had been brought under Pradeshiya Sabhas and classified as rural sector. Hence, in the CFS 1996/97 and CFS 2003/04 surveys, the sectoral classification of households into urban, rural and estate had not changed. Consequently, any shifts between urban and rural characteristics in certain areas that took place between surveys would not be captured in the classifications that have been used.

Provinces

The housing unit data were grouped into nine provinces, namely **Western, Central, Southern, Northern, Eastern, North Western, North Central, Uva and Sabaragamuwa**. However, of the five districts in the Northern province, the current survey was able to collect data from only two districts, Jaffna and Vavuniya, as no population frame was available from which to select a sample for the other 3 districts. Consequently, findings on the Northern Province are limited to only 2 districts. In addition, the CFS 1996/97 did not cover housing units in all 8 districts of the Northern and Eastern provinces due to the security situation that prevailed at that time. Consequently, the provincial time series analysis was limited to seven provinces, as comparison with the CFS 1996/97 was not possible for these two provinces.

Household

A **household**, as defined in the survey, refers to either a person living alone or a group of persons living together in a housing unit and sharing common cooking arrangements. The members in the household need not always be related (*e.g.*, boarders and domestic aides in a household). Such persons, though treated as household members, could form a separate independent spending unit that makes its own economic decisions within the household.

Members of a Household

Persons living together and sharing common cooking arrangements in a housing unit were qualified to be the **members** of that household. A family member who was boarded elsewhere, was not a member of the household. Consequently, any family member who lived elsewhere for employment or training and returned home occasionally (e.g., once a month) was not considered as a member of the household. The reason for this definition of a household member was to avoid double counting of a person in his permanent home as well as in the household in which she/he was boarded.

However, a student who was undergoing formal education elsewhere was included as a member of the household in which the student's guardian lived. All persons who lived in the household, including infants and invalids, were included as members. Visitors were excluded.

Spending Unit

A **spending unit** consists of one or more persons who are members of the same household, but who take independent decisions individually or with their own dependents with respect to spending their income. A given household can have one (entire household) or more spending units. For instance, the families of two brothers can form a household sharing the same cooking arrangements, but one brother's family expenditure can be independent of the other's. So, they form two spending units. All boarders, drivers and housemaids were treated as members of the same household, and by definition, were treated as separate spending units.

Income Receiver

An individual who received a minimum one month income of Rs.250 or a minimum six month income of Rs.1,500 preceding the date of the field interview, was defined as an **income receiver**. An income earned by an individual less than this stipulated amount was added to the income of the head of the household. Also, if the only income received by an individual was of an irregular nature (such as a windfall gain or transfer payment from a relative living outside the household, either locally or abroad) such income was not considered to be the income of the recipient but of the head of the household to which the individual belonged.

Income

For the purpose of analysing income by variables of interest, certain concepts need clarification. First, two **reference periods**, the last one month and last six months prior to the first field interview, were used to collect data on income. Second, the total income of an income receiver consisted of two **types of income** received in **cash** or in **kind**. Third, the total income received by a household was compiled for two different **units of income**, namely, individual **income receivers** and **households**. Fourth, two **criteria of income** were used for purposes of analysis, as relevant, namely, **total income** and **per capita income**. Fifth,

two **concepts of income**, namely, the **income level** and the **income distribution**, were used, as relevant to each analysis. The latter concept was useful to analyse changes in the inequality of income distribution over time.

In the income level concept, **income quintiles** were the key categories used for analysis. In order to compile income quintiles, first, all income units (either income receivers or households) were ranked in ascending order according to the selected reference period, income criterion and unit of income. Second, the ranked income distribution was split into 5 groups taking 20 per cent of income units into each group to form each income quintile. The group in the bottom 20 per cent in rank order formed the first income quintile and the group in the highest 20 per cent formed the fifth income quintile. The average income, income range or income share in each such quintile, as relevant, was compiled and used in the analysis in each chapter.

Age

An individual's **age** was defined in the survey, as the number of years completed at the last birthday prior to the first field visit to that particular individual's household. The ages of infants who had not completed one year were recorded as 00 years. The age of any person over 99 years was recorded as 99 years.

Education Levels

For the purpose of analysing variables of interest by the educational attainment of individuals, three levels of education were considered; **primary, secondary and post secondary**. Those who had completed Kindergarten up to those who had completed year 6 were defined as having achieved up to primary level of education. Those who had completed year 7 to those who had completed year 10 (up to GCE Ordinary Level) were classified as having achieved up to secondary level of education. All individuals who had completed year 11 or higher (GCE Ordinary Level and above) were classified as having achieved up to post secondary level of education.

Working Age Population

The **working age population** in the household population was defined as the total household population aged 10 years and above, as recommended by the International Labour Organisation (ILO).

Employed Persons

An **employed person** was defined as a person who, during the reference period of 7 days prior to the date of the first field visit, either

- (1) had worked for pay, profit or unpaid family gain with at least one day requiring a minimum of 1 hour of work, or
- (2) was not working, but who was usually at work for pay, profit or unpaid family gain from which he was temporarily absent due to illness, bad weather, labour dispute, vacation or similar valid reason during the reference period.

Unemployed Persons

An **unemployed person** was a member of the working age population who was not defined as employed under the above criteria, but was actively seeking work or was available for work, for pay, profit or unpaid family gain during the reference period.

Labour Force

The **labour force** was the sum of all employed and unemployed persons. All persons neither employed nor unemployed were defined as **not in labour force**. This included persons who were students, engaged in their own housework, unable to work because of disabilities, retired or voluntarily idle.

Occupation and Production Sector

The **occupation of employed persons** was classified according to the International Standard Classification of Occupation of the ILO as revised in 1988 (ISCO-88). The **production sector of employed persons** was classified according to the International Standard Industrial Classification of the United Nations (UN), third revision of 1990 (ISIC-90).

Imputed Values of Goods and Services

The goods and services consumed by households can be of three different types, i.e. purchased at prevailing market prices, received at subsidised prices and received free. Since the CFS focused on the effective expenditure of households, imputed values were applied for free items and for the subsidised proportion of subsidised items, using the market prices that prevailed for such items in the neighbourhood, in consultation with respondents. Accordingly, items such as effective rent for owner occupied houses, housing received free or at subsidised rents from either the employer or the government or any other party, home grown products or products received free from outside, and firewood collected free from the neighbourhood were subject to such imputations by the field investigator. However, free education and health services received from the government were not taken into account, as it is practically difficult to impute values for such public services received by individual households. Prices applied for imputations for the same item differed from area to area due to different market conditions. The imputed expenses, wherever applicable, were also treated as income received by the household in kind, so that any mismatch between the effective income and effective expenditure, due to inclusion of implicit expenditures, was addressed. Although investigators were trained to address this particular issue, investigator bias would have been reflected to some extent in the prices, and consequently, in the final estimates of income and expenditure.

2.5 Field Programme and Data Collection

Training

The field investigation was outsourced to 48 unemployed graduates in relevant disciplines who were interviewed and

selected for training in early 2003. Field supervisors were selected for training from among Central Bank staff who had previous survey experience (Appendix V). The training programme had two objectives. The first was to provide a clear understanding of the concepts and definitions used in the survey. The second was to educate field supervisors and investigators on probing techniques and the nature of problems that they would encounter in the field. The training programme included a one-day workshop for a case study. In addition, two one-day pilot surveys, one each in the urban and rural sectors, were arranged to pre-test the questionnaire prior to finalisation and to provide hands-on field experience to field supervisors and investigators.

Survey Period

The fieldwork of the survey was conducted from 5 October 2003 to 18 October 2004. Although initially planned for 4 Rounds of equal duration, the field plan was later modified on two occasions, in March and September 2004, to accommodate unforeseen circumstances that were outside the control of the Central Bank. Accordingly, it was completed in four Rounds of around three months each in the following periods:

- First Round – 5 October 2003 to 26 December 2003
- Second Round – 28 December 2003 to 19 March 2004
- Third Round – 17 March 2004 to 4 July 2004
- Fourth Round – 5 July 2004 to 18 October 2004

Each Round covered one fourth of the sampled SSUs in the entire geographical area in the survey of 22 districts in 9 provinces.

Field Plan

Each Round consisted of 6 laps with 10 survey teams, in general, in each lap. A lap usually covered 9 field days and the required travel days. Each survey team comprised a field supervisor and four field investigators and covered 6 PSUs per lap, at the rate of 2 PSUs per day for the first field visit during the first 3 field days. An investigator covered four SSUs, two in each PSU, per day. The methodology used to collect the data was to complete the 7 schedules of the questionnaire after interviewing the members of the selected SSUs on 3 visits. Each SSU was visited three times in rotation during a period of seven days, including the first field visit, to obtain the required information. The field plan to cover 11,768 housing units was completed by 236 survey teams during 24 field laps covering the 4 Rounds.

Field Work

Data were collected making three visits to the selected SSU in each PSU. On the first visit to the PSU, the field supervisor met the Grama Niladhari (GN) or equivalent official in the PSU to update the housing unit list for that PSU. Then, the required number of SSUs was selected from the updated list according to the sample design. Thereafter the official visited each selected

SSU with the survey team and introduced the members of the survey team to the household in the SSU with a brief introduction of the survey. In the rare event that more than one household lived in a selected SSU, the main household was selected as the respondent household. On some occasions when all members of the selected SSU were confirmed to be away for the entire period of fieldwork in that PSU, it was replaced by the next housing unit. On the first visit, the field investigator identified a suitable respondent or respondents in each SSU who would be able to understand and provide the information required in each schedule of the questionnaire. On this first visit, the basic information about the household was collected from the respondent/s and a **food diary**, to record the daily consumption of all items in Schedule IV, both quantity consumed and expenditure incurred, for seven days from the day preceding the first field visit, was handed over to the household respondent and she/he was instructed on how to complete it.

The selected households were visited two more times at 3-day intervals, during a period of seven days to obtain information sought in the seven schedules. If one or more schedules could not be filled due to unavoidable reasons arising from the respondent household side, such household was classified as a 'non-respondent' household.

All required information, except for Schedule IV, was collected through probing. The investigator had to complete the schedules by directly probing the respondent. The information for Schedule IV was obtained from the respondent's own records maintained in the food diary for seven days. In Schedule IV too,

probing techniques were used in cases where the investigators had doubts about the respondent's records in the food diary.

Overall Supervision

Overall field supervision of the survey teams was conducted throughout the survey period. Following each overall field supervision, regular meetings were held with supervisors at Head Office in order to address and rectify any shortcomings that had been identified in the field during overall supervision. The main objective of this programme was to monitor the performance of the field supervisors and field investigators in order to maintain the quality of the data collected from households in terms of reliability, accuracy and timeliness.

2.6 Sample Coverage and Response Rate

The survey was expected to enumerate 11,768 households in 1,509 census blocks. A household was considered as a "non-respondent" when one or more schedules could not be completed in respect of that selected household. The most frequent reason (nearly 60 per cent) for non-response was the inability to find the respondent on the second and third visits, as in most cases they had to attend to urgent domestic matters and the household was temporarily closed. The second most common reason (almost 20 per cent) was refusal to respond. In a few situations where households were evasive or unwilling to provide the required information at the outset, the supervisors and investigators explained the objectives of the survey, encouraged the respondents to communicate with Head Office to allay their

Table 2.2
Sample Coverage by Sector and Province

Sector	Province	Sample Allocation of PSUs (a)	Coverage of PSUs (b)	Coverage Rate for PSUs (b) / (a) x 100	Sample Allocation of SSUs in PSUs (c)	Respondent SSUs in the covered PSUs (d)	Response Rate for SSUs (d) / (c) x 100
1 Urban	Western	145	145	100.00	856	850	99.30
2 Urban	Central	15	15	100.00	120	120	100.00
3 Urban	North Western	7	7	100.00	56	56	100.00
4 Urban	Southern	13	13	100.00	104	104	100.00
5 Urban	Sabaragamuwa	5	5	100.00	40	38	95.00
6 Urban	Eastern	21	21	100.00	168	168	100.00
7 Urban	Uva	4	4	100.00	32	31	96.88
8 Urban	North Central	4	4	100.00	32	30	93.75
9 Urban	Northern	10	10	100.00	80	80	100.00
10 Rural	Western	293	293	100.00	2,344	2,341	99.87
11 Rural	Central	138	138	100.00	1,104	1,103	99.91
12 Rural	North Western	181	181	100.00	1,448	1,441	99.52
13 Rural	Southern	172	172	100.00	1,376	1,371	99.64
14 Rural	Sabaragamuwa	133	133	100.00	1,064	1,061	99.72
15 Rural	Eastern	86	85	98.84	688	679	98.69
16 Rural	Uva	80	80	100.00	640	640	100.00
17 Rural	North Central	92	92	100.00	736	734	99.73
18 Rural	Northern	35	35	100.00	280	280	100.00
19 Estate	Western	3	3	100.00	24	24	100.00
20 Estate	Central	39	39	100.00	312	309	99.04
21 Estate	North Western	1	1	100.00	8	8	100.00
22 Estate	Southern	4	4	100.00	32	32	100.00
23 Estate	Sabaragamuwa	14	14	100.00	112	110	98.21
24 Estate	Uva	14	14	100.00	112	112	100.00
All		1,509	1,508	99.93	11,768	11,722	99.61

fears and, thereafter, were able to elicit the required information. Consequently, in all strata, the household response rates exceeded 93 per cent. Of the selected sample, 11,722 SSUs in 1,508 PSUs were covered or responded, resulting in almost 100 per cent coverage for PSUs and 99.6 per cent response rate for SSUs. These were the highest ever-recorded coverage and response rates in the survey series (Table 2.2).

2.7 Data Processing

As in the previous survey, all activities related to data processing were planned and conducted by the staff of the Statistics Department. The Department optimised on data entry and editing programmes from the previous survey that were modified for use in this survey. Accordingly, interfaces for these programmes with facilities for verifying the validity of data to rectify data entry errors and generate reports on exceptional entries, including range checks and internal consistency checks within and between questionnaire schedules and facilities to derive tables from the database according to given formats were developed in-house under the guidance of the outsourced Systems Analyst. The services of ten data entry operators were outsourced to process data from the questionnaires under departmental supervision.

All completed questionnaires, once handed in to the department by field supervisors, were manually edited by checking for identification information, completeness, internal consistency and application of relevant codes, wherever necessary. The computerised data entry and editing stage began thereafter. Several measures, both direct and indirect, were taken to maintain the quality and the timeliness of data processing. First, the field investigators were trained to strictly follow the survey instructions when filling the questionnaires. At the same time, the supervisors were requested to undertake on-site checking of the completed schedules in the field and to instruct investigators to complete necessary editing, if any, on-site. Second, survey teams were instructed to return their completed questionnaires to the data entry supervisor immediately after their arrival from the field. The data entry supervisor routinely documented and monitored receipt of questionnaires, and followed up with field supervisors to ensure compliance with this requirement. Third, a continuous dialogue was maintained with the field supervisors to facilitate and expedite the data entry process. Consequently, the department was able to meet all its time targets on the data processing.

2.8 Reliability of the Data

The reliability of the data collected and consequently, the statistics derived from the data, depend on the possible errors that could occur in the survey process. In this regard, there can be two types of errors, **sampling errors** and the **non-sampling errors**. A sampling error is the error resulting from selecting a sample rather than taking a full census. It is inversely related to the size of the sample. Non-sampling errors are all other sources of error that would occur when conducting the survey, and include sampling frame inaccuracies, investigator specific errors

(e.g., sample selection errors, questioning errors, data recording errors and measurement errors), non-response errors, respondent errors, data processing errors (e.g., data entry and data editing errors) and data analysis errors. Some of these aspects have been discussed earlier in this chapter, as well as in other chapters, as relevant. However, for purposes of completeness, a brief review of the reliability of the CFS 2003/04 data is presented in this section.

Sampling Errors

Most of the estimates used in this report are ratio estimates. Ratio estimators are usually biased, though efficient, estimators of population parameters. The bias, however, can be reduced using a relatively large sample that minimises the sampling error and thereby improves the reliability of the estimate. However, a large sample would necessarily increase the survey budget as well. Hence, taking account of this trade-off between reliability and cost, and the general increase in the population since the previous survey, the optimal sample size for this survey was determined as 12,000 households in order to maintain the required precision of estimates for the key domains of study and the population as a whole.

The magnitude of the sampling error of an estimate is usually estimated by several statistical measures such as standard errors, coefficients of variation (CV) and confidence intervals. Appendix III provides the values of those measures for the key variables analysed in this report. Variables with greater response and coverage rates provided larger sample sizes, thereby ensuring greater reliability of their estimates through relatively lower standard errors, smaller CVs and narrower confidence intervals.

Non-Sampling Errors

Sampling frame inaccuracies due to undercoverage or unbalanced coverage could reduce representativeness of the sample with respect to the target population. **Undercoverage** of the CFS 2003/04 sample was discussed in Section 2.2 and was estimated to be around 2 per cent of the target household population in Sri Lanka. **Unbalanced coverage** could have occurred if the Census 2001 housing unit lists in each selected PSU had not been updated prior to the selection of SSU. Here too, the importance of this preliminary field exercise was stressed in the training programme for field staff and it was monitored closely during the overall supervision programme.

Several measures were taken in the CFS 2003/04 to minimise the sources of **investigator specific errors**. As discussed in Section 2.5, some of these measures were to engage field supervisors with previous survey experience; an extensive training programme; and a structured overall supervision programme. In order to minimize **sample selection errors**, the training of Field Supervisors specifically focused on the importance of the sampling procedure for selection of SSUs and the use of random number tables to initiate generation of the sample. Mock interviews were organised during the training of the field staff to educate them on the art of questioning to reduce

questioning errors. To minimise **data recording errors**, the field staff were educated about filling of the questionnaire (e.g., use of codes, appropriate number of decimals *etc.*) during the training programme. The imputation of income in kind was a key source of monetary **measurement errors**. The value of home garden produce consumed and the rental value of owner occupied houses were the two items in the questionnaire for which the investigator was required to impute monetary values using the prevailing market price or rent. Hence, under or over estimated prices or rents would have resulted in some measurement errors. All field investigators were provided with the necessary requisites (e.g., random number tables, tape measures and calculators) to minimise investigator specific errors when completing the questionnaires.

Dealing with **non-response errors** and the achievement of the lowest ever-recorded non-response rate of 0.4 per cent in the CFS series has already been discussed in detail in Section 2.6 and therefore, will not be repeated here.

The level of **respondent errors** depends on the co-operation, understanding and knowledge of the respondents. However, investigators were trained to minimise any inherent weaknesses of the respondents by adopting a suitable strategy for questioning such respondents. Also, memory lapses increase respondent error. The strategies used to minimise respondent error, including due to memory lapses, were discussed in Section 2.5 and will not be repeated here.

Measures taken to minimise **data processing errors** have already been discussed in Section 2.7 and hence, will not be repeated here.

Data analysis errors could occur due to inconsistencies between the sampling procedure and the estimation procedure, inappropriate selection of a base population for calculation of the required estimates or miscalculation. Details of the sampling procedure and estimation procedure for each key variable are provided in Section 2.2 and Appendix II, respectively. Details of the selected base population to calculate the estimates used in the analysis are given throughout this report, while key estimates, together with associated statistical measures, are provided in Appendix III, so that calculation errors, if any, could be identified and addressed.

2.9 Data Review and Dissemination

Preliminary findings from the survey were presented at a public seminar in December 2004 and on the Central Bank web site and published in the Central Bank Annual Reports of 2003 and 2004, to ensure timely dissemination of these findings to the public. This report, CFS Report 2003/04 Part 1, provides detailed analysis of the key findings mainly by three domains of study, namely, sectors (urban, rural and estate), provinces and income quintiles. Two new features in this report are the inclusion of key estimates, together with associated standard errors and statistical comparisons between CFS 1996/97 and CFS 2003/04 (Appendix III) and the per capita consumption and expenditure statistics for each item under the classification of individual consumption by purpose (COICOP) structure that has been introduced in this report (Appendix IV). Detailed statistical tables from the survey data are expected to be published shortly in Part 2 of the CFS Report 2003/04.

Chapter 3

Demographic Features

The Consumer Finances and Socio-Economic Surveys (CFS) are an important source of data on household characteristics and the characteristics of its members. The CFS 2003/04 collected household data on both types of characteristics. The former included the average household size, number of spending units, number of income receivers and number of dependents per household. The latter focused on the age, gender, earning status, marital status and migration status of the household members.

Demographic information helps in assessing changes in the overall population structure, which is a key determinant of household sector consumption, investment and savings, and also helps to identify emerging social and economic issues in the country, such as aging, migration, dependency and gender and regional inequalities.

The population of youth needs adequate educational facilities and, later, employment opportunities, so that social and economic implications arising from high youth unemployment could be avoided. The population of elderly, in contrast, needs social security, financial retirement benefits and different types of health care. Also, increasing migration or dependency that arises from disparities in regional economic opportunities could lead to other social welfare issues. Ultimately, all those aspects have significant implications on government policies.

In general, the findings of the survey reported in this chapter indicated that the changes in demographic features were consistent with an aging population coupled with advances in socio-economic conditions in the country over time and that sectoral differences in socio-economic conditions had declined over time. At the same time, regional disparities, including in economic opportunities, continued to exist, as reflected in the sectoral and provincial statistics on age distribution, gender ratios, dependency ratios and migration rates.

3.1 Definitions, Concepts, Methodology of Data Collection and Limitations

The definitions of a **household**, a **spending unit** and an **income receiver** used in this survey were provided in Chapter 2.

Households comprise income receivers and their **dependents** who are not income receivers. Similarly, the population comprises those in the economically active age groups and their dependents, the young and the elderly, who are in the economically inactive age groups. The former concept of dependency is a household characteristic, while the latter is a population characteristic. Dependency ratios, the ratios of dependents to non-dependents in a population, are indicators of economic well-being in a

country. Two types of dependency ratios were calculated from demographic statistics according to standard ILO classification, namely,

- (1) The **Income Dependency Ratio**, which is the ratio of the average number of non-income receivers per household to the average number of income receivers per household in a population, and
- (2) The **Age Dependency Ratio**, which is the ratio of the number of individuals in the economically inactive or “dependent” age groups (under 15 years and 65 years and older) to the number of individuals in the economically active age group (15–64 years of age) in the population.

The former measures the capacity of the active work force to support others (not in active work force) in a household. It is a household characteristic and is discussed in Section 3.2 of this chapter. The latter monitors the capacity of the potential work force, namely, the economically active age groups, to support the economically inactive age groups. It is a population characteristic and is discussed in Section 3.3 of this chapter.

Marital status of a person was taken on a *de-facto* basis at the time of enumeration. If a person stated that he/she was married, irrespective of whether the marriage had been registered, he/she was considered as married. In this survey, information was collected to find out whether or not a person had ever been married. Persons who had registered their marriages or claimed to be married but had not registered their marriages, who were divorced, widowed or separated, fell into the category of persons who had ever been married. The age at marriage of an ever-married person was taken as the number of years completed at the birthday prior to the first marriage of that person. In the case of older respondents, memory lapses may have affected the accuracy of the data.

Data on **migration** were collected with respect to the family members of the sampled households who had migrated during the reference period of 24 months before the date of the first field visit to the household and who were residing elsewhere at the time of that visit. However, in order to compare the data with the previous survey, the 12-month period before that date was considered as the reference period for analysis of migration within the country. One limitation in the analysis of household migration was the smallness of the sample size of migrants. The survey was also not designed to capture information on individuals who had migrated along with their entire households from the selected census blocks.

3.2 Household Size, Spending Units, Income Receivers and Dependents

Household Size

The CFS 2003/04 enumerated 11,722 households which comprised 50,545 persons. Accordingly, the average number of persons per household was 4.31, reflecting the continuous decline from 5.75 persons per household in 1963 (Chart 3.1). The average household size in CFS 1996/97 was 4.61.

This declining trend in the average household size was observed in the urban and rural sectors over the 40 year period (Table 3.1). In the estate sector too the declining trend was observed, in general, but with some exceptions during 1981/82 to 1996/97 (Chart 3.2). The long-term declining trend in household size was mainly an outcome of the deceleration of population growth following the family planning programmes that commenced in the late 1960s, and the shift in social attitudes towards smaller families. A number of factors, such as economic developments over time, rising female education levels and increase in women's participation in the labour force, have also contributed to the decline in family size in Sri Lanka.

As with sectors, the average household size had declined across provinces from 1996/97 to 2003/04. Wider provincial than sectoral differences in household size were observed, where the average household size among provinces ranged from 4.08

Chart 3.1
Average Household (HH) Size, Spending Units (SU)/HH and Income Receivers (IR)/HH

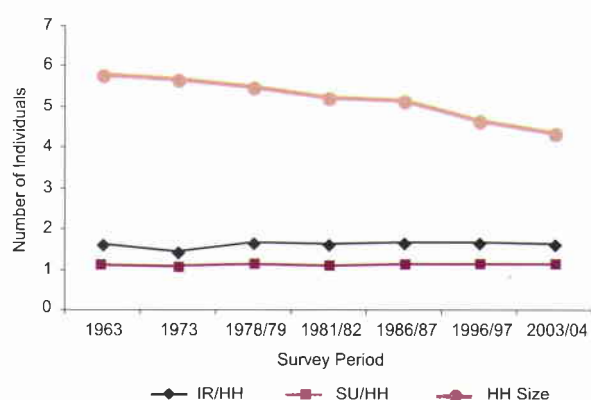


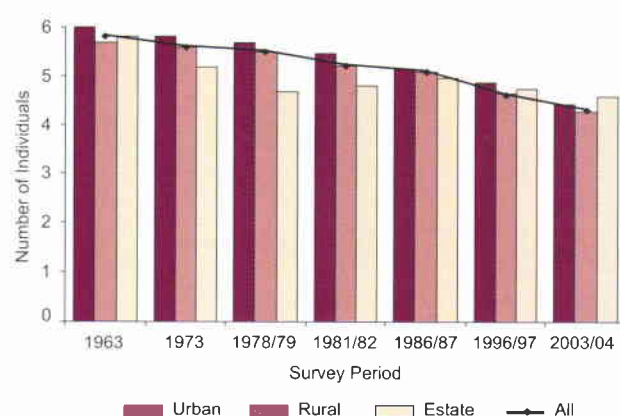
Table 3.1
Average Household Size by Sector 1963 to 2003/04

Sector	1963	1973	1978/79	1981/82	1986/87(a)	1996/97(a)	2003/04(b)
Urban	5.97	5.78	5.67	5.50	5.17	4.89	4.44
Rural	5.70	5.63	5.49	5.20	5.09	4.56	4.28
Estate	5.80	5.24	4.73	4.80	4.78	4.74	4.56
All Sectors	5.75	5.62	5.46	5.20	5.10	4.61	4.31

(a) Excluding Northern and Eastern provinces

(b) Excluding Kilinochchi, Mannar and Mullaitivu districts

Chart 3.2
Average Household Size by Sector 1963 to 2003/04



persons to 4.74 persons in 2003/04. The largest household size was reported from the Northern and Eastern provinces, while the smallest was reported from the North Central and North Western provinces (Chart 3.3). The larger size in the North and East may have been due to the likelihood of extended families living together on their return to their original places of residence since the ceasefire took place in early 2002, in the aftermath of the destruction of housing during the preceding 20 years of civil conflict.

The decline observed in household size between the last two surveys was seen across all income quintiles and was somewhat greater within higher income households than lower income households (Chart 3.4). As observed in both surveys, household income levels and household size were positively correlated. Correlation with the number of spending units and the number of income receivers per household in larger households could be the most relevant reason for this relationship between average household size and income. The richer households are also usually supported by more domestic aides such as servants and drivers who are income receivers in the household and form

Chart 3.3
Average Household Size by Province 1996/97 and 2003/04

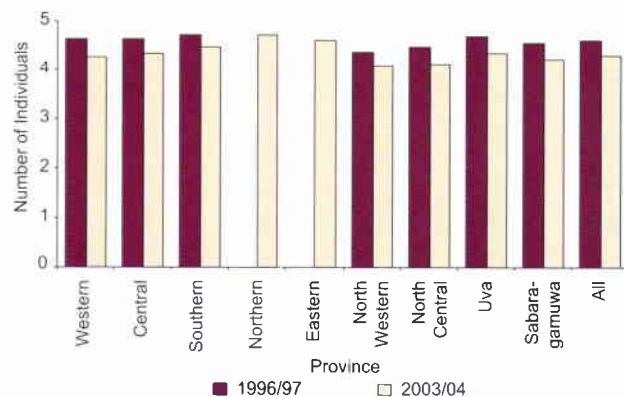
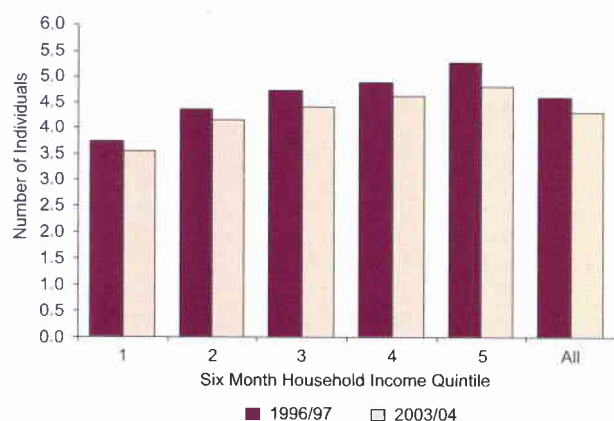


Chart 3.4
Average Household Size by Income Quintile
1996/97 and 2003/04



separate spending units within the same household. This argument will be established in the analysis on patterns of spending units and income receivers per household.

The distribution of household size has been changing over time with a skew towards smaller households resulting in a smaller average household size. The share of households with family sizes greater than 5 has been dwindling, while the share of households with smaller family sizes of 2 to 4 has been escalating over survey periods (Chart 3.5). The number of households with 5 or less persons increased from 59 per cent in 1981/82 to 80 per cent in 2003/04 (Table 3.2).

Spending Units

According to the survey definition, a person or a group of persons is treated as a separate spending unit, if such a person or persons determine personal expenses independently, while sharing common cooking arrangements within the household. Accordingly, in a single household, there would be one or more

Chart 3.5
Distribution of Household Size 1981/82 to 2003/04

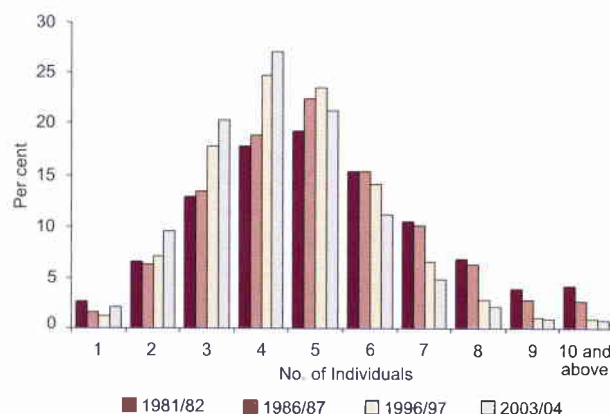


Table 3.2
Distribution of Household Size 1981/82 to 2003/04

Household Size	1981/82	1986/87(a)	1996/97(a)	2003/04(b)
1	2.6	1.6	1.2	2.1
2	6.6	6.3	7.1	9.5
3	13.0	13.5	17.7	20.3
4	18.0	18.9	24.8	27.1
5	19.2	22.4	23.6	21.2
6	15.3	15.4	14.1	11.1
7	10.4	10.0	6.6	4.8
8	6.7	6.3	2.8	2.1
9	4.0	2.9	1.1	1.0
10 and above	4.2	2.7	1.0	0.8
All	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

spending units. The average number of spending units per household recorded an increase when compared to the previous survey periods. It had risen from 1.06 per household in 1981/82 to 1.08 in 1986/87 and 1996/97 and further to 1.11 in 2003/04 (Table 3.3). The increase in the number of spending units *vis-a-vis* the decline in household size, indicates that independent decision-making on expenditure by individuals or sub-groups within a household has been increasing over time. This marginal rising trend was observed across all 3 sectors (Chart 3.6). As in previous surveys, the average number of spending units per

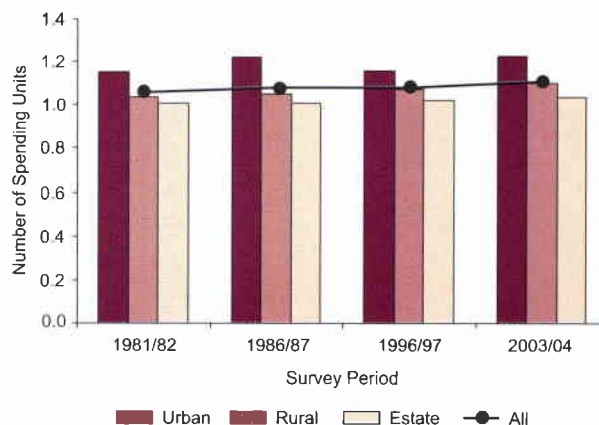
Table 3.3
Average Number of Spending Units per Household by Sector 1963 to 2003/04

Sector	1963	1973	1978/79	1981/82	1986/87(a)	1996/97(a)	2003/04(b)
Urban	1.21	1.09	1.20	1.15	1.22	1.16	1.23
Rural	1.07	1.05	1.08	1.04	1.05	1.07	1.10
Estate	1.02	1.01	1.01	1.01	1.01	1.02	1.04
All	1.08	1.05	1.10	1.06	1.08	1.08	1.11

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Chart 3.6
Average Number of Spending Units per Household by Sector 1981/82 to 2003/04



household was higher in the urban sector (1.23) compared to the rural sector (1.10) and estate sector (1.04) (Table 3.3). This was partly due to the fact that there are more non-family members such as boarders and relatives that reside in urban sector households than in other sectors due to better access to education and employment opportunities in that sector. In addition, it was observed that, of the total housemaids captured in the sample who form separate spending units, 56 per cent were reported from the urban sector. This is significant in the context that the urban sector households form only about 12 per cent of the total household population. The definition of a spending unit and the presence of the above-mentioned categories of individuals in the urban sector would be one reason for recording the highest spending unit ratio in this sector. Another reason could be that as a result of urbanisation, married family members and their families live with their parents in order to either avoid paying high rent or their not being able to purchase land for their own residence due to rising urban land values or to have the benefit of day care for children when both parents work or for seeking schooling facilities.

The average number of spending units per household ranged from 1.04 to 1.21 among provinces in 2003/04 (Chart 3.7). The highest ratio was recorded from the Western province, while the lowest was recorded from the Eastern and Uva provinces. The ratio had increased marginally from 1996/97 to 2003/04 in most provinces, with the sharpest increase in the Western province, probably due to the increased level of urbanisation.

The average number of spending units per household rose with income level in both surveys. Within this trend, the ratios had risen between surveys at all income levels (Chart 3.8). The positive relationship between the number of spending units and the number of income receivers in a household had pushed the households with higher spending units and income receivers into a higher income cohort. As a result, the number of spending units per household was higher in the high-income households.

Chart 3.7
Average No. of Spending Units per Household by Province
1996/97 and 2003/04

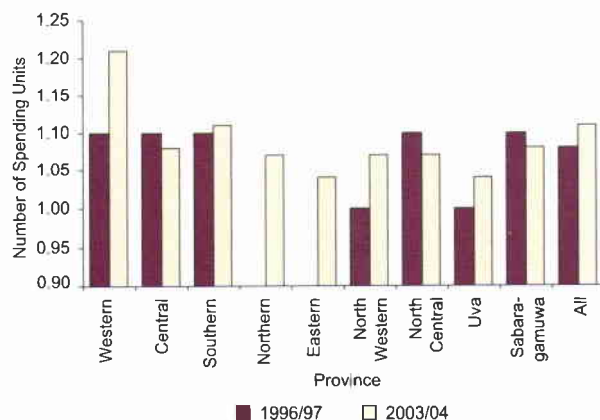
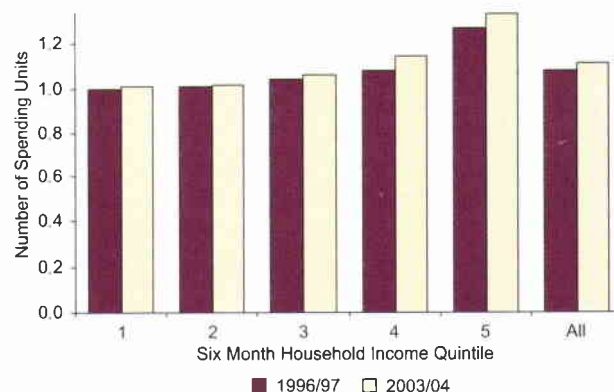


Chart 3.8
Average No. of Spending Units per Household
by Income Quintile 1996/97 and 2003/04



Income Receivers

The average number of income receivers per household had fluctuated in a narrow range since 1978/79 and had declined marginally since the last survey (Table 3.4). However, trends were mixed across sectors (Chart 3.9). In particular, in the estate sector, where the number of income receivers had historically been higher, the number had continuously declined over this 25 year period. Hence, by 2003/04, sectoral differences had declined significantly. Household members who were potentially in the active labour force in the estate sector appear to be aspiring to higher education expecting potentially better employment opportunities over time, or moving away from the sector to other economic activities, such as in industry and services, elsewhere. This phenomenon was seen from the rise in education levels and increasing exposure to private tuition among the estate sector student population, as well as the increase in transfer income to households in that sector compared to the previous survey, during this period. In addition, rationalisation of employment in this

Chart 3.9
Average Number of Income Receivers per Household
by Sector 1981/82 to 2003/04

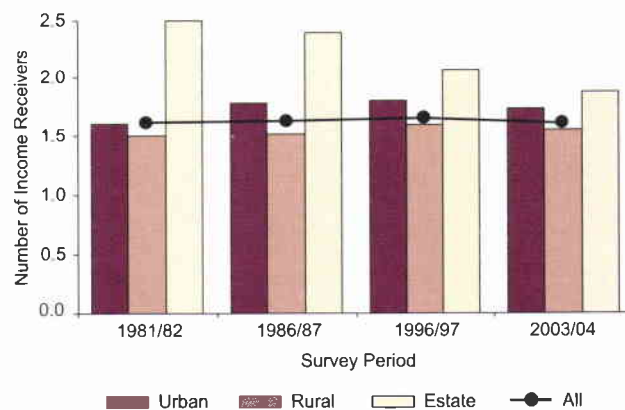


Table 3.4

**Average Number of Income Receivers per Household
by Sector 1973 to 2003/04**

Sector	1973	1978/ 79	1981/ 82	1986/ 87(a)	1996/ 97(a)	2003/ 04(b)
Urban	1.12	1.63	1.60	1.78	1.80	1.73
Rural	1.30	1.54	1.50	1.51	1.59	1.55
Estate	2.50	2.40	2.50	2.39	2.06	1.87
All Sectors	1.40	1.64	1.60	1.62	1.64	1.59

(a) Excluding Northern and Eastern provinces

(b) Excluding Kilinochchi, Mannar and Mullaitivu districts

sector subsequent to privatisation of the plantations as well as better paid employment opportunities available outside the estate sector with relaxed security and internal migratory considerations after the ceasefire agreement was signed in February 2002 could be some reasons for the gradual declining trend in the income receiver ratio in this sector.

The average number of income receivers per household ranged from 1.39 to 1.72 among provinces in 2003/04 (Chart 3.10). The average number of income receivers per household had declined slightly for most provinces from 1996/97 to 2003/04 except for the Southern and North Western provinces. The implications of this decline are discussed in Chapter 7.

As could be expected, the household income level was positively related to the average number of income receivers per household. As with sectors and provinces, the number had declined marginally between the last two surveys in all income quintiles (Chart 3.11).

The distribution of income receivers in a household can be categorised under male head of household, female head of household, male non-head of household and female non-head of household income receivers. In 2003/04, of the total number of income receivers, 60 per cent were heads of household, of which 51 per cent were male and only 9 per cent were female (Chart 3.12). Of the balance 40 per cent, 18 and 22 per cent were non-head male and female income receivers, respectively. This

Chart 3.10

**Average Number of Income Receivers per Household
by Province 1996/97 and 2003/04**

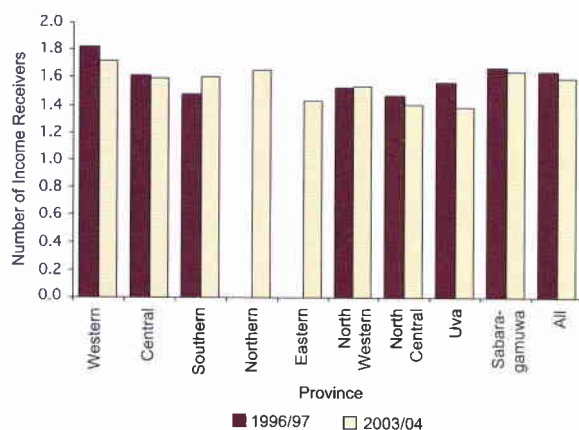


Chart 3.11

**Average Number of Income Receivers per Household
by Income Quintile 1996/97 and 2003/04**

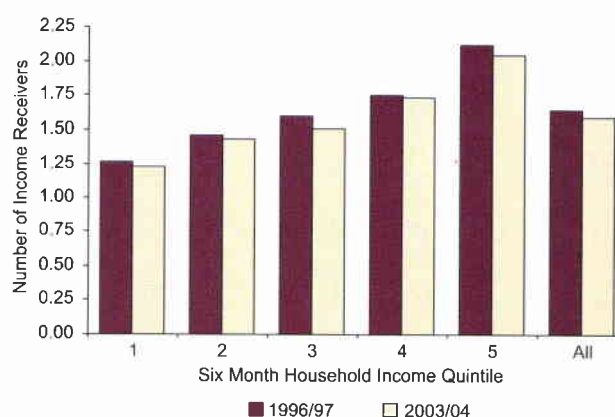
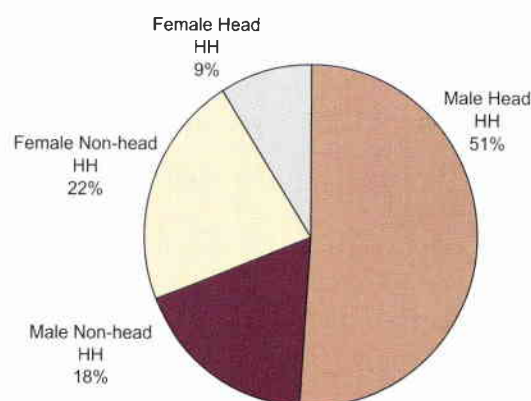


Chart 3.12

**Distribution of Income Receivers by Status of
Income Receivers in the Household (HH)**



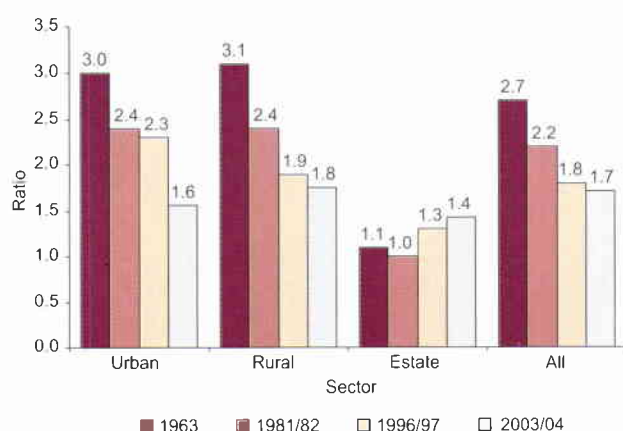
distribution is consistent with the differences in shares of the employed between men (68 per cent) and women (32 per cent). It also confirms the gender domination of males as heads of households, with nearly 6 times as many male-headed households as female-headed ones.

Income Dependency

The income dependency ratio indicated that the average number of dependents per income receiver in a household had declined over the last 40 years from 2.7 in 1963 to 2.2 in 1981/82 and further to 1.7 in 2003/04 (Chart 3.13).

The overall decline in the income dependency ratio is a healthy sign, as it signifies an improving trend with regard to the overall welfare of households over time. This decline was seen in the urban and the rural sectors during the reference period, while overall sectoral differences had reduced. However, the trend in the estate sector was somewhat different. A significantly lower income dependency ratio was observed in the estate sector compared to the other two sectors in earlier surveys. In 1963,

Chart 3.13
Income Dependency Ratio by Sector 1963 to 2003/04



the income dependency ratio was 1.1 and had declined to 1.0 in 1981/82, but this ratio had risen thereafter to 1.4 by 2003/04. The increase reflected the combined outcome of the decline in income receivers per household without a commensurate decline in household size in this sector during this 20-year period. This may be partly the outcome of higher migration of potential income receivers from the estate sector households for employment opportunities outside the sector itself, than in the past, particularly after the ceasefire in early 2002 and the consequent relaxation of security considerations by potential employers outside the estate sector. Although the transfer income received from these migrants would be included in the household income, such migrants would not be considered as income receivers or members of the household under the survey definitions.

Similar to the trend in the overall income dependency ratio, the ratio had declined in most provinces except in the Uva province (Chart 3.14). In 1996/97, the highest income dependency ratio of 2.2 was reported from the Southern province, which had declined to 1.8 in 2003/04. The average number of income receivers per household had increased in the Southern province during this period, while the average household size had declined. In contrast, in the Uva province, which reported a ratio of 2.0 in 1996/97, the ratio further increased to 2.1 in 2003/04, the second highest income dependency ratio. This was an outcome of the faster decline in income receivers per household than household size from 1996/97 to 2003/04. The highest dependency ratio was reported from the Eastern province in 2003/04. These changes are analysed with respect to income in Chapter 7.

The pattern of income dependency ratio by income level indicated that the ratio declined at higher income levels. This was generally to be expected, as the higher the number of income receivers in a household, the higher the average household income (Chart 3.15). The intensity of the decline in income dependency between 1996/97 and 2003/04 rose with income and was sharpest in the highest income quintile.

Chart 3.14
Income Dependency Ratio by Province 1996/97 and 2003/04

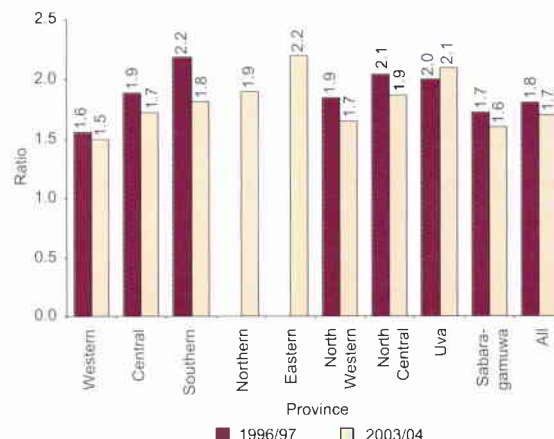
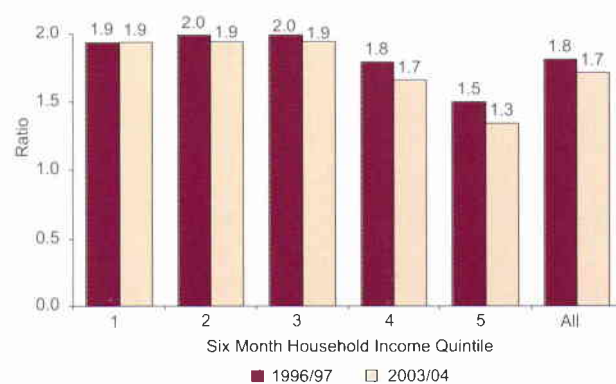


Chart 3.15
Income Dependency Ratio by Income Quintile 1996/97 and 2003/04



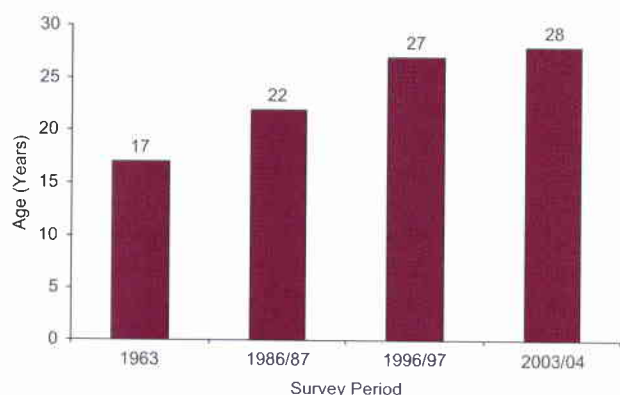
3.3 Composition of Population

Population Distribution by Age

The age and gender composition of the population has been changing considerably during the past 40 years, as a consequence of fluctuations in birth and death rates and marriage patterns, thereby affecting birth trends. Medical advances affecting mortality rates, especially infant mortality in the early part of the century and old age mortality, more recently, have also shaped the country's age structure.

The median age (age mid-point) of a population is often used to describe whether a population is "young" or "old". A population with a median age under 20 years may be classified as relatively young, and that with a median age of 30 years or more as relatively old. The median age in Sri Lanka rose gradually from 17 years in 1963 to 22 years in 1986/87 and further to 28 years in 2003/04 (Chart 3.16). Beginning in the 1970s, lower fertility rates pushed the median age up sharply. Although the

Chart 3.16
The Median Age of Population 1963 to 2003/04



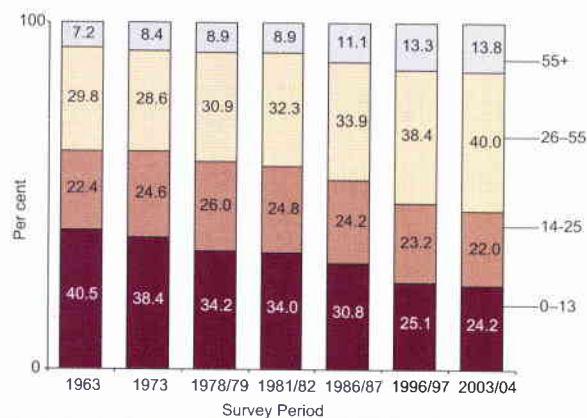
population in each 5-year age cohort increased numerically, younger age groups fell as a proportion of the total population, while the proportion in older age groups rose. Thus, Sri Lanka is now getting closer to becoming an "old" population.

When aggregated into broader age groups, four distinctive sub population groups may be identified. These are the "child" population aged between 0–13 years, the "youth" population aged between 14–25 years, the "middle aged" population aged between 26–55 years and the "elderly" population aged over 55 years.

The proportional share of each age group in the total population changed in different directions as a result of the different rates of growth in each age group. In general, the share of the population has skewed towards older age groups over time (Chart 3.17).

The proportion of the child population declined significantly compared to the proportion in any other broad age group. Around 40 years ago, 40 per cent of the population was in this category. By 2003/04, the corresponding population share had declined to 24 per cent. This relatively high proportion in the past was due

Chart 3.17
Distribution of Population by Age Group
1963 to 2003/04



to the demographic trends during the post-independence period up to about the late 1960's when rapid declines in infant and child mortality rates were observed along with high fertility rates. However, the child population has been declining over the latter period, from 34 per cent in 1981/82 to 24 per cent in 2003/04. This decline was attributed to the reduction in fertility rates, consequent to declining marital fertility with the extensive family planning programmes implemented by the government in the late 1960's, as well as high literacy and educational attainment, a rising trend in female participation in the labour force and the preference among young couples for smaller families. Considering the current composition of the age group 0-4 years, it can be predicted that the student population would further decline in the next 5 years (Chart 3.18).

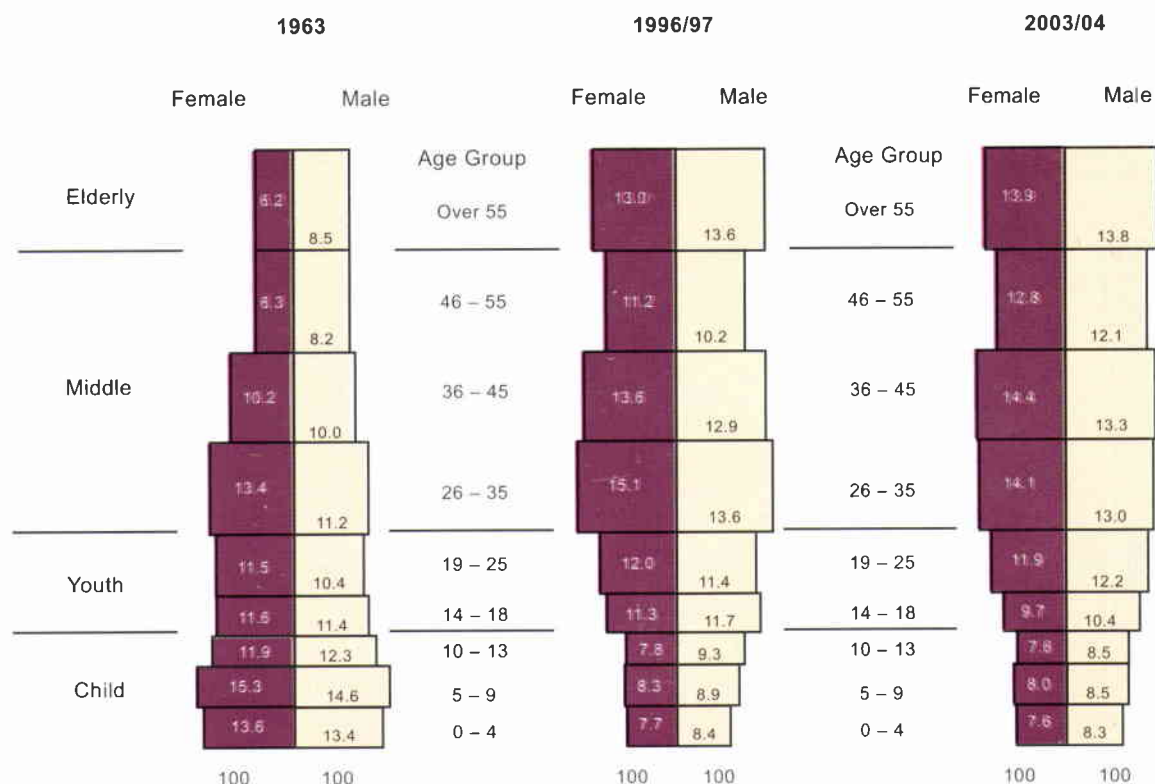
The youth population share had fluctuated between 22 and 26 per cent over the 40 year period and was 22 per cent in 2003/04. In 1963 too, this share was 22 per cent, but had risen somewhat thereafter and recorded the highest share of 26 per cent in 1978/79 before declining to a level of around 22 per cent during the last two survey periods. The share of the middle aged population had risen from around 30 per cent in 1963 to around 40 per cent by 2003/04 with shares in the older sub groups rising faster over time. During this 40 year period, the share of the elderly nearly doubled from 7 to 14 per cent.

At the beginning of the 40 year period, the child population had the most members, and the elderly had the least. By 2003/04, the elderly group had almost doubled (93 per cent increase), while the child population had declined by 41 per cent. This indicates that elderly persons leaving the labour force to become dependents at a faster rate would pose significant pressure on the economic resources of the working population in the country in the years to come. This situation would also create a rising demand for health and other welfare facilities to care and provide for the elderly, and signifies the need for a comprehensive national programme in place soon to address these issues. Also, it may indicate the scope for private participation in the areas of insurance, old age pension schemes, adult caring, hospital and hospice services in the country in the coming years. At the same time, existing facilities for the child population would have to be rationalised on the basis of declining demand.

The growth and the changing age and sex composition of the population can be portrayed through the use of population pyramids. The overall shape of the pyramid and the size of the bars for each age group depict the observed changes.

The changing shape of the population pyramid since 1963 reflects the changing age structure of the population. In 1963, the age group 5–9 years represented the largest age group (14.6 percent male and 15.3 percent female). Each successive age group in 1963 was smaller than the preceding age group except the age group 26–35, creating the traditional pyramid shape or "broad-based" population (Chart 3.18). This pattern had reversed by 1996/97 to an inverted pyramid, and remained so in 2003/04 as well. In 2003/04, the largest age groups were the 36–45 and over 55 age groups. The larger proportion of the population in the older age groups was due to both the persistent

Chart 3.18
Population Pyramids



low fertility level and relatively higher decline in mortality rates in the latter part of the century. Thus, the increase in life expectancy at birth for both males and females has changed the shape of the population pyramid for Sri Lanka.

The population distribution by sector also showed that in all three sectors the proportion of child population in 2003/04 had declined substantially from the level in 1963, while the proportion of elderly had increased (Chart 3.19). However, the trend in the estate sector was different compared to the other two sectors. In 1973, the estate sector had the lowest percentage of population less than 14 years old compared to the other two sectors. This share had risen thereafter by 1986/87 and then sharply declined up to 2003/04, but remained the highest among the three sectors, signifying a shift in the relative child population structure among sectors (Table 3.5).

A gradual increasing share of the elderly was observed in the urban and rural sectors. The trend in the estate sector was less pronounced, but a sharp increase was seen from 1986/87 to 2003/04, although the share remained the lowest among all three sectors.

Between 1996/97 and 2003/04, the sectoral pattern of the median age of the sample population followed the overall trend but in different magnitudes (Chart 3.20). The median age increased in all three sectors from 1996/97 to 2003/04 but more

rapidly in the estate sector than the other two sectors, so that the gap had narrowed among sectors over time. However, the estate sector continued to be the “youngest” sector and the urban sector the “oldest”, in terms of median age.

In 2003/04, the highest proportion of children was reported from the Eastern province (32 per cent) while the lowest was

Chart 3.19
Population Share below 14 years and above 55 years
by Sector

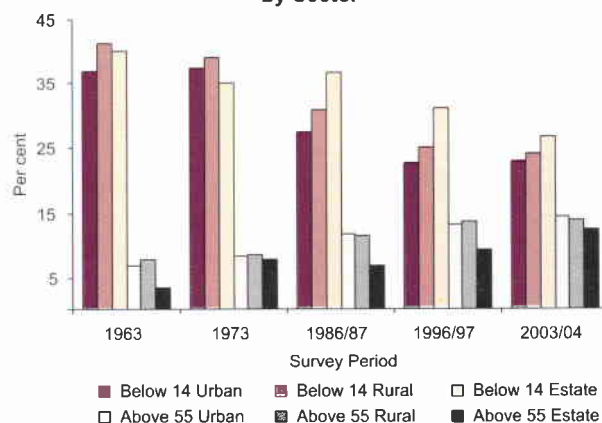


Table 3.5
Distribution of Population by Age Group and Sector 1963 to 2003/04

Survey Period	Age Group (Years)								Total
	0-4	5-13	14-18	19-25	26-35	36-45	46-55	Above 55	
Urban									
1963	11.8	25.3	13.2	11.6	11.3	11.1	8.9	6.8	100
1973	12.0	25.5	11.8	12.6	12.8	10.5	6.4	8.4	100
1978/79	10.2	22.9	12.4	14.3	14.4	9.4	7.4	9.0	100
1981/82	10.7	21.1	11.9	14.0	14.7	9.9	8.5	9.2	100
1986/87 (a)	7.6	19.9	11.9	13.2	14.9	12.1	8.6	11.8	100
1996/97 (a)	7.6	15.1	10.7	13.0	15.1	13.5	11.8	13.2	100
2003/04 (b)	7.4	15.4	10.6	12.0	13.5	14.2	12.5	14.3	100
Rural									
1963	13.8	27.6	11.1	10.3	12.6	9.8	6.9	7.9	100
1973	12.2	26.9	11.7	12.9	11.8	9.7	6.3	8.5	100
1978/79	11.2	23.3	12.4	13.4	13.2	9.5	7.8	9.2	100
1981/82	11.7	22.8	11.3	13.4	14.3	9.6	7.8	9.1	100
1986/87 (a)	9.0	22.0	11.9	12.4	14.0	10.9	8.4	11.4	100
1996/97 (a)	8.0	17.1	11.7	11.5	14.3	13.3	10.5	13.6	100
2003/04 (b)	8.0	16.3	9.9	12.0	13.7	14.0	12.4	13.9	100
Estate									
1963	13.9	26.2	11.8	14.2	12.3	10.6	7.5	3.5	100
1973	11.4	23.7	10.0	15.6	14.7	9.9	6.8	7.9	100
1978/79	14.1	21.0	10.6	14.2	16.2	11.6	6.5	5.8	100
1981/82	14.4	20.0	10.1	14.0	15.5	12.1	8.0	5.9	100
1986/87 (a)	12.7	24.1	9.09	11.3	15.8	12.1	8.2	6.8	100
1996/97 (a)	9.6	21.5	10.8	11.0	13.6	12.4	11.8	9.3	100
2003/04 (b)	8.7	18.1	10.7	12.1	12.9	11.4	13.8	12.4	100
All Sectors									
1963	13.5	27.0	11.5	10.9	12.4	10.1	7.3	7.3	100
1973	12.1	26.3	11.5	13.1	12.3	9.9	6.4	8.4	100
1978/79	11.2	23.0	12.3	13.7	13.7	9.6	7.6	8.9	100
1981/82	11.7	22.3	11.3	13.5	14.4	9.9	8.0	8.9	100
1986/87 (a)	9.0	21.8	11.7	12.5	14.3	11.2	8.4	11.1	100
1996/97 (a)	8.0	17.1	11.5	11.7	14.4	13.3	10.7	13.3	100
2003/04 (b)	7.9	16.3	10.0	12.0	13.6	13.9	12.5	13.8	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Kilinochchi, Mannar and Mullaitivu districts

Chart 3.20

Distribution of Median Age by Sector 1996/97 and 2003/04

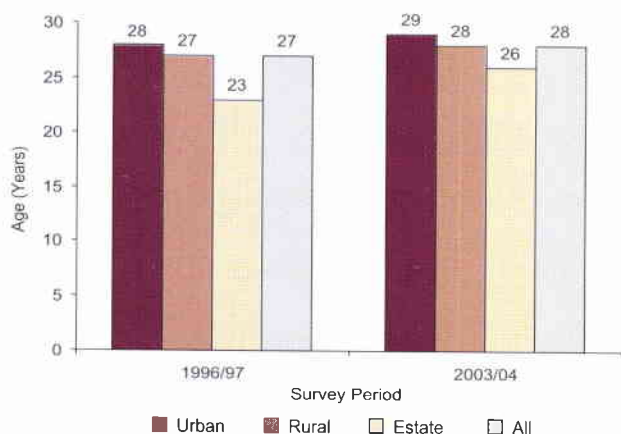
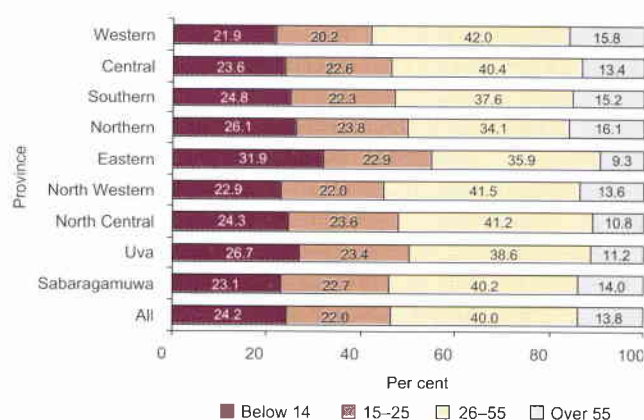


Chart 3.21

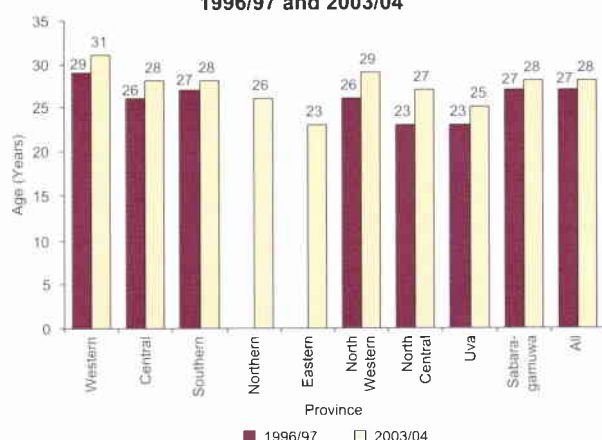
Distribution of Population by Age Groups within Province



from the Western province (22 per cent). The Uva (27 per cent) and Northern provinces (26 per cent) also had somewhat higher proportions of children compared to the other provinces (Chart 3.21).

The share of the elderly indicated the opposite pattern. However, the Northern province also had a higher share of the elderly, indicating a lower share of economically active age groups in both the North and East, consistent with the unsettled

Chart 3.22
Distribution of Median Age by Province
1996/97 and 2003/04



employment situation in those provinces over the past 20 years of civil conflict.

The provincial data revealed that the median age had increased from 1996/97 to 2003/04 across provinces (Chart 3.22). The highest median age was reported from the Western province (31 years) and the lowest from the Eastern province (23 years) in 2003/04.

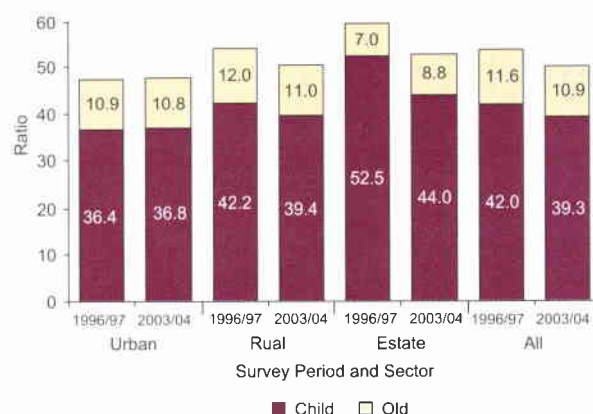
Age Dependency

The overall age dependency ratio had declined from 54 per cent in 1996/97 to 50 per cent in 2003/04 (Chart 3.23). A similar trend was found in all three sectors with a faster decline in the estate sector.

The overall child dependency ratio highlighted the declining trend of the child dependents in a household. The ratio declined from 42 in 1996/97 to 39.3 in 2003/04. All three sectors showed a similar pattern with a much sharper decline in the estate sector than in the other two sectors.

The old age dependency ratio declined from 11.6 in 1996/97 to 10.9 in 2003/04 despite the increase in aging population. This marginal decline was seen in the urban and the rural sectors but

Chart 3.23
Age Dependency Ratio by Sector
1996/97 and 2003/04



in the estate sector the old age dependency ratio had increased from 7 in 1996/97 to 8.8 in 2003/04.

The pattern of the child and old age dependency ratios reflected the narrowing of sectoral differences over time.

A decline in the child dependency ratio was observed in most provinces during the period from 1996/97 to 2003/04. The lowest ratio was recorded in the Western province in both surveys where economic activity was the highest (Chart 3.24). Meanwhile, old age dependency had declined marginally or remained virtually unchanged across provinces between survey periods. The highest overall age dependency ratios were recorded in the Northern and Eastern provinces in 2003/04 (Table 3.6). This was another indicator that a greater share of the economically active age groups in households had moved away from those two provinces compared to other provinces due to lack of employment opportunities under uncertain labour market conditions in those two provinces due to the civil conflict.

Population Distribution by Gender

A frequently used measure to summarise the gender composition between the male and female population is the sex ratio, the number of males per 100 females. A sex ratio of 100 indicates a

Table 3.6
Age Dependency Ratio by Province 1996/97 and 2003/04
(As a percentage of age group 15-64 years)

Age Dependency	Survey Period	Province									
		Western	Central	Southern	Northern	Eastern	North Western	North Central	Uva	Sabaragamuwa	All Provinces
Child	1996/97 (a)	35.2	43.5	44.3	—	—	42.9	51.9	51.5	43.6	42.0
	2003/04 (b)	34.6	38.3	42.4	44.9	54.9	36.6	39.2	44.5	37.0	39.3
Old	1996/97 (a)	12.2	10.0	15.1	—	—	11.7	8.2	8.6	12.0	11.6
	2003/04 (b)	11.8	10.4	14.2	13.1	7.3	10.2	8.2	8.0	10.9	10.9
Total	1996/97 (a)	47.4	53.5	59.4	—	—	54.6	60.1	60.1	55.6	53.7
	2003/04 (b)	46.4	48.7	56.6	58.0	62.2	46.9	47.4	52.6	47.9	50.2

(a) Excluding Northern and Eastern provinces

(b) Excluding Kilinochchi, Mannar and Mullaitivu districts

Chart 3.24
Age Dependency Ratio by Province 1996/97 and 2003/04

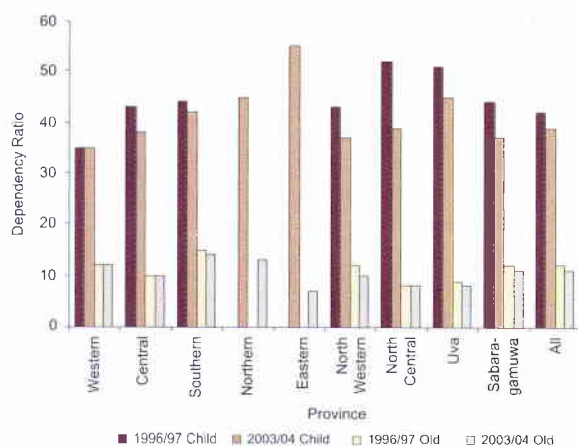
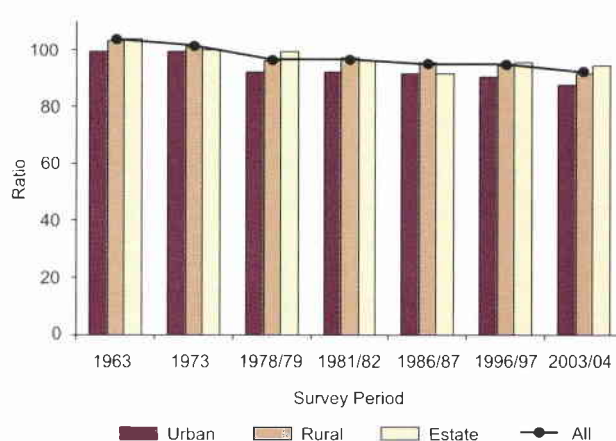


Chart 3.25
Sex Ratio by Sector 1963 to 2003/04



balance between the male and female populations, ratios above 100 indicate a larger male population, and ratios below 100 indicate a larger female population.

It was seen that the sex ratio had gradually declined over the past 40 years, with the female household population exceeding the male household population since the mid 70s (Table 3.7). The sectoral data show that the sex ratio in the urban sector was lower than in the other two sectors throughout (Chart 3.25). The sex ratio in the urban sector was 99 in 1963 and had declined continuously to reach 87 in 2003/04. The sex ratios in the rural and estate sectors were 103 and 104, respectively, in 1963 and had declined to 91 and 94 by 2003/04. According to the Census of Population and Housing 2001, the sex ratio in the population had also declined over time, but at a lower rate, and stood at 97.9 in 2001 compared to 99.1 in 1997. Several demographic factors could have contributed to the greater excess of females over males in the household population of the country relative to the ratio in the total population. First, life expectancy at birth has been increasing in the past several decades. Of this, the life expectancy of females increased at a higher rate compared with that of males. As an example, the life expectancy at birth for females was 79 in 2003/04, while that for males was 73. Several social factors contributed to the increase in life expectancy among

females, apart from biological reasons, such as the improvements in female education that raised self-awareness of health among females. This relative increase in the life expectancy of females has naturally impacted on the sex ratio at the population as well as household level. Second, the migration of the population within the country from households to institutional dwellings for employment purposes could be another possible reason for this difference as this institutional population is not covered in household surveys. According to the definition used in the survey series, such persons are not included as household members, if they were not present in their usual residence during the reference period of the survey. This institutional population is predominantly male, mainly employed in the formal sector such as the armed forces or police or the health services who live in barracks or official living quarters or who work in the informal sector and reside in their work places such as shops, restaurants, temporary fishing villages and construction work sites. The relatively higher increase in the number of males who have joined the armed forces since the last survey, as well as the expansion in small trading and construction activities, particularly after the ceasefire, may have led to a relatively higher increase in the number of males who work away from home and are compelled to reside in institutional dwelling places, compared to the male population increase, resulting in a relative rise in the male institutional population and corresponding decline in the male household population.

The declining pattern of the sex ratio from 1996/97 to 2003/04 was observed in most provinces as well, except in the Central and the North Central provinces (Chart 3.26). In 2003/04, the highest sex ratio was recorded in the North Central province (96 males per 100 females), while the lowest was in the Northern province (84 males per 100 females) followed by the Eastern province. Migration for employment could be a factor behind the low sex ratio in these two provinces.

The declining pattern of the sex ratio from 1996/97 to 2003/04 was also observed in most age groups, except the child age group, and the decline was highest in the middle age group (Chart 3.27).

Table 3.7

Population Distribution by Gender 1963 to 2003/04

Survey Period	Female Share (%)	Male Share (%)	Sex Ratio (No. of Males per 100 Females)
1963	49.34	50.66	102.66
1973	49.86	50.14	100.55
1978/79	51.13	48.87	95.59
1981/82	50.99	49.01	96.12
1986/87 (a)	51.46	48.54	94.31
1996/97 (a)	51.62	48.38	93.73
2003/04 (b)	52.40	47.60	90.70

(a) Excluding Northern and Eastern provinces

(b) Excluding Kilinochchi, Mannar and Mullaitivu districts

Chart 3.26
Sex Ratio by Province 1996/97 and 2003/04

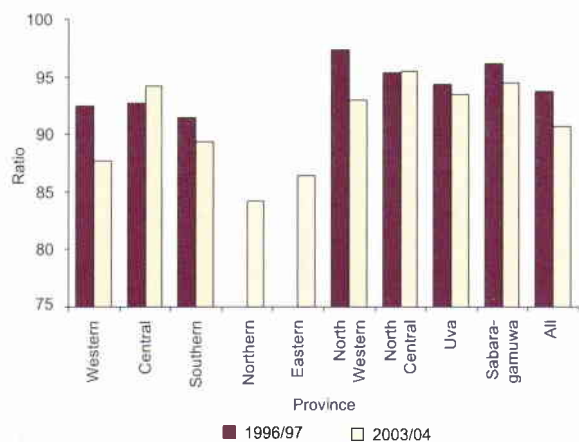
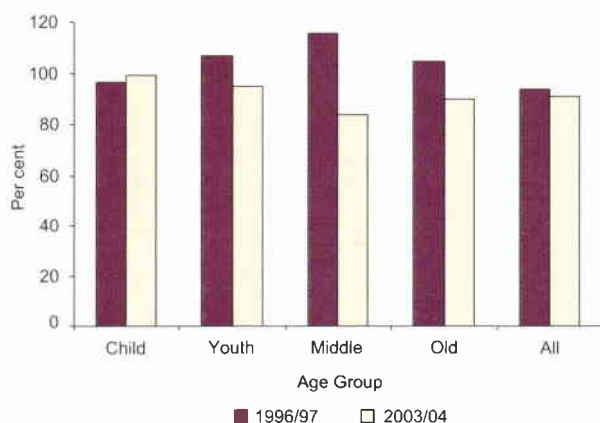


Chart 3.27
Sex Ratio by Age Group 1996/97 and 2003/04



3.4 Marital Status

An increase was observed in the share of ever-married population from 49 per cent in 1996/97 to 52 per cent in 2003/04 (Chart 3.28).

The increase in the ever-married population share and corresponding decline in the never married population share during this period reflected the impact of the rising proportion of population in the middle and older age categories. A similar pattern was seen when the ever-married population was calculated as a ratio of those in the potential marriageable age group of above 15 years, the upper age limit for child dependency. Here too, the share of the ever-married population had risen to 70 per cent compared to 67 per cent in the 1996/97 survey period.

The distribution of marital status by gender indicated a similar pattern to the overall trend. Of the total male population, the proportion of presently married males increased from 43 per cent in 1996/97 to 46 per cent in 2003/04 and the proportion of never married males declined from 55 per cent to 52 per cent, while the population of widowed, separated and divorced remained unchanged. Similarly, the proportion of never married females declined from 48 per cent to 45 per cent and the proportion of presently married females increased from 42 per cent to 45 per cent, while the share of the widowed, separated and divorced remained unchanged from 1996/97 to 2003/04 (Chart 3.29).

The change was similar across all three sectors, where the proportions of never married persons had declined from 1996/97 to 2003/04 (Table 3.8). The proportion in that category was highest in the estate sector in both surveys (Chart 3.30). The age structure in the country for the last two decades revealed that the estate sector was the youngest region, while the urban sector was the oldest. This pattern could be a reason for the higher proportion of never married population in the estate sector compared to the other two sectors in both surveys.

Age at Marriage

The median age at first marriage of females and males were estimated at 21 years and 26 years, respectively in 2003/04, compared with 21 years and 27 years in 1996/97. Within all three

Chart 3.28
Distribution of Marital Status 1996/97 and 2003/04

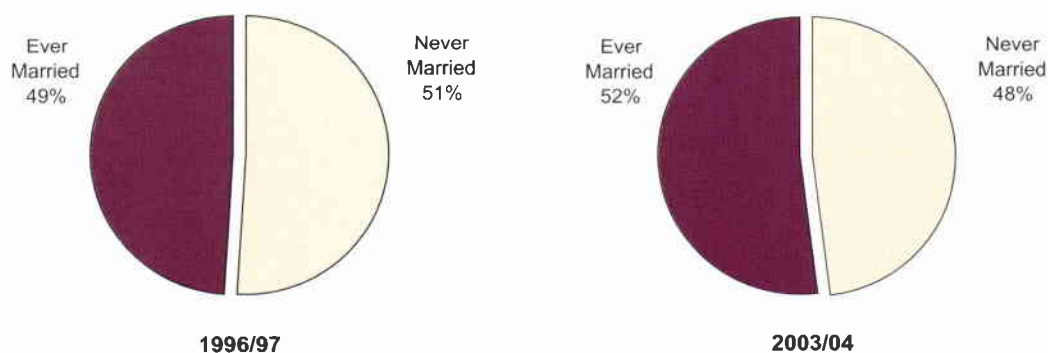


Chart 3.29
Distribution of Marital Status by Gender 1996/97 and 2003/04

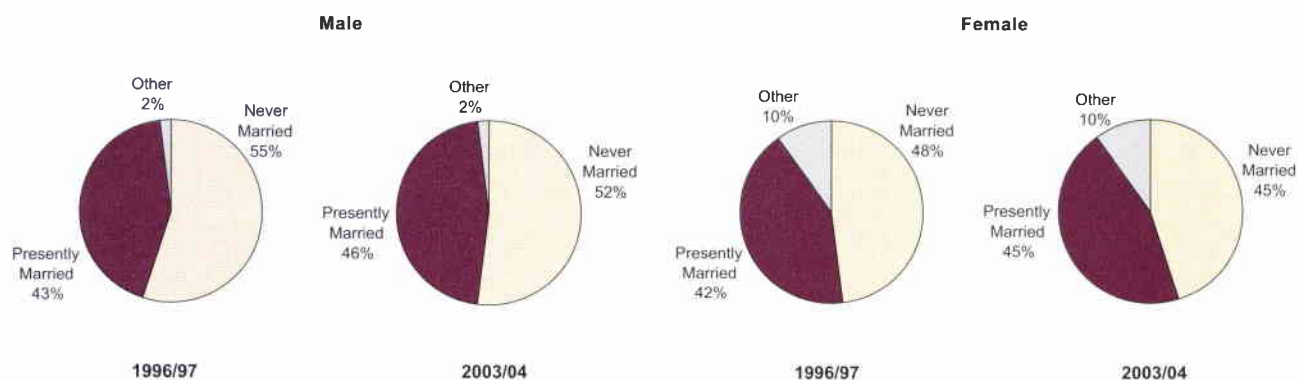


Chart 3.30
Marital Status by Sector
1996/97 and 2003/04

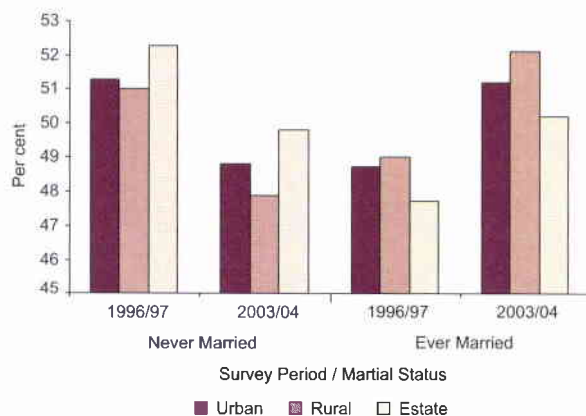


Table 3.8
Distribution of Females by Age at Marriage
1981/82 to 2003/04

Age Group (Years)	1981/82	1986/87 (a)	1996/97 (a)	2003/04 (b)
Below 15	2.9	2.1	1.3	1.5
15 – 19	40.8	37.7	31.3	32.7
20 – 24	38.8	39.2	40.3	38.9
25 – 29	13.1	15.5	19.1	18.8
30 – 34	3.3	4.2	6.1	6.1
35 – 39	0.9	1.0	1.5	1.7
Over 39	0.2	0.3	0.5	0.4
Total	100	100	100	100

(a) Excluding Northern and Eastern provinces
(b) Excluding Kilinochchi, Mannar and Mullaitivu districts

sectors, the median age at marriage for females had not changed between 1996/97 and 2003/04 and remained in a narrow spread of 2 years across sectors. The median age at marriage for males had also remained within a narrow range of 2 years across all sectors with a decline only in the rural sector (Chart 3.31). The lowest median age at marriage was recorded in the estate sector, while the highest was in the urban sector for both sexes.

The historical pattern of the distribution of age at marriage for females indicated that, as evidenced in the last two surveys, the distribution of age at marriage for females was stabilising with the highest share in the age group 20–24 years in all sectors (Chart 3.32).

However, in contrast to the urban and rural sectors, the proportions marrying at under 20 years in the estate sector had fallen between surveys (Table 3.9). As with females, males in the estate sector were also marrying at somewhat older ages of over 24 years than before. The increase in age at marriage in this sector was probably an outcome of higher educational attainment,

Chart 3.31
Median Age at Marriage by Sector 1996/97 and 2003/04

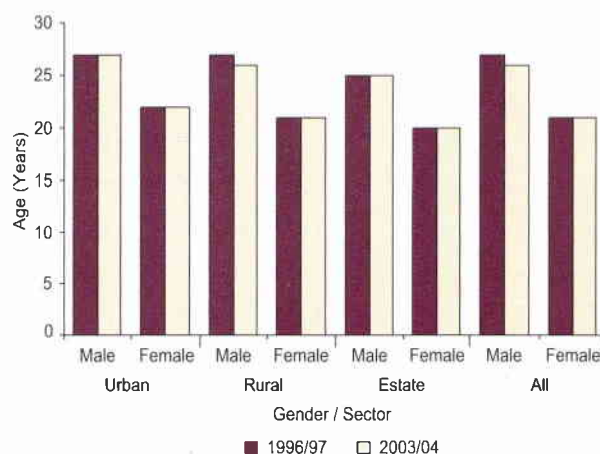
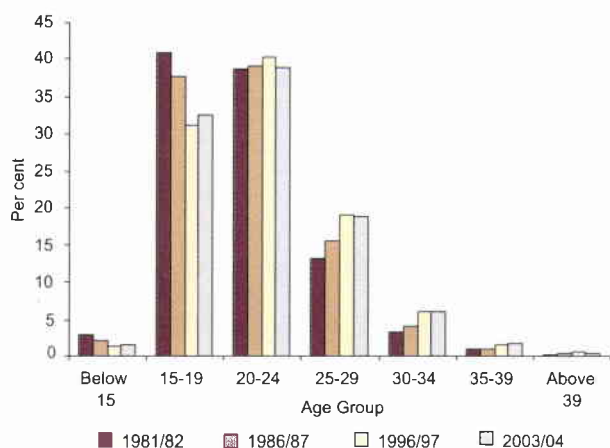


Chart 3.32

Distribution of Females by Age at Marriage 1981/82 to 2003/04



particularly of women. The highest shares in all sectors were in the age group 25–29 years for males.

The distribution of age at marriage showed no clear trend across provinces between the two surveys. Between 1996/97 to 2003/04, the distribution of age at marriage for females had shifted up in the Southern, Uva and Sabaragamuwa provinces, shifted down in the North Western, North Central and Western provinces and remained relatively unchanged in the Central province. The female age at marriage was relatively high in the Northern province and very low in the Eastern province in 2003/04, with 54 per cent marrying at ages below 20 years compared to 34 per cent overall. (Table 3.10).

The provincial distribution of male age at marriage indicated that the majority of males marry at ages between 25–29 years in most provinces (Table 3.11). The male marrying age had risen in most provinces, but declined in the Central and North Central provinces between 1996/97 and 2003/04. The male age at marriage too, was relatively very low in the Eastern province, with 47 per cent marrying at ages below 25 years compared to 35 per cent overall.

There was a clear positive relationship between the age at marriage and the level of education. It appeared that the less educated married earlier than the higher educated in both sexes, at a somewhat higher age for males than for females. This relationship was stronger for females than for males (Chart 3.33). The extension of studying periods beyond their mid twenties and the tendency of women with higher educational qualifications to delay their marriages until finding a suitable job coupled with constraints in the labour market towards educated females could have contributed to the observed phenomenon.

3.5 Migration

The proportion of migrants had increased from 78 per 1,000 households in 1996/97 to 89 in 2003/04. This overall increase was the combined outcome of the increase in internal migration from 15 to 29 and a marginal decline in external migration from 63 to 60 per 1,000 households from 1996/97 to 2003/04.

Internal Migration

The sectoral pattern of internal migration had changed somewhat between the last two survey periods. Increases were reported from

Table 3.9

Distribution of Age at Marriage by Sector and Gender 1996/97 and 2003/04

Age at Marriage (Years)	Sector							
	Urban		Rural		Estate		All Sectors	
	1996/97 (a)	2003/04(b)	1996/97 (a)	2003/04(b)	1996/97 (a)	2003/04(b)	1996/97 (a)	2003/04(b)
Female								
0 – 14	1.2	1.8	1.2	1.4	1.9	1.9	1.3	1.5
15 – 19	25.1	28.3	31.7	33.2	40.0	35.9	31.3	32.7
20 – 24	42.8	38.3	39.9	38.8	39.8	42.7	40.3	38.9
25 – 29	22.1	22.0	19.0	18.6	13.0	13.2	19.1	18.8
30 – 34	7.0	7.4	6.1	6.0	3.5	4.9	6.1	6.1
35 – 39	1.4	1.9	1.6	1.6	0.9	1.2	1.5	1.7
Above 39	0.4	0.4	0.5	0.4	0.9	0.3	0.5	0.4
Total	100	100	100	100	100	100	100	100
Male								
0 – 14	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0
15 – 19	2.6	3.9	4.1	5.0	7.3	5.5	4.1	4.9
20 – 24	24.6	26.7	28.9	30.4	38.2	37.9	28.9	30.3
25 – 29	36.6	36.5	36.6	37.2	33.3	34.7	36.4	37.0
30 – 34	25.5	22.6	20.7	18.8	13.7	15.9	20.9	19.1
35 – 39	9.0	7.8	7.0	6.8	5.5	4.8	7.2	6.8
40 – 44	1.3	1.6	2.0	1.5	0.6	0.8	1.8	1.4
Above 44	0.5	0.9	0.7	0.4	1.4	0.2	0.7	0.5
Total	100	100	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Kilinochchi, Mannar and Mullaitivu districts

Table 3.10
Distribution of Age at Marriage for Females by Province 1996/97 and 2003/04

Age at Marriage (Years)	Province																All Provinces	
	Western		Central		Southern		Northern	Eastern	North Western		North Central		Uva		Sabaragamuwa			
	1996/97	2003/04	1996/97	2003/04	1996/97	2003/04	2003/04(b)	2003/04	1996/97	2003/04	1996/97	2003/04	1996/97	2003/04	1996/97	2003/04	1996/97(a)	2003/04(b)
0 – 14	0.8	0.9	1.6	1.4	0.3	0.3	1.7	5.9	1.5	1.2	2.6	1.4	2.7	2.6	1.4	1.1	1.3	1.5
15 – 19	24.7	25.0	34.4	34.6	26.4	27.9	33.9	48.1	39.5	34.8	45.2	42.5	37.4	42.2	30.6	32.5	31.3	32.7
20 – 24	42.2	39.5	39.9	40.0	38.5	39.2	36.5	33.2	38.3	40.8	38.8	38.3	38.2	38.1	41.7	39.2	40.3	38.9
25 – 29	22.9	23.8	16.7	17.1	22.4	20.7	20.0	9.4	15.2	17.2	10.7	13.9	17.4	12.2	17.9	19.3	19.1	18.8
30 – 34	7.1	8.2	5.4	5.5	9.7	8.9	6.4	2.8	4.4	4.7	2.0	2.8	2.9	2.9	5.8	5.5	6.1	6.1
35 – 39	1.7	2.1	1.3	1.3	2.1	2.5	1.5	0.6	0.7	1.2	0.6	1.0	1.0	1.5	2.2	1.6	1.5	1.7
Above 39	0.7	0.5	0.7	0.1	0.6	0.5	0.0	0.0	0.4	0.2	0.1	0.2	0.4	0.3	0.3	0.8	0.5	0.4
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Kilinochchi, Mannar and Mullaitivu districts

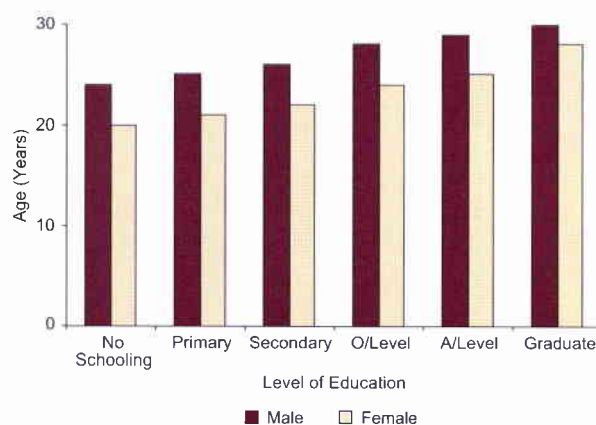
Table 3.11
Distribution of Age at Marriage for Males by Province 1996/97 and 2003/04

Age at Marriage (Years)	Province																All Provinces	
	Western		Central		Southern		Nor- thern	East- ern	North Western		North Central		Uva		Sabara- gamuwa			
	1996/ 97	2003/ 04	1996/ 97	2003/ 04	1996/ 97	2003/ 04	2003/ 04(b)	2003 04	1996/ 97	2003/ 04	1996/ 97	2003/ 04	1996/ 97	2003/ 04	1996/ 97	2003 04	1996/ 97(a)	2003/ 04(b)
0 – 14	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0
15 – 19	3.6	4.0	4.8	3.4	2.8	5.0	3.8	8.4	5.7	6.1	6.0	4.5	3.7	6.7	2.9	4.2	4.1	4.9
20 – 24	24.7	25.6	30.8	30.8	25.6	26.7	30.2	38.7	33.5	35.0	41.3	38.6	31.9	33.7	28.2	28.6	28.9	30.3
25 – 29	37.5	38.5	36.5	35.5	34.3	35.5	40.5	34.9	35.1	35.9	35.4	38.1	37.4	39.1	37.1	36.1	36.4	37.0
30 – 34	23.5	21.9	19.7	21.2	23.4	21.6	17.8	12.9	18.6	16.0	12.6	13.7	18.7	14.1	21.0	20.7	20.9	19.1
35 – 39	8.1	7.8	6.4	7.4	9.8	8.6	5.6	3.8	5.1	5.5	3.2	3.9	5.9	5.4	8.1	7.4	7.2	6.8
40 – 44	1.8	1.7	1.5	1.2	2.7	2.2	1.8	0.7	1.3	0.8	1.3	0.8	1.9	0.7	2.2	2.3	1.8	1.4
Above 44	0.8	0.5	0.6	0.5	1.4	0.5	0.3	0.5	0.7	0.4	0.2	0.4	0.5	0.4	0.5	0.6	0.7	0.5
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Kilinochchi, Mannar and Mullaitivu districts

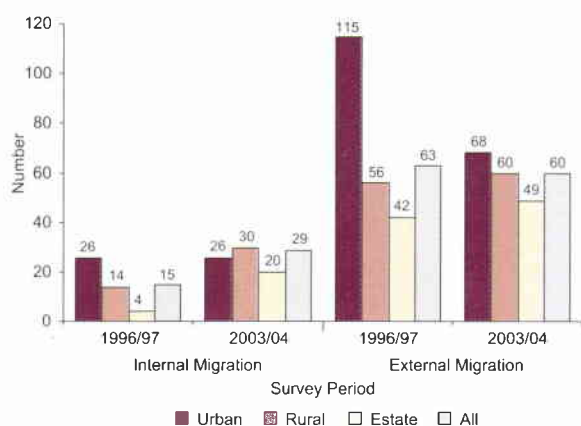
Chart 3.33
Average Age at Marriage by Level of Education



the estate and rural sectors, while internal migration in the urban sector, which had been the highest, had remained unchanged during this period (Chart 3.34). Thus, internal migration was highest in the rural sector now, while sectoral differences had reduced.

Incidence of internal migration had increased in all provinces from 1996/97 to 2003/04, except in the Western province, which has relatively more urban characteristics (Chart 3.35). In 2003/04, the highest proportions of internal migration were recorded from the Northern and Eastern provinces, while the lowest was from the Western province. The pattern is explained by the lower opportunities in the North and East due to the yet unsettled security situation there and the opportunities that were opened for people to migrate relatively safely within the country after the implementation of the ceasefire. Higher opportunities in the Western province, which contributes nearly half Sri Lanka's GDP, was the main reason for that province to experience lower migration.

Chart 3.34
Number of Migrants per 1,000 Households by Sector
1996/97 and 2003/04



External Migration

The overall rate of external migration had reduced from 63 to 60 per 1,000 households between survey periods but showed different patterns sector wise. External migration had increased in the estate and rural sectors from 42 and 56 respectively per 1,000 households in 1996/97 to 49 and 60 in 2003/04, while the proportion had declined in the urban sector from 115 per 1,000 households in 1996/97 to 68 in 2003/04, thereby reducing sectoral differences.

External migration had declined for almost all provinces except for a significant increase in the North Western province and a marginal increases in the North Central and Uva provinces. In 2003/04, the highest external migration was recorded from the Eastern province (118 per 1,000 HH), while the lowest was from the Sabaragamuwa province (22 per 1,000 HH).

Migration by Age Group and Gender

Of the total, the proportionate share of internal migrants by age had peaked (50 per cent) at age 25–54 years and declined thereafter with age in 1996/97 (Chart 3.36). However, the proportional share of internal migration in the age group 15–24 had increased from 22 per cent in 1996/97 to 46 per cent in 2003/04.

The pattern of external migration by age had not changed significantly between survey periods. Of the total, more than 70 per cent of external migrants fell within the age group 25–54 years, with the balance in the 15–24 year age group, indicating that migration was mainly for employment.

The gender distribution of internal migration confirmed that the share of males had increased significantly from 1996/97 to 2003/04. This signified that gender differences with regard to internal migration had reversed between surveys, with internal male migration exceeding internal female migration in 2003/04. This pattern supported the findings in Section 3.3 that the male share in the household population had declined during this period.

Chart 3.35
Number of Internal and External Migrants per 1,000
Households by Province

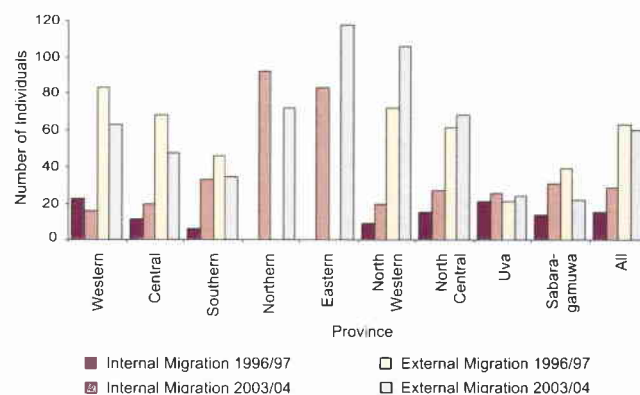


Chart 3.36
Distribution of Internal and External Migrants by Age Group
1996/97 and 2003/04

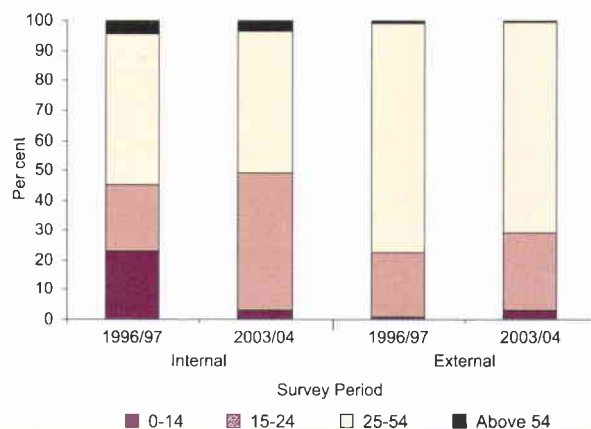


Chart 3.37
Distribution of Internal and External Migrants by Gender
1996/97 and 2003/04

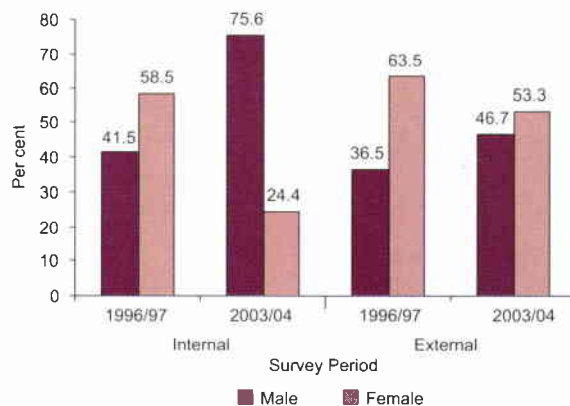
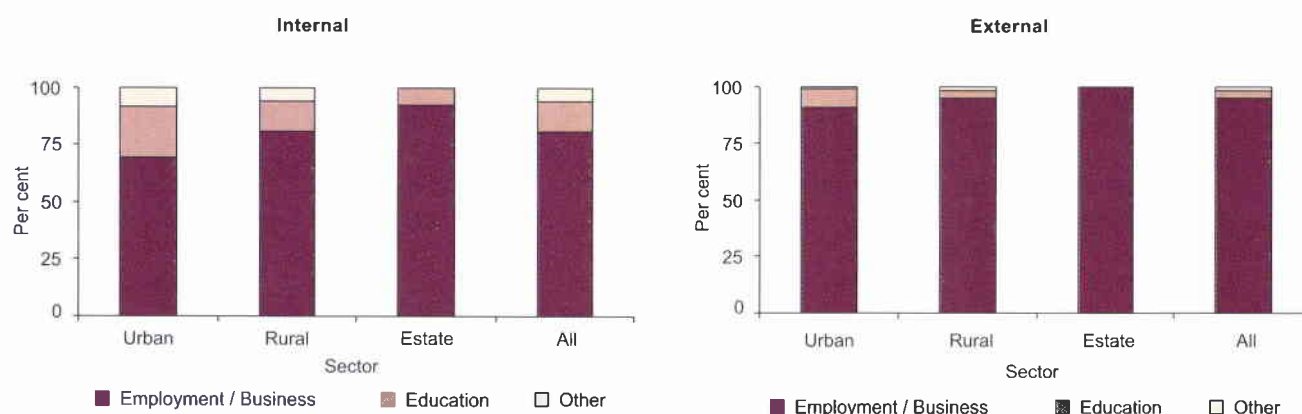


Chart 3.38
Percentage Distribution of Reason for Migration by Sector



The share of male external migration too had increased between surveys. However, external migration continued to be dominated by females, although gender differences had declined (Chart 3.37).

Purpose of Migration

Seeking employment had been the main purpose of migration. In 2003/04, 81 per cent of the internal migrants and 95 per cent of the external migrants had migrated for employment (Chart 3.38)

The sectoral distribution of migration revealed that, of the total internal migrants, 70 per cent from the urban sector, 81 per cent from the rural sector and 92 per cent from the estate sector had migrated within the country for employment purposes in 2003/04. Of the total internal migrants in the urban and rural sector, 22 and 13 per cent, respectively had migrated for educational purposes. Of the total external migrants in the urban sector, 92 per cent had migrated for employment purposes while

only 8 per cent had migrated for education. Around 95 per cent of external migrants in the rural sector had migrated for employment, with 3 per cent for education. Estate sector data revealed that external migration occurred only for employment.

The pattern of internal migration by type of employment indicated that almost half of the males who migrated for employment fell into the unskilled (25 per cent) and armed forces (22 per cent) categories (Chart 3.39).

Of the total females who migrated for employment within the country, 29 per cent went as unskilled domestic aides, while another 20 per cent went as professional or technical and related workers such as nurses or teachers. Of the total female migrants for employment, 35 per cent had migrated within the country for "other" jobs such as garment industry workers and service related workers.

Of the total external migrants, 64 per cent were employed as unskilled domestic aides or labourers (Chart 3.40). Among the males who migrated for employment, 34 per cent were labourers,

Chart 3.39
Distribution of Internal Migrants by Gender and Type of Employment

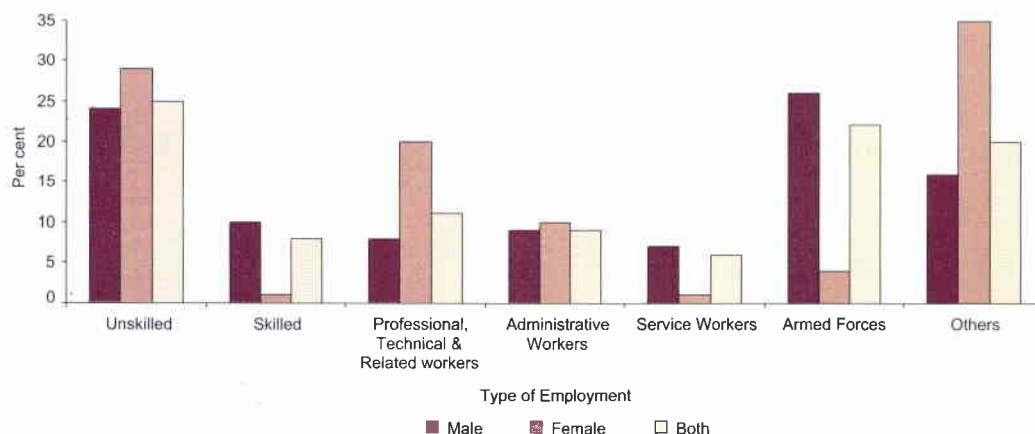
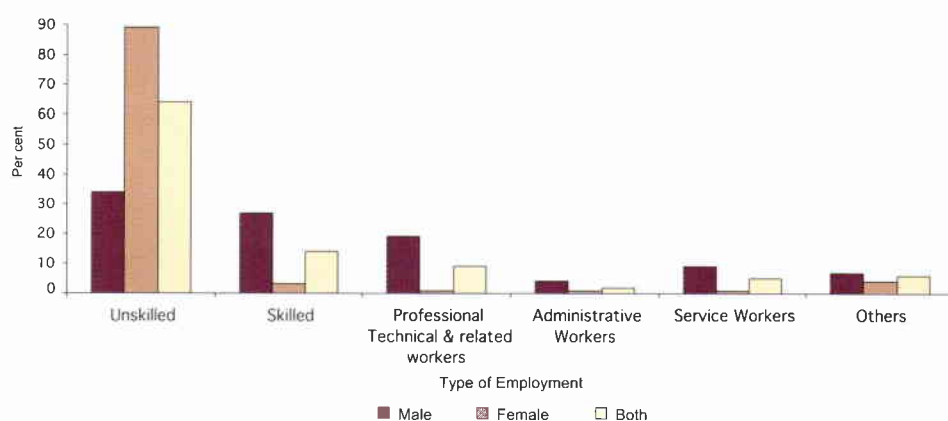


Chart 3.40
Distribution of External Migrants by Gender and Type of Employment



while 27 per cent were skilled workers such as masons or carpenters. Among the total female migrants who went abroad for employment, the majority (89 per cent) were unskilled domestic aides. This observed composition indicates the lack of adequate skills development programmes targeting the external labour market and the demand for such programmes.

Direction of External Migration

The direction of external migration had not changed significantly between the last two survey periods. In 1996/97, 53 migrants per 1,000 households had migrated to Middle Eastern countries for employment, and this number had declined to 47 by 2003/04 (Table 3.12). The number of migrants for employment to

industrial countries such as USA, Japan, Euro area and Australia, and to Asia, had risen from 7 migrants per 1,000 households in 1996/97 to 10 in 2003/04. Migration for education had risen, but remained very low, at 2 per 1,000 households.

In summary, the findings in this chapter highlighted that demographic changes in the country were consistent with an aging population pattern and the availability of economic opportunities in different regions. Within those changes, the disparities that prevailed among sectors with respect to most demographic variables had narrowed. However, disparities among sectors and provinces remained significant, and emphasised uneven economic development and consequently, the uneven availability of opportunities and options across different regions of the country.

Table 3.12

Number of External Migrants by Reason for Migration and Region of Migration 1996/97 and 2003/04

Survey Period	per 1,000 households				
	Middle East	Industrial Countries	Asia (Excluding Japan)	Other	All
1996/97 (a)					
Employment	53.4	6.7	0.0	0.8	60.9
Education	0.0	0.5	0.2	0.0	0.9
Other	0.0	0.8	0.0	0.1	0.9
Total	53.4	8.0	0.2	0.9	62.6
2003/04 (b)					
Employment	47.1	7.8	1.9	0.6	57.3
Education	0.4	1.4	0.3	0.0	2.1
Other	0.1	0.8	0.1	0.1	1.0
Total	47.6	9.9	2.3	0.7	60.5

(a) Excluding Northern and Eastern provinces

(b) Excluding Kilinochchi, Mannar and Mullaitivu districts

Education and Health

Education levels and health conditions in the household population are key indicators of the development of a country. The Consumer Finances and Socio-Economic surveys (CFS) are one of the main sources of such information in Sri Lanka. The CFS collected household level data on key parameters in the areas of literacy, education, illness and disability for the different sectors and provinces in the country. In addition, the current survey included a more detailed component on tuition undertaken by students undergoing formal education, including on extra curricular activities.

This chapter analyses such socio-economic conditions based on the data from the current survey conducted in 2003/04 in comparison with the previous survey conducted in 1996/97. It was clear from the analysis that literacy and education levels had risen, while sectoral differences had further declined between the two surveys. The impact of improvements in education facilities and the rising recognition of the importance of educational attainment were seen across all sub sectors of the population. The increasing focus on private tuition indicated that a *de-facto* informal private education system, which was patronised by half the student population in the country, existed in parallel with the formal system. Expansion of private investment in medical facilities and the penetration of private medical services among households were seen from the rising demand for such services. Yet, provincial disparities as well as sectoral differences among the urban, rural and estate sectors still remained, which also reflected the adverse impact on the living conditions of the population of the civil conflict that had lasted for over 20 years.

4.1 Concepts, Definitions, Methodology of Data Collection and Limitations

The definitions of **age** and **levels of education** used throughout the report were provided in Chapter 2. This section provides clarification with respect to specific variables analysed in this chapter, as well as limitations to the analysis arising from the same. In this regard, information on education and health were recorded using the codes specified in the questionnaire for each specific category under each variable.

Literacy is usually defined as the ability to read and understand a simple sentence and write a name and address. However, for the purposes of this analysis, a respondent who had undergone any form of schooling was assumed to be literate, and the above definition of literacy was only applied to respondents who had not undergone any schooling, to be consistent with the definition of literacy used in the previous surveys. The literacy of persons aged five years and above, the

minimum required age for admission to year 1 in schools, was considered in the survey. Accordingly, the literacy rate was defined as the percentage of literate persons in the sampled population aged five years and above. Hence, the literacy rate may be overstated to the extent of including in the definition those individuals with schooling who could not read or write.

Students in formal education were defined as those individuals enrolled and attending government schools or pirivenas or private schools approved by the government where the course of studies was conducted in terms of the curriculum approved by the Department of Education or International Schools; students who were not attending such schools but attending tuition classes with the aim of sitting for examinations as school candidates; and students undergoing university education and full time education in the Open University. Professional education, technical and vocational training were excluded from the definition of formal education.

School avoidance was defined as a situation where children of schooling age did not attend school on a regular basis. For this purpose, the age group 5–14 years was defined as the schooling age, since schooling is compulsory for children in this age group under the Education Ordinance, Chapter 37, as specified in *Gazette* No. 1003/5 of 25 November 1997. The school avoidance rate was defined as those within the age group 5–14 years who were not attending school as a percentage of the population in the same age group. However, according to the methodology used for recording the age of the respondents, children who had reached 5 years after 31 January, but prior to the first field enumeration visit, during a particular year would have been recorded in the age group of 5 years, but would not have been eligible to attend school that year. Owing to the definition used for classifying the age of respondents, these children would have been classified under school avoidance. Hence, the analysis was refined to take account of this limitation.

Attending tuition to support formal education was defined as attending extra classes to support formal education for a fee on a regular weekly basis. In the CFS 2003/04, this included attending classes to support specific subjects in the curriculum such as chemistry, accounts or mathematics, as well as extra curricular activities such as aesthetic studies, sports, languages and computer classes. However, in the CFS 1996/97, information collected on tuition did not specifically include extra curricular activities as a separate component of attending tuition. Consequently, the comparative analysis between these two surveys is subject to this limitation.

Under health conditions, data were collected only from respondents who had suffered any illness during the last 14 days.

The **type of illness** was classified in terms of the International Classification of Diseases of the World Health Organisation (WHO). However, information was recorded on the basis of the respondent's statements and types of illness reported by respondents were classified by the investigators on the basis of physical symptoms stated by the respondents without any advice from medical professionals or professional diagnosis. Consequently, the analysis of this variable is limited by some level of subjectivity.

Under **type of treatment** for illness, **Medical practitioner (doctor) consulted** was defined as a consultation through private channelling with payment of fee for the service of getting medical or surgical treatment at private hospitals, private nursing homes or private dispensaries in the form of Western or Ayurvedic medicine. Obtaining medical treatment from government hospitals, private hospitals or ayurvedic hospitals with or without payment for the service when such treatment was obtained from the Out Patients' Departments and did not include an overnight stay was recorded as **Hospital (outdoor)** while such treatment with overnight stay was recorded as **Hospital (indoor)**.

4.2 Literacy

Sri Lanka's achievement in literacy is impressive and comparable with developed countries. The literacy rate had increased marginally from 91.8 per cent in 1996/97 to 92.5 per cent in

2003/04 (Table 4.1). This was mainly due to the promotion and expansion of educational facilities in the country during the past years. In addition, compulsory school admission after completion of five years and positive social attitudes on the importance of achieving literacy had contributed towards improving the overall literacy rate in the country.

The increase in literacy rate was disaggregated by sector, province, age and gender. Literacy rates had improved in all three sectors between the two surveys, with a significant improvement from 76.9 per cent in 1996/97 to 81.3 per cent in 2003/04 in the estate sector. The improvement in the literacy rate was due to the improvement in educational infrastructure, improvement of positive social attitudes on literacy, improvement in communication facilities among the households and migration opportunities for employment, which required some level of literacy. As the scope for improvement was greater in the estate sector, this improvement was most significant in that sector. As in the previous surveys, literacy rates by gender indicated that female literacy rates had remained lower than the male literacy rates in all three sectors, although the gap had narrowed (Chart 4.1). The gap had narrowed over time in all three sectors and, while the gap between males and females remained highest in the estate sector, the estate sector showed the greatest reduction in the gap. These observed improvements could be attributed to the growing importance of education in general, and increasing attention to improve basic facilities, especially in the estate sector.

Province wise literacy rates indicated that the Eastern, Uva and Central provinces had literacy rates of below 90 per cent

Table 4.1
Literacy Rates by Sector and Gender 1986/87 to 2003/04
(As a percentage of population aged 5 years and above)

Survey Period	Sex	Sector			
		Urban	Rural	Estate	All Sectors
1986/87 (a)	Both	93.0	89.5	68.5	88.6
	Male	94.7	92.8	80.0	92.2
	Female	91.3	86.5	58.1	85.2
1996/97 (a)	Both	94.5	92.3	76.9	91.8
	Male	96.1	94.4	87.2	94.3
	Female	93.0	90.4	67.3	89.4
2003/04 (b)	Both	94.8	92.8	81.3	92.5
	Male	95.9	94.7	88.3	94.5
	Female	93.8	91.1	74.7	90.6

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Chart 4.1
Literacy Rates by Gender 1981/82 to 2003/04

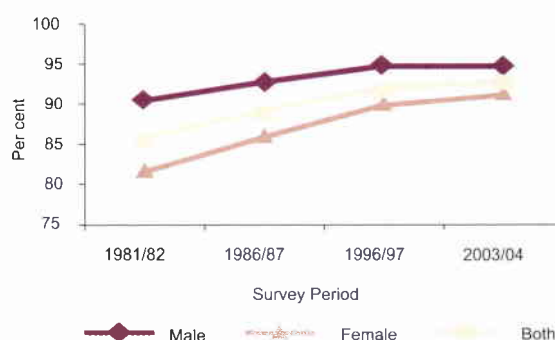


Table 4.2
Literacy Rates by Province and Gender
(As a percentage of population aged 5 years and above)

Sex	Province									
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa	All Provinces
Both	96.4	89.3	92.7	92.5	86.6	93.5	92.6	88.3	91.5	92.5
Male	97.5	92.7	94.3	93.5	90.0	95.3	94.5	91.4	94.3	94.5
Female	95.4	86.1	91.4	91.8	83.5	91.8	90.8	85.5	88.9	90.6

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

(Table 4.2). While both male and female literacy rates were lower, the gap between genders was also widest in these three provinces. It should be noted that around 70 per cent of the estate sector resides in the latter two provinces and accordingly, the estate sector characteristics in this regard were reflected in the data. The highest literacy rate of 96.4 per cent was in the Western province, in keeping with better educational and employment opportunities there.

While literacy rates among the child population (5–14 years) were lower than among youth (15–24 years), the rates declined with age thereafter (Table 4.3). The lower literacy rates among the children were due to the fact that often, children at the threshold age of 5 years were not yet literate, particularly in the estate sector. The gap between urban, rural and estate sectors also widened with age. The older age groups had lower literacy rates due to the very low access to education in the past when the present older age groups were in their childhood. This phenomenon was more significant in the estate sector than in the other two sectors.

A similar pattern with age groups was visible across all provinces too, with the inter-provincial differences widening with age group (Table 4.4). The range of differences among the child population (age 5–14) was from 92 per cent in the Southern province to 96.8 per cent in the North Central Province, while in the over 64 age group, it ranged between 47.5 per cent in the Uva province and 88.1 per cent in the Western province. Narrowing of the gaps at younger age groups was indicative of

equalising educational opportunities over time among provinces, similar to that among sectors.

4.3 Education

Provision of education facilities had been given high priority by successive governments since the introduction of universal free education in 1949. Accordingly, formal education has developed with an extensive network of schools, universities and other higher educational institutions in the country. The resulting expansion of access to educational facilities has helped to upgrade the education levels, by and large, of all segments of the population. Nevertheless, an important and serious phenomenon evident from this survey series has been the increasing reliance on tuition classes by an increasing share of the student population in support of their formal education.

Attainment of Education

The proportion of population who had formal education at secondary and post secondary levels has shown significant improvements over the period (Table 4.5). The percentage share of the no schooling category had further declined from 8.6 per cent in 1996/97 to 7.9 per cent in 2003/04. Considering the share of those with no schooling by gender, the female share was higher than that of males, but the gap had declined by nearly one percentage point over the period. The share of those with up to primary education had further declined over the period to be replaced by those with secondary and post secondary education (Chart 4.2). The increasing share of secondary and post secondary education was also due to the enhancement of opportunities for education at these two levels, and expectations among citizens of their future career development through post secondary education.

The survey data in relation to the attainment of education by sector and gender revealed that education levels, as with literacy rates, were lowest in the estate sector and lower for females than for males in nearly all sectors (Table 4.6). The share of females with no-schooling was twice that for males in the estate sector. However, the difference between males and females in their share of educational attainment at primary, secondary and post secondary levels in the urban and rural sectors was minimal, their

Table 4.3
Literacy Rates by Sector and Age Group
(As a percentage of population in each age group)

Age Group (Years)	Sector			All Sectors
	Urban	Rural	Estate	
5 – 14	94.3	94.3	92.1	94.2
15 – 24	97.9	98.6	95.0	98.3
25 – 34	96.5	96.2	84.1	95.6
35 – 54	95.4	91.8	72.9	91.3
55 – 64	94.7	89.3	62.5	88.5
Over 64	82.3	75.7	54.1	75.7
All Groups	94.8	92.8	81.3	92.5

Table 4.4
Literacy Rates by Province and Age Group
(As a percentage of population in each age group)

Age Group (Years)	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara- gamuwa	
5-14	95.0	95.0	92.0	95.6	95.0	93.3	96.8	94.3	92.5	94.2
15-24	98.9	97.2	99.1	99.1	97.6	98.8	97.8	98.7	97.3	98.3
25-34	98.2	93.2	96.8	95.2	90.0	96.7	95.3	91.2	95.0	95.6
35-54	97.0	87.0	93.9	88.3	76.8	93.1	91.1	85.2	91.1	91.3
55-64	96.6	78.4	89.6	88.1	74.9	92.3	83.0	79.2	87.4	88.5
Over 64	88.1	67.5	75.4	80.9	49.7	76.6	73.0	47.5	73.2	75.7
All Groups	96.4	89.3	92.7	92.5	86.6	93.5	92.6	88.3	91.5	92.5

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 4.5
Attainment of Education by Gender 1986/87 to 2003/04
(As a percentage of population aged 5 years and above)

Survey Period	Sex	Level of Education				All Groups
		No Schooling	Primary (c)	Secondary (d)	Post Secondary (e)	
1986/87 (a)	Both	11.8	41.1	32.1	15.0	100
	Male	8.3	43.9	33.4	14.4	100
	Female	15.2	38.5	30.8	15.5	100
1996/97 (a)	Both	8.6	35.2	35.5	20.7	100
	Male	6.1	37.7	36.6	19.6	100
	Female	10.9	32.9	34.4	21.8	100
2003/04 (b)	Both	7.9	29.9	41.0	21.2	100
	Male	5.8	31.6	42.9	19.7	100
	Female	9.7	28.3	39.4	22.5	100

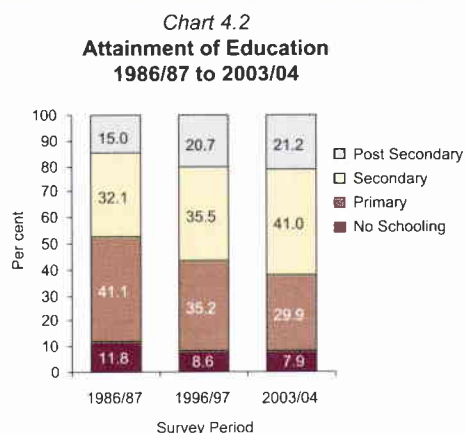
(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

(c) Completed Kindergarten to passed Year 6

(d) Passed Year 7 to passed Year 10 (up to G.C.E. Ordinary Level)

(e) Passed Year 11 to graduated (G.C.E. Ordinary Level and above)



between 1 and 4 percentage points. Unlike at the other two levels where males were dominant in the level of educational attainment, females had overtaken males at post secondary level of education, on average. The relatively high search period for females on job hunting due to certain restrictions on their expected job as well as lower job mobility may have led to females devoting relatively more time to their higher education than males. However, the urban and estate sectors indicated marginal deviations from the overall situation.

Provincial statistics by level of education and gender revealed that the female shares with no schooling were higher in the Eastern, Uva, Central and Sabaragamuwa provinces compared with the other provinces (Table 4.7). Around 90 per cent of the estate sector population reside in the latter three provinces. The phenomenon of female domination in post secondary education was observed in all provinces, except the Eastern province and the North Central province, with the highest share being in the Northern province, which recorded the highest overall share at this level of education as well. However, primary and secondary education was more equally distributed, ranging around the average of 29.9 and 41 per cent, respectively, for both sexes in all provinces. The Western province recorded a somewhat lower share of those with no schooling and primary education and correspondingly higher share of those with secondary and post secondary education. The Eastern province had the poorest record of educational attainment, followed by the Uva province.

Attainment of education by age groups and by gender shows that the no schooling ratio was higher for females (13.7 per cent) than males (11.1 per cent) in the age group of 5–9 years (Table 4.8), while more than 86 per cent of the same age group attended primary level education. This may be due to a situation where girls in this age group are sometimes left at home to look after their younger brothers/sisters when their parents attend work. The attendance ratio in the age group of 10–14 years was around 99 per cent at either primary or secondary level for both sexes, reflecting the availability of educational opportunities across the

Table 4.6
Attainment of Education by Sector and Gender
(As a percentage of population aged 5 years and above)

Level of Education	Sex	Sector			All Sectors
		Urban	Rural	Estate	
No Schooling	Both	5.5	7.5	19.9	7.9
	Male	4.3	5.6	13.0	5.8
	Female	6.6	9.2	26.3	9.7
Primary (a)	Both	24.3	29.9	43.7	29.9
	Male	24.4	31.8	46.0	31.6
	Female	24.1	28.2	41.6	28.3
Secondary (b)	Both	41.1	41.8	29.9	41.0
	Male	41.9	43.6	34.6	42.9
	Female	40.5	40.1	25.6	39.4
Post Secondary (c)	Both	29.1	20.9	6.5	21.2
	Male	29.4	19.1	6.5	19.7
	Female	28.9	22.5	6.4	22.5

(a) Completed Kindergarten to passed Year 6

(b) Passed Year 7 to passed Year 10 (up to G.C.E. Ordinary Level)

(c) Passed Year 11 to graduated (G.C.E. Ordinary Level and above)

Table 4.7
Attainment of Education by Province and Gender
(As a percentage of population aged 5 years and above)

Level of Education	Sex	Province									All Provinces
		Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa	
No Schooling	Both	3.9	11.1	7.7	7.6	13.8	6.7	7.6	11.9	9.0	7.9
	Male	2.7	7.7	6.2	6.8	10.3	4.8	5.7	8.9	6.1	5.8
	Female	4.9	14.3	9.0	8.3	16.9	8.4	9.4	14.7	11.7	9.7
Primary (b)	Both	23.6	31.6	31.6	32.1	37.9	30.4	30.7	35.6	30.6	29.9
	Male	23.5	34.3	34.2	34.5	40.2	32.6	31.4	38.0	33.3	31.6
	Female	23.8	29.0	29.3	30.1	35.9	28.4	30.1	33.4	28.1	28.3
Secondary (c)	Both	45.5	39.6	38.3	31.8	31.3	42.4	44.4	38.7	43.1	41.0
	Male	47.2	41.9	40.7	33.0	32.3	44.0	45.4	40.0	45.6	42.9
	Female	44.0	37.4	36.1	30.8	30.5	40.9	43.3	37.5	40.9	39.4
Post	Both	27.0	17.7	22.4	28.5	17.0	20.6	17.3	13.8	17.2	21.2
Secondary (d)	Male	26.5	16.0	18.9	25.6	17.3	18.6	17.5	13.1	15.0	19.7
	Female	27.4	19.3	25.6	30.9	16.7	22.4	17.1	14.5	19.3	22.5

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

(b) Completed Kindergarten to passed Year 6

(c) Passed Year 7 to passed Year 10 (up to G.C.E. Ordinary Level)

(d) Passed Year 11 to graduated (G.C.E. Ordinary Level and above)

Table 4.8
Attainment of Education by Age Group and Gender
(As a percentage of population in each age group)

Age Group (Years)	No Schooling			Primary (a)			Secondary (b)			Post Secondary (c)		
	Male	Female	Both	Male	Female	Both	Male	Female	Both	Male	Female	Both
05 – 09	11.1	13.7	12.4	88.9	86.3	87.6	—	—	—	—	—	—
10 – 14	0.7	0.6	0.7	50.5	48.9	49.7	48.8	50.5	49.6	—	—	—
15 – 24	2.0	1.4	1.7	7.1	4.8	5.9	57.5	52.1	54.8	33.4	41.6	37.6
25 – 34	4.3	4.9	4.6	14.5	11.5	12.9	50.5	48.2	49.3	30.7	35.4	33.3
35 – 54	7.5	10.4	9.1	25.8	25.1	25.4	45.4	40.4	42.7	21.3	24.1	22.8
55 – 64	7.6	16.8	12.2	35.0	33.9	34.5	38.1	33.5	35.7	19.4	15.8	17.6
Over 64	11.8	36.6	25.3	49.5	35.2	41.7	28.7	22.0	25.1	10.0	6.2	7.9
All Groups	5.8	9.7	7.9	31.6	28.3	29.9	42.9	39.4	41.1	19.7	22.5	21.2

(a) Completed Kindergarten to passed Year 6

(b) Passed Year 7 to passed Year 10 (up to G.C.E. Ordinary Level)

(c) Passed Year 11 to graduated (G.C.E. Ordinary Level and above)

country for schooling aged children. The significant shift from no schooling and primary schooling to higher levels of education among younger relative to older age groups was seen in the changing structure of education level by age group (Table 4.8). This shift was more pronounced for females than for males. In each age group from 15 to 54 years, the share with post secondary education was higher for females than for males with the difference being highest in the 15–24 year age group.

Participation in Formal Education

The sampled population in the age group 5–25 years was taken as the base population of “potential” students to analyse the participation rate in formal education. The lower limit of 5 years was selected on the basis of the minimum requirement for school enrolment in year one, while the upper limit of 25 years was selected to include undergraduates in degree programmes of up to 5 years, inclusive of a one-year gap between acceptance and

entry into university. The population of potential students so defined could be overestimated in two ways. First, owing to the age definition used that was discussed in Section 4.1, it includes children who had reached 5 years after 31 January but prior to the first field enumeration visit, who would not have been eligible to attend school that year. Second, it includes those who would have graduated at a younger age than 25 years who therefore did not fall into the category of potential students. Hence, the rate of participation would be somewhat underestimated to the extent of the base population being overestimated due to these two factors. At the same time, a few persons who were 25 years or older who were engaged in formal education would have been excluded from the base population.

The students in formal education accounted for around 64 per cent of the population in this age group (Table 4.9). The share of students in formal education, on average, declined marginally, from 64.4 per cent in 1996/97 to 63.8 per cent in

Table 4.9
Students in Formal Education by Sector and Gender
1996/97 and 2003/04
(As a percentage of population aged 5 – 25 years)

Survey Period	Sex	Sector			All Sectors
		Urban	Rural	Estate	
1996/97 (a)	Both	60.7	65.4	58.5	64.4
	Male	61.8	65.3	60.8	64.6
	Female	59.5	65.5	56.3	64.2
2003/04 (b)	Both	63.7	64.1	59.6	63.8
	Male	65.2	64.0	60.6	63.9
	Female	62.3	64.2	58.6	63.6

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar, and Mullaitivu districts

2003/04. Among sectors, percentages declined in the rural sector, but improved in the urban and estate sectors during this period. There were some differences in the attendance ratios by gender across the sectors where male attendance ratios were somewhat higher in both urban and estate sectors, while the rural sector did not indicate any noticeable difference.

The students in formal education by age group ratio was defined as the number of students in formal education in the particular age group as a percentage of the total number of individuals in the same age group. The share of students in formal education in the age group 5–14 years had increased from 91.2 per cent in 1996/97 to 93.2 per cent in 2003/04 (Table 4.10). Further, the increase in the percentage share of males was greater than of females between the two surveys. In the age group 15–18 years too the ratio had increased to 68.6 per cent. The ratio had declined in the age group of 19–24 years, indicating that young adults were leaving formal education earlier, probably

Table 4.10
Students in Formal Education by Age Group and Gender
1996/97 and 2003/04
(As a percentage of population aged 5 – 25 years)

Age Group (Years)	Sex	Year	
		1996/97(a)	2003/04(b)
5 – 14	Both	91.2	93.2
	Male	90.9	93.9
	Female	91.5	92.5
15 – 18	Both	66.6	68.6
	Male	63.4	66.6
	Female	69.7	70.5
19 – 24	Both	12.3	8.9
	Male	12.5	8.4
	Female	12.0	9.4
All Groups	Both	64.4	63.8
	Male	64.6	63.9
	Female	64.2	63.6

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

in search of employment. In addition, the reduction in the time lag between the G.C.E. (Advanced level) examination and university admission can also be a reason for this decline, with young adults graduating from formal education at an earlier age now. In 1996/97, the share of males who were attending formal education in the age group 19–24 was higher than of females. But this had changed during the last 7 years. According to CFS 2003/04 estimates, the percentage of females who were attending formal education was higher than males within that age group. The share of females continued to be higher in the 15–18 age group as well.

The distribution of students in formal education was analysed by sector and gender within the given age groups (Table 4.11). The highest attendance was in the 5–14 age group in all three sectors and the percentage of males was always higher than of females although differences were small and within 89.8 and 94.1 per cent among all sectors and genders. Differences among sectors and between gender were wider in the 15–18 age group, and only the urban sector had reported a higher percentage of males in formal education than of females. The estate sector showed the lowest percentage of attendance in formal education in the age group 19–24 and female participation was also significantly lower in the estate sector than the other two sectors in this age group. It is likely that due to poor economic conditions, entry into the labour force was at an earlier age in this sector, for both males and females.

The provincial and gender distribution of participation in formal education showed a somewhat similar pattern to the sectoral breakdown (Table 4.12). The highest participation in formal education in the age groups 15–18 and 19–24 was observed in the Northern Province, which was one of the most affected parts of the country in a 20 year civil war. However estimates for the Northern Province may be overstated as they had been derived excluding Killinochchi, Mannar and Mullaitivu districts which, being less urbanised than Jaffna and Vavuniya

Table 4.11
Students in Formal Education
by Age Group, Sector and Gender
(As a percentage of population aged 5 – 25 years)

Age Group (Years)	Sex	Sector			All Sectors
		Urban	Rural	Estate	
5 – 14	Both	92.7	93.4	90.5	93.2
	Male	93.8	94.1	91.2	93.9
	Female	91.5	92.8	89.8	92.5
15 – 18	Both	70.3	69.1	57.6	68.6
	Male	71.9	66.5	56.9	66.6
	Female	68.9	71.6	58.4	70.5
19 – 24	Both	10.0	9.1	2.8	8.9
	Male	9.0	8.5	4.5	8.4
	Female	11.0	9.7	1.3	9.4
All Groups	Both	63.7	64.1	59.6	63.8
	Male	65.2	64.0	60.6	63.9
	Female	62.3	64.2	58.6	63.6

Table 4.12
Students in Formal Education by Age Group, Province and Gender
(As a percentage of population aged 5 – 25 years)

Age Group (Years)	Sex	Province									All Provinces
		Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa	
5 – 14	Both	93.9	94.1	91.6	94.2	92.3	92.3	95.7	93.8	91.8	93.2
	Male	95.2	94.4	91.3	94.1	93.4	94.2	96.7	93.5	92.3	93.9
	Female	92.6	93.9	91.9	94.3	91.2	90.2	94.9	94.0	91.2	92.5
15 – 18	Both	68.5	65.8	73.2	79.6	65.5	66.3	66.5	68.5	68.8	68.6
	Male	69.1	63.4	69.4	82.7	63.5	62.9	63.5	66.3	65.7	66.6
	Female	68.0	68.5	76.5	75.8	67.6	69.4	70.0	70.7	71.9	70.5
19 – 24	Both	7.1	7.3	12.5	16.3	8.8	11.4	8.4	8.3	6.0	8.9
	Male	6.5	7.4	10.0	14.6	10.1	10.9	8.9	10.9	4.1	8.4
	Female	7.6	7.3	15.1	17.6	7.8	11.8	7.9	5.6	7.9	9.4
All Groups	Both	61.5	62.2	67.3	68.5	66.4	62.3	63.5	67.6	61.3	63.8
	Male	62.1	63.1	65.5	71.4	68.5	63.0	63.1	66.4	60.0	63.9
	Female	60.9	61.2	69.1	65.5	64.4	61.5	63.8	68.7	62.6	63.6

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

districts, could be relatively more backward in infrastructure and other economic and social opportunities.

School Avoidance

The age group 5–14 was defined as the schooling age, since schooling is compulsory for children in this age group. The school avoidance rate was defined as the number of non-schooling children as a percentage of the population at schooling age. The average school avoidance rate had declined from 8.8 per cent in 1996/97 to 6.8 per cent in 2003/04 (Table 4.13). However, owing to the age definition used, the main category of school avoidance was children ineligible to attend school due to incompletion of five years at the beginning of the school year. This factor accounted for the majority of those avoiding school (Table 4.14). The share of school avoidance due to this reason was about 71 per cent of total school avoidance during the current survey period, recording an increase by around 6 percentage points. Other key reasons for school avoidance were inability to

Table 4.13
School Avoidance by Sector and Gender
1996/97 and 2003/04
(As a percentage of children aged 5 – 14 years)

Survey Period	Sex	Sector			All Sectors
		Urban	Rural	Estate	
1996/97 (a)	Both	9.5	8.4	12.7	8.8
	Male	9.5	8.8	13.1	9.2
	Female	9.5	8.1	12.2	8.5
2003/04 (b)	Both	7.3	6.6	9.5	6.8
	Male	6.3	5.9	8.8	6.1
	Female	8.5	7.2	10.2	7.5

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 4.14
Reasons for School Avoidance by Sector 1996/97 and 2003/04

Reason	1996/97 (a)				2003/04 (b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Incompletion of 5 years at the beginning of the school year	67.9	66.8	45.5	64.9	61.9	73.9	53.8	70.7
Inability to provide basic requirements	10.7	10.8	28.8	12.5	15.5	9.5	15.4	10.8
Disability (physical, mental or poor health)	6.0	9.8	4.5	8.8	4.8	8.1	13.5	8.1
House/Family Work	6.0	1.7	3.0	2.4	2.4	1.6	9.6	2.4
Other	9.5	10.9	18.2	11.5	15.5	6.9	7.7	8.1
Total	100	100	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

provide basic requirements and disabilities. The sample size of school avoidance was too small for any further analysis of reasons for school avoidance by sub categories.

When adjusted for the above definitional limitation, and the category of children ineligible to attend school due to incompleteness of five years at the beginning of the school year were excluded from the analysis, the average ratio of school avoidance declined from 3.3 per cent in 1996/97 to 2.1 per cent in 2003/04 (Table 4.15). The school avoidance gap among sectors and between males and females within all three sectors had also narrowed during the period (Chart 4.3). Male school avoidance, which had been higher than for females in the previous survey, had declined sharply, thereby reducing gender differences.

Changing attitudes in favour of school education even among poor families with the rising demand for some level of educational attainment even for minor jobs in the labour market and the adherence to the requirement of compulsory school education for children in the age group 5–14 years have contributed to the decline in school avoidance rates. The school avoidance rate in the estate sector recorded the sharpest decline from 7.3 per cent in 1996/97 to 4.6 per cent in 2003/04. This drop was explained by rising awareness of the importance of primary and secondary education as a requirement for better employment. The increasing emphasis on improving access to basic needs in the estate sector could also have contributed to this development.

Table 4.15

**School Avoidance by Sector and Gender
1996/97 and 2003/04 (a)**

(As a percentage of eligible children aged 5 – 14 years)

Survey Period	Sex	Sector			All Sectors
		Urban	Rural	Estate	
1996/97 (b)	Both	3.3	3.0	7.3	3.3
	Male	3.7	3.7	8.3	4.0
	Female	2.8	2.2	6.3	2.5
2003/04 (c)	Both	2.9	1.8	4.6	2.1
	Male	3.0	1.7	4.8	2.1
	Female	2.9	1.9	4.5	2.1

(a) Excluding the category of incompleteness of 5 years at the beginning of the school year

(b) Excluding Northern and Eastern provinces

(c) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 4.16

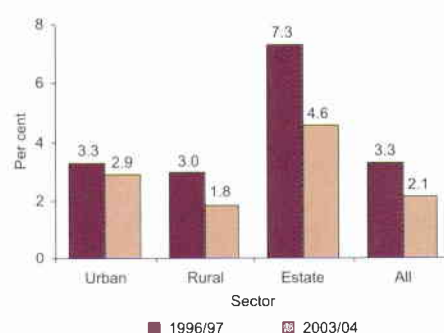
**School Avoidance by Province and Gender
(As a percentage of eligible children aged 5 – 14 years)**

Sex	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	
Both	1.5	2.0	2.0	1.7	4.1	2.0	1.3	1.9	2.7	2.1
Male	1.5	2.4	2.5	1.7	3.6	1.2	1.1	2.5	2.5	2.1
Female	1.6	1.6	1.6	1.8	4.5	3.0	1.4	1.4	3.0	2.1

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Chart 4.3

**School Avoidance by Sector 1996/97 and 2003/04
(Eligible children aged 5–14 years)**



Among provinces, higher rates of school avoidance were recorded in the Eastern and Sabaragamuwa provinces, while lower rates were from the North Central, Western and Northern provinces (Table 4.16). Gender wise differences varied considerably among provinces. The school avoidance gap between males and females was highest in the North Western province and negligible in the Western and Northern provinces.

School avoidance by income quintiles shows that there was a negative relationship between income levels and school avoidance rates (Table 4.17). School avoidance declined as income levels rose. The trend was similar, in general, across all sectors, with a few deviations.

Table 4.17

**School Avoidance by Income Quintile and Sector
(As a percentage of eligible children aged 5 – 14 years)**

Six Month Household Income Quintile	Sector			All Sectors
	Urban	Rural	Estate	
1	5.5	2.6	5.8	2.8
2	3.4	1.9	5.4	2.6
3	2.9	1.8	6.1	2.0
4	1.0	1.3	2.7	1.8
5	0.6	1.4	3.2	1.3

Tuition to Support Formal Education

It was seen that tuition, which was initially confined to urban areas, has now pervaded the country, encompassing both the rural and estate sectors.

During the past decades, examinations at post secondary level had been very competitive, particularly due to the limited number of university places for the very large number of eligible students at schools. Further, passing the G.C.E. (Ordinary Level) examination with maximum possible scores for all subjects has been a major objective of many candidates as well as their parents. As a result, private tuition classes and academies that specialised in teaching candidates how to score high marks at the examinations were expanding in parallel with teaching of subjects in terms of the syllabus and extra curricular activities in the formal school system. Students attending private tuition had increased from 23.7 per cent in 1986/87 to 49.6 per cent by 2003/04 (Table 4.18). Moreover, the share of students attending private tuition had increased at all levels of education from 1986/87 to 2003/04. The highest ratio of 70.1 in 2003/04 was in post secondary education. However, the greatest increase was from 14 per cent in 1986/87 to about 42 per cent in 2003/04 at primary education level. Attending private tuition at primary level was largely on account of preparation for the Year 5 scholarship examination in the formal school system. Hence, it is time to recognise that there is indeed a *de-facto* private education system in the country, that is attended by half the student population, running in parallel with the formally recognised school system in Sri Lanka and also, that the demand for that system has been steadily rising over the past few decades (Chart 4.4).

When analysed by sectors, the pattern was similar, while incidence of tuition continued to be highest in the urban sector, and lowest in the estate sector by 2003/04. Attending private tuition by females was somewhat higher than by males in all three sectors by 2003/04 (Table 4.19).

The pattern of students attending private tuition by level of education disaggregated by sector and gender was similar to the overall pattern, with the highest ratios at post secondary level and the lowest at primary level (Table 4.20). The ratios were

somewhat higher for females than males in nearly all categories, and in general, highest in the urban sector and lowest in the estate sector. One exception was at post secondary level where it was highest in the estate sector, for both sexes, although based on a

Table 4.19
Students Attending Tuition by Sector and Gender 1996/97 and 2003/04
(As a percentage of students in formal education)

Survey Period	Sex	Sector			All Sectors
		Urban	Rural	Estate	
1996/97 (a)	Both	48.5	33.5	28.3	35.0
	Male	49.8	30.6	25.4	32.6
	Female	47.0	36.4	31.2	37.4
2003/04 (b)	Both	62.7	48.5	35.0	49.6
	Male	60.9	46.2	32.8	47.4
	Female	64.6	50.7	37.2	51.7

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Chart 4.4
Students Attending Tuition by Level of Education 1986/87 to 2003/04

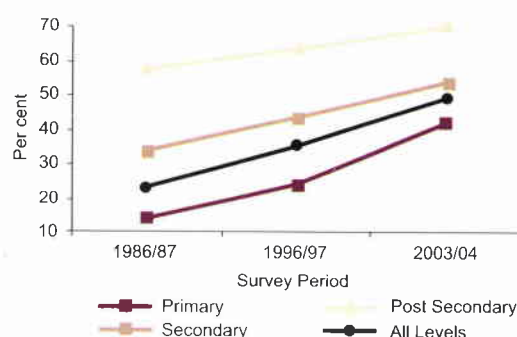


Table 4.20
Students Attending Tuition by Level of Education, Sector and Gender
(As a percentage of students in formal education)

Level of Education	Sex	Sector			All Sectors
		Urban	Rural	Estate	
Primary (a)	Both	54.8	40.8	28.3	41.7
	Male	53.5	40.1	29.6	41.2
	Female	56.3	41.4	27.0	42.2
Secondary (b)	Both	68.1	52.6	40.0	54.0
	Male	66.8	48.5	32.1	50.0
	Female	69.5	56.7	48.1	57.9
Post Secondary (c)	Both	74.9	68.9	77.1	70.1
	Male	72.4	68.0	75.0	68.9
	Female	77.0	69.6	78.9	70.9

(a) Completed Kindergarten to passed Year 6

(b) Passed Year 7 to passed Year 10 (up to G.C.E. Ordinary Level)

(c) Passed Year 11 to graduated (G.C.E. Ordinary Level and above)

Table 4.18
Students Attending Tuition by Level of Education 1986/87 to 2003/04
(As a percentage of students in formal education)

Survey Period	Level of Education			All Levels
	Primary (c)	Secondary (d)	Post Secondary (e)	
1986/87 (a)	14.0	33.7	57.4	23.7
1996/97 (a)	23.9	43.7	63.7	35.0
2003/04 (b)	41.7	54.0	70.1	49.6

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

(c) Completed Kindergarten to passed Year 6

(d) Passed Year 7 to passed Year 10 (up to G.C.E. Ordinary Level)

(e) Passed Year 11 to graduated (G.C.E. Ordinary Level and above)

small sample size. This would indicate the high premium placed on educational achievement in the estate sector in recent times.

The incidence of private tuition was also analysed against income of households using income quintiles. As expected, the incidence of private tuition increased with the level of income from 29 per cent in the lowest quintile to 72 per cent in the highest quintile (Chart 4.5). This pattern was reflected across all sectors (Table 4.21). Meanwhile, the order of ranking of the urban, rural and estate sectors, in terms of the share attending tuition was maintained across all income quintiles. Even in the lowest income quintile, over a quarter of the rural and estate and nearly half of the urban student population attended private tuition classes.

The province and gender wise classification of students attending private tuition indicated a similar pattern, with attending private tuition increasing with educational level and being generally higher for females except in the Northern and Central provinces (Table 4.22). Meanwhile, although the incidence of tuition was highest in the Northern and Western provinces at primary and secondary level, the situation was different at post secondary level. The percentage of males attending private tuition at all levels was relatively high in the Northern province and that of females was also highest at secondary level in this province.

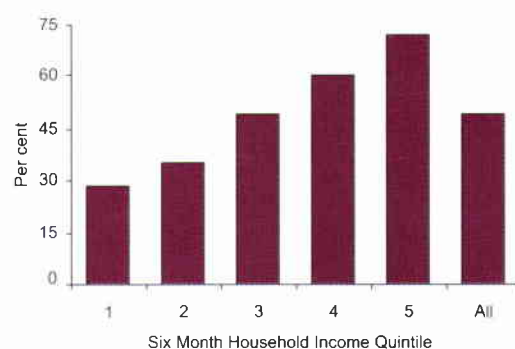
Table 4.21

Students Attending Tuition by Income Quintile and Sector
(As a percentage of students in formal education)

Six Month Household Income Quintile	Sector			All Sectors
	Urban	Rural	Estate	
1	42.0	26.1	24.4	28.9
2	58.7	36.1	30.1	35.0
3	65.4	46.4	33.3	49.6
4	70.6	58.7	29.5	60.3
5	78.8	68.9	53.2	72.4
All	62.7	48.5	35.0	49.6

Chart 4.5

Students Attending Tuition by Income Quintile



The average number of hours spent on tuition per week per student attending tuition for subjects in formal education rose with the level of education (Table 4.23). The trend was similar in all three sectors. However, the rate of increase varied among sectors and consequently, the number of hours spent on tuition at different education levels ranked differently across sectors in a range of 6 to 11 hours.

Table 4.23

Tuition Hours per Week by Level of Education and Sector
(Per student attending tuition for subjects in formal education curriculum)

Level of Education	Sector			All Sectors
	Urban	Rural	Estate	
Primary (a)	6.1	5.6	6.6	5.7
Secondary (b)	7.7	6.6	6.9	6.8
Post Secondary (c)	10.6	10.9	7.0	10.7
All Levels	7.6	6.9	6.8	7.0

(a) Completed Kindergarten to passed Year 6

(b) Passed Year 7 to passed Year 10 (up to G.C.E. Ordinary Level)

(c) Passed Year 11 to graduated (G.C.E. Ordinary Level and above)

Table 4.22

Students Attending Tuition by Level of Education, Province and Gender
(As a percentage of students in formal education)

Level of Education	Sex	Province									All Provinces
		Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	
Primary (b)	Both	55.7	32.9	41.5	56.7	41.9	36.0	29.4	30.5	37.3	41.7
	Male	55.6	35.3	39.2	63.9	39.9	36.6	28.3	30.0	32.2	41.2
	Female	55.7	30.2	44.0	49.6	43.8	35.2	30.5	31.0	41.9	42.2
Secondary (c)	Both	63.2	46.1	53.8	71.1	57.2	51.9	40.3	50.3	49.6	54.0
	Male	59.3	43.5	45.7	66.3	56.0	47.8	37.1	44.9	47.4	50.0
	Female	67.1	48.9	61.9	77.6	58.5	55.6	43.2	54.9	51.8	57.9
Post Secondary (d)	Both	72.0	72.3	70.8	65.4	61.4	67.8	73.0	77.1	68.5	70.1
	Male	69.7	79.1	66.7	70.3	64.9	67.9	64.3	69.0	66.7	68.9
	Female	73.9	67.7	73.2	61.4	57.9	67.8	84.4	85.4	69.7	70.9

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

(b) Completed Kindergarten to passed Year 6

(c) Passed Year 7 to passed Year 10 (up to G.C.E. Ordinary Level)

(d) Passed Year 11 to graduated (G.C.E. Ordinary Level and above)

Table 4.24

Tuition Hours per Week by Level of Education and Province
(Per student attending tuition for subjects in formal education curriculum)

Level of Education	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa	
Primary (b)	5.0	5.6	4.9	10.1	8.1	5.0	5.3	5.0	4.6	5.7
Secondary (c)	6.6	6.6	6.5	11.8	9.1	5.8	5.9	5.9	5.4	6.8
Post Secondary (d)	10.6	10.1	12.2	13.5	11.2	9.7	11.6	7.1	10.4	10.7
All Levels	6.5	6.9	7.0	11.3	8.9	6.3	6.8	5.7	5.9	7.0

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

(b) Completed Kindergarten to passed Year 6

(c) Passed Year 7 to passed Year 10 (up to G.C.E. Ordinary Level)

(d) Passed Year 11 to graduated (G.C.E. Ordinary Level and above)

Provincial data on tuition hours revealed that tuition hours per week was highest in the Northern province, across all education levels, while the Eastern province ranked second overall, as well as at primary and secondary level (Table 4.24). Meanwhile, most provinces recorded an average number of around 10 or more tuition hours per week at post secondary level, with the exception of the Uva province, which ranked lowest overall as well.

The correlation between hours spent on tuition per week and level of household income was marginal, although the average hours spent on tuition rose somewhat with income quintiles at above primary level (Table 4.25).

A detailed analysis of per capita expenditure on education, including on private tuition, is given in Chapter 8. However, a

brief analysis of expenditure on tuition per student attending tuition for subjects in formal education is also provided here for completeness of analysis. The monthly expenditure on tuition rose with the level of education. The trend was similar in all three sectors (Table 4.26). At all levels of education, expenditure was highest in the urban sector and lowest in the estate sector, consistent with the overall income and expenditure levels among sectors discussed in chapters 7 and 8.

Provincial data revealed a similar pattern of expenditure across education levels and a similar consistency with income and expenditure patterns across provinces (Table 4.27). Tuition expenditure was generally highest in the Western province and lowest in the Eastern and Uva provinces. When compared with the provincial pattern of hours of tuition per week, the

Table 4.25

Tuition Hours per Week by Level of Education and Income Quintile
(Per student attending tuition for subjects in formal education curriculum)

Level of Education	Six Month Household Income Quintile					
	1	2	3	4	5	All
Primary (a)	5.6	6.0	5.8	5.6	5.5	5.7
Secondary (b)	6.1	6.6	6.5	6.9	7.3	6.8
Post Secondary (c)	9.6	9.5	10.0	9.9	12.3	10.7
All Levels	6.3	6.8	6.7	6.9	7.7	7.0

(a) Completed Kindergarten to passed Year 6

(b) Passed Year 7 to passed Year 10 (up to G.C.E Ordinary Level)

(c) Passed Year 11 to graduated (G.C.E. Ordinary Level and above)

Table 4.26

Monthly Tuition Expenditure by Level of Education and Sector
(Per student attending tuition for subjects in formal education curriculum)

Level of Education	Sector			All Sectors
	Urban	Rural	Estate	
Primary (a)	317	197	88	211
Secondary (b)	605	302	190	348
Post Secondary (c)	1,425	791	385	888
All Levels	634	343	167	384

(a) Completed Kindergarten to passed Year 6

(b) Passed Year 7 to passed Year 10 (up to G.C.E. Ordinary Level)

(c) Passed Year 11 to graduated (G.C.E. Ordinary Level and above)

Table 4.27

Monthly Tuition Expenditure by Level of Education and Province
(Per student attending tuition for subjects in formal education curriculum)

Level of Education	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa	
Primary (b)	312	172	203	113	120	186	192	163	184	211
Secondary (c)	570	328	324	225	182	295	232	207	250	348
Post Secondary (d)	1,342	790	803	667	520	828	885	545	696	888
All Levels	571	351	372	250	194	369	344	246	299	384

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

(b) Completed Kindergarten to passed Year 6

(c) Passed Year 7 to passed Year 10 (up to G.C.E. Ordinary Level)

(d) Passed Year 11 to graduated (G.C.E. Ordinary Level and above)

Table 4.28

**Monthly Tuition Expenditure by
Level of Education and Income Quintile**
(Per student attending tuition for subjects in
formal education curriculum)

Level of Education	Six Month Household Income Quintile					(Rs.)
	1	2	3	4	5	All
Primary (a)	110	149	159	194	354	211
Secondary (b)	178	191	227	312	626	348
Post Secondary (c)	440	551	558	804	1,345	888
All Levels	180	225	246	354	674	384

(a) Completed Kindergarten to passed Year 6

(b) Passed Year 7 to passed Year 10 (up to G.C.E Ordinary Level)

(c) Passed Year 11 to graduated (G.C.E. Ordinary Level and above)

expenditure pattern indicating considerable differences in the charges across provinces. Meanwhile, all provinces recorded a much higher level of expenditure at post secondary level.

The correlation between expenditure on tuition and level of household income was significant and expenditure rose with income quintiles at all education levels (Table 4.28).

Extra Curricular Activities

In addition to tuition for the subjects covered through the formal education system, students in formal education also attended classes in extra subjects and activities in order to widen their knowledge in line with changing social values, and labour market requirements. The major extra curricular activities considered in this survey were aesthetic studies, sports, languages and computer studies. These activities are undertaken as part of the formal education curriculum as well as through private classes. Students in formal education attending extra curricular activity classes remained very low (Table 4.29). The major extra curricular activity was languages, attended by 8.3 per cent of the student population, while the other three activities each covered less than 2 per cent. In all such activities, attendance was highest in the urban sector and lowest in the estate sector, which could be attributed to the availability of opportunities and affordability.

The province wise data revealed that the Western province had the highest incidence in nearly all activities (Table 4.30) with higher concentration of facilities in this province. Incidence was less than 2 per cent for most activities in most other

Table 4.29

Extra Curricular Activities by Sector
(As a percentage of students in formal education)

Extra Curricular Activities	Sector			All Sectors
	Urban	Rural	Estate	
Aesthetic Studies	3.1	1.2	0.2	1.4
Sports	1.4	0.4	0.2	0.5
Languages	11.2	8.2	3.5	8.3
Computer Studies	2.6	1.6	0.6	1.7

provinces, except for languages, where attendance ranged to well above 5 per cent in many provinces. Although the students in the Northern province gave highest priority for tuition to support formal education, only one per cent attended classes for languages, the lowest among all provinces.

Attendance at extra curricular activity classes varied by both age group and gender (Table 4.31). For example, interest in computer studies rose with age for both sexes, while interest in aesthetic studies remained the same or fell marginally with age. Sports activities increased with age for males and fell for females, while there was no discernible trend for languages either across gender or age.

Table 4.31

Extra Curricular Activities by Age Group and Gender
(As a percentage of students in formal education in each age category)

Age Group (Years)	Sex	Extra Curricular Activities			
		Aesthetic Studies	Sports	Languages	Computer
5 – 14	Both	1.4	0.5	8.5	1.3
	Male	0.9	0.7	7.8	1.6
	Female	1.9	0.3	9.1	1.1
15 – 18	Both	1.4	0.5	8.2	2.1
	Male	0.9	0.7	6.5	1.9
	Female	1.9	0.3	9.8	2.2
19 – 24	Both	0.6	0.6	5.8	5.8
	Male	0.9	1.4	7.0	6.1
	Female	0.4	0.0	4.7	5.5
All Groups	Both	1.4	0.5	8.3	1.7
	Male	0.9	0.7	7.5	1.8
	Female	1.9	0.3	9.1	1.6

Table 4.30

Extra Curricular Activities by Province
(As a percentage of students in formal education)

Extra Curricular Activities	Province								
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara- gamuwa
Aesthetic Studies	2.8	0.8	0.9	2.1	0.7	1.6	0.8	0.8	0.5
Sports	1.4	0.5	0.1	0.0	0.0	0.4	0.1	0.3	0.3
Languages	18.0	5.3	5.2	1.0	2.2	9.9	3.1	5.8	6.1
Computer Studies	2.2	1.5	1.8	0.6	0.4	2.6	1.1	2.2	1.0

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

4.4 Health

Survey information on health conditions was collected from the members of the sampled households who had fallen ill during the reference period of 14 days prior to the date of the first field visit.

The information collected under health conditions included type of illness, number of days in ill health, number of days absent from normal activity due to ill health, type of treatment and source of treatment. Information was also collected on disabilities, covering physical disability as well as mental disability, of persons in the sampled households.

Incidence of Illness

The pattern of the incidence of ill health had not changed significantly from the last survey period (Table 4.32), where around 13 per cent of the population had suffered from some kind of illness. Sector and gender wise disaggregated data showed that the percentage of population in ill health remained marginally higher in the rural sector (13.7 per cent) and lower in the estate sector (10.1 per cent). Meanwhile, the gap had narrowed among sectors, as incidence of ill health in the estate sector had risen somewhat, while it had declined somewhat in the urban sector for both sexes. In both survey periods, the tendency of falling ill was higher for females than for males. However, the gap had narrowed by 2003/04 compared to 1996/97 in all three sectors.

Ill-health statistics disaggregated by province and gender recorded the highest share of population in ill health in the Western province, indicating that economic prosperity does not

Table 4.32
Persons in Ill Health by Sector and Gender
1996/97 and 2003/04
(As a percentage of population)

Survey Period	Sex	Sector			All Sectors
		Urban	Rural	Estate	
1996/97 (a)	Both	12.8	13.6	8.5	13.2
	Male	11.8	13.0	8.0	12.5
	Female	13.7	14.1	9.0	13.8
2003/04 (b)	Both	12.2	13.7	10.1	13.3
	Male	11.5	13.4	9.8	13.0
	Female	12.9	13.9	10.4	13.6

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

ensure better health (Table 4.33). The lowest incidence of illness was in the Central province. At the province level too, the incidence of illness among females was greater than among males in most provinces.

Ill health statistics disaggregated by sector and age (Table 4.34) for the two survey periods recorded that incidence of ill health continued to be higher among the child population (0–14 years) than among the youth and young adults, but thereafter increased with age. The statistics confirmed that the youngest and oldest age groups are more vulnerable to illness than others. The incidence of ill health had risen marginally among the younger age groups (below 55 years) but declined at older age groups between survey periods. The rural sector continued to

Table 4.33
Persons in Ill Health by Province and Gender
(As a percentage of population)

Sex	Province								
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa
Both	15.2	9.6	14.1	12.3	12.4	14.7	12.2	14.2	11.5
Male	15.0	9.3	14.6	13.5	10.6	13.9	11.4	14.0	11.3
Female	15.4	9.8	13.6	11.3	13.9	15.4	12.9	14.4	11.6

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 4.34
Persons in Ill Health by Sector and Age Group 1996/97 to 2003/04
(As a percentage of population)

Age Group (Years)	1996/97 (a)				2003/04 (b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Below 15	15.6	13.6	5.6	13.3	12.1	14.9	9.5	14.2
15 – 34	8.3	8.5	7.2	8.4	7.4	8.9	7.8	8.7
35 – 54	11.0	14.4	11.6	13.8	13.2	14.3	13.5	14.1
55 – 64	19.0	20.0	13.7	19.6	20.4	18.7	9.5	18.4
Over 64	25.0	26.9	15.3	26.3	21.3	22.7	12.7	22.1
All Groups	12.8	13.6	8.5	13.2	12.2	13.7	10.1	13.3

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

have the highest incidence of illness and the estate sector the lowest, in nearly all age groups, while the gaps in incidence among sectors had narrowed in nearly all age groups.

Sector wise data also reflected the general relationship between age and incidence of illness. The highest incidence of illness was reported in the rural sector among the oldest age group and the lowest incidence in the urban sector among the youth, in 2003/04. The pattern was similar to that seen in the 1996/97 survey.

A similar pattern of increasing incidence of illness with age groups together with a higher incidence among the child population was seen across provinces (Table 4.35). According to the provincial data, higher incidences of illness were reported in the Northern, Uva and North Western provinces, in the oldest age group. The lowest was recorded in the Central province in this age group. The incidence of illness was highest for children in the Western province, followed by the Southern province, while the lowest incidence of illness was recorded in the Northern province. The highest incidence of illness among children in the Western and Southern provinces could be related to rising environmental pollution with urbanisation.

Within the reference period of 14 days in the 2003/04 survey, the average number of days a person was ill had risen marginally to 7.4 (Table 4.36). Data revealed that the average number of days a person was ill in the urban sector had risen, while it had

declined in the estate sector, and remained fairly stable in the rural sector, keeping the overall rate relatively unchanged as well as achieving gender equality.

The average number of days abstained from normal activity due to illness had declined to about 4 days in 2003/04 from 4.4 days in 1996/97. This decline was observed in gender wise data in all sectors. The highest number of days abstained from normal activity due to illness was recorded in the estate sector, while the lowest was reported in the urban sector for both sexes. The same pattern was observed in the previous survey as well.

The gender wise classification showed that the average number of days abstained from normal activity was higher for males than for females in all three sectors.

According to the provincial data, the highest average number of days sick was in the Northern province (Table 4.37). The second highest average number of days sick was in the Eastern and North Western provinces in 2003/04. Even though the average number of days sick was highest in the Northern and Eastern provinces, the average number of days abstained from normal work was the lowest in these two provinces. The highest number of days abstained from normal work due to illness was recorded in the Uva and Sabaragamuwa provinces. In all provinces, the number of days abstained from normal activity was significantly lower for females than for males, although the average days sick only showed marginal differences.

Table 4.35
Persons in Ill Health by Province and Age Group
(As a percentage of population)

Age Group (Years)	Province									
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara- gamuwa	All Provinces
Below 15	17.7	10.8	17.1	6.6	9.1	14.5	13.6	15.1	13.7	14.2
15 – 34	9.7	6.4	9.7	6.5	9.2	9.6	9.1	8.7	6.5	8.7
35 – 54	15.0	10.7	13.3	16.3	17.6	16.5	11.5	15.2	12.2	14.1
55 – 64	22.1	11.3	15.3	24.5	20.7	19.3	18.4	19.6	15.0	18.4
Over 64	23.2	13.5	21.2	31.2	22.3	26.6	20.1	30.2	19.1	22.1
All Groups	15.2	9.6	14.1	12.3	12.4	14.7	12.2	14.2	11.5	13.3

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 4.36
Days Sick and Days Abstained from Normal Activity by Sector 1996/97 and 2003/04
(Per person reporting illness during last 14 days)

Days Sick/ Days Abstained	Sex	1996/97 (a)				2003/04 (b)			
		Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Average Days Sick	Both	6.9	7.3	7.0	7.2	7.8	7.4	6.1	7.4
	Male	7.1	7.4	7.3	7.4	7.9	7.4	6.1	7.4
	Female	6.8	7.2	6.8	7.1	7.6	7.4	6.1	7.4
Average Days Abstained from Normal Activity	Both	4.1	4.5	5.1	4.4	3.7	4.0	4.6	4.0
	Male	4.5	4.9	5.4	4.9	4.0	4.5	4.8	4.5
	Female	3.8	4.1	4.9	4.1	3.4	3.6	4.4	3.6

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 4.37
Days Sick and Days Abstained from Normal Activity by Province
(Per person reporting illness during last 14 days)

Days Sick / Days Abstained	Sex	Province								
		Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa
Average Days Sick	Both	7.5	6.6	7.1	9.7	7.8	7.8	7.3	6.8	7.2
	Male	7.6	6.7	7.0	9.7	8.0	7.6	6.9	6.9	7.3
	Female	7.4	6.5	7.2	9.8	7.7	8.1	7.5	6.8	7.2
Average Days Abstained from Normal Work	Both	3.7	4.5	4.1	2.9	2.9	3.9	4.3	5.1	5.0
	Male	4.0	4.9	4.5	3.5	3.8	4.5	4.6	5.5	5.3
	Female	3.3	4.1	3.7	2.3	2.4	3.4	4.1	4.8	4.8

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Type of illness

Information on the types of illness showed that 'other fever' (i.e., Malaria and other fever not associated with any specific disease) was the most common ailment in all sectors (Table 4.38). Nearly 36 per cent of the sick suffered from this illness. Coughs were the second most frequent type of illness, at 13 per cent, in all sectors. Around 12 per cent suffered from breathing problems. Neurological manifestations, urogenital manifestations and abdominal problems were also more prevalent at 5 per cent or higher among the reported types of illness.

Sectoral statistics indicated that the highest incidence of 'other fever' was in the estate sector in 2003/04. Breathing problems were also more prominent in the estate sector. Breathing problems due to asthma, emphysema, chronic bronchitis and heart disease could be aggravated in the estate sector, due to poorer housing and damp weather conditions in certain areas. The urban sector population were more prone to coughs than the other two sectors. Neurological manifestations were also higher in the urban sector. Hypertension and mental disorders are included in this category, which could be linked to stress related to urban living conditions.

In the 1996/97 survey too, 'other fever' was the most common ailment in all sectors, while the share of those with 'other fever' in all three sectors had increased in 2003/04 compared to 1996/97. In 1996/97 too, the highest incidence of cough had been reported in the urban sector. Environmental pollution and high population density may be a reason for the spread of infectious coughs in the urban sector.

Provincial data disclosed that the most common ailment was 'other fever' in all provinces except in the Northern province (Table 4.39). The highest shares were in the Uva, Central and Sabaragamuwa provinces, respectively, which hold 90 per cent of the estate sector. Breathing problems were more prominent in the Northern province which may have been due to the higher percentage of elderly people in the province. Coughs were comparatively a more prominent problem in the more urbanised Southern and Western provinces.

When illnesses were analysed by income, it was seen that the majority of the more prevalent illnesses were not highly correlated with income except for coughs and urogenital manifestations, the shares of which rose with income level (Table 4.40).

Table 4.38
Type of Illness by Sector 1996/97 and 2003/04

Type of Illness	1996/97 (a)				2003/04 (b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Other Fever	20.5	29.9	25.3	28.5	27.5	36.5	41.6	35.6
Cough	18.4	10.5	9.5	11.4	16.8	13.0	6.6	13.2
Breathing Problems	10.8	13.3	17.9	13.2	12.7	11.3	17.5	11.7
General Problems	7.9	10.9	10.0	10.5	6.3	8.2	6.2	7.9
Neurological Manifestations	7.1	8.1	8.9	8.0	10.5	6.2	3.6	6.6
Urogenital Manifestations	7.0	3.7	1.1	4.0	8.7	4.6	0.7	4.9
Other Abdominal Problems	6.7	5.1	7.4	5.4	4.9	4.5	5.5	4.6
Mild Injuries	2.6	3.2	3.7	3.2	2.2	3.2	3.3	3.1
Eye Manifestations	5.0	2.6	2.1	2.9	0.6	1.3	1.8	1.3
Skin Lesions	2.1	2.3	4.2	2.4	1.5	1.8	0.4	1.7
Serious Injuries (requiring more than dressing)	2.4	2.4	0.5	2.3	2.2	2.1	2.9	2.2
Other and unknown causes of morbidity and mortality	9.6	8.0	9.5	8.2	6.1	7.3	9.9	7.2
Total	100	100	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 4.39
Type of Illness by Province

Type of Illness	Province									
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa	All Provinces
Other Fever	32.1	44.9	35.0	13.3	32.5	36.0	38.1	45.6	39.1	35.6
Cough	17.3	9.9	17.6	7.1	4.6	9.1	13.9	8.9	13.7	13.2
Breathing Problems	10.4	13.8	13.3	23.8	12.4	10.1	9.7	12.6	9.4	11.7
General Problems	7.8	4.7	7.9	9.5	12.0	9.9	6.3	7.2	6.3	7.9
Neurological Manifestations	6.8	4.5	4.3	15.7	9.9	7.3	5.5	5.8	6.7	6.6
Urogenital Manifestations	7.1	2.0	2.2	8.6	7.5	4.9	5.0	2.3	3.6	4.9
Other Abdominal Problems	4.2	6.6	3.4	3.8	5.2	5.4	3.7	3.3	5.8	4.6
Mid Injuries	3.5	2.2	3.8	1.5	0.6	3.5	2.9	3.3	3.1	3.1
Eye Manifestations	1.2	1.3	1.3	1.9	2.1	0.9	0.3	1.4	2.0	1.3
Skin Lesions	1.3	0.9	2.8	2.9	1.4	2.2	1.8	1.0	1.4	1.7
Serious Injuries (requiring more than dressing)	2.0	2.0	2.4	1.9	1.0	1.8	1.3	3.1	3.9	2.2
Other and unknown causes of morbidity and mortality	6.3	7.2	6.0	10.0	10.8	8.9	11.5	5.6	5.0	7.2
Total	100	100	100	100	100	100	100	100	100	100

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 4.40
Type of Illness by Income Quintile

Type of Illness	Six month Household Income Quintile					
	1	2	3	4	5	All
Other Fever	18.5	20.7	20.7	20.6	19.6	100
Cough	13.1	18.4	17.7	24.6	26.3	100
Breathing Problems	24.4	18.0	18.3	22.0	17.3	100
General Problems	22.6	14.9	23.7	18.3	20.5	100
Neurological Manifestations	21.9	17.9	17.5	20.8	21.9	100
Urogenital Manifestations	12.0	14.8	17.8	25.9	29.5	100
Other and unknown causes of morbidity and mortality	19.8	19.5	22.1	21.0	17.5	100

Type of Treatment

About half (49 per cent) of the sick persons sought treatment by consulting a doctor of Western or Ayurvedic medicine (Table 4.41). About 37 per cent of patients had obtained hospital outdoor treatment and 8 per cent indoor treatment. Around 6 per cent did not resort to any kind of treatment or resorted to self-medication.

The sectoral pattern of seeking treatment disclosed that consulting a doctor of Western or Ayurvedic medicine was more

popular in the urban sector when compared with the other two sectors. The majority of sick persons in the estate sector sought outdoor hospital treatment. Hospital indoor treatment was highest in the urban sector and lowest in the estate sector in a narrow range.

As compared with the survey in 1996/97, treatment by consulting a doctor of Western or Ayurvedic medicine had increased in all three sectors from 1996/97 to 2003/04, probably due to improved access. Meanwhile, hospital outdoor treatment had declined significantly across all three sectors with the highest decline in the urban sector. Seeking indoor treatment had increased somewhat in all three sectors, probably due to better access with private sector expansion and investment in new hospitals and nursing homes in recent years.

Provincial data (Table 4.42) relating to the type of treatment indicated that the proportions of the sick seeking treatment by consulting Western or Ayurvedic doctors were higher in the Western, Southern and Sabaragamuwa provinces, when compared with other provinces. Nearly 63 per cent of sick persons in the Western province consulted a doctor, while this was lowest in Uva province. Seeking outdoor hospital treatment was more prevalent in Uva province and North Central province. Indoor

Table 4.41
Type of Treatment by Sector 1996/97 and 2003/04

Type of Treatment	1996/97 (a)				2003/04 (b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Doctor Consulted (Ayurvedic / Western)	44.5	42.0	28.9	41.8	59.9	48.6	35.0	49.4
Hospital Treatment (Outdoor)	42.8	45.2	60.0	45.4	25.3	37.5	51.5	36.6
Hospital Treatment (Indoor)	6.1	6.7	5.8	6.6	8.8	7.6	6.6	7.7
No Medication	3.9	3.4	3.7	3.5	3.5	3.5	4.7	3.5
Self Medication	2.6	2.2	1.1	2.2	2.2	2.4	2.2	2.4
Other	0.2	0.5	0.5	0.5	0.3	0.4	—	0.4
Total	100	100	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 4.42
Type of Treatment by Province

Type of Treatment	Province									
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	All Provinces
Doctor Consulted (Ayurvedic / Western)	62.6	36.4	58.6	37.1	33.3	43.6	35.7	27.0	56.2	49.4
Hospital Treatment (Outdoor)	24.5	48.9	27.4	41.0	42.2	43.2	52.2	61.8	33.7	36.6
Hospital Treatment (Indoor)	7.6	10.2	7.0	9.5	13.3	7.1	7.1	6.4	4.3	7.7
No Medication	2.9	2.6	3.7	11.4	8.3	3.0	2.4	2.3	2.2	3.5
Self Medication	2.1	1.9	2.7	1.0	2.3	3.0	1.8	2.5	3.1	2.4
Other	0.4	0.0	0.6	0.0	0.6	0.1	0.8	—	0.5	0.4
Total	100	100	100	100	100	100	100	100	100	100

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

hospital treatment was higher in the Eastern and Central provinces. Sick persons who did not resort to any kind of treatment were higher in the Northern and Eastern provinces compared with other provinces. This could be due to the lack of facilities in these provinces compared to the other provinces, due to the unsettled security conditions over the past 20 years and partly could be due to lack of affordability.

The type of treatment received by sick persons was closely associated with the income of the household (Table 4.43). It was seen that the share of patients consulting a doctor rose with income level, while the share of those seeking hospital treatment, particularly outdoor treatment, declined. The percentage who sought no medication was somewhat higher in the lowest income quintile. This pattern is consistent with the affordability to pay for treatment rising with income level.

Table 4.43
Type of Treatment by Income Quintile

Type of Treatment	Six month Household Income Quintile					
	1	2	3	4	5	All
Doctor Consulted (Ayurvedic / Western)	32.3	42.8	47.9	55.1	66.9	49.4
Hospital Treatment (Out door)	50.8	43.9	38.5	31.5	20.3	36.6
Hospital Treatment (Indoor)	8.0	8.0	8.0	7.6	7.1	7.7
No Medication	5.8	3.0	2.5	3.0	3.4	3.5
Self Medication	2.7	2.0	2.7	2.4	1.9	2.4
Other	0.3	0.2	0.4	0.3	0.4	0.4
Total	100	100	100	100	100	100

Table 4.44
Source of Treatment by Sector 1996/97 and 2003/04

Source of Treatment	1996/97 (a)				2003/04 (b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Private (Western)	40.7	36.7	28.4	36.9	56.5	44.1	31.4	45.1
Private (Ayurvedic)	4.9	7.9	1.1	7.3	4.2	5.2	2.2	5.0
Government (Western)	47.6	48.5	61.6	48.9	33.6	44.3	58.0	43.6
Government (Ayurvedic)	1.7	2.0	0.0	1.9	1.0	1.3	1.5	1.2
Other	1.2	1.5	5.3	1.6	1.1	1.6	2.2	1.6
No Medication	3.9	3.4	3.7	3.5	3.5	3.5	4.7	3.5
Total	100	100	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 4.45
Source of Treatment by Province

Source of Treatment	Province									
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa	All Provinces
Private (Western)	56.8	33.3	50.5	38.1	35.0	42.4	34.7	26.4	45.0	45.1
Private (Ayurvedic)	5.1	4.1	4.4	3.3	4.1	6.7	6.6	1.9	6.7	5.0
Government (Western)	32.9	56.6	37.6	45.7	49.9	46.3	54.3	65.8	41.5	43.6
Government (Ayurvedic)	1.0	1.6	1.1	1.0	1.0	1.2	1.0	2.1	1.9	1.2
Other	1.3	1.9	2.7	0.5	1.7	0.4	1.0	1.6	2.7	1.6
No Medication	2.9	2.7	3.7	11.4	8.3	3.0	2.4	2.3	2.2	3.5
Total	100	100	100	100	100	100	100	100	100	100

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 4.46
Source of Treatment by Income Quintile

Source of Treatment	Six month Household Income Quintile					
	1	2	3	4	5	All
Private (Western)	27.5	36.5	42.7	50.6	66.0	45.1
Private (Ayurvedic)	4.7	3.9	5.9	5.1	5.2	5.0
Government (Western)	59.0	53.7	45.7	38.8	23.0	43.6
Government (Ayurvedic)	1.4	1.5	1.5	0.8	1.1	1.2
Other	1.6	1.3	1.8	1.8	1.3	1.6
No Medication	5.8	3.0	2.5	3.0	3.4	3.5
Total	100	100	100	100	100	100

sources of treatment recorded limited use, at under 6 per cent each, and did not vary significantly among income levels.

Disability

Information on mentally and physically disabled persons was collected in this survey. The overall pattern had hardly changed between the two surveys and incidence remained at around 2 per cent, although the estate sector had recorded an increase in the incidence of disability (Table 4.47). Physically disabled persons were the more likely in all sectors and the share had risen between the two surveys. In the estate sector it had doubled. The average increase in the share of population with physical disability could be an outcome of the aging population. The incidence of mental disability was below one per cent. As observed, the share of mentally disabled persons had slightly declined and vice versa for the physically disabled from the previous survey in two sectors.

The proportion of disabled population generally increased with age, recording 0.6 per cent in the youngest age group (below 15 years) and 8.2 per cent in the oldest age group (over 64 years) (Table 4.48). The incidence of mentally disabled persons was low in the youngest age group and relatively steady thereafter. The incidence of physical disability rose with increasing age, as could be expected.

In summary, significant changes have been taking place in the country in the areas of education and health over the past decade. A rising demand for private services was seen, along with changing consumer preferences for such services. Meanwhile, the pace of change and developments in these two areas varied significantly across provinces and sectors, commensurate with the disparities in the availability of such facilities across these different sub-sectors of the population. The findings emphasised the need for a more focused regional development programme in these areas.

Table 4.48
Disabled Persons by Age Group
(As a percentage of population)

Age Group (Years)	Mentally Disability	Physical Disability				Total Disability
		Blind	Deaf & Dumb	Loss of Limb	Other	
Below 15	0.2	0.0	0.2	0.3	0.1	0.8
15 - 34	0.8	0.1	0.3	0.7	0.2	2.0
35 - 54	0.8	0.1	0.2	0.8	0.3	2.2
55 - 64	0.7	0.1	0.1	2.0	0.3	3.2
Over 64	0.7	0.6	0.5	5.6	0.7	8.2
All Groups	0.6	0.1	0.2	1.1	0.2	2.3

(a) Excluding Killinochchi, Mannar, and Mullaitivu districts

Table 4.47
Disabled Persons by Sector 1996/97 to 2003/04
(As a percentage of population)

Type of Disability	1996/97 (a)				2003/04 (b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Mental	0.8	0.9	0.6	0.8	0.6	0.6	0.7	0.6
Physical	1.3	1.5	0.9	1.5	1.5	1.7	1.8	1.7
All	2.1	2.4	1.6	2.3	2.1	2.3	2.5	2.3

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Labour Force, Employment and Unemployment

In CFS 2003/04, information on the labour force participation status of each individual in the sampled household was ascertained. Once a person was identified as in the labour force, information on their professional or technical skills, period of training in the particular skill, occupation with most experience and years of experience in that occupation was recorded from the participants in the labour force. From an employed person, further information was collected on employment status, main occupation, production sector, employment sector, mode of payment, days and hours worked during the reference period and days and hours willing to work. If a person was engaged in any subsidiary occupation in addition to the main occupation, a similar set of information was also collected relating to the main subsidiary occupation. With regard to unemployed persons, information was collected on reasons for being unemployed, duration of unemployment, previous employment sector and expected occupation. Such detailed information helped to analyse current demand and supply conditions in the labour market in Sri Lanka.

The comparison of the labour market information in CFS 2003/04 with CFS 1996/97 revealed that the labour force participation rate (LFPR) had decreased in 2003/04 compared to the previous survey. The low LFPR observed in the Northern and Eastern provinces, which were included in CFS 2003/04, would have contributed to this development. In fact, when the Northern and Eastern provinces were excluded, the LFPR had not changed between surveys. Meanwhile, the unemployment rate had declined to 8.9 per cent in 2003/04 from 10.4 per cent in 1996/97. With the exclusion of the North and East, the unemployment rate was 9.0 per cent in 2003/04. This reflected the expansion in domestic economic activities between the two survey periods. Of the total employed, the increase in the share of employees in the Services sector, and corresponding decline in the share of employees in the Agriculture sector, confirmed the continuation of the structural change observed since the liberalisation of the economy in the late 1970s. The share of informal private sector employment had remained the highest, at around 70 per cent, in both surveys, emphasising the continuing dominance of informal economic activity in the country *vis-à-vis* public and formal private sector activities. Meanwhile, the underemployment rate was around 22 per cent in 2003/04, on par with the rate that prevailed in 1996/97, signifying that at least one fifth of the employed human resources in the country were being underutilised, an important factor contributing to the low labour productivity in the country.

5.1 Concepts, Definitions, Methodology of Data Collection and Limitations

The concepts and the definitions used for the labour market data collected in CFS 2003/04 were consistent with the recommendations of the International Labour Organization (ILO) and thereby facilitated international comparison. The definitions for **working age population**, **employed**, **unemployed**, **labour force** and **not in labour force**, as well as **occupation** and **production sector** classifications used throughout the report, were provided in Chapter 2. This section provides clarifications with respect to specific variables analysed in this chapter, as well as limitations to the analysis arising from the same.

The **employment status** classified total employment into four major categories, namely **employees** (wage or salary workers), **employers**, **self-employed** (own account workers) and **unpaid family workers**. The first category, employees who worked for either a public or private institution, were further divided according to their status as **regular** (permanent) employee, **casual** employee or **contractual** employee. A person who received a regular remuneration in money or in kind was considered a regular (permanent) employee. The work of a casual employee was of an irregular nature and hence, did not have a permanent status. A contractual employee was a person who worked for a specific period for a specific payment. An employer was a person who engaged in business on his own account or independently, in a profession or trade for profit and employed paid workers. A person who worked for profit and income in his own business, trade or profession without employing any paid workers was defined as self-employed (own account worker) and finally, an unpaid family worker was a person who worked without pay, in money or in kind, in an economic activity operated by a member of the same household.

Employment sector was categorised into two, namely, public and private sectors, and further categorised into sub sectors within those two main sectors. Thus, the employment sectors were **government** comprising central government, local governments and provincial governments; **semi-government** comprising corporations, boards, authorities and co-operatives; **formal private sector** comprising private sector institutions that contribute to the Employees' Provident Fund (EPF) or any such contributory retirement benefit scheme; and **informal private sector** comprising all other employment, including unpaid family workers and self employed individuals.

Information on **occupation** was collected on the **main** occupation and **subsidiary** occupations as well. In the event that

a person had multiple occupations, working time devoted (not the income generated) was used as the criterion to identify the main and subsidiary occupations. Accordingly, the occupation to which the highest working time was devoted was defined as the main occupation, and so on.

A working period of 35 hours a week was used as the norm for an employed person. A person who had worked for less than 35 hours, but was willing to work for a longer period, was identified as an **underemployed** person. However, a person who had worked less than 35 hours and was satisfied with the hours worked, was not considered as underemployed. The reasons for working less than the norm were also recorded. Persons who were underemployed due to legitimate reasons, such as vacation, illness or disability, were netted out to identify the persons actually underemployed.

These labour force concepts and definitions have been questioned in some fora, especially regarding the appropriateness of the number of hours of work, working age population and employment status. The minimum requirement of one hour of work per week to qualify as employed has been criticised often, while some point out that persons in the age group 10–14 years are too young to be considered as in the working age population. Different country experiences indicate that the definitions used for labour force surveys differ from each other and, in fact, the minimum age limit considered for the labour force in certain countries is as high as 16 years. One advantage of defining an employed person without a lower age limit, as in the CFS 2003/04, is to collect information on child labour, if any, that may exist in a country. Also, the inclusion in the labour force of persons who are engaged in household economic activity without a payment as unpaid family workers has been criticised and the critics argue that these unpaid family workers may work in the family enterprise without payment, because they have no other work, and it is inappropriate to consider them as employed. In order to address these issues and concerns, the CFS 2003/04 data were collected to also enable the use of alternative definitions for the labour market, if required to do so. Consequently while the concepts and definitions used in the CFS 2003/04 conform to ILO recommendations, the CFS 2003/04 database provides the necessary information to estimate statistics under different definitions, as required, for both international comparisons as well as comparisons with other national level labour force surveys.

5.2 Labour Force Participation

The labour force participation rate (LFPR), which is the ratio of the labour force to the working age population,^{1/} decreased to 46.4 per cent in 2003/04 from 47.6 per cent in 1996/97 (Table 5.1). However, the LFPR excluding the Northern and Eastern provinces in 2003/04 was equal to the 1996/97 level of 47.6 per cent. This difference reflected the low LFPR in the Northern and Eastern provinces in 2003/04.

The overall gender analysis revealed that the female LFPR declined to 29.5 per cent in 2003/04 from 32.5 per cent in

1996/97, while the male LFPR increased to 65.3 per cent in 2003/04 from 64.0 per cent in the 1996/97. Further, with the widening of the gap between LFPRs of males and females, the past trend of the LFPR of males being over twice that of females continued in 2003/04 as well. Thus, the overall decline in LFPR was the outcome of the decline in the female LFPR between surveys.

The observed general trend of the increase in the share of females in the household population in the country did not reflect in the share of females entering the labour force. Irrespective of their educational attainment, females sometimes take a voluntary exit from, or never enter, the labour force due to the demands of child care and other family responsibilities, which they have to shoulder under the prevailing social structure, thereby explaining their much lower LFPR compared to males. However, this pattern varied across strata depending on the income generating capacity of their spouses or families, and was reflected by the variation in LFPR across different strata in 2003/04. In general, the LFPR in all three sectors declined in 2003/04 compared to 1996/97 and reflected the overall decrease in the LFPR in 2003/04 (Table 5.1).

The age analysis of the gender-wise LFPR revealed that the behaviour of the male and female LFPRs had different peak values but similar patterns (Chart 5.1). The peak male LFPR was in the age group of 35–44 years, the prime age for a male traditionally to hold household responsibilities as the breadwinner in the family. The peak rate for females was achieved at the younger age group of 19–24 years, probably due to some females leaving the labour force after marriage or childbirth. The overall LFPR pattern across age groups reflected the pattern for males (Table 5.2).

The marginal decrease in the overall LFPR in 2003/04 compared to 1996/97 reflected in LFPRs at all levels of educational attainment and confirmed that the overall decline was an outcome of the decline in female LFPR (Table 5.3). In fact, the female LFPR had decreased at all educational

Table 5.1
Labour Force Participation Rate by Gender
1996/97 and 2003/04
(As a percentage of working age population)

Item	1996/97 (a)	2003/04 (b)	2003/04 (a)
All	47.6	46.4	47.6
Male	64.0	65.3	66.2
Female	32.5	29.5	30.9
Urban	44.0	42.9	44.6
Rural	47.6	46.4	47.5
Estate	57.4	55.3	55.3

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

1/ The working age population was used as the denominator to calculate the LFPR as there were no employed persons below the working age in the sample, although the definition of employed persons used in the survey had no lower age limit.

Chart 5.1
Labour Force Participation Rate

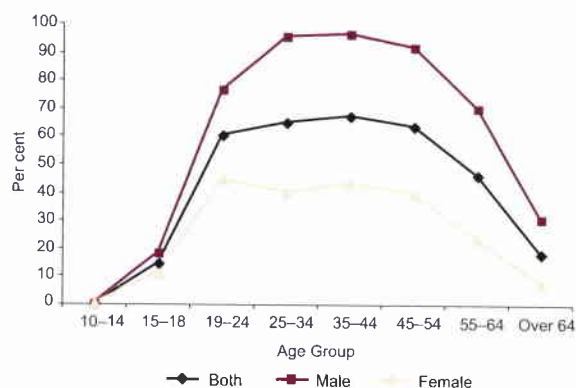


Table 5.2
Labour Force Participation Rate
by Age Group and Gender
(As a percentage of working age population)

Age Group (Years)	Male	Female	All
10 – 14	0.6	0.3	0.5
15 – 18	17.6	10.6	14.1
19 – 24	76.6	44.4	60.0
25 – 34	95.2	39.7	65.0
35 – 44	96.4	43.1	67.1
45 – 54	91.7	39.2	63.4
55 – 64	69.7	23.2	46.1
Over 64	30.7	7.4	18.0
All	65.3	29.5	46.4

Table 5.3
Labour Force Participation Rate by Level of Education and
Gender 1996/97 and 2003/04
(As a percentage of working age population)

Level of Education	1996/97(a)			2003/04(b)		
	Male	Female	All	Male	Female	All
No schooling	60.5	30.9	40.3	64.2	26.7	39.2
Primary	57.1	26.8	42.5	57.1	24.4	40.8
Secondary	65.9	29.3	47.4	66.3	24.3	45.1
GCE (O/L)	70.7	40.7	54.4	67.4	32.8	48.2
GCE (A/L) and above	80.5	67.8	73.4	79.3	57.6	67.1
All	64.0	32.5	47.6	65.3	29.5	46.4

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

attainment levels in 2003/04 compared to 1996/97. In contrast, the increase in male LFPR at no schooling and secondary educational attainment levels contributed to the increase in the overall male LFPR in 2003/04. Meanwhile, the LFPR of persons with educational attainment of G.C.E. Ordinary Level [GCE (O/L)] and G.C.E. Advanced Level [GCE (A/L)] and above declined significantly between the two survey periods,

particularly for females. This may have been due to a higher share of persons in those levels of educational attainment opting to further their studies or professional training rather than to join the labour force. However, in both surveys, the LFPR increased gradually with the level of education, reaching a maximum for the category of persons with highest educational attainment of GCE (A/L) and above. This category consists of persons who opt not to enter university, some undergraduates and graduates, and the significantly higher LFPRs confirm their greater willingness to engage in economic activity and expectations of a return to their investment on human capital.

Labour Force Participation by Sector

The male LFPR across sectors were similar to the overall male LFPR. In contrast, the female and overall LFPRs in the estate sector were significantly higher compared to the other two sectors and the overall LFPRs (Table 5.4) in both surveys. The nature of occupations in the estate sector such as tea plucking and higher engagement in such income generating activities by mostly female members to meet family expenditure obligations because of the low income levels prevailing in estate sector households may have been a key reason for this situation.

In fact, while the male LFPR was twice the female LFPR in the urban and rural sectors for both survey periods, the estate sector female LFPR was relatively much higher with the availability of employment opportunities such as tea plucking and other related activities for females on estates. In addition, facilities such as child care centres run by the management of the estates also increased the opportunities for females to engage in economic activities, thus increasing their LFPR. As a result, the gender-wise differences in the LFPR in the estate sector were far less significant, but had risen between 1996/97 and 2003/04, with a decline in the female LFPR and an increase in the male LFPR between surveys, so that gender-wise sectoral differences had reduced. The decline in female LFPR may have been due to a greater focus on female education in this sector since the last

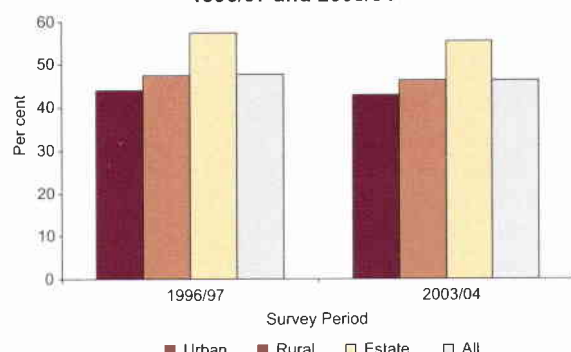
Table 5.4
Labour Force Participation Rate by Sector and Gender
1996/97 and 2003/04
(As a percentage of working age population)

Sector	Male	Female	All
1996/97 (a)			
Urban	63.3	27.0	44.0
Rural	64.3	32.0	47.6
Estate	61.5	53.6	57.4
All Sectors	64.0	32.5	47.6
2003/04 (b)			
Urban	62.9	26.3	42.9
Rural	65.7	29.0	46.4
Estate	64.6	46.7	55.3
All Sectors	65.3	29.5	46.4

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Chart 5.2
Labour Force Participation Rate by Sector
1996/97 and 2003/04



survey. However, overall sectoral differences had hardly changed between surveys (Chart 5.2).

Age-wise LFPRs within sectors followed a similar pattern to the overall decrease in 2003/04 compared to 1996/97 (Table 5.5). In all sectors LFPRs were higher in the most economically active age groups 19-54 years with the age group 35-44 years recording the highest LFPR in both survey periods. The highest LFPRs were recorded in the estate sector and the lowest LFPRs in the urban sector in both periods for nearly all age groups. However,

these sectoral differences were less significant at the older age groups above 54 years.

The LFPR in the urban and rural sectors increased gradually with the level of education from primary level onwards, and were significantly lower than in the estate sector, particularly at the lower levels of education in both survey periods (Table 5.6). This is an outcome of the level of education not being a barrier to secure employment in the estate sector, where most of the available jobs are highly labour intensive. However, at the highest level of educational attainment, sectoral differences in LFPR had reduced significantly since the CFS 1996/97 with declines in the rural and estate sectors and the LFPR was similar across sectors in 2003/04, probably due to more equal educational opportunities with time.

Labour Force Participation by Province

The male LFPR rose in all provinces except in Uva, while the female LFPR fell, except in the Southern and Sabaragamuwa provinces, compared to 1996/97 (Table 5.7). Consequently, the overall LFPR across provinces showed mixed directions between surveys, although marginal. Provincial deviations from the overall male and female LFPR were minimal in both surveys except for the Northern and Eastern provinces. The Northern and Eastern province LFPRs were significantly low for both sexes,

Table 5.5
Labour Force Participation Rate by Sector and Age Group 1996/97 and 2003/04
(As a percentage of working age population)

Age Group (Years)	Urban		Rural		Estate		All	
	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)
10 - 14	1.3	0.3	0.5	0.4	0.0	0.7	0.5	0.4
15 - 18	19.0	14.5	18.6	17.4	36.0	28.4	19.6	17.6
19 - 24	58.1	59.9	63.1	59.1	73.9	74.0	62.9	60.0
25 - 34	65.7	60.6	68.8	64.5	91.4	83.8	69.6	65.0
35 - 44	62.0	61.2	70.4	67.1	92.3	85.8	70.5	67.1
45 - 54	55.3	58.0	66.0	63.7	73.2	72.4	64.9	63.4
55 - 64	38.9	41.5	50.0	46.9	41.2	45.3	48.1	46.1
Over 64	13.8	12.7	22.3	18.8	12.2	17.8	20.9	18.0
All	44.0	42.9	47.6	46.4	57.4	55.3	47.6	46.4

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.6
Labour Force Participation Rate by Sector and Level of Education 1996/97 and 2003/04
(As a percentage of working age population)

Level of Education	Urban		Rural		Estate		All	
	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)
No schooling	32.4	35.4	36.7	37.0	60.8	52.9	40.3	39.2
Primary	31.5	29.9	42.0	40.4	58.4	57.1	42.5	40.8
Secondary	43.6	39.5	48.0	45.6	50.1	54.1	47.4	45.1
GCE (O/L)	51.7	43.5	54.9	49.0	65.2	52.4	54.4	48.2
GCE (A/L) and above	69.7	66.9	74.3	67.1	83.3	68.4	73.4	67.1
All	44.0	42.9	47.6	46.4	57.4	55.3	47.6	46.4

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.7

**Labour Force Participation Rate by Province and Gender
1996/97 and 2003/04**
(As a percentage of working age population)

Province	Male		Female		All	
	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)
Western	65.8	67.2	31.0	30.0	47.5	47.2
Central	62.9	65.3	33.0	30.8	47.1	47.4
Southern	60.5	62.2	31.1	33.2	45.0	46.7
Northern	—	51.9	—	17.5	—	32.9
Eastern	—	59.2	—	18.2	—	37.2
North Western	62.2	67.9	28.8	26.5	45.3	46.1
North Central	65.7	68.2	37.8	28.8	51.4	48.3
Uva	65.3	64.0	37.7	33.4	51.0	48.1
Sabaragamuwa	65.4	68.1	35.6	35.7	50.2	51.4
All	64.0	65.3	32.5	29.5	47.6	46.4

(a) Excluding Northern and Eastern Provinces

(b) Excluding Killinochchi, Mullaitivu and Mannar Districts

particularly for women, compared to the other provinces in 2003/04. This may have reflected the impact of the unsettled labour market conditions in those provinces following 20 years of civil conflict as well as related obstacles and cultural barriers that may have restricted female participation in the labour market. This explained the overall decline in the LFPR between surveys, particularly for women.

The LFPRs among provinces were highest in the 35–44 year age group for most provinces except Western, Southern and Northern provinces (Table 5.8). The overall lower LFPRs that prevailed in the Northern and Eastern provinces were reflected in all age groups when compared with other provinces.

As with sectors, the LFPRs by level of education within provinces, in general, rose with level of education. However, this trend was less pronounced and recorded exceptions in many provinces. Also, at all levels of education above primary level, the LFPRs in the Northern province, and to some extent, in the Eastern province were significantly lower than in other provinces (Table 5.9). This may be partly due to the premium placed on higher education in the Northern province that was seen in Chapter 4 and unusual labour market conditions in the aftermath of the civil conflict that were discussed earlier.

Labour Force Participation by Income

The LFPRs by gender within income quintiles recorded a gradual increase in LFPR with rising income levels for males, but hardly a trend for females in both surveys. Also, LFPRs had declined between surveys within each quintile for females and overall, but risen for males in nearly all quintiles, further confirming that the overall decline between surveys was the outcome of a decline in female rather than male LFPRs (Table 5.10). LFPRs by

Table 5.8

Labour Force Participation Rate by Province and Age Group
(As a percentage of working age population)

Age Group (Years)	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara- gamuwa	
10 – 14	0.6	0.0	0.1	1.1	0.6	0.5	0.3	0.0	0.4	0.4
15 – 18	18.5	20.9	17.1	8.0	12.3	19.3	20.2	17.9	15.9	17.6
19 – 24	63.5	61.9	63.8	39.4	45.8	58.2	61.2	58.9	64.2	60.0
25 – 34	65.8	66.6	66.9	53.6	52.9	64.7	67.6	68.9	67.0	65.0
35 – 44	65.3	67.9	68.1	52.9	59.2	66.0	69.1	75.0	73.8	67.1
45 – 54	60.4	62.7	69.0	47.3	55.3	59.2	65.0	72.6	73.6	63.4
55 – 64	41.0	47.1	53.3	36.4	41.4	44.3	50.0	46.8	56.8	46.1
Over 64	16.1	17.5	21.4	9.9	10.3	18.2	13.8	23.5	23.9	18.0
All	47.2	47.4	46.7	32.9	37.2	46.1	48.3	48.1	51.4	46.4

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.9

Labour Force Participation Rate by Province and Level of Education
(As a percentage of working age population)

Level of Education	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara- gamuwa	
No schooling	34.2	42.0	38.1	30.2	34.9	34.8	38.4	49.1	43.4	39.2
Primary	33.7	43.9	41.5	32.4	34.4	39.3	42.8	49.2	50.8	40.8
Secondary	45.4	46.6	44.7	27.2	33.5	47.2	48.0	44.0	50.3	45.1
G.C.E. (O/L)	49.6	47.2	51.7	31.2	41.6	45.3	55.6	51.3	51.8	48.2
G.C.E. (A/L) and above	68.5	66.9	68.3	55.6	65.7	65.7	68.3	62.2	68.2	67.1
All	47.2	47.4	46.7	32.9	37.2	46.1	48.3	48.1	51.4	46.4

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.10

**Labour Force Participation Rate
by Income Quintile**
(As a percentage of working age population)

Six Month Household Income Quintile	1996/97(a)			2003/04(b)		
	Male	Female	All	Male	Female	All
1	61.7	32.4	46.1	59.9	28.0	42.7
2	62.6	32.2	47.2	65.1	29.2	46.1
3	63.2	31.8	47.0	65.3	27.9	45.7
4	64.9	32.3	47.8	66.8	29.5	47.2
5	66.5	33.5	49.3	67.6	32.4	49.1
All	64.0	32.5	47.6	65.3	29.5	46.4

(a) Excluding Northern and Eastern Provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

quintiles for different age groups and levels of education recorded no discernable trends and were similar to the LFPRs in each category across quintiles, and hence, will not be discussed further here.

5.3 Employment

According to the CFS 2003/04, the employment rate, which is the ratio of the number of employed persons to the total labour force, increased to 91.1 per cent in 2003/04 from 89.6 per cent in 1996/97 (Chart 5.3). Inclusion of the Northern and Eastern provinces did not impact significantly on the employment rate (Table 5.11). Although the increase in the female employment rate was higher compared to the increase in the male employment rate between the two survey periods and gender differences had declined, the female rate remained significantly lower than the male rate.

The sectoral comparison between the two survey periods revealed that the employment rate in the urban and rural sectors had risen in 2003/04 compared to 1996/97, while the employment rate in the estate sector which had been highest, fell, thereby reducing sectoral differences (Table 5.11).

The employment rate across provinces remained more or less the same or increased marginally, except in the North Central province, in 2003/04 compared to 1996/97, while provincial differences had declined (Table 5.12). Meanwhile, the Northern province recorded the highest employment rate, while the

Chart 5.3

Labour Force Status 1996/97 and 2003/04

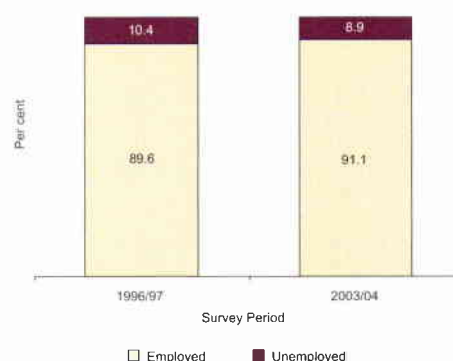


Table 5.11

Employment Rate by Gender and Sector
1996/97 and 2003/04
(As a percentage of labour force)

Year	All	Gender		Sector		
		Male	Female	Urban	Rural	Estate
1996/97 (a)	89.6	93.6	82.5	86.6	89.8	93.1
2003/04 (a)	91.0	93.5	86.1	91.0	91.0	90.8
2003/04 (b)	91.1	93.7	85.8	91.2	91.1	90.8

(a) Excluding Northern and Eastern Provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Southern province recorded the lowest. However, the employment rate in the Northern province was on a low LFPR.

Employment Status

In 2003/04, the distribution of the employed by employment status varied marginally when compared to 1996/97. The share of the self-employed and casual employees increased, while the shares of regular employees and unpaid family workers decreased (Table 5.13).

When analysed by gender, similar small shifts were seen for both males and females, from regular employees and unpaid family workers to self-employment and casual employment, between the two surveys. However, the distribution of employ-

Table 5.12

Employment Rate by Province 1996/97 and 2003/04
(As a percentage of labour force)

Province	Province									All Provinces
	Western	Central	Southern	Northern	Eastern	North Western	North Central	Uva	Sabara- gamuwa	
1996/97 (a)	88.7	88.9	86.5	—	—	92.4	94.1	91.3	90.2	89.6
2003/04 (b)	91.5	89.3	88.3	94.2	91.6	92.0	91.5	91.9	92.9	91.1

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.13
Employment Status by Gender 1996/97 and 2003/04

Gender	Employee						Employer		Self-employed		Unpaid family worker		Total
	Regular		Casual		Contractual								
	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	
Male	20.0	18.2	36.6	37.0	2.2	2.1	1.8	2.4	34.2	36.7	5.2	3.7	100
Female	28.6	26.8	26.5	27.5	1.3	1.1	0.7	0.4	21.3	24.8	21.7	19.4	100
All	22.8	20.9	33.3	34.0	1.9	1.8	1.4	1.7	30.0	32.9	10.6	8.7	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

ment status varied somewhat between males and females. In CFS 2003/04, the casual employees and self-employed had the highest shares (37 per cent each) and accounted for nearly three fourths of employed males, while the highest shares of females were casual and regular employees. These two categories accounted for 55 per cent of employed females, and the pattern had not changed significantly between surveys.

Among the employed, the share of males to females was 68:32 (Chart 5.4). The gender ratio, however varied significantly between different categories of employment status. The share of males to females was higher for all categories except unpaid family workers, and ranged from 59:41 for regular employees to 92:08 for employers, reflecting significant gender disparities in most categories of employment status. The dominance of females in only the unpaid family worker category emphasises certain gender disparities regarding participation in economic activities in the country.

The trends in employment status across levels of education had not changed between surveys, except to reflect the overall shift from regular employees and unpaid family workers to casual employees and the self employed (Table 5.14). The shares of regular and contractual employees and employers rose with higher educational levels, while those of casual employees and unpaid family workers fell. A clear trend with level of education was not visible within the self-employed category. However, at

primary and secondary level of education, the self employed accounted for over a third of the employed in 2003/04.

The distribution of employment status varied among sectors (Table 5.15). Changes in the urban and rural sectors between survey periods were marginal when compared with the estate sector. In the estate sector there was a significant shift from regular workers to casual and self-employed between the two survey periods, reflecting the structural changes in plantation sector management in the country during this period. Also, it

Chart 5.4
Employment Status by Gender

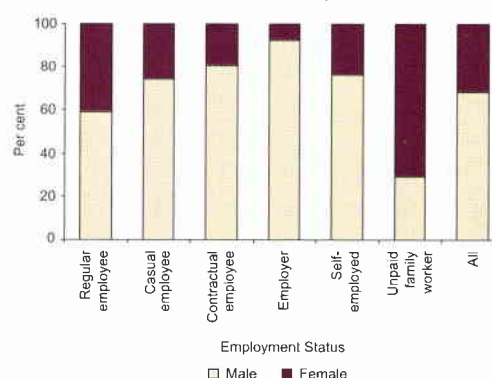


Table 5.14
Employment Status by Level of Education 1996/97 and 2003/04

Level of Education	Employee						Employer		Self-employed		Unpaid family worker		Total
	Regular		Casual		Contractual								
	1996/97	2003/04	1996/97	2003/04	1996/97	2003/04	1996/97	2003/04	1996/97	2003/04	1996/97	2003/04	
	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	
No schooling	21.0	12.5	42.5	45.8	1.3	0.7	0.5	0.8	23.4	28.8	11.4	11.4	100
Primary	12.8	8.8	39.6	42.6	2.1	1.4	0.9	1.1	34.5	37.4	10.2	8.7	100
Secondary	17.8	14.9	34.6	36.3	1.7	1.8	1.7	1.7	31.6	36.0	12.5	9.3	100
GCE (O/L)	41.7	31.5	20.1	22.9	2.1	2.5	2.0	2.6	26.2	31.8	7.9	8.7	100
GCE (A/L) and above	65.7	54.4	10.9	16.3	2.0	2.3	1.8	2.8	15.4	18.7	4.2	5.5	100
All	22.8	20.9	33.3	34.0	1.9	1.8	1.4	1.7	30.0	32.9	10.6	8.7	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.15
Employment Status by Sector 1996/97 and 2003/04

Sector	Employee						Employer		Self-employed		Unpaid family worker		Total
	Regular		Casual		Contractual								
	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	
Urban	31.3	30.0	34.7	31.2	2.1	2.9	2.7	4.5	25.4	28.3	3.8	3.1	100
Rural	17.9	17.8	33.5	33.9	2.0	1.6	1.3	1.5	32.9	35.3	12.4	10.0	100
Estate	67.5	44.8	28.6	40.6	0.2	1.2	0.0	0.4	3.1	10.4	0.5	2.7	100
All	22.8	20.9	33.3	34.0	1.9	1.8	1.4	1.7	30.0	32.9	10.6	8.7	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

was observed that some estate sector household members worked in casual jobs outside the estate in nearby towns and suburbs.

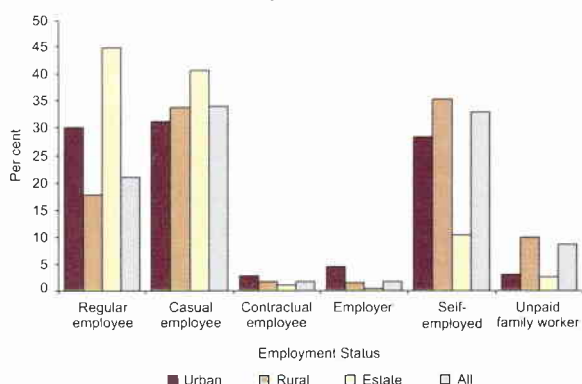
The urban sector had the highest share of employed in the regular and casual employee categories, while the employed in the rural sector were more concentrated in the casual and self-employed categories due to the nature of employment opportunities in these sectors. The main difference observed between the urban and rural sector distributions of employment status was the difference in share between the regular and unpaid family worker categories in the two sectors. This was the direct outcome of characteristics in the rural labour market where

agriculture and other informal activities are predominant. Also, concentration of government and formal private sector institutions with a greater share of regular employees in the urban sector led to the difference in the share of regular employees between the urban and rural sectors (Chart 5.5).

The distribution of employment status within provinces reflected the diversity of opportunities among provinces (Table 5.16). Unpaid family workers were a significant group only in rural agricultural provinces such as Uva, North Central, Southern and Sabaragamuwa provinces, while the share of regular employees was highest in the more urbanised Western province.

Chart 5.5

Distribution of Employment Status within Sector



Employment Sector

The distribution of employed persons by gender among employment sectors had hardly changed between the two survey periods for both sexes (Table 5.17). The females favoured more secure employment in the government or formal private sector over the informal private sector, compared to males. Within that structure the informal private sector continued to dominate, mainly due to the nature of economic activities in the country. The formal private sector continued to be the second largest employment provider. The government sector provided around 10 per cent of employment opportunities, while the share of the semi-government sector was around 3 per cent in 2003/04. Within this almost unchanged structure of distribution, a marginal shift of employment towards the informal private sector from the other three

Table 5.16
Employment Status by Province

Employment Status	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	
Regular employee	29.5	25.3	16.7	20.6	16.0	14.9	11.1	18.2	16.1	20.9
Casual employee	31.8	36.1	37.4	37.6	31.1	38.1	28.2	24.7	38.0	34.0
Contractual employee	2.4	1.3	2.0	3.4	2.4	2.0	0.7	0.5	1.0	1.8
Employer	3.0	1.1	1.1	2.1	3.5	1.7	0.7	0.7	0.5	1.7
Self-employed	29.0	29.6	30.8	31.9	39.4	35.9	43.5	37.5	33.5	32.9
Unpaid family worker	4.4	6.7	12.0	4.4	7.6	7.2	15.9	18.5	10.9	8.7
Total	100	100	100	100	100	100	100	100	100	100

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.17
Employment Sector by Gender 1996/97 and 2003/04

Employment Sector	Male		Female		Both	
	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)
Government	9.8	9.1	11.5	12.1	10.4	10.0
Semi-government	3.7	3.2	3.2	2.3	3.5	2.9
Formal private sector	13.2	13.2	22.7	22.3	16.3	16.1
Informal private sector	73.4	74.5	62.6	63.2	69.9	70.9
Total	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

sectors was observed. This emphasises the continuing importance of informal economic activity in the country.

The trends in employment sectors across levels of education had not changed significantly, except to reflect the overall shift to the informal private sector. The shares in government and semi-government rose with level of education, while the shares in the informal private sector fell. Within the formal private sector, there was no clear trend, in 1996/97, although in 2003/04 a rising share with education level from primary level onwards was seen (Table 5.18). The share of the informal private sector had increased across all levels of education in 2003/04 compared to 1996/97, while the only other increase recorded outside the informal private sector between the two surveys was for formal private sector employees with highest educational qualifications [GCE (A/L) and above]. These shifts to the private sector from

the government and semi government sectors during the reference period may have reflected the higher increases in job opportunities in the private sector than in the public sector and a change in perceptions, especially among the higher educated.

The order of significance of employment sectors in both the urban and rural sectors was similar to the overall pattern, while in the estate sector, formal private sector employment was dominant (Table 5.19). This was observed in both survey periods. However, a major shift of importance from formal private sector to informal private sector between the two survey periods was observed in the estate sector. This indicates a gradual moving away of the estate sector to other forms of economic activity, following on the change to management of the estate sector by private management companies, expansion in employment opportunities in other production sectors with economic development and rising literacy and education levels in the estate sector.

The share of the government and semi-government sectors varied in a narrow range across provinces in 2003/04 (Table 5.20). In contrast, the share of the informal private sector varied between 59.3 per cent and 82.9 per cent, where the Western and the North Central provinces recording the minimum and maximum shares respectively, while the share of the formal private sector varied between 4.4 per cent and 25.7 per cent, respectively in 2003/04. Plantation sector employment in the Central, Uva, Sabaragamuwa and Southern provinces may have also contributed to the relatively higher shares of the formal private sector in these four provinces. The highest share for the formal private sector was recorded in the Western Province, emphasising provincial disparities in the nature of economic activities.

Table 5.18
Employment Sector by Level of Education 1996/97 and 2003/04

Level of Education	Government		Semi-government		Formal private sector		Informal private sector		Total
	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	
No Schooling	1.5	1.1	1.9	1.1	24.0	16.2	72.7	81.7	100
Primary	2.3	1.5	1.9	1.3	14.1	12.0	81.7	85.3	100
Secondary	7.5	6.2	3.4	2.5	15.0	14.9	74.1	76.4	100
GCE (O/L)	23.7	16.8	6.7	4.9	20.6	18.1	49.1	60.2	100
GCE (A/L) and above	47.9	34.3	7.4	6.2	18.4	25.0	26.3	34.5	100
All	10.4	10.0	3.5	2.9	16.3	16.1	69.9	70.9	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.19
Employment Sector by Sector 1996/97 and 2003/04

Employment Sector	Urban		Rural		Estate		All Sectors	
	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)
Government	14.1	14.3	10.5	9.9	1.6	3.9	10.4	10.0
Semi-government	5.3	3.0	2.9	2.9	7.3	2.8	3.5	2.9
Formal private sector	22.1	23.0	10.8	11.8	72.5	59.6	16.3	16.1
Informal private sector	58.5	59.7	75.7	75.5	18.6	33.7	69.9	70.9
Total	100	100	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mullaitivu and Mannar districts

Table 5.20
Employment Sector by Province

Employment Sector	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa	
Government	11.3	9.9	9.2	11.9	12.5	10.1	9.9	9.0	7.1	10.0
Semi-government	3.7	3.7	2.3	4.8	3.5	1.6	2.2	1.7	2.5	2.9
Formal private sector	25.7	21.6	11.7	6.2	4.4	7.9	4.9	16.5	14.4	16.1
Informal private sector	59.3	64.8	76.7	77.1	79.7	80.4	82.9	72.8	76.1	70.9
Total	100	100	100	100	100	100	100	100	100	100

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Production Sector

The changes in the production structure observed since the liberalisation of the economy in 1977 was evident from the distribution of employment by production sector (Table 5.21). In the post liberalisation period, the Services sector continued to expand through the telecommunication, transport, trade, tourism and financial services sub sectors. As a result, the share of the Agriculture sector declined. The continuation of the shift was confirmed by a further decline in the Agriculture sector share in total employment from 38 per cent in 1996/97 to 33 percent in 2003/04 and the increase in the share of the Services sector from 37 per cent in 1996/97 to 41 per cent in 2003/04 (Chart 5.6). The shift was seen across all services sub-sectors. The gender-wise analysis by production sectors showed that both male and female employees shifted from Agriculture to Services in 2003/04 compared to 1996/97. However, the Service sector share for females rose by over twice the male share increase, while the Agriculture sector share for females fell by more than twice that of the male share (Table 5.21).

The tendency of persons with no schooling to engage in any type of employment was evident again from the high share recorded in the labour intensive Agriculture sector (Table 5.22).

In contrast, the share with higher educational qualifications of GCE (A/L) and above was very low in Agriculture and high in the Services sector, signifying the preferences of the higher educated. The trends across levels of education within each production sector revealed a decrease in the concentration of

Table 5.22
Employment by Major Production Sector and Level of Education 1996/97 and 2003/04

Production Sector	No schooling	Primary	Secondary	GCE (O/L)	GCE (A/L) and above	All
1996/97 (a)						
Agriculture	65.1	55.0	32.0	16.5	8.5	37.7
Industry	14.8	22.8	31.2	25.5	14.4	25.6
Services	20.1	22.2	36.8	57.9	77.1	36.7
Total	100	100	100	100	100	100
2003/04 (b)						
Agriculture	61.3	53.7	29.4	18.1	8.4	32.8
Industry	14.5	21.8	31.3	27.2	20.4	26.0
Services	24.2	24.4	39.3	54.7	71.1	41.2
Total	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.21
Employment by Production Sector and Gender 1996/97 and 2003/04

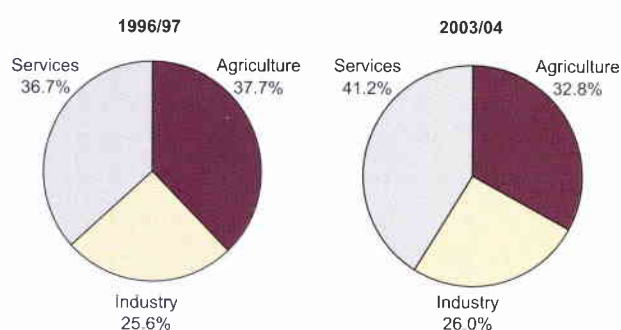
Production Sector	1996/97 (a)			2003/04 (b)		
	Male	Female	Both	Male	Female	Both
Agriculture	35.5	42.4	37.7	31.9	34.8	32.8
Agriculture, Forestry and Fishing	35.5	42.4	37.7	31.9	34.8	32.8
Industry	25.3	26.4	25.6	25.6	26.8	26.0
Mining and Quarrying	1.6	0.6	1.3	1.7	0.3	1.2
Manufacturing	13.0	24.6	16.8	13.3	25.9	17.3
Construction	9.6	0.9	6.8	9.9	0.6	6.9
Electricity, Gas and Water	1.0	0.1	0.7	0.7	0.1	0.5
Services	39.3	31.2	36.7	42.5	38.4	41.2
Wholesale and Retail Trade and Hotels and Restaurants	14.5	10.7	13.3	16.9	13.7	15.9
Transport Storage and Communication	7.3	0.8	5.2	9.9	0.9	7.0
Financial Services, Real Estate and Business Services	2.1	1.7	2.0	2.7	2.9	2.8
Public Administration, Defence and other Personal Services	15.3	18.1	16.2	13.0	20.9	15.5
Total	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Chart 5.6

Distribution of Employed Persons by Production Sector



employees in the Agriculture sector with increase in level of education and the opposite pattern in the Services sector, while in the industry sector, the highest share of employment was at the middle levels of education.

The share of Agriculture sector employment among secondary and lower educational levels declined between the two surveys, although the concentrations in agriculture of employees with those educational levels were the highest. In contrast, the share of the Services sector in the lower educational levels increased to reflect the present trend of employee preferences in shifting to service oriented activities and the development of services in response to rising demand in the country. In contrast, the concentration of employees at the two highest levels of education in the Services sector had declined between the two surveys in favour of the Industry sector, but still remained at around 55 per cent and 71 per cent respectively, in 2003/04.

The sector-wise analysis clearly showed the tendency of urban sector employees to engage in Services sector activities (Table 5.23). However, there was a marginal decline in Services and Industry shares and a corresponding increase of the Agriculture sector share in the urban sector in 2003/04 compared to 1996/97. The rural sector shares between surveys moved in the opposite direction to the urban sector, where the shift was from agriculture to industry and services. This shift may have been the outcome of the sectoral classification discussed in Chapter 2 of certain areas of the country as rural in this survey despite evolving urban characteristics since the previous survey and vice versa and not due to any fundamental shift in economic activity

Table 5.23

Employment by Major Production Sector and Sector 1996/97 and 2003/04

Production Sector	1996/97 (a)				2003/04 (b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Agriculture	2.9	38.6	88.0	37.7	6.3	33.3	77.9	32.8
Industry	30.2	26.7	4.3	25.6	28.2	27.0	8.0	26.0
Services	66.9	34.7	7.7	36.7	65.5	39.7	14.1	41.2
Total	100	100	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

among sectors between surveys. Meanwhile, the estate sector distribution was concentrated in agriculture, while industry recorded the lowest share. However, the Agriculture sector share in the estate sector had declined, similar to the rural sector, while Industry and Services sector shares had increased between surveys, consistent with the overall trend between surveys, indicating that available labour on estates was finding work in other production sectors outside the estates.

The province-wise analysis of employment distribution by the main production sectors confirmed the higher concentration of employees in the Agriculture sector in rural agricultural provinces such as Uva, North Central, Sabaragamuwa, Central and Southern (Table 5.24). Accordingly, the Western province had the lowest share in the Agriculture sector and around 55 per cent share in the Services sector in 2003/04. Further, the Western province had the highest share in the Industry sector, while the Uva province had the lowest share, signalling a growing need for developing industrial sector activities in other provinces towards more diversified overall development of other provinces.

Main Occupation

The distribution of employment by main occupation revealed that skilled agricultural and fishery workers continued to absorb the highest share of employment in 2003/04, though it had decreased to 25 per cent from 35 per cent in 1996/97 (Table 5.25). This was compensated for by the increase in the elementary occupations share from 11 to 20 per cent. However, this category too consisted of around 30 per cent of unskilled workers in the Agriculture sector. Thus, these observations confirmed the continued importance of the Agriculture sector in providing

Table 5.24

Employment by Major Production Sector and Province

Production Sector	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	
Agriculture	9.3	43.8	39.8	25.9	36.1	28.5	50.9	63.7	44.9	32.8
Industry	35.9	19.1	24.1	17.7	16.6	32.5	15.6	9.2	27.4	26.0
Services	54.8	37.1	36.1	56.4	47.3	39.0	33.5	27.2	27.8	41.2
Total	100	100	100	100	100	100	100	100	100	100

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.25
Employment by Main Occupation and Gender 1996/97 and 2003/04

Occupation	Male		Female		Both	
	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)
Legislators, Senior Officials and Managers	9.4	10.3	7.4	8.5	8.8	9.7
Professionals	2.9	3.3	9.0	9.5	4.9	5.2
Technicians and Associate Professionals	4.8	5.7	2.9	4.9	4.2	5.5
Clerks	3.5	3.1	5.0	6.2	4.0	4.1
Service Workers and Shop and Market Sales Workers	5.8	7.4	3.7	4.9	5.1	6.6
Skilled Agricultural and Fishery Workers	32.5	22.6	40.3	29.2	35.1	24.7
Craft and Related Workers	18.8	15.3	19.0	17.0	18.9	15.9
Plant and Machine Operators and Assemblers	7.9	8.6	5.2	5.8	7.0	7.7
Elementary Occupations	13.5	23.0	7.0	13.9	11.4	20.1
Armed Forces	0.4	0.5	0.0	0.0	0.3	0.4
Unidentified	0.4	0.0	0.4	0.1	0.4	0.1
Total	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

employment in the country, despite its declining relative contribution to national output.

The distribution of occupation groups within gender revealed that the highest share of females was recorded in the skilled agricultural and fishery workers category for both survey periods. Even with the decrease in the share in 2003/04 in comparison to 1996/97, it remained above the male share in that particular category. This was largely due to higher involvement of females in occupations in the plantation agriculture sector such as rubber tapping and tea plucking, as well as in the paddy sector. The skilled agricultural and fishery workers and elementary occupations groups also recorded the highest share of around 23 per cent each for males in 2003/04. These two categories accounted for around 43 to 46 per cent of total employment for both males and females. Consistent with the higher share of females in public and formal private sector employment, the female shares in the

professional and clerical categories exceeded the male shares. There were no major changes in the distribution between surveys.

The distribution of main occupation within levels of education revealed that employees with secondary education level or below, tend to engage more in manual occupation categories. The shifts from skilled agriculture and fishery workers to elementary occupations at these levels of education between surveys were similar to the shift in the overall distribution. The main occupation of employees with GCE (O/L) qualifications was somewhat more evenly distributed, where the craft and related workers category recorded a maximum in both surveys. The distribution of employees with qualifications of GCE (A/L) and above in both surveys was skewed towards white collar, non-manual occupation categories of legislators, senior officials and managers, professionals, technicians and associate professionals and clerks (Table 5.26).

Table 5.26
Employment by Main Occupation and Level of Education 1996/97 and 2003/04

Occupation	1996/97(a)						2003/04(b)					
	No schooling	Primary	Secondary	GCE (O/L)	GCE (A/L) and above	All	No schooling	Primary	Secondary	GCE (O/L)	GCE (A/L) and above	All
Legislators, Senior Officials and Managers	4.2	6.3	9.8	13.8	9.6	8.8	4.5	6.1	10.1	13.4	14.0	9.7
Professionals	0.3	0.4	1.8	10.7	37.0	4.9	0.2	0.2	1.5	7.4	25.5	5.2
Technicians and Associate Professionals	0.6	1.2	3.9	9.8	13.0	4.2	0.2	0.9	3.8	9.4	17.2	5.5
Clerks	0.3	0.4	2.8	12.7	16.5	4.0	0.1	0.2	2.2	8.3	14.8	4.1
Service Workers and Shop and Market Sales Workers	2.9	2.7	6.0	8.5	5.9	5.1	3.4	3.8	7.9	9.0	6.8	6.6
Skilled Agricultural and Fishery Workers	60.5	52.1	29.5	14.4	6.4	35.1	43.1	39.4	23.1	13.5	6.6	24.7
Craft and Related Workers	9.2	17.0	24.1	17.4	6.8	18.9	8.9	14.6	20.1	16.5	7.4	15.9
Plant and Machine Operators and Assemblers	3.2	5.7	9.4	6.2	2.6	7.0	1.6	3.9	11.1	10.4	4.1	7.7
Elementary Occupations	18.0	13.7	11.9	5.2	1.6	11.4	38.0	30.8	19.8	11.0	3.1	20.1
Armed Forces	0.0	0.0	0.4	1.0	0.3	0.3	0.0	0.0	0.4	1.0	0.5	0.4
Unidentified	0.8	0.4	0.4	0.3	0.2	0.4	0.0	0.1	0.0	0.0	0.0	0.1
Total	100	100	100	100	100	100	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Subsidiary Occupation

The share of employed persons engaged in subsidiary occupations decreased to 9.1 per cent in 2003/04 from 15.9 per cent in 1996/97 (Table 5.27). Some reasons may have been the adequacy of income from the main occupation alone, or a trend towards concentration on a single occupation towards greater productivity in that occupation alone. According to the results, a significant decline was recorded in the rural sector, that had the highest share in the previous survey, while in the urban and estate sectors the relative decline was lower, thereby reducing sectoral differences between survey periods. Gender differences too had fallen between survey periods.

Of the total employed persons engaged in subsidiary occupations, the majority were involved in skilled agricultural and fishery occupations in both survey periods (Table 5.28). However, the distribution had changed between survey periods and reflected a similar change to that seen for the main occupation, where there was a shift from the skilled agricultural and fishery category to the elementary occupations category, which also includes unskilled labourers in the Agriculture and fishery sector. However, although the shift in male distribution was similar to the overall distribution, the shift in the female distribution differed, from the skilled agricultural and fishery workers category to craft and related workers and technicians

Table 5.27
Employed Persons having Subsidiary Occupation by Gender and Sector 1996/97 and 2003/04
(As a percentage of total employed)

Sector	1996/97(a)			2003/04(b)		
	Male	Female	Both	Male	Female	Both
Urban	6.2	3.6	5.4	5.3	2.9	4.5
Rural	22.7	7.9	18.0	12.5	4.6	10.0
Estate	14.3	3.5	9.1	10.5	1.3	6.5
All	20.2	7.0	15.9	11.5	4.1	9.1

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

and associate professionals categories, reflecting perhaps the improvements in education levels among females that were discussed in Chapter 4.

Hours Worked

The hours worked by an employee is a key determinant of his/her earning capacity and productivity. It was seen that in both surveys, on average, males worked longer hours than females. Also, in general, employers worked longer hours than contractual and regular employees and the self employed, who, in turn, worked longer hours than casual employees and unpaid family workers. Further, workers in the formal private sector worked longer hours than those in the government and semi-government sectors, while those in the informal private sector worked the

Table 5.29
Average Hours Worked per Week by Employed Persons 1996/97 and 2003/04

Item	1996/97(a)	2003/04(b)
Gender		
Male	42.2	41.0
Female	35.5	35.1
Employment Status		
Regular employee	43.8	43.5
Casual employee	39.3	37.7
Contractual employee	39.1	41.9
Employer	46.4	51.1
Self-employed	40.5	38.9
Unpaid family worker	32.0	32.1
Employment Sector		
Government	42.2	41.1
Semi-government	44.9	43.1
Formal private sector	45.0	45.9
Informal private sector	38.3	37.1
Production Sector		
Agriculture	35.5	33.6
Industry	41.8	38.6
Services	43.2	43.8
All	40.0	39.1

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.28
Distribution of Subsidiary Occupation by Gender 1996/97 and 2003/04

Occupation	1996/97 (a)			2003/04 (b)		
	Male	Female	Both	Male	Female	Both
Legislators, Senior Officials and Managers	6.6	5.2	6.4	8.3	6.5	8.1
Professionals	2.8	8.0	3.5	2.2	6.5	2.8
Technicians and Associate Professionals	2.2	2.1	2.2	5.8	12.1	6.7
Clerks	0.8	0.9	0.8	0.5	2.2	0.7
Service Workers and Shop and Market Sales Workers	1.2	4.3	1.6	3.1	3.0	3.1
Skilled Agricultural and Fishery Workers	64.8	62.9	64.5	47.0	39.2	45.9
Craft and Related Workers	8.4	8.6	8.4	7.0	19.0	8.7
Plant and Machine Operators and Assemblers	4.7	3.7	4.6	6.7	1.7	6.0
Elementary Occupations	8.6	4.3	8.0	19.2	9.9	17.9
Occupations unidentifiable or inadequate and Armed Forces	—	—	—	0.1	0.0	0.1
Total	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

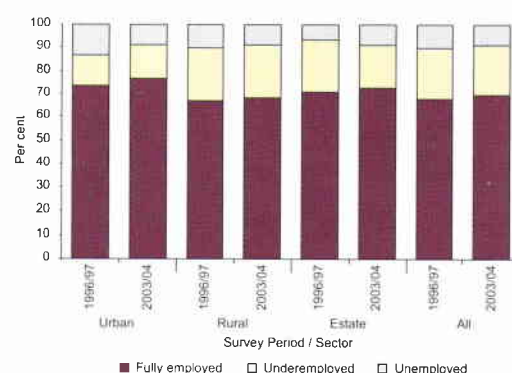
shortest hours per week. It was also seen that the average hours worked was lowest in the Agriculture sector among production sectors (Table 5.29). The lower hours worked by unpaid family workers was reflected in the relatively lower hours worked by females, since the share of females in the unpaid family worker category was around 70 per cent. However, the number of hours worked depends on worker preference and the availability of longer hours of work. The concept of underemployment is analysed in this context.

5.4 Underemployment

Underemployment exists when a person's employment is inadequate in relation to specified norms or alternative employment. Underemployment may be visible or invisible. Visible underemployment is primarily a statistical concept directly measurable, reflecting insufficiency in the volume of work. It occurs when a person is in employment for less than the normal duration and is seeking, or would accept additional work for a longer duration. Invisible underemployment is primarily an analytical concept reflecting a misallocation of labour resources linked to skills and qualifications. For the analysis in this chapter, the former concept was used since data were collected on the number of days and hours each employed person had actually worked and was willing to work. The normal duration of employment for the analysis was taken as a norm of 35 hours per week.

The underemployment rate, the ratio of underemployed persons to the labour force, was 21.6 per cent during the

Chart 5.7
Distribution of Labour Force by Sector
1996/97 and 2003/04



2003/04 survey period, on par with the rate that prevailed in 1996/97. As a share of the employed, the underemployed accounted for 24 per cent (Table 5.30). Thus, 24 per cent of the employed were not fully occupied and were willing to work more hours than they were currently engaged in, but their working environment did not provide the opportunity to do so.

Sector-wise data revealed that underemployment had risen somewhat in the urban sector and declined in the estate sector, while remaining the same in the rural sector between the two survey periods (Chart 5.7). Meanwhile, the highest level of underemployment continued to be in the rural sector. This may be due to the predominance of agricultural activities in the rural

Table 5.30
Distribution of Labour Force within Sector 1996/97 and 2003/04

Category	1996/97(a)				2003/04(b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Labour force	100	100	100	100	100	100	100	100
Employed	86.6	89.8	93.1	89.6	91.2	91.1	90.8	91.1
Fully employed	73.4	66.9	70.9	68.0	76.8	68.2	72.7	69.5
Underemployed	13.2	22.9	22.2	21.7	14.5	22.9	18.2	21.6
Unemployed	13.4	10.2	6.9	10.4	8.8	8.9	9.2	8.9
Underemployed as a share of the employed	15.3	25.5	23.8	24.2	15.8	25.2	20.0	23.7

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.31
Distribution of Labour Force within Province

Category	Province								All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	
Labour force	100	100	100	100	100	100	100	100	100
Employed	91.5	89.3	88.3	94.2	91.6	92.0	91.5	91.9	91.1
Fully employed	75.6	70.8	59.7	70.0	66.3	68.6	67.9	68.1	69.5
Underemployed	16.0	18.5	28.6	24.2	25.3	23.4	23.5	23.8	21.6
Unemployed	8.5	10.7	11.7	5.8	8.4	8.0	8.5	8.1	8.9
Underemployed as a share of the employed	17.5	20.7	32.4	25.7	27.6	25.4	25.7	25.9	23.7

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

sector where regular minimum working hours cannot be guaranteed. The urban sector, where the employment rate was highest, recorded the lowest level of underemployment, as most urban economic activities were not seasonal or weather related.

Province-wise, the Southern province recorded the highest underemployment rate of 28.6 per cent, emphasising that almost one third of the employed suffered the problem of insufficient working hours. This province also recorded the highest unemployment rate (Table 5.31). In all other provinces, except in the Western and Central provinces, the underemployment rate was over 20 per cent, which emphasises that the problem of lack of adequate work was widespread in the country.

Underemployment by Gender

In the case of labour force participation, female participation was remarkably lower than male participation, while, the female unemployment rate was higher. However, there was no visible gender-wise difference in the underemployment rate (Table 5.32).

Table 5.32
Distribution of Labour Force within Gender
1996/97 and 2003/04

Category	1996/97(a)			2003/04(b)		
	Male	Female	Both	Male	Female	Both
Labour force	100	100	100	100	100	100
Employed	93.6	82.5	89.6	93.7	85.8	91.1
Fully employed	71.6	61.4	68.0	72.2	64.0	69.5
Underemployed	22.0	21.1	21.7	21.5	21.8	21.6
Unemployed	6.4	17.5	10.4	6.3	14.2	8.9
Underemployed as a share of the employed	23.5	25.6	24.2	23.0	25.4	23.7

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.33
Underemployment Rate by Gender and Age Group 1996/97
and 2003/04
(As a percentage of labour force)

Age Group (Years)	1996/97(a)			2003/04(b)		
	Male	Female	Both	Male	Female	Both
10 – 14	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
15 – 18	24.3	9.0	18.6	23.4	9.4	18.1
19 – 24	20.9	10.0	16.3	18.7	9.2	15.1
25 – 34	22.1	19.2	21.0	18.9	18.6	18.8
35 – 44	21.0	27.5	23.3	20.5	26.1	22.5
45 – 54	21.7	27.6	23.7	22.7	28.0	24.5
55 – 64	22.5	27.5	23.8	26.5	34.2	28.5
Over 64	27.0	29.7	27.5	31.9	35.4	32.7
All	22.0	21.1	21.7	21.5	21.8	21.6

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

n.a. – not applicable as the sample size was too small for calculation of reliable estimates

Underemployment by Age

Underemployment prevailed among workers of all ages and the rate of underemployment increased with age, particularly for females (Table 5.33). The same pattern was observed in both surveys. However, the unemployment problem mostly existed among those who were aged less than 25 years (Section 5.5).

Underemployment by Level of Education

Although the unemployment rate (Section 5.5) rose with the level of education, underemployment prevailed most among the less educated, and the underemployment rate declined with increase in the level of education. The reason was that for less educated persons, the prospects for regular employment were low, while the more educated enjoyed more permanent job opportunities that included regular working hours (Table 5.34). Meanwhile, underemployment had risen between surveys among those with G.C.E. (O/L), particularly females. This may have been due to their greater willingness to work longer hours with an increase in remuneration, commensurate with their higher education level, that the labour market was not able to provide yet.

Table 5.34
Underemployment Rate by Gender and Level of Education
1996/97 and 2003/04
(As a percentage of labour force)

Level of Education	1996/97(a)			2003/04(b)		
	Male	Female	Both	Male	Female	Both
Primary and below	27.2	30.8	28.5	29.1	30.8	29.7
Secondary	21.7	20.7	21.4	21.5	23.0	21.9
GCE (O/L)	12.6	10.1	11.6	15.5	18.6	16.7
GCE (A/L) and above	13.4	9.4	11.3	10.4	10.9	10.6
All	22.0	21.1	21.7	21.5	21.8	21.6

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Underemployment by Occupation

Underemployment mostly prevailed among agricultural and fishery workers and elementary occupation workers. Agricultural activities are seasonal and affected by weather conditions. Also, some agricultural activities do not entail a full day's work (e.g. rubber tapping). Elementary workers basically engage in casual employment. In this context, it is seen why underemployment prevailed most in these two occupation categories (Table 5.35). In addition to these two categories, underemployment was also widespread in the craft and related workers category, also where standard working hours per day did not necessarily apply.

Underemployment by Employment Sector

As revealed in both surveys, and as expected, underemployment prevailed mostly in the informal private sector. The government sector and the formal private sector are ruled and regulated by

Table 5.35
Underemployed by Occupation 1996/97 and 2003/04

Occupation	1996/97 (a)			2003/04 (b)		
	Male	Female	Both	Male	Female	Both
Legislators, Senior Officials and Managers	12.6	15.1	13.3	10.1	16.9	12.0
Professionals	22.3	16.3	18.7	19.3	20.4	20.0
Technicians and Associate Professionals	16.7	8.1	14.8	14.8	15.2	14.9
Clerks	8.6	9.4	8.9	5.2	2.3	3.8
Service Workers and Shop and Market Sales Workers	10.6	17.6	12.3	8.8	19.6	11.4
Skilled Agricultural and Fishery Workers	28.2	36.3	31.2	32.5	36.1	33.9
Craft and Related Workers	27.1	18.1	24.2	23.0	32.0	26.1
Plant and Machine Operators and Assemblers	20.8	23.1	21.4	14.5	5.8	12.4
Elementary Occupations	28.8	30.5	29.1	32.3	27.3	31.2
Armed Forces	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Unidentified	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
All	23.5	25.6	24.2	23.0	25.4	23.7

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

n.a. - not applicable as the sample size was too small for calculation of reliable estimates

Table 5.36
Underemployed by Employment Sector and Sector 1996/97 and 2003/04
(As a percentage of the employed)

Sector of Work	1996/97(a)				2003/04(b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Government	9.8	10.3	26.7	10.4	5.8	8.3	11.4	7.9
Semi-government	11.4	10.9	25.7	13.1	7.7	8.7	19.4	9.2
Formal private sector	5.2	11.6	21.0	13.4	4.4	6.0	13.3	7.5
Informal private sector	20.8	30.1	33.9	29.3	23.0	31.0	32.8	30.2
All	15.3	25.5	23.8	24.2	15.8	25.2	20.0	23.7

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

the existing labour laws that require minimum working hours for the workforce. Therefore, underemployment is, by definition, a characteristic of the informal private sector. Underemployment was significantly higher in the informal private sector for all three sectors (Table 5.36).

Underemployment by Production Sector

The analysis of underemployment by production sector revealed that the problem mostly existed in the Agriculture sector (Table 5.37). Female underemployment was somewhat higher than male underemployment in both the Agriculture and Industry sectors, while, in the Services sector, male underemployment was marginally higher in 2003/04. The changes between surveys were mixed, although underemployment in Agriculture had risen somewhat, while declining somewhat in Services.

5.5 Unemployment

The unemployment rate, defined as the number of unemployed persons as a percentage of the labour force, declined to 8.9 per cent in 2003/04 from 10.4 per cent in 1996/97. Inclusion of the Northern and Eastern provinces did not impact significantly on the unemployment rate (Table 5.38). The overall decline in the

Table 5.37
Underemployed by Production Sector and Gender
1996/97 and 2003/04
(As a percentage of the employed)

Production Sector	1996/97(a)			2003/04(b)		
	Male	Female	Both	Male	Female	Both
Agriculture	28.3	36.4	31.2	33.4	36.7	34.5
Industry	20.3	18.6	19.5	18.4	22.3	20.2
Services	21.1	16.8	20.0	18.0	17.3	17.8
All	23.5	25.6	24.2	23.0	25.4	23.7

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.38
Unemployment Rate by Sector 1996/97 and 2003/04
(As a percentage of labour force)

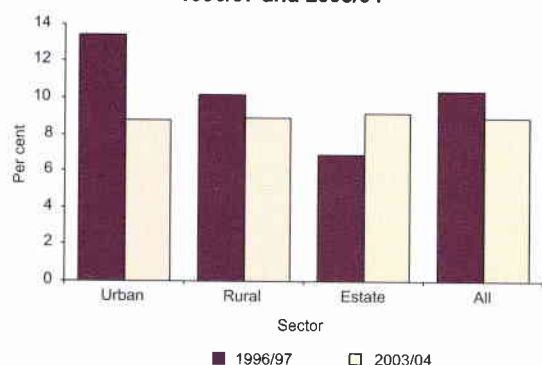
Sector	1996/97(a)	2003/04(a)	2003/04(b)
Urban	13.4	9.0	8.8
Rural	10.2	9.0	8.9
Estate	6.9	9.2	9.2
All Sectors	10.4	9.0	8.9

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Chart 5.8

Unemployment Rate by Sector 1996/97 and 2003/04



unemployment rate between the two survey periods reflected the expansion in economic activity during this period. However, the overall decline in unemployment was not uniformly seen across sectors or provinces.

Sector-wise, the unemployment rates declined in both urban and rural sectors and increased in the estate sector, thereby reducing sectoral differences (Chart 5.8). The decline in the unemployment rate in the urban sector was by 4.6 percentage points. As a result, the urban sector, which reported the highest unemployment rate in the previous survey, recorded the lowest rate in 2003/04 (Table 5.38). In contrast, the estate sector, which recorded the lowest unemployment rate in CFS 1996/97 and preceding surveys, became the sector that had the highest rate of unemployment. The sectoral changes in unemployment between surveys also reflect uneven regional economic development, where economic activities had expanded at a much faster pace in the urban sector compared to the other sectors.

In the provincial analysis, the lowest unemployment rate was in the Northern province and highest rate in the Southern province, followed by the Central province, both at two digit levels (Table 5.39). The unemployment rates in the other provinces were quite close and below the national rate. Except in the North Central and North Western provinces, the

Table 5.39

Unemployment Rate by Province 1996/97 and 2003/04 (As a percentage of labour force)

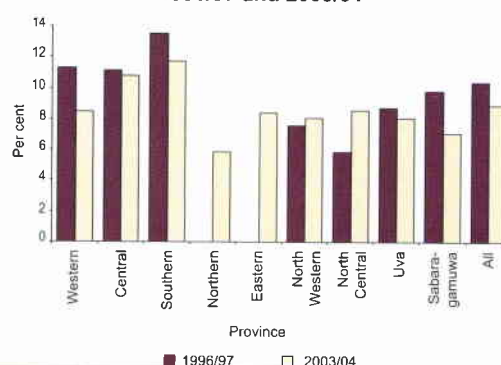
Province	1996/97 (a)	2003/04 (b)
Western	11.3	8.5
Central	11.1	10.7
Southern	13.5	11.7
Northern	—	5.8
Eastern	—	8.4
North Western	7.6	8.0
North Central	5.9	8.5
Uva	8.7	8.1
Sabaragamuwa	9.8	7.1
All Provinces	10.4	8.9

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Chart 5.9

Unemployment Rate by Province 1996/97 and 2003/04



unemployment rate had declined in all other provinces between 1996/97 and 2003/04, resulting in a decrease in the overall unemployment rate and in provincial differences (Chart 5.9). One of the reasons for the low level of unemployment in the Northern province was the considerably lower LFPR recorded in that province, indicating that those without employment but willing to work from those areas, had migrated to other provinces or abroad in search of employment. This hypothesis was supported by the higher migration rate in this province discussed in Chapter 3.

Unemployment by Gender

The survey results indicated that the unemployment rate for females remained over twice that for males in 2003/04 (Table 5.40). The unemployment rate was 6.3 per cent for males and 14.2 per cent for females. In the total labour force participation, the male share dominated at 66.4 per cent, while the female share was 33.6 per cent. However, among the unemployed, the male unemployed share was 46.5 per cent, while the female unemployed share was 53.5 per cent. These data show that the unemployment problem was significantly greater among females. The higher incidence of unemployment among females was observed in previous surveys too. However, in comparison to the situation that prevailed in 1996/97, the 2003/04 survey data indicated a decline in the female unemployment rate. Overall,

Table 5.40

Unemployment Rate by Gender and Sector 1996/97 and 2003/04 (As a percentage of labour force)

Gender	1996/97 (a)				2003/04 (b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Male	8.3	6.1	6.1	6.4	6.4	6.2	7.4	6.3
Female	23.9	17.7	7.9	17.5	13.5	14.6	11.4	14.2
All	13.4	10.2	6.9	10.4	8.8	8.9	9.2	8.9

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.41
Unemployment Rate by Gender and Province
(As a percentage of labour force)

Gender	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	
Male	6.6	6.9	8.2	3.1	3.9	5.4	6.5	5.5	5.7	6.3
Female	12.0	18.3	17.4	12.5	21.1	14.1	13.3	12.7	9.5	14.2
All	8.5	10.7	11.7	5.8	8.4	8.0	8.5	8.1	7.1	8.9

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

while the unemployment rate declined from 10.4 per cent to 8.9 per cent, the decline in male unemployment was marginal, while that in female unemployment was instrumental in achieving the overall decline in the unemployment rate.

The male unemployment rate had increased marginally in the rural sector, and significantly in the estate sector, while declining in the urban sector (Table 5.40). There was a considerable decline in the female unemployment rate in the urban sector, while the female unemployment rate in the rural sector had also declined. However, the female unemployment rate in the estate sector rose. In the estate sector, women had historically enjoyed equal opportunity for employment, though female unemployment had been an acute problem in the other two sectors. The 2003/04 survey data indicated a shift from that trend, towards the gender pattern of unemployment in the other two sectors. Thus, sector disparities in the unemployment pattern appeared to be diminishing.

The provincial statistics revealed that, except in two provinces, Western and Sabaragamuwa, the female unemployment rate was over twice the male unemployment rate. Significant gender differences in unemployment rates were observed in the Eastern and Northern provinces, where the war that prevailed may have discouraged emergence of economic activities for women, while encouraging men to migrate elsewhere for

employment (Table 5.41). Also, unlike for men, war related obstacles and cultural barriers may also have prevented women from migrating from these provinces to where job opportunities were available. Understandably, the lowest difference was recorded in Sabaragamuwa province, where female oriented economic activities such as rubber tapping and tea plucking are widespread, followed by the more urban Western province where economic activities had expanded irrespective of gender.

Unemployment by Age

The survey results indicated that the unemployment rate had declined between surveys in all age groups below 55 years but that unemployment continued to be high among the youth (Table 5.42). The unemployment rate was highest at 36 per cent, in the age group of 15–18 years. This is expected, as this age group represents early school leavers who are not highly academically qualified and have no training or job experience, as they are the new entrants to the job market. Furthermore, they are under-aged for most institutional sector jobs. Accordingly, following the pattern that historically prevailed, this age group recorded the highest unemployment rate. The unemployment rate among those aged 19–24 years was also high at 30 per cent. These segments mostly represent youth who had passed the GCE (O/L) or GCE (A/L) or were recent graduates and were aspiring to employment opportunities that they perceived to be commensurate with their level of education. However, at higher age groups, the unemployment rate was much lower, providing evidence that suitable employment opportunities became available with age and experience.

Sector-wise statistics suggested the same trend. However, there were differences between the two surveys. Unemployment rates in nearly all age groups had declined in the urban and rural sectors and risen in the estate sector by 2003/04. Unemployment in the youngest age group was lowest in the urban sector where opportunities had been comparatively higher, and highest in the estate sector where opportunities appear to have declined. The provincial statistics also indicated the same relationship between age and unemployment (Table 5.43). The only exception was in the Northern province, where the overall unemployment rate was exceptionally low due to specific reasons associated with the security situation that were discussed earlier.

Table 5.42
Unemployment Rate by Age Group and Sector
1996/97 and 2003/04
(As a percentage of labour force)

Age Group (Years)	1996/97 (a)				2003/04 (b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
15-18	38.5	34.4	37.5	35.2	29.6	35.8	44.8	36.0
19-24	33.1	32.5	20.5	31.9	27.9	30.6	26.3	30.0
25-34	14.5	10.4	4.0	10.5	8.2	9.2	6.7	8.9
35-44	4.7	2.6	—	2.7	2.8	2.0	1.9	2.1
45-54	3.5	0.8	—	1.1	1.7	0.7	0.8	0.8
Over 54	0.5	0.4	1.3	0.4	0.3	0.5	—	0.4
All	13.4	10.2	6.9	10.4	8.8	8.9	9.2	8.9

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.43
Unemployment Rate by Age Group and Province
(As a percentage of labour force)

Age Group (Years)	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara- gamuwa	
15-18	34.1	46.0	45.1	0.0	25.6	33.3	32.7	40.3	24.2	36.0
19-24	28.2	34.5	37.3	14.6	32.6	28.3	26.5	31.3	25.2	30.0
25-34	8.0	9.3	13.0	13.4	7.7	8.2	8.5	7.3	8.1	8.9
35-44	1.9	3.2	3.8	0.0	0.7	1.1	2.6	0.5	2.4	2.1
45-54	1.3	0.7	1.4	0.0	0.0	0.2	0.4	0.7	0.4	0.8
Over 54	0.6	0.3	0.5	0.0	0.9	0.3	0.0	0.6	0.3	0.4
All	8.5	10.7	11.7	5.8	8.4	8.0	8.5	8.1	7.1	8.9

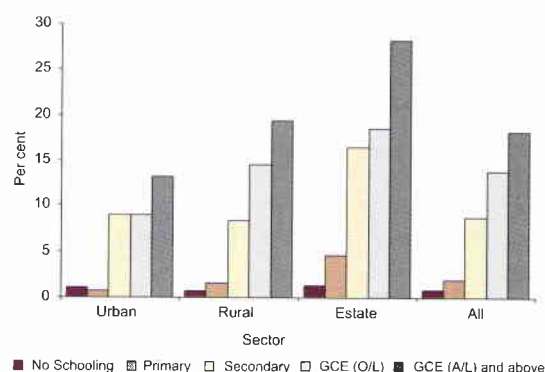
(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Unemployment by Level of Education

When compared with CFS 1996/97, it was seen that the unemployment rate had fallen at all levels of education from primary level onwards. The economic expansion between the two survey periods would have created new opportunities for educated youth in the private sector (Table 5.44). However, in the CFS 2003/04 too, the unemployment rate among the more educated continued to be high (Chart 5.10).

The unemployment rate was lowest among those with no schooling, while the rate increased with the level of education up to GCE (A/L). The low level of unemployment that prevailed among those with no schooling and primary level education was basically due to the fact that persons at those levels of education have lower expectations and accept the available jobs in the market as well as a salary determined by the market. In contrast, the unemployment rate among the more educated was comparatively high at double-digit level, with nearly one fifth of GCE (A/L) qualified persons being more selective when seeking suitable employment in the job market. The reason for this high incidence of unemployment among the educated was the expectation of suitable, institutionalised, white-collar jobs that the market was currently unable to fulfil adequately. The

Chart 5.10
Unemployment Rate by Level of Education and Sector



unemployment problem among the young and educated indicates a gross mismatch between the education system and labour market needs in the country, and points out the necessity for educational reforms to match with the conditions in the labour market.

Sector-wise statistics revealed that the unemployment rate had fallen at all levels of education from primary level onwards in all sectors. Meanwhile, the relative unemployment among the more educated remained greater in the estate sector although the numbers were small, where nearly one fifth of GCE (O/L) qualified persons and over one fourth of GCE (A/L) and higher qualified persons were unemployed, highlighting the lack of employment opportunities at higher levels of education in this sector (Table 5.44). In contrast, the unemployment rate in the urban sector in these two educational categories, although high, was less than half the rate in the estate sector. At all levels of education, unemployment rates were highest in the estate sector and lowest in the urban sector.

The provincial unemployment rates by levels of education revealed a similar pattern to the overall pattern across all provinces (Table 5.45). Unemployment rates had declined between surveys at all levels of education from primary onwards in nearly all provinces. The rates of decline were greater at the higher levels of education. Yet, in all provinces, the unemploy-

Table 5.44
Unemployment Rate by Level of Education and Sector
1996/97 and 2003/04
(As a percentage of labour force)

Level of Education	1996/97 (a)				2003/04 (b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
No schooling	0.0	0.5	1.1	0.7	1.1	0.7	1.3	0.8
Primary	3.3	1.8	4.9	2.3	0.7	1.6	4.6	1.9
Secondary	14.3	10.8	17.3	11.4	9.0	8.3	16.5	8.7
GCE (O/L)	19.9	18.5	40.0	18.9	9.0	14.5	18.5	13.8
GCE (A/L) and above	16.8	26.5	40.0	24.6	13.2	19.4	28.2	18.2
All	13.4	10.2	6.9	10.4	8.8	8.9	9.2	8.9

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.45
Unemployment Rate by Level of Education and Province 1996/97 and 2003/04
(As a percentage of labour force)

Province	Primary and below		Secondary		GCE (O/L)		GCE (A/L) and above		All	
	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)
Western	3.6	1.9	11.3	7.9	16.3	8.2	18.1	14.1	11.3	8.5
Central	2.9	2.6	14.2	13.1	24.4	18.0	25.7	19.0	11.1	10.7
Southern	0.8	1.7	13.8	10.8	24.2	21.7	40.1	22.8	13.5	11.7
Northern	—	0.0	—	0.7	—	5.7	—	22.3	—	5.8
Eastern	—	0.8	—	7.6	—	18.0	—	25.7	—	8.4
North Western	1.4	1.8	8.7	6.9	14.4	13.6	19.1	18.3	7.6	8.0
North Central	0.4	1.1	7.3	7.6	17.2	17.0	20.0	22.8	5.9	8.5
Uva	1.6	1.2	11.2	11.0	20.0	13.0	28.6	22.3	8.7	8.1
Sabaragamuwa	1.3	1.4	11.5	7.0	20.9	11.6	30.2	20.9	9.8	7.1
All Provinces	2.0	1.6	11.4	8.7	18.9	13.8	24.6	18.2	10.4	8.9

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

ment problem was acute among the more educated, further emphasising the mismatch across all regions between the available job opportunities in the market and expectations of the job aspirants. The unemployment rate among persons with GCE (A/L) and higher qualifications was comparatively lower in the Western province due to more widespread economic activities in that province. Although the overall unemployment rate was low in the Northern province, unemployment among the educated was high.

Expected Occupation

The preferred expected occupation of the unemployed was to be a clerk. Of the total unemployed persons, over one fifth expected clerical occupations (Table 5.46). In addition to clerical jobs, there was also higher demand among unemployed persons to be professionals, technicians and associate professionals, plant and machine operators and assemblers and elementary occupation workers. One notable fact was that expectations to become skilled agricultural or fishery workers were only 1.4 per cent in 2003/04. This indicates the lack of willingness among the

currently unemployed to engage in agricultural activities, even at a skilled level (Chart 5.11).

Chart 5.11
Distribution of Unemployed Persons by Expected Occupation
1996/97 and 2003/04

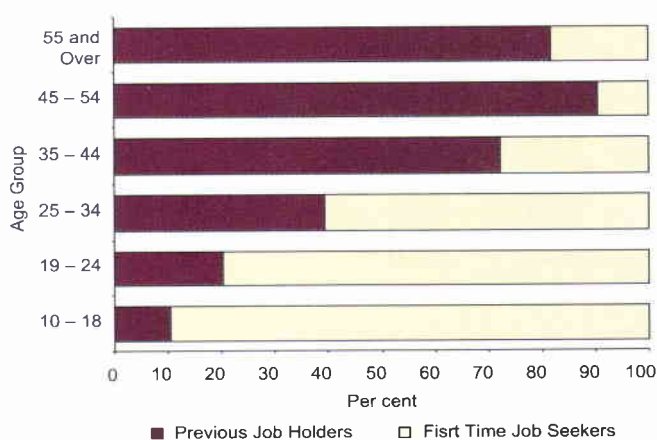


Table 5.46
Distribution of Expected Occupation within Gender 1996/97 and 2003/04

Occupation	1996/97 (a)			2003/04 (b)		
	Male	Female	Both	Male	Female	Both
Legislators, Senior Officials and Managers	3.4	0.3	1.5	3.1	0.4	1.7
Professionals	4.4	23.0	15.6	4.7	17.8	11.7
Technicians and Associate Professionals	4.1	5.9	5.2	9.9	10.7	10.3
Clerks	19.8	24.8	22.8	14.0	28.5	21.7
Service Workers and Shop and Market Sales Workers	8.7	3.5	5.5	14.0	3.2	8.2
Skilled Agricultural and Fishery Workers	3.0	2.1	2.5	1.2	1.5	1.4
Craft and Related Workers	20.9	24.0	22.7	12.7	7.4	9.9
Plant and Machine Operators and Assemblers	11.6	4.8	7.5	14.8	9.6	12.0
Elementary Occupations	13.6	5.4	8.7	13.5	8.6	10.9
Armed Forces	2.1	0.5	1.2	1.8	0.3	1.0
Unidentified	8.4	5.8	6.8	10.3	12.0	11.2
Total	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5. 47
Distribution of Expected Occupation within Age Group

Occupation	Age Group					All
	10 – 18	19 – 24	25 – 34	35 – 44	Over 44	
Legislators, Senior Officials and Managers	0.8	0.9	2.5	4.1	9.3	1.7
Professionals	4.3	10.6	19.7	10.3	7.0	11.7
Technicians and Associate Professionals	4.3	11.9	12.5	6.2	0.0	10.3
Clerks	11.7	25.2	22.1	18.6	9.3	21.7
Service Workers and Shop and Market Sales Workers	11.3	7.5	7.1	12.4	7.0	8.2
Skilled Agricultural and Fishery Workers	1.6	0.9	2.0	3.1	0.0	1.4
Craft and Related Workers	17.2	9.8	5.2	11.3	9.3	9.9
Plant and Machine Operators and Assemblers	14.1	12.1	11.1	10.3	11.6	12.0
Elementary Occupations	13.7	9.1	9.6	15.5	37.2	10.9
Armed Forces	2.0	1.2	0.2	0.0	2.3	1.0
Unidentified	19.1	10.8	8.1	8.2	7.0	11.2
Total	100	100	100	100	100	100

Gender-wise, over 28 per cent of unemployed females preferred clerical jobs, while the percentage for males was 14 per cent in 2003/04. Also, the expectation of being professionals was higher among women compared with men. The difference between jobs expectations of unemployed males and females partly explains why the female unemployment rate is high compared to the male unemployment rate. In addition, there was a marked shift in preference for plant and machinery occupations by both sexes and service and sales workers among males in 2003/04 over 1996/97, and declining demand for craft related jobs. This may have been the outcome of new opportunities in the services and industry sectors that were replacing traditional craft related occupations.

The younger job seekers, aged less than 18 years, mostly expected labour intensive jobs according to the CFS 2003/04 (Table 5.47). The lower expectations of this age group is a result of their lower levels of education, lack of training and inexperience in the job market. Those aged 19-34 years expected clerical and professional jobs. However, job aspirants of over 35 years of age were less ambitious and many of them above 45 years expected elementary jobs.

The majority of those with university education sought employment in professional activities. Among the unemployed

with GCE (A/L) qualifications, 40 per cent preferred clerical jobs, while 24 per cent of the GCE (O/L) qualified unemployed also preferred clerical jobs (Table 5.48). These expectations deviate from the existing demand in the labour market and explain why the level of unemployment was high among the more educated. The unemployed at relatively lower levels of education preferred employment in elementary occupations and as plant and machine operators and assemblers, which were probably more consistent with labour market demands, thereby explaining the lower unemployment rates at lower levels of education.

The sector-wise disaggregation recorded a shift in expectations between surveys in certain categories in 2003/04. The urban sector unemployed expected white-collar jobs, while such expectations least prevailed in the estate sector (Table 5.49). In the estate sector, expectations were for labour intensive jobs. However, over the 7 year period there was a significant shift in the estate sector from demand for skilled agricultural jobs to clerical and plant and machinery occupations. Probable reasons could have been that with higher educational attainment, manual jobs in the estate sector were becoming unattractive, or that with the focus on greater productivity in plantation companies, traditional skilled agricultural job prospects were becoming leaner. The rural sector unemployed also preferred white-collar

Table 5.48
Distribution of Expected Occupation within Level of Education

Occupation	Level of Education						All
	No schooling	Primary	Secondary	GCE (O/L)	GCE (A/L)	Graduate	
Legislators, Senior Officials and Managers	0.0	0.0	1.6	1.7	1.8	3.3	1.7
Professionals	0.0	0.0	3.1	10.5	21.6	61.7	11.7
Technicians and Associate Professionals	0.0	0.0	4.8	13.9	17.6	13.3	10.3
Clerks	0.0	3.8	10.9	24.1	40.4	15.0	21.7
Service Workers and Shop and Market Sales Workers	0.0	9.0	11.6	7.7	4.4	1.7	8.2
Skilled Agricultural and Fishery Workers	30.0	9.0	1.5	0.6	0.2	0.0	1.4
Craft and Related Workers	10.0	11.5	15.9	8.2	2.6	1.7	9.9
Plant and Machine Operators and Assemblers	10.0	14.1	19.7	11.4	2.2	0.0	12.0
Elementary Occupations	40.0	39.7	14.2	10.5	2.4	0.0	10.9
Armed Forces	0.0	0.0	1.2	1.4	0.8	0.0	1.0
Unidentified	10.0	12.8	15.7	9.9	6.0	3.3	11.2
Total	100	100	100	100	100	100	100

Table 5.49
Distribution of Expected Occupation within Sector 1996/97 and 2003/04

Occupation	1996/97 (a)				2003/04 (b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Legislators, Senior Officials and Managers	1.2	1.7	0.0	1.5	1.9	1.7	0.0	1.7
Professionals	11.7	16.7	9.9	15.6	12.5	12.0	6.2	11.7
Technicians and Associate Professionals	6.6	5.1	1.4	5.2	15.4	10.0	5.3	10.3
Clerks	28.4	22.8	2.8	22.8	24.5	22.2	10.6	21.7
Service Workers and Shop and Market Sales Workers	6.6	5.0	12.7	5.5	10.6	7.9	8.0	8.2
Skilled Agricultural and Fishery Workers	0.8	0.8	39.4	2.5	0.0	1.0	8.8	1.4
Craft and Related Workers	23.7	23.1	12.7	22.7	4.8	10.9	6.2	9.9
Plant and Machine Operators and Assemblers	6.2	7.8	5.6	7.5	9.1	12.2	15.9	12.0
Elementary Occupations	8.2	8.5	12.7	8.7	12.0	10.1	18.6	10.9
Armed Forces	2.3	1.0	0.0	1.2	0.5	1.2	0.0	1.0
Unidentified	4.3	7.5	2.8	6.8	8.7	10.8	20.4	11.2
Total	100	100	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

jobs, but when compared with the other two sectors, the rural sector unemployed had diversified expectations. One notable fact was that even in the rural sector, only one per cent were ready to become skilled agricultural workers. The availability of alternative employment opportunities in recent years could have influenced these expectations.

First Time Job Seekers and Previous Job Holders

The unemployed can be divided into two categories, namely, first time job seekers and previous job holders. In 2003/04, 72 per cent of the unemployed were first time job seekers. Meanwhile, of the total unemployed, the share of first time job seekers had declined continuously over time in all sectors (Table 5.50). In

1981/82, only 13 per cent of the job seekers had previous job experience, but the share had more than doubled to 28 per cent by 2003/04. This emphasises a gradual change in the labour market, where the market is changing from a life long job concept to a more market oriented structure, where changing jobs is becoming a part of the process of advancement in employment. Also, this observation indirectly indicated the improvement in the information flow in the job market which would have helped potential job seekers to find employment speedily.

The age-wise analysis showed the obvious, that most of the young were first time job seekers (Chart 5.12). Of the unemployed, 90 per cent of persons aged 15–18 years had no previous job experience (Table 5.51). This share declined gradually with age among both sexes, in contrast to the share of

Table 5.50
Distribution of First Time Job Seekers and Previous Job Holders within Sector 1996/97 and 2003/04
(As a percentage of unemployed persons)

Sector	Previous Job Holders				First Time Job Seekers			
	1981/82	1986/87 (a)	1996/97 (a)	2003/04 (b)	1981/82	1986/87 (a)	1996/97 (a)	2003/04 (b)
Urban	16	20	24	31	84	80	76	69
Rural	12	15	22	28	88	85	78	72
Estate	18	19	20	20	82	81	80	80
All Sectors	13	17	22	28	87	83	78	72

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.51
First Time Job Seekers and Previous Job Holders by Age Group and Gender

Age Group	All Unemployed Persons			Previous Job Holders			First Time Job Seekers		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
15 – 18	53.1	46.9	100	10.3	10.8	10.5	89.7	89.2	89.5
19 – 24	49.3	50.7	100	20.3	19.9	20.1	79.7	80.1	79.9
25 – 34	36.4	63.6	100	52.7	32.0	39.6	47.3	68.0	60.4
35 – 44	36.1	63.9	100	97.1	58.1	72.2	2.9	41.9	27.8
45 – 54	68.8	31.3	100	95.5	80.0	90.6	4.5	20.0	9.4
Over 54	63.6	36.4	100	85.7	75.0	81.8	14.3	25.0	18.2
All	46.5	53.5	100	30.4	25.5	27.8	69.6	74.5	72.2

Table 5.52
First Time Job Seekers and Previous Job Holders by Sector and Gender

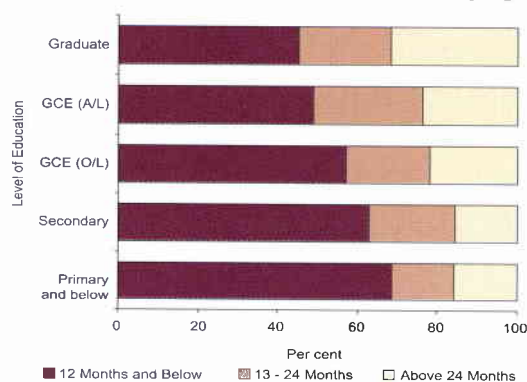
Sector	All Unemployed Persons			Previous Job Holders			First Time Job Seekers		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1996/97 (a)	40.0	60.0	100	25.3	19.6	21.9	74.7	80.4	78.1
2003/04 (b)	46.5	53.5	100	30.4	25.5	27.8	69.6	74.5	72.2
Urban	48.6	51.4	100	36.6	25.2	30.8	63.4	74.8	69.2
Rural	46.3	53.7	100	30.0	26.1	27.9	70.0	73.9	72.1
Estate	45.1	54.9	100	23.5	17.7	20.4	76.5	82.3	79.6

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Chart 5.12

First Time Job Seekers and Previous Job Holders by Age Group



(Table 5.52). Compared with 1996/97, the share of job seekers with previous experience was higher for both males and females in 2003/04, consistent with the overall trend over time.

Unemployed Persons with Professional and Technical Training

About 75 per cent of the total unemployed persons had no professional or technical training, a similar share to the previous survey. This may indicate that not having a job oriented training was a disadvantage for the unemployed in the job market (Table 5.53).

Duration of Unemployment

Whether for first time job seekers or for previous job holders, even for a short duration, unemployment is generally undesirable. Short-term unemployment, defined as the period of being unemployed less than 12 months, is a less serious problem than the longer term. Continuing the positive trend observed in previous surveys, the relative share of short-term unemployment had increased and that of long-term unemployment fell in 2003/04 (Table 5.54).

Of the total unemployed in 2003/04, 57 per cent were seeking employment over a period of 12 months or less, compared to 55 per cent in the previous survey. Similarly, the share of those who were seeking employment for over a two year period had reduced from 23 per cent to 20 per cent. The decline in the duration of unemployment suggests increasing dynamism in the labour market and improvements in the labour market information system over the period.

The overall improvement recorded in the duration of unemployment was not seen in all three sectors of the economy (Table 5.54). The short-term unemployment was highest in the urban sector, reflecting both comparatively better availability of information, as well as job opportunities, in that sector. However, compared with 1996/97, the share of short-term unemployment had fallen in the urban sector. At the same time, the share of long-term unemployment had also declined in that sector. The equation was matched by the increased share of those whose waiting period for employment was 13–24 months. In the rural sector, there was an overall improvement, as the short term unemployment share had increased and the long-term share had declined. The situation in the estate sector had worsened between

previous job holders. Of the total unemployed aged 45–54 years, more than 90 per cent had previous job experiences. The trend was more marked for males than for females, indicating that females may be entering the job market for the first time after completing their family responsibilities, once their children have reached adulthood.

Sector-wise, the urban sector had the highest percentage of unemployed with previous job experience, while the estate sector had the least. Gender-wise more male employment seekers had previous job experience compared with their female counterparts

Table 5.53
Distribution of Unemployed Persons by Professional or Technical Skill 1996/97 and 2003/04

Professional or Technical Skill	1996/97 (a)	2003/04 (b)
Legislators, Senior Officials and Managers	0.1	0.1
Professionals	2.6	3.7
Technicians and Associate Professionals	1.4	9.9
Clerks	5.7	3.6
Service Workers and Shop and Market Sales Workers	1.0	1.4
Skilled Agricultural and Fishery Workers	0.2	0.1
Craft and Related Workers	8.2	3.6
Plant and Machine Operators and Assemblers	2.6	2.5
Elementary Occupations	0.1	0.1
Without Training	78.1	75.0
Total	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.54
Duration of Unemployment by Sector 1996/97 and 2003/04

Duration of Unemployment	1996/97(a)				2003/04(b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
12 Months and below	64.2	52.9	59.2	54.9	61.1	56.8	57.5	57.4
13 – 24 Months	17.5	23.0	25.4	22.2	22.1	23.0	23.0	22.9
Above 24 Months	18.3	24.1	15.5	22.9	16.8	20.2	19.5	19.8
Total	100	100	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

the two survey periods reflecting the overall deterioration in employment conditions in that sector discussed in previous sections.

In the provincial analysis, the short-term unemployment was highest in the Western Province where the long term unemployment was the lowest (Table 5.55). This again points to the more dynamic nature of the labour market prevailing in the Western province. It may also indicate the asymmetry in information on the availability of jobs in other provinces. When compared with 1996/97, data for the Southern province recorded the greatest improvement, with an increase in short term

unemployment and a decline in long term unemployment, while the situation in most other provinces had worsened, with a decline in the short term unemployment and an increase in long term unemployment, reflecting disparities in labour market information systems among provinces.

The CFS 2003/04 data suggested that there was a positive relationship between the duration of unemployment and the level of education of the job aspirants (Table 5.56). The lower the level of education, the lower was the waiting time for a job (Chart 5.13). The reason could be the fact that those with lower levels of education have lower expectations when they enter the job

Table 5.55
Duration of Unemployment by Province 1996/97 and 2003/04

Province	1996/97(a)				2003/04(b)			
	12 Months and below	13–24 Months	Above 24 Months	Total	12 Months and below	13–24 Months	Above 24 Months	Total
Western	62.5	20.8	16.6	100	63.9	19.2	16.8	100
Central	46.1	28.1	25.8	100	52.8	24.0	23.0	100
Southern	40.3	22.3	37.3	100	61.9	20.5	17.6	100
Northern	–	–	–	–	44.4	37.0	18.5	100
Eastern	–	–	–	–	47.9	22.9	29.2	100
North Western	58.4	21.5	20.1	100	54.2	25.5	20.3	100
North Central	64.6	21.5	13.8	100	49.5	30.3	20.2	100
Uva	57.4	23.1	19.4	100	52.7	25.5	21.8	100
Sabaragamuwa	60.2	18.3	21.5	100	57.6	23.4	19.0	100
All Provinces	54.9	22.2	22.9	100	57.4	22.9	19.8	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

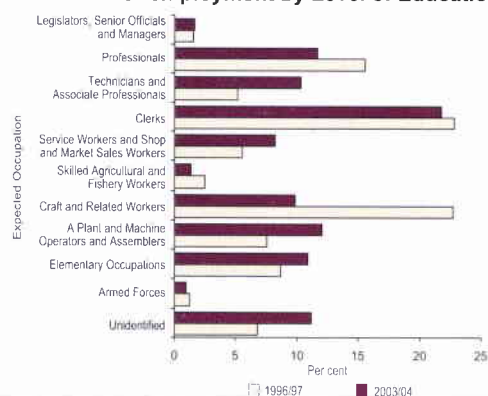
Table 5.56
Duration of Unemployment by Level of Education 1996/97 and 2003/04

Level of Education	1996/97(a)				2003/04(b)			
	12 Months and below	13–24 Months	Above 24 Months	Total	12 Months and below	13–24 Months	Above 24 Months	Total
Primary and below	59.4	23.6	17.0	100	68.5	15.7	15.7	100
Secondary	61.3	22.4	16.2	100	62.8	21.5	15.7	100
GCE (O/L)	49.2	24.9	25.9	100	57.1	21.0	21.9	100
GCE (A/L)	44.1	18.0	37.9	100	48.8	27.4	23.8	100
Graduate	47.8	26.1	26.1	100	45.0	23.3	31.7	100
All	54.9	22.2	22.9	100	57.4	22.9	19.8	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Chart 5.13
Duration of Unemployment by Level of Education



market. Also, jobs that need unskilled labour and are of a temporary nature are frequently available in the market that suit those with low levels of education. In contrast, the educated segment is selective about a future career and is willing to wait for the opportunity that would best suit their level of education.

5.6 Non-Participation in Labour Force

The share of persons in the working age population who were not in the labour force increased to 53.6 per cent in 2003/04 compared to 52.4 per cent in 1996/97. Also, the share of females in this category rose to 69.4 per cent in 2003/04 from 67 per cent in 1996/97, while the share of males fell from 33 per cent to 30.6 per cent (Table 5.57).

Apart from schooling or vocational training, the main reason for non-participation in the labour force was housework for both surveys with shares of 41.5 per cent and 33.2 per cent in 1996/97 and 2003/04, respectively (Table 5.58). The greater tendency of females to engage in housework to shoulder the responsibilities in their families was confirmed by the 56.0 per cent and 47.0 per cent shares of housework as a reason for non-participation of females in the labour force compared to 4.4 per

Table 5.57

Distribution of Persons Not in the Labour Force by Gender 1996/97 and 2003/04

	Male	Female	Total
1996/97(a)	33.0	67.0	100
2003/04(b)	30.6	69.4	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

cent and 1.8 per cent for males in 1996/97 and 2003/04, respectively.

Meanwhile, schooling as a reason for non-participation of females was comparatively low compared to males in both surveys and, in fact, schooling was the major reason for males. Even though housework was the main reason that had prevented females from participating in the labour force, there was a clear shift from housework to schooling or vocational training as a reason between the two surveys, signalling an increase in female focus on educational qualifications and vocational training to seek employment opportunities in the future, rather than engaging in housework which was the tradition in the past (Chart 5.14).

Chart 5.14

Reasons for Non Participation in Labour Force by Gender 1996/97 and 2003/04

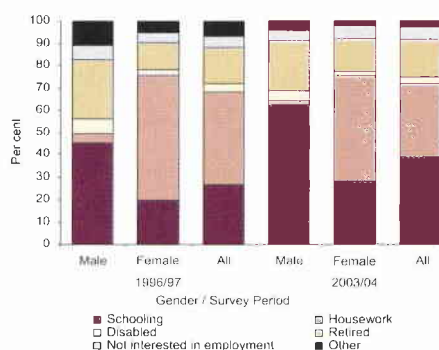


Table 5.58

Reasons for Non-Participation in Labour Force by Gender 1996/97 and 2003/04

Sector	Reason						Total
	Schooling / Vocational training	Housework	Disabled	Retired	Not interested	Other	
1996/97 (a)							
Male	45.0	4.4	6.7	26.5	8.1	9.3	100
Female	19.6	56.0	2.6	12.2	5.4	4.2	100
Both	26.8	41.5	3.7	16.3	6.2	5.6	100
2003/04 (b)							
Male	62.2	1.8	4.7	22.4	4.5	4.4	100
Female	28.1	47.0	2.0	15.0	5.6	2.3	100
Both	38.5	33.2	2.8	17.2	5.3	3.0	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 5.59
Reasons for Non-Participation in Labour Force by Province

Reason	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa	
Schooling / Vocational training	32.6	38.1	44.3	38.5	40.1	36.2	40.8	48.2	41.4	38.5
Housework	36.2	31.1	27.8	31.9	33.8	37.5	37.7	27.9	30.3	33.2
Disabled	2.4	3.5	2.6	1.4	1.7	2.9	3.1	2.7	4.5	2.8
Retired	18.5	18.9	18.6	23.3	15.3	15.4	13.1	14.8	15.2	17.2
Not interested in employment	6.0	5.9	3.9	2.9	6.8	4.7	3.7	4.2	6.5	5.3
Other	4.4	2.4	2.8	2.0	2.3	3.3	1.7	2.2	2.1	3.0
Total	100	100	100	100	100	100	100	100	100	100

(a) Excluding Killinochchi, Mannar and Mullativu districts

The province-wise distribution of the reasons for non-participation in the labour force also showed that schooling or vocational training and housework recorded the highest shares across all provinces in 2003/04. The Northern and Eastern provinces, which had significantly low LFPR, did not show any unusual reasons for such a situation compared to other provinces, except for a higher share of retired persons in the Northern province (Table 5.59) which reflected the age structure in that province that was discussed in Chapter 3.

In summary, the CFS 2003/04 data indicated some improvements in the labour market from 1996/97. The unemployment rate had declined between the two survey periods. Unemployment among educated youth had also declined compared to the previous survey. Yet, the survey findings also revealed that structural rigidities that prevailed in the labour

market continued, even at the threshold of the new century. The labour force participation rate was still below 50 per cent of the working age population. One encouraging development was that a considerable share of the youth was not ready to enter the labour market as they chose to pursue their education and skills training further. However, the female LFPR was still well below the male LFPR, when compared with their relative levels of education. High unemployment among the educated youth and young adults, though somewhat lower than before, continued to be of major concern, emphasising the need for structural change in the prevailing education system. The unemployed and underemployed together accounted for nearly one third of the labour force, which indicates significant underutilisation of productive human resources in the economy.

Housing, Household Amenities and Land Ownership

The status of socio economic conditions in households provides another set of key indicators of the development of a country. The Consumer Finances and Socio-Economic (CFS) surveys are the main sources of such information in Sri Lanka. The CFS collected household level data on housing conditions, availabilities of utilities and other household amenities for the different sectors and provinces in the country. In addition, the current survey included a new component of household information on the ownership of land by households.

This chapter analyses housing and land ownership based on the data from the current survey conducted in 2003/04 in comparison with the previous survey conducted in 1996/97. It was clear from the analysis that the quality of housing and access to household utilities and other amenities had risen, while sectoral differences had further declined between surveys. Significant improvements in infrastructure facilities had provided access to better housing, utilities and other household amenities in most parts of the country. Yet, provincial disparities as well as sectoral differences among the urban, rural and estate sectors in housing and access to household services such as water supply, electricity and telecommunications, still remained, further reflecting the adverse impact on the living conditions of the population of the civil conflict that had lasted for over 20 years.

6.1 Concepts, Definitions, Methodology of Data Collection and Limitations

This section provides clarification with respect to specific variables analysed in this chapter, as well as limitations to the analysis arising from the same. In this regard, information on **housing conditions** were recorded using the codes specified in the questionnaire for each specific category under each variable.

Under **types of houses** a **shanty** was defined as a housing unit located in a congested manner, constructed on land not owned by the occupant, made out of waste materials and temporary in nature and mostly located in low level land areas, road sides or canal banks, having minimal facilities.

Under **types of ownership**, houses in which the chief occupant was not the owner, but no rent was paid to the owner by the occupants for the purpose of living in the house were included as **own house** of the occupant. The tenure of accommodation was determined on *de-facto* basis in relation to the chief occupant.

In the case of houses that were built with a combination of different materials, the **type of material** used for construction of houses was determined on the basis of physical verification of the materials used in greatest extent.

Availability of household amenities was collected on the basis of the ownership of those amenities. Ownership of **consumer durables** was defined in terms of physical ownership and use of such items on the date of the first field visit, irrespective of the number owned of the same item. The ownership of any new consumer durable that had not been used at the time of enumeration was excluded on the basis of physical verification.

Supporting legal documentary evidence was not taken into account to determine the legal **ownership of land**. In this regard, if land owned by a household member was leased out to another party at the time of first field visit, it was assumed that the legal owner was the same as the freehold owner. Government encroached lands and thattumaru lands were excluded from the land ownership of households. The information on the utilisation of land they owned was collected through quantitative estimates given by the respondents on the extent of lands used for different purposes by the households.

6.2 Housing Conditions

Housing conditions provide another indicator of the standard of living. As in the previous surveys, the current survey collected detailed information with regard to the type of housing, type of ownership and physical features of houses in the sample.

Types of Houses

The country's housing stock consisted of a wide array of residential types, which included single houses, condominiums and flats, attached houses and annexes, line rooms and row houses and shanties. The predominant dwelling type was the single unit house which accounted for around 91 per cent of the total sample (Table 6.1). This is related to the prevailing social preferences regarding type of dwelling. Comparison with the results of the previous survey revealed an increasing prevalence of single houses in all three sectors, with significant improvement in the estate sector. In the estate sector, single houses increased from 10 per cent in 1996/97 to 28 per cent in 2003/04, a nearly 3 fold increase. This would reflect the combined efforts of the government and estate sector management to uplift the living standards of the estate workers by allocating more resources to their housing needs. However, the line rooms / row houses share in the estate sector was still high (63 per cent). The attached houses / annexes / line rooms / row houses share in the urban sector declined from 23 per cent to 13 per cent between the two survey periods, to be replaced by single houses, to a large extent. There were no material changes in the types of houses lived in by the rural sector.

Table 6.1
Types of Houses by Sector – 1996/97 and 2003/04
(As a percentage of households)

Type of Housing Unit	Sector							
	Urban		Rural		Estate		All Sectors	
	1996/97(a)	2003/04(b)	1996/97(a)	2003/04(b)	1996/97(a)	2003/04(b)	1996/97(a)	2003/04(b)
Single House	70.3	79.7	96.4	96.9	10.2	28.1	88.5	91.2
Condominium / Flat	4.8	5.3	0.5	0.7	0.0	0.0	1.0	1.3
Attached House / Annex	23.0	9.3	2.9	1.5	83.2	7.9	9.7	2.8
Line Room / Row House (c)	0.0	3.4	0.0	0.3	0.0	63.4	0.0	3.9
Shanty	1.7	2.0	0.1	0.6	0.2	0.5	0.3	0.8
Other	0.1	0.3	0.2	0.1	6.4	0.2	0.5	0.1

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

(c) Recorded under attached house/annex category in the 1996/97 survey.

The provincial data on housing showed that over 85 per cent were single houses in most provinces except the Central province (78.5 per cent) (Table 6.2). The low percentage of single houses in the Central province was due to the high share of line rooms/ row houses (15.4 per cent) as 52 per cent of the estate sector resided in this province. In the Uva and Sabaragamuwa provinces too, the shares of line rooms/row houses were relatively high for similar reasons.

The share of single houses in the more urban Western province was relatively lower as condominiums / flats and attached houses/ annexes were more prevalent there. The share of shanties in the Northern province was the highest (3.9 per cent) among all provinces and probably reflected temporary living conditions of families following the destruction caused by the civil conflict in those areas over the past 20 years.

Analysis by income quintiles indicated that the share of single houses at around 90 per cent showed no relationship with the level of income, merely indicating preferences to live in single houses at all levels in the society. Although the shares were low in all other categories, households living in condominiums / flats and attached houses/annexes rose with income level (Table 6.3).

Table 6.3
Types of Houses by Income Quintile
(As a percentage of households)

Type of Housing Unit	Six Month Household Income Quintile					All
	1	2	3	4	5	
Single House	89.0	89.3	93.6	93.6	90.7	91.2
Condominium / Flats	0.3	0.1	0.5	0.9	4.5	1.3
Attached House / Annex	2.1	2.3	2.8	3.1	3.7	2.8
Line Room / Row House	7.0	7.2	2.5	1.9	0.8	3.9
Shanty	1.6	1.1	0.5	0.4	0.2	0.8
Other	0.1	0.0	0.0	0.2	0.1	0.1
Total	100	100	100	100	100	100

Types of Ownership

In terms of ownership, houses were classified as owned by household, owned by government/ employer, leased in/ rented, free of rent and other, such as collectively owned. Nearly, 90 per cent of the houses in the country were self-owned. As in the previous survey, the feature of a high proportion of self-owned houses was mainly observed in the urban and rural sectors. The percentage of self-owned houses had remained at the same level of about 80-85 per cent in the urban sector and 90-95 per cent in the rural sector between the two survey periods (Table 6.4).

Table 6.2
Types of Houses by Province
(As a percentage of households)

Type of Housing Unit	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	
Single House	88.9	78.5	97.3	93.3	96.5	97.8	98.7	86.6	91.7	91.2
Condominium / Flats	3.0	1.2	0.3	1.1	0.5	0.4	0.1	0.8	0.7	1.3
Attached House / Annex	5.1	4.4	0.9	1.4	2.1	1.1	0.8	2.9	1.2	2.8
Line Room / Row House	1.8	15.4	1.1	0.0	0.0	0.0	0.1	9.1	6.0	3.9
Shanty	1.1	0.2	0.3	3.9	0.9	0.7	0.3	0.6	0.3	0.8
Other	0.2	0.3	0.1	0.3	0.0	0.0	0.0	0.0	0.1	0.1

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 6.4
Type of Ownership by Sector 1996/97 and 2003/04
(As a percentage of households)

Type of Ownership	Sector							
	Urban		Rural		Estate		All Sectors	
	1996/97(a)	2003/04(b)	1996/97(a)	2003/04(b)	1996/97(a)	2003/04(b)	1996/97(a)	2003/04(b)
Own House	84.5	82.9	95.5	94.3	10.2	21.5	89.5	89.2
Own by Govt. / Employer	1.9	3.2	0.4	1.0	74.7	74.1	4.6	5.0
Leased in / Rented	9.1	8.3	1.6	1.7	1.3	0.2	2.5	2.5
Free of Rent	3.6	5.0	2.1	2.9	13.2	4.2	2.9	3.2
Other	0.9	0.5	0.5	0.1	0.6	0.0	0.5	0.1

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

In the estate sector, the share of self-owned houses increased from 10 per cent in 1996/97 to 21.5 per cent in 2003/04, while the share of rent free houses declined from 13.2 per cent to 4.2 per cent. However, as in the past, the share of houses owned by the employer remained the most predominant and unchanged at around 75 per cent in the estate sector.

The disaggregation of ownership of houses by provinces showed that most provinces except the Northern, Central and Uva provinces had more than 90 per cent of self-owned houses (Table 6.5). The Northern province had the lowest share (63.3 per cent) of self-owned houses and there were also around 29 per cent of households living in rent free houses reflecting the temporary nature of housing conditions awaiting the re-construction of houses damaged in the civil war during the past two decades in those areas. In the Eastern province too the share of rent free houses was higher (6 per cent) than in other provinces, probably for the same reasons. Government/employer owned houses in the Central and Uva provinces were 17.7 and 11.9 per cent, respectively, due to the significant presence of plantation workers in those provinces. The highest percentage (97.6 per cent) of self-owned houses was in the North Central province.

Type of ownership by income indicated that the share of households living in their own houses rose with income, but even in the poorest quintile, 86 per cent owned their houses (Table 6.6). In the other, less frequent, categories, the share of leased and rented houses rose with income, while those owned by government /employer or that were free of rent fell.

Table 6.6
Type of Ownership by Income Quintile
(As a percentage of households)

Type of Ownership	Six Month Household Income Quintile					All
	1	2	3	4	5	
Own House	85.7	86.6	90.3	91.6	91.7	89.2
Own by Govt. / Employer	7.5	8.3	3.8	3.2	2.3	5.0
Leased in / Rented	1.1	1.4	2.7	3.1	3.9	2.5
Free of Rent	5.4	3.6	3.1	2.0	1.9	3.2
Other	0.3	0.1	0.1	0.1	0.1	0.1

Occupancy

The degree of congestion in residential houses is an indication of the state of occupancy of a country's housing stock. The number of rooms per person and the floor area per person are two indicators used to measure congestion. A room was defined as an enclosure used for living purposes, which is separated from bathrooms, toilets and open verandahs. A kitchen was also treated as a room. The floor area was the area defined by the exterior measurements of the house.

The average floor area (square meters per person) rose from 14.7 in 1996/97 to 16.8 in 2003/04, while the number of rooms per person rose from 0.9 to 1.1 during the period, reflecting a decline in congestion in residential houses (Chart 6.1). The progress achieved in improving the residential housing stock in the country during the last two decades may have been one reason

Table 6.5
Type of Ownership by Province
(As a percentage of households)

Type of Ownership	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa	
Own House	90.5	76.4	94.9	63.3	91.5	95.1	97.6	85.4	90.6	89.2
Own by Govt. / Employer	2.2	17.9	1.9	0.6	0.8	1.4	0.4	11.9	7.4	5.0
Leased in / Rented	4.9	1.8	1.4	7.2	1.5	1.3	0.9	0.8	0.8	2.5
Free of Rent	2.2	3.8	1.7	28.9	6.0	1.9	1.0	1.9	1.2	3.2
Other	0.2	0.1	0.2	0.0	0.1	0.3	0.0	0.0	0.0	0.1

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 6.7
Measures of Congestion in Houses by Sector
1996/97 and 2003/04

Measure	1996/97 (a)				2003/04 (b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Floor Area per Person (Sq.Mt.)	15.9	15.2	4.8	14.7	18.8	17.1	7.6	16.8
Rooms per Person	0.9	1.0	0.5	0.9	1.1	1.1	0.7	1.1

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

for reduced congestion, while the falling household size could have been another.

A sector wise analysis of measures of congestion revealed that floor area per person was higher in the urban sector than the rural and estate sectors in both surveys, and had risen in all three sectors between surveys. A similar trend and sectoral differences were observed in the number of rooms per person (Table 6.7). The lower congestion in urban and rural sectors would be due to middle and high income earners who had the capacity to bear the cost of building larger houses in those areas, compared to the poorer living conditions in the estate sector.

Chart 6.1
Measures of Congestion in Houses

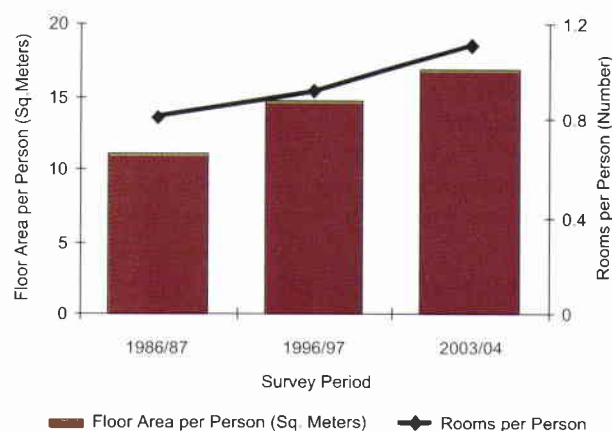


Table 6.8
Measures of Congestion in Houses by Province

Measure	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa	
Floor Area per Person (Sq. Mt.)	20.2	15.5	16.4	15.1	11.0	17.8	16.9	13.6	16.1	16.8
Rooms per Person	1.2	1.0	1.0	0.8	0.8	1.2	1.1	1.0	1.0	1.1

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 6.9
Measures of Congestion in Houses by Income Quintile

Measure	Six Month Household Income Quintile					All
	1	2	3	4	5	
Floor Area per Person (Sq.Mt.)	13.2	13.0	15.0	17.4	23.9	16.8
Rooms Per Person	1.0	0.9	1.0	1.1	1.3	1.1

Provincial data on measures of congestion showed that the Western province had the high ratio of floor area per person followed by the North Western and North Central province (Table 6.8). The number of rooms per person followed a similar trend. The greatest congestion was seen in the Eastern province, followed by the Uva and Northern provinces. The differences in the levels of congestion were consistent with income and expenditure patterns and living conditions that reflected the differences in the levels of prosperity across provinces.

There was a positive relationship between the floor area, and rooms per person and the level of income (Table 6.9) even though household size also rose with income. This was to be expected, as the level of income would be a key determinant in the size of residential houses.

Types of Construction

As in previous surveys in the series, the current survey gathered information on the type of materials used for construction of walls, floors and roofs of houses. Data revealed physical improvements in the housing stock with respect to the materials used for all three purposes. Houses with walls constructed with bricks and cement blocks (62.5 per cent to 77.5 per cent), with cemented and terrazzo/tiles/granite/polished wood floors (73.0 per cent to 81.8 per cent) and with roofs constructed in tiles and asbestos (73.2 per cent to 78.7 per cent) rose between the two survey periods, indicating improvements in the quality of the housing stock in 2003/04 (Table 6.10). The use of bricks for construction of walls and use of tiles for construction of roofs had not risen significantly between the two survey periods, indicating a change in the material used to cement blocks and asbestos. Use of wattle and daub/mud for construction of walls, use of prepared clay/mud for floors and thatch for roofing had declined during the period and reflected the shift in households' preference and financial ability to use materials of a more permanent nature for construction of houses.

Table 6.10
Types of Construction by Sector 1996/97 and 2003/04
(As a percentage of households)

Category	1996/97(a)				2003/04(b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Wall Type								
Bricks	68.3	54.0	20.8	54.0	59.8	56.9	21.5	55.4
Cement Block	7.4	7.9	20.2	8.5	25.3	20.0	28.1	21.1
Cabook / Stone	10.2	8.3	33.3	9.9	6.6	6.8	32.3	8.1
Wattle and Daub / Mud	6.4	25.9	21.2	23.3	2.0	13.8	17.5	12.5
Wooden Plank / Metal Sheet	6.7	1.3	0.2	1.9	4.6	1.4	0.5	1.7
Cadjan / Palmyrah	0.2	1.0	0.2	0.9	0.7	0.6	0.0	0.6
Other	0.7	1.5	4.0	1.5	0.9	0.6	0.2	0.6
Floor Type								
Cement	91.7	72.4	44.6	73.2	82.6	77.8	68.4	77.9
Terrazzo / Tiles / Granite / Polished wood	2.3	0.5	0.2	0.7	12.8	2.7	0.5	3.9
Prepared Clay / Mud	3.7	23.0	51.6	22.2	2.0	15.5	30.4	14.5
Wooden Planks	0.1	0.0	0.0	0.0	0.1	0.2	0.2	0.2
Unprepared Earth / Sand	2.1	4.0	3.6	3.7	2.2	3.2	0.5	3.0
Other	0.2	0.1	0.0	0.1	0.3	0.6		0.5
Roof Type								
Tiles	41.1	64.1	9.1	58.3	38.9	64.6	10.6	58.6
Asbestos	38.7	11.6	13.0	14.9	40.7	17.4	11.9	20.1
Metal / Tar Sheet / Amano	15.4	11.1	77.5	15.2	10.4	9.5	73.9	12.9
Cadjan / Palmyrah / Straw	1.6	12.5	0.2	10.5	2.3	6.3	2.5	5.6
Other (including concrete)	3.2	0.7	0.2	1.0	7.8	2.2	1.0	2.9

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Considering the sectoral data, use of bricks for construction of walls in the urban sector had declined by around 10 percentage points but was substituted by cement blocks, with an improvement in the usage of cement blocks by around 18 percentage points during the period. A change in relative prices in favour of cement blocks compared to bricks and relatively lower construction cost with cement blocks could have contributed to this trend. Use of cabook/stone and wattle and daub/mud had declined in all three sectors. For the floor type, use of cement in the urban sector had declined by around 9 percentage points to be replaced by an improvement in the usage of terrazzo/tiles/granite/polished wood by around 11 percentage points during the period. The availability of facilities for this type of flooring in a wider range of prices with different qualities along with the demonstration effect could have contributed to this shift. The rural and estate sectors continued the usage of cement for floors showing a significant improvement by around 24 percentage points in the estate sector. For the roof type, the usage of tiles in all three sectors had not changed significantly, while the usage of asbestos improved by around 2 and 6 percentage points in the urban and rural sectors, respectively. The use of temporary materials had declined somewhat in all three sectors during the period (Chart 6.2).

Disaggregation of data by province shows that the use of materials varied significantly among provinces. The North Central province had the highest share (77.2 per cent) of housing with bricks for construction of walls, while the Northern province had the lowest (28.1 per cent) (Table 6.11). The Northern province

had the highest use of cement blocks (53.1 per cent) followed by the Western province for the construction of walls. Use of cabook /stone for construction of walls was high in the Central province. The use of cement blocks for building walls in the Northern and Western provinces could be due to more recent housing construction, as this material has been in use since relatively recently. The Western province had the highest use of cement (84.4 per cent) for preparation of floors, while the Uva province had the lowest (63.6 per cent). Prepared clay/mud was heavily used in the Uva and North Central as well as Central provinces.

Chart 6.2
Housing Conditions 1996/97 and 2003/04

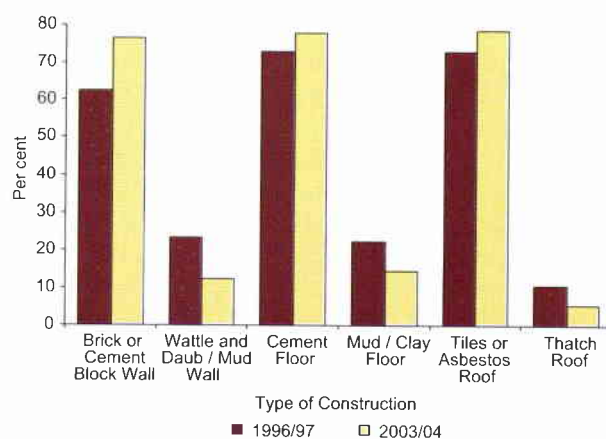


Table 6.11
Types of Construction by Province
(As a percentage of households)

Category	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	
Wall Type										
Bricks	46.4	45.0	62.2	28.1	67.8	74.9	77.2	64.0	40.4	55.4
Cement Block	33.1	23.6	17.1	53.1	9.1	6.5	2.0	9.7	27.5	21.1
Cabook / Stone	10.9	17.6	5.8	2.5	0.2	0.7	0.9	8.0	12.2	8.1
Wattle and Daub / Mud	5.9	12.6	13.7	9.4	14.8	12.9	19.8	18.0	18.6	12.5
Wooden Plank / Metal Sheet	3.1	1.0	1.0	0.3	3.0	2.1	0.1	0.3	1.1	1.7
Cadjan / Palmyrah	0.4	0.1	0.1		0.9	2.7	0.0	0.0	0.1	0.6
Other	0.1	0.2	0.1	6.7	4.3	0.2	0.0	0.0	0.2	0.6
Floor Type										
Cement	84.4	73.2	80.3	81.1	79.6	81.0	65.3	63.6	75.4	77.9
Terrazzo / Tiles / Granite / Polished wood	9.6	2.3	1.6	1.1	1.3	1.7	0.9	0.9	2.6	3.9
Prepared Clay / Mud	2.4	22.3	13.1	15.6	13.2	13.5	30.0	33.6	18.6	14.5
Wooden Plank	0.1	0.4	0.0	0.0	0.4	0.1	0.0	0.1	0.2	0.2
Unprepared Earth / Sand	2.4	1.8	4.6	2.2	5.4	3.1	3.1	1.8	3.0	3.0
Other	1.1	0.1	0.4	0.0	0.1	0.7	0.7	0.0	0.2	0.5
Roof Type										
Tiles	50.3	33.9	82.1	51.7	62.7	74.6	62.3	54.5	62.1	58.6
Asbestor	35.9	25.4	9.0	24.2	13.8	3.4	13.7	16.5	15.6	20.1
Metal / Tar Sheet / Amano	7.5	34.7	5.2	5.6	7.3	5.7	12.8	22.3	17.9	12.9
Cadjan / Palmyrah / Straw	1.4	2.3	2.9	15.0	15.1	14.5	8.9	4.9	2.2	5.6
Other	5.0	3.6	0.7	3.6	1.1	1.8	2.2	1.8	2.2	2.9

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Relatively low-income households in these provinces could have been the reason for this observation. The Southern province had the highest use of tiles for the construction of roofs (82.1 per cent), while the Central province had the lowest (33.9 per cent). Further, the use of asbestos for construction of roofs was high in the Western, Central and Northern provinces. Use of metal/tar/amano sheets for roofs was high in Central, Uva and Sabaragamuwa provinces and more frequent use of Cadjan/palmyrah/ straw was still seen in the Northern, Eastern and North Western provinces, where such palm trees were plentiful. Climatic conditions and availability of inputs at relatively low prices could have been the reasons for this provincial variation in roofing.

In general, construction materials used for housing depend on the householder's purchasing power, in addition to geographical and climatic conditions. Most of the houses had walls built with bricks or cement blocks in all income categories (Table 6.12). Even among the poorest 20 per cent of households, 59 per cent of houses had walls built of bricks or cement blocks. Yet the percentage of households with brick walls rose with income level. Cement block usage had increased only up to the 4th income quintile and showed that cement blocks were not as popular among the richest as among the middle income levels. As expected, wattle and daub/mud and other low quality materials for walls declined with the increase in income.

Cement was the most commonly used material for flooring and usage rose with income. Expensive flooring materials such as terrazzo, tile, granite and polished wood were significantly

Table 6.12
Types of Construction by Income Quintile
(As a percentage of households)

Category	Six Month Household Income Quintile					All
	1	2	3	4	5	
Wall Type						
Bricks	44.5	50.1	54.7	60.3	67.5	55.4
Cement Block	14.8	18.1	24.1	25.9	22.4	21.1
Cabook / Stone	7.6	9.8	7.7	7.1	8.1	8.1
Wattle and Daub / Mud	27.8	17.9	10.7	4.6	1.2	12.5
Wooden Plank / Metal Sheet	2.5	2.3	2.0	1.3	0.6	1.7
Cadjan / Palmyrah	1.2	0.9	0.3	0.5	0.0	0.6
Other	1.6	1.0	0.3	0.2	0.1	0.6
Floor Type						
Cement	60.5	74.6	82.7	88.4	83.6	77.9
Terrazzo / Tile / Granite / Polished wood	0.2	0.4	1.6	2.9	14.4	3.9
Prepared Clay / Mud	34.8	21.5	11.5	4.4	0.6	14.5
Wooden Plank	0.3	0.2	0.1	0.1	0.0	0.2
Unprepared Earth / Sand	3.8	2.9	3.5	3.5	1.0	3.0
Other	0.3	0.5	0.6	0.7	0.5	0.5
Roof Type						
Tiles	53.6	57.3	63.8	63.0	55.2	58.6
Asbestos	8.8	12.7	18.9	24.9	35.2	20.1
Metal / Tar Sheet / Amano	23.4	19.9	11.0	7.0	3.0	12.9
Cadjan / Palmyrah / Straw	12.5	8.4	4.7	2.0	0.3	5.6
Other	1.7	1.6	1.6	3.1	6.2	2.9

more popular among the households belonging to highest income level. As expected, households with prepared clay/mud floors declined with income. Usage of tiles for roof was highest in all income levels and the use of asbestos generally rose with income. The relatively higher percentage of 'other' roof types were reported from the richest households due to the inclusion of concrete roofs in the 'other' category.

A small percentage of houses built of low quality materials were reported at the highest income quintile too. One reason could be the inclusion of a few usually poor households in high-income levels due to their windfall income during the six months prior to the field visit. In addition, a small segment of society who live in shanties in the urban sector may earn high income from informal sector activities. Further, it should be noted that within a particular type of construction, the quality may vary within a very wide range which was not reflected in the data collected in this survey.

6.3 Availability of Utilities

Availability of utilities included water, energy and latrine facilities of households that would be provided by corporate organisations or arranged by the households themselves. Currently, energy supplied through the national grid from the Ceylon Electricity Board and water through the National Water Supply and Drainage Board cover the major shares of supply to households in the country.

Sources of Water

The major sources of water for households included pipe borne water, own well, common well and rivers/streams/tanks. The importance of each source varied among sectors and provinces. Pipe borne water was the main source in the urban and estate sectors, whereas well water was the main source in the rural sector (Table 6.13). The majority of households in the urban sector enjoyed the convenience of pipe borne water inside, while the majority of households in the estate sector used pipe borne water from outside. The availability of pipe borne water inside in the urban sector improved from around 56 per cent in 1996/97 to

around 69 per cent in 2003/04. Pipe borne water outside in the estate sector had declined from around 71 per cent to 57 per cent with a rapid improvement in the availability of pipe borne water inside from 4 to 17 per cent during the period. Pipe borne water in the estate sector is mainly provided through various micro water supply projects. Use of common wells in the rural sector declined between the two survey periods, to be replaced by pipe borne water inside the home.

Considering pipe borne water and well water as safe drinking water sources (leaving out unsafe sources such as rivers/streams/tanks and other sources), the proportion of households which did not have access to safe drinking water declined from 7.3 per cent in 1996/97 to 6.5 per cent in 2003/04. Meanwhile, the convenience of water use had improved between surveys, with a significant shift in all sectors to pipe borne water inside the house, thus reflecting improved living standards in general (Chart 6.3).

The provincial data on sources of water recorded that the Western province had the highest share (51.7 per cent) of pipe borne water inside and the Central, Uva and Sabaragamuwa provinces had moderately high shares of pipe borne water outside

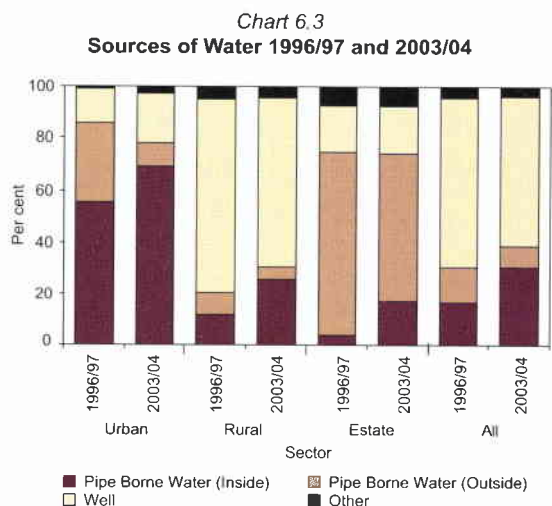


Table 6.13
Sources of Water by Sector 1996/97 and 2003/04
(As a percentage of households)

Sources of Water	Sector							
	Urban		Rural		Estate		All Sectors	
	1996/97(a)	2003/04(b)	1996/97(a)	2003/04(b)	1996/97(a)	2003/04(b)	1996/97(a)	2003/04(b)
Pipe Borne Water (inside)	55.5	69.4	11.4	25.8	3.6	17.0	16.3	30.8
Pipe Borne Water (outside)	30.3	8.5	8.7	5.1	71.3	57.0	14.7	8.1
Own Well	6.0	13.8	36.0	35.4	2.1	4.2	30.5	31.1
Common Well	7.1	5.6	35.7	26.9	13.4	12.9	31.0	23.5
River / Stream / Tank	0.3	0.0	3.5	2.5	8.1	7.7	3.3	2.4
Other	0.9	2.7	4.7	4.4	1.5	1.2	4.0	4.1

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 6.14
Sources of Water by Province
(As a percentage of households)

Sources of Water	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	
Pipe Borne Water (inside)	51.7	29.8	34.1	3.1	17.4	15.5	15.2	21.3	25.1	30.8
Pipe Borne Water (outside)	5.5	21.5	6.3	8.3	2.2	2.1	1.2	16.0	11.5	8.1
Own Well	30.8	16.1	32.5	36.7	45.1	43.2	37.7	24.1	22.7	31.1
Common Well	9.5	24.5	20.6	42.8	27.4	36.0	44.0	25.8	24.7	23.5
River / Stream / Tank	0.1	5.8	1.1	0.0	1.7	0.2	0.3	10.0	6.6	2.4
Other	2.5	2.3	5.4	9.2	6.3	3.0	1.7	2.8	9.3	4.1

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

(Table 6.14). Many areas of these three provinces were covered by estates. Use of well water in the North Western, Northern and North Central provinces remained as high as 80 per cent, while in the Western province too it accounted for 40 per cent. Households using unsafe water sources in Uva, Sabaragamuwa, Central, Eastern and Northern provinces ranged from 8 to 16 per cent, indicating relatively poor availability of safe sources compared to other provinces.

There was a clear relationship between access to a safe source of water and level of income (Table 6.15). Use of pipe borne water inside rose with income, while the share of all sources other than own wells, fell with rising income. Use of own well was evenly distributed at all levels of income. A significant share of households used well water even at the highest income levels,

Table 6.15
Sources of Water by Income Quintile
(As a percentage of households)

Sources of Water	Six Month Household Income Quintile					All
	1	2	3	4	5	
Pipe Borne Water (inside)	11.0	16.9	25.2	38.8	62.2	30.8
Pipe Borne Water (outside)	12.9	11.1	8.1	5.9	2.7	8.1
Own Well	27.3	32.3	34.7	34.2	26.9	31.1
Common Well	36.5	31.4	25.7	17.3	6.7	23.5
River/Stream/Tank	5.8	3.2	1.9	1.0	0.3	2.4
Other	6.6	5.2	4.4	2.9	1.2	4.1
Total	100	100	100	100	100	100

indicating that supply through the National Water Supply and Drainage Board had not expanded in certain areas of the country.

Household Energy

The main source of household energy was electricity from the national grid in all three sectors. In addition, kerosene was the second main source of energy for remote areas where electricity from the national grid was not available. Household access to electricity for lighting purposes increased from 57 per cent in 1996/97 to 75 per cent in 2003/04 with a corresponding decline in the use of kerosene from 43 per cent to 25 per cent during the same period (Table 6.16). This reflects the expansion in supply from the national grid in many areas of the country, more particularly in the rural and estate sectors during the past seven years under a large number of rural electrification schemes. By further expanding the capacity of hydro and thermal power projects, the Ceylon Electricity Board has increased the supply through the national grid. The use of kerosene for lighting purposes no longer remains the dominant source of energy in the estate and rural sectors, though the usage still remained significant, at around 47 per cent in the estate sector and 27 per cent in the rural sector in 2003/04 (Chart 6.4).

The provincial data on the usage of energy for lighting purposes indicated that the Western province had the highest (92.2 per cent) use of electricity from the national grid, while the Uva province had the lowest (51.3 per cent) in 2003/04 (Table 6.17). Generally, over 60 per cent of houses in most provinces

Table 6.16
Sources of Energy for Lighting by Sector 1996/97 and 2003/04
(As a percentage of households)

Sources of Energy for Lighting	Sector							
	Urban		Rural		Estate		All Sectors	
	1996/97(a)	2003/04(b)	1996/97(a)	2003/04(b)	1996/97(a)	2003/04(b)	1996/97(a)	2003/04(b)
Electricity from Grid	87.0	93.4	54.4	71.6	9.8	51.3	56.0	73.3
Electricity from Other	0.8	0.3	1.1	1.8	2.5	1.8	1.1	1.6
Kerosene	12.0	6.3	44.4	26.5	87.3	46.9	42.8	25.0
Other	0.2	0.1	0.1	0.1	0.4	0.0	0.1	0.1

(a) Excluding Northern and Eastern provinces

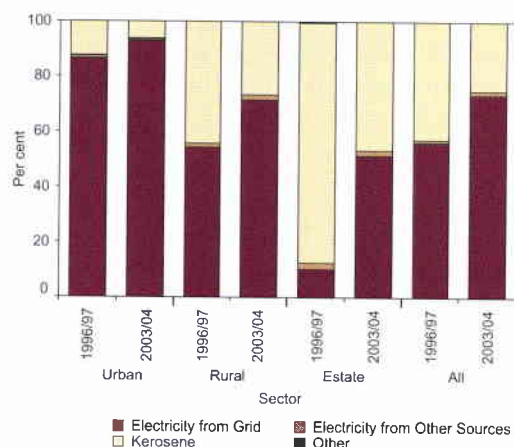
(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 6.17
Sources of Energy for Lighting by Province
(As a percentage of households)

Sources of Energy for Lighting	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	
Electricity from Grid	92.2	71.5	77.6	63.3	64.1	66.2	59.3	51.3	61.0	73.3
Electricity from Other Sources	0.2	1.2	0.8	0.3	1.5	2.3	2.7	5.4	3.7	1.6
Kerosene	7.5	27.3	21.5	36.1	34.2	31.4	38.0	43.2	35.2	25.0
Other	0.0	0.1	0.1	0.3	0.1	0.1	0.0	0.1	0.2	0.1

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Chart 6.4
Sources of Energy for Lighting 1996/97 and 2003/04



except Uva and North Central provinces used electricity from the national grid. In the case of kerosene, Uva province recorded the highest use (43.2 per cent). The lowest usage of kerosene was in the Western province (7.5 per cent). Usage of kerosene in the North Central, Northern, Sabaragamuwa, and Eastern provinces was fairly high at over 33 per cent of households in 2003/04. This provides an indication of the need for increased capacity and further expansion of the electricity supply in specific areas of the country.

Table 6.18
Sources of Energy for Lighting by Income Quintile
(As a percentage of households)

Sources of Energy for Lighting	Six Month Household Income Quintile					All
	1	2	3	4	5	
Electricity from Grid	45.4	60.6	76.0	88.1	96.2	73.3
Electricity from Other Sources	1.5	2.1	2.1	1.3	1.2	1.6
Kerosene	53.0	37.2	21.8	10.6	2.4	25.0
Other	0.1	0.1	0.1	0.0	0.0	0.1
Total	100	100	100	100	100	100

Use of electricity from the national grid rose with the level of income, while use of kerosene fell (Table 6.18). Around 45 per cent of the lowest income quintile used power from the national grid in comparison to 96 per cent in the highest income quintile. On average, 73 per cent of households used power from the grid. However, more than 50 per cent of the lowest income quintile still used kerosene for lighting. About 37 per cent of the next lower income quintile also used kerosene. This indicates that a large percentage of lower income groups use kerosene probably due to their low incomes or no infrastructure facilities to obtain electricity from the grid.

Nearly, 83 per cent of households continued to use firewood as their source of energy for cooking (Table 6.19). Firewood was the dominant source of energy for households in the rural and estate sectors for cooking purposes. The usage of firewood for cooking purposes in the urban sector was the second most

Table 6.19
Sources of Energy for Cooking by Sector 1996/97 and 2003/04
(As a percentage of households)

Sources of Energy for Cooking	Sector							
	Urban		Rural		Estate		All Sectors	
	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)
Firewood	46.4	42.6	91.7	88.1	98.5	95.6	86.6	82.8
LP gas	41.9	45.9	6.9	10.5	0.2	3.2	10.8	14.6
Kerosene	9.1	10.4	0.8	1.0	0.2	0.7	1.7	2.1
Other	2.6	1.1	0.6	0.4	1.1	0.5	0.9	0.5

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 6.20

Sources of Energy for Cooking by Province
(As a percentage of households)

Sources of Energy for Cooking	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	
Firewood	60.8	88.6	91.9	83.9	83.1	93.0	93.3	93.1	95.8	82.8
LP gas	34.1	9.6	7.6	4.4	11.3	6.1	6.6	6.8	4.0	14.6
Kerosene	4.7	0.9	0.4	10.8	2.8	0.8	0.1	0.1	0.2	2.1
Other	0.4	0.8	0.1	0.8	2.7	0.1	0.0	0.0	0.0	0.5

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

important source, and had declined from 46 per cent to 43 per cent between the two survey periods as LP gas has become the dominant source. Usage of firewood in the rural and estate sectors had only marginally declined during the period. The urban sector had substituted LP gas for firewood, showing an increase in the usage of L.P gas by 4 percentage points during the period. The rural and estate sectors had a moderate and marginal increase in the use of L.P gas, respectively. This increase was mainly due to the convenience of usage and expansion of the gas market through competitive suppliers, and improved distribution despite the high increase in gas prices during the past years. However, the use of kerosene in the urban sector remained at around 10 per cent, showing a marginal increase from 1996/97 to 2003/04.

The provincial data show that over 90 per cent of households in Sabaragamuwa, North Central, Uva, North Western and Southern provinces used firewood for cooking purposes (Table 6.20). The lowest use of firewood by households was in the Western province (60.8 per cent) as the use of LP gas was the highest (34.1 per cent). Households in the Northern province had one of the lowest penetrations of LP gas and highest use of kerosene (10.8 per cent). This high use of kerosene for cooking purposes may be due to the fact that the LP gas market had expanded in those areas, particularly in the Jaffna district, only in the recent past since the ceasefire in early 2002.

Use of firewood for cooking declined with rising income, while use of LP gas had increased (Table 6.21). However, only about 45 per cent of the highest income quintile had used LP gas while nearly 52 per cent still used firewood. This shows that firewood remains the main source of energy for cooking

Table 6.21

Sources of Energy for Cooking by Income Quintile
(As a percentage of households)

Sources of Energy for Cooking	Six Month Household Income Quintile					All
	1	2	3	4	5	
Firewood	97.4	96.0	89.8	78.8	51.8	82.8
LP gas	1.2	2.1	6.7	17.8	45.4	14.6
Kerosene	0.8	1.6	3.0	3.1	2.2	2.1
Other	0.6	0.3	0.5	0.3	0.6	0.5
Total	100	100	100	100	100	100

irrespective of the level of income. Considering the distributional problems of LP gas in some hilly terrain areas, free and plentiful availability of firewood and the taste for foods cooked using firewood, households even in the highest income groups had not immediately substituted firewood with LP gas. However, there is a strong positive correlation between income levels and the use of LP gas.

Latrine Facilities

Latrine facilities available in sampled households were categorised as own latrine inside house, own latrine outside house, common latrine and no latrine. Latrines were also classified by type into water seal, pour-flush, pit and bucket. There was a further drop in the households without latrine facilities between the two survey periods (Table 6.22). The drop was from 6.5 per cent in 1996/97 to 5.6 per cent in 2003/04 with the inclusion of the Northern and Eastern provinces. When the

Table 6.22

Latrine Facilities by Sector 1996/97 and 2003/04
(As a percentage of households)

Latrine Facility	Sector							
	Urban		Rural		Estate		All Sectors	
	1996/97(a)	2003/04(b)	1996/97(a)	2003/04(b)	1996/97(a)	2003/04(b)	1996/97(a)	2003/04(b)
Inside	43.0	43.4	10.0	11.1	1.1	2.9	13.6	14.8
Outside – Separate	37.9	44.0	81.8	80.7	50.1	64.9	74.8	75.3
Outside – Common	17.2	9.7	2.0	2.5	25.9	20.5	5.2	4.4
None	1.9	2.8	6.1	5.6	22.9	11.8	6.5	5.6

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 6.23
Latrine Facilities by Province
(As a percentage of households)

Latrine Facility	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa	
Inside	31.3	12.7	8.4	11.1	11.7	8.0	4.2	5.2	5.6	14.8
Outside – Separate	61.5	74.8	85.9	69.7	56.4	84.0	87.2	87.1	88.4	75.3
Outside – Common	6.2	7.5	2.3	4.7	2.7	3.4	1.3	3.1	3.2	4.4
None	1.0	5.0	3.4	14.4	29.2	4.6	7.3	4.6	2.7	5.6

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Northern and Eastern provinces were excluded the drop was sharper, to 3.4 per cent. The estate sector still had the highest share of households with no latrine facilities, although it had dropped significantly from around 23 per cent in 1996/97 to around 12 per cent in 2003/04. Common latrines in the estate sector at around 26 per cent in 1996/97 had dropped by around 5 percentage points between the two survey periods. There was an increase in the urban sector share of households with no latrines, between the two survey periods with the inclusion of the North and East. Use of common latrines had declined by 7 percentage points in the urban sector. Meanwhile, houses with their own latrines, on average, had increased from around 88 per cent in 1996/97 to around 90 per cent in 2003/04.

The province wise disaggregation shows that in the Eastern province around 29 per cent of households had no latrines while in the Northern province it was around 14 per cent (Table 6.23). Except the Central province and these two provinces, all other provinces had over 92 per cent self-owned latrines. Latrines inside the house were highest in the Western province, while all provinces had separate latrines outside as the highest share, indicating the prevalent culture.

When analysing latrine facilities by income quintiles and type of facilities, the share of outside-separate latrines declined from a range of 76–84 per cent in the first four income quintiles to 54 per cent at the highest income quintile, while the share of latrines inside increased from 2 per cent to 45 per cent (Table 6.24). Outside-common latrines declined from 7 per cent to 1 per cent with rising income.

Table 6.24
Latrine Facilities by Income Quintile
(As a percentage of households)

Latrine Facility	Six Month Household Income Quintile					All
	1	2	3	4	5	
Inside	2.1	3.0	7.1	16.7	44.8	14.8
Outside – Separate	76.7	83.7	83.4	78.9	53.7	75.3
Outside – Common	6.7	6.3	4.7	3.0	1.1	4.4
None	14.4	7.0	4.7	1.4	0.3	5.6

Survey data revealed that there was a significant improvement in sanitation facilities in all 3 sectors with a 10 percentage point transition to water seal latrines (Table 6.25).

When disaggregated by province, it was seen that households in the Western province had the highest share (89.6 per cent) of water seal latrines, while the lowest shares of around 46 per cent and around 49 per cent were in the Northern and Eastern provinces, respectively (Table 6.26). Consequently, houses with pour-flush latrines in the Northern and Eastern provinces were fairly high when compared with the other provinces. Uva, North Central and Sabaragamuwa provinces too had significant shares of pit latrines. This indicates the need for improvement in sanitary facilities, particularly in those five provinces.

Usage of water seal latrine increased from 60 per cent to 94 per cent, while use of all other types of latrines declined with rising income (Table 6.27). The lower two income quintiles had shares of about 14 and 7 per cent without latrines, indicating the

Table 6.25
Type of Latrine by Sector 1996/97 and 2003/04
(As a percentage of households)

Type of Latrine	Sector							
	Urban		Rural		Estate		All Sectors	
	1996/97(a)	2003/04(b)	1996/97(a)	2003/04(b)	1996/97(a)	2003/04(b)	1996/97(a)	2003/04(b)
Water Seal	77.3	87.1	69.7	79.3	59.4	70.9	70.1	79.9
Pour Flush	15.7	8.6	3.6	6.2	1.7	8.9	5.0	6.6
Pit	4.2	1.2	20.1	8.7	14.4	8.4	17.8	7.8
Bucket	0.9	0.3	0.5	0.1	1.5	0.0	0.6	0.1
None	1.9	2.8	6.1	5.6	22.9	11.8	6.5	5.6

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 6.26
Type of Latrine by Province
(As a percentage of households)

Type of Latrine	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa	
Water Seal	89.6	74.4	88.3	45.6	49.4	86.4	72.9	74.7	81.8	79.9
Pour Flush	7.1	9.5	1.1	40.0	16.3	1.7	5.0	2.2	2.2	6.6
Pit	2.1	11.1	7.3	0.0	5.2	7.2	14.3	18.3	13.1	7.8
Bucket	0.2	0.0	0.0	0.0	0.0	0.1	0.5	0.3	0.2	0.1
None	1.0	5.0	3.4	14.4	29.2	4.6	7.3	4.6	2.7	5.6

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 6.27
Type of Latrine by Income Quintile
(As a percentage of households)

Type of Latrine	Six Month Household Income Quintile					All
	1	2	3	4	5	
Water Seal	60.2	74.0	83.0	87.9	94.2	79.9
Pour Flush	6.8	6.9	6.9	7.8	4.8	6.6
Pit	18.3	11.9	5.2	2.8	0.6	7.8
Bucket	0.3	0.1	0.1	0.1	0.0	0.1
None	14.4	7.0	4.7	1.4	0.3	5.6

need for the health authorities to promote better sanitation facilities among low-income households.

6.4 Availability of Other Household Amenities

Household amenities, another indicator of living conditions, can be grouped in to four broad categories, namely Media/Communication, Transport, Clothing related appliances and Other household appliances. Improvements in the availability of selected household amenities in each of these four categories are discussed in the following sections.

Table 6.28
Availability of Other Household Amenities by Sector 1996/97 and 2003/04
(As a percentage of households)

Item	1996/97(a)				2003/04(b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Media / Communication								
Radio	83.4	73.8	49.9	73.6	83.8	78.1	67.4	78.3
Television	72.4	49.2	22.5	50.6	84.7	69.6	55.0	70.8
Land / Cellular Phone (c)	18.9	2.6	0.0	4.5	51.4	21.6	4.7	24.5
Land Phone	17.7	2.0	0.0	3.8	42.2	13.7	1.8	16.7
Cellular Phone	3.2	0.9	0.0	1.1	26.7	11.9	3.4	13.3
Computer	1.5	0.3	0.0	0.4	12.3	3.1	0.5	4.1
E-mail	0.0	0.0	0.0	0.0	5.3	0.8	0.0	1.3
Transport								
Bicycle	29.1	44.2	8.7	40.5	41.6	49.6	10.4	46.6
Motorcycle / Car / Three Wheeler / Tractor(d)	22.3	14.5	0.8	14.7	31.3	23.5	4.4	23.5
Scooter / Motorcycle	12.8	12.6	0.6	12.0	16.2	17.1	3.7	16.3
Car / Van	10.0	2.6	0.0	3.4	15.2	4.7	0.2	5.8
Three Wheeler	2.5	0.8	0.2	0.9	3.5	2.9	0.2	2.8
Tractor	0.0	0.0	0.0	0.0	1.1	2.8	0.3	2.4
Clothing Related								
Sewing Machine	56.5	41.3	11.3	41.5	55.7	43.2	19.7	43.6
Washing Machine	12.4	1.7	0.2	2.9	24.2	5.4	0.5	7.6
Other								
Refrigerator	47.8	13.3	0.0	16.8	56.5	27.2	4.4	29.7
Fan	55.0	16.6	0.2	20.4	73.5	38.9	6.6	41.6
Air-Conditioner	1.6	0.2	0.0	0.3	3.2	0.6	0.2	0.9
Camera	0.0	0.0	0.0	0.0	17.7	8.6	6.4	9.6

(a) Excluding Northern and Eastern provinces.

(b) Excluding Killinochchi, Mannar and Mullaitivu districts.

(c) Sub-category shares do not add up, as some households possess both categories of phones.

(d) Sub-category shares do not add up, as some households possess more than one form of motorised transport.

The access to other household amenities in all sectors had improved significantly between the two survey periods (Chart 6.5). These improvements were more notable in the rural and estate sector households (Table 6.28).

Except bicycles and manually operated sewing machines, the operations of most other household amenities require electricity. Apart from increasing purchasing power, basic infrastructure

development over time, such as the rural electrification programmes, expansion of both land phone and mobile phone networks, improvement of the motorable road network, a widely expanded financial sector intermediary service in leasing, hire purchasing and credit facilities, and wide publicity and marketing of technological devices were the factors that contributed to improve access to other household amenities over time, especially in the rural and estate sectors. Therefore, the contribution of both improvements in infrastructure development and household income were the most decisive factors in upgrading the living standards of people between the two survey periods.

At provincial level, it was observed that the Western Province had better living standards in all areas. In particular, the availability of telephones, private transport, clothing related appliances, refrigerators, and fans in the Western province were well above the national average level. The North Western province was the only other to be above the national average, and in 7 provinces, availability remained below the national average (Table 6.29). The availability of most household appliances was lowest in the Uva Province. The ranking order for provincial distribution of average access to selected household appliances during CFS survey 2003/04 clearly shows these provincial disparities (Chart 6.6).

An increase in non-food expenditure, especially for durable household amenities, as a result of the higher household income over time, was the major contributory factor to the improvement

Chart 6.5
Availability of Selected Household Amenities
1996/97 and 2003/04

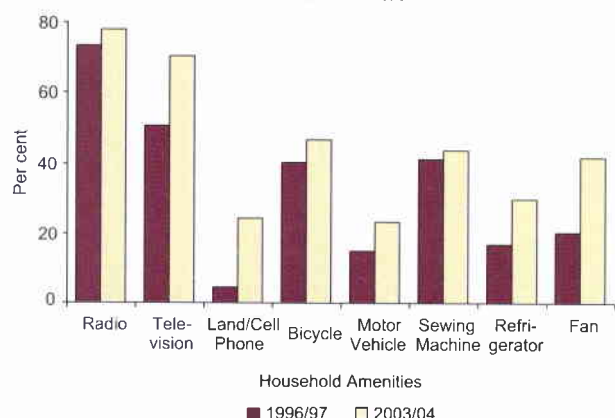


Table 6.29
Availability of Other Household Amenities by Province
(As a percentage of households)

Item	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa	
Media/Communication										
Radio	84.1	78.1	79.4	68.9	62.7	78.1	75.7	76.6	78.2	78.3
Television	85.8	70.6	67.7	43.9	49.2	72.6	65.7	57.3	67.6	70.8
Land / Cellular Phone (b)	45.3	17.1	18.3	19.7	13.9	23.1	13.9	9.1	13.4	24.5
Land Phone	34.9	10.4	10.4	7.5	9.9	13.1	8.9	6.6	7.3	16.7
Cellular Phone	23.9	9.5	10.4	13.9	6.1	14.1	7.2	3.6	7.8	13.3
Computer	9.9	2.6	2.5	2.8	1.2	2.5	1.2	0.5	1.6	4.1
E-mail	3.8	0.7	0.5	0.0	0.1	0.7	0.7	0.1	0.1	1.3
Transport										
Bicycle	39.4	16.7	55.5	86.7	73.8	71.2	80.1	31.5	19.7	46.6
Motorcycle / Car / Three Wheeler / Tractor (c)	33.0	11.2	19.7	23.6	19.2	33.6	29.2	10.3	14.2	23.5
Scooter / Motorcycle	19.9	6.6	14.8	20.3	16.1	27.2	20.9	6.5	9.4	16.3
Car / Van	12.1	3.5	2.8	3.1	2.7	5.5	3.8	2.3	2.7	5.8
Three Wheeler	4.5	1.6	3.1	1.1	1.5	2.5	1.8	1.3	3.1	2.8
Tractor	1.1	0.5	2.1	3.1	2.8	5.4	9.6	1.8	0.9	2.4
Clothing Related										
Sewing Machine	58.4	38.8	45.7	25.6	23.8	44.1	36.9	28.5	39.9	43.6
Washing Machine	17.8	5.5	3.7	0.8	5.4	4.3	2.4	2.0	2.2	7.6
Other										
Refrigerator	53.6	21.8	24.1	12.8	16.9	27.6	19.4	11.1	18.9	29.7
Fan	69.0	21.7	39.3	33.1	41.4	40.3	30.0	11.2	28.1	41.6
Air-Conditioner	2.1	0.4	0.3	0.6	0.5	0.7	0.9	0.1	0.1	0.9
Camera	15.5	10.8	6.2	3.9	3.2	9.5	9.7	5.6	5.9	9.6

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

(b) Sub-category shares do not add up, as some households possess both categories of phones

(c) Sub category shares do not add up, as some households possess more than one form of motorised transport

Chart 6.6
Average Availability of Household Amenities by Province

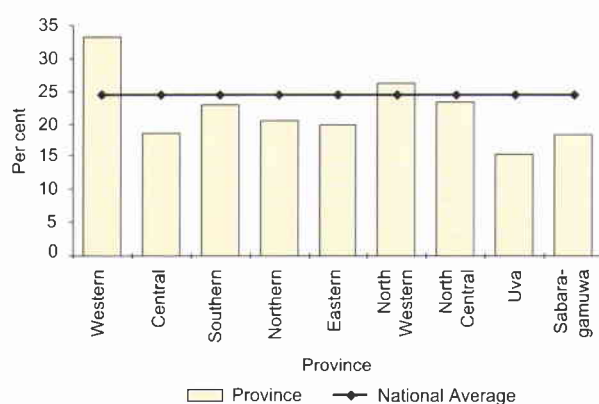


Chart 6.7
Availability of Household Amenities by Income Quintile

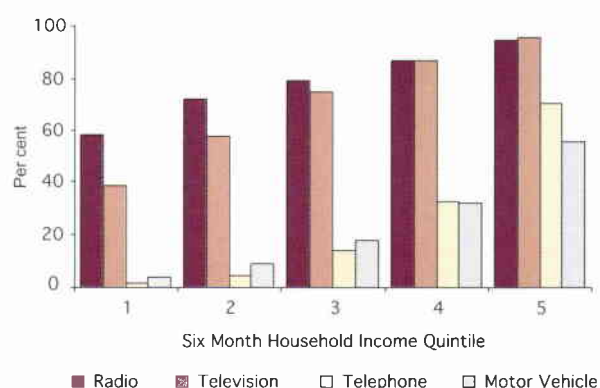


Table 6.30

Availability of Other Household Amenities by Income Quintile
(As a percentage of households)

Item	Six Month Household Income Quintile					All
	1	2	3	4	5	
Media / Communication						
Radio	58.4	72.2	79.4	87.0	94.5	78.3
Television	38.5	57.7	74.6	87.2	95.9	70.8
Land / Cellular Phone (a)	1.5	4.3	13.8	32.3	70.4	24.5
Land Phone	0.6	2.2	7.0	18.3	55.3	16.7
Cellular Phone	1.0	2.3	7.5	17.5	38.3	13.3
Computer	0.1	0.2	0.7	1.7	17.9	4.1
E-mail	0.0	0.1	0.0	0.1	6.5	1.3
Transport						
Bicycle	35.1	46.9	52.0	52.2	47.0	46.6
Motorcycle / Car / Three Wheeler / Tractor (b)	3.7	8.9	17.7	31.7	55.8	23.5
Scooter / Motorcycle	2.8	7.0	13.9	23.9	33.7	16.3
Car / Van	0.1	0.3	1.1	3.3	24.2	5.8
Three Wheeler	0.4	0.6	2.2	4.9	5.9	2.8
Tractor	0.8	1.6	2.1	3.6	4.1	2.4
Clothing Related						
Sewing Machine	15.9	27.5	41.4	55.4	77.6	43.6
Washing Machine	0.1	0.5	1.7	5.5	29.9	7.6
Other						
Refrigerator	2.4	8.0	21.1	41.1	76.1	29.7
Fan	9.6	19.1	37.9	57.8	83.6	41.6
Air-Conditioner	0.1	0.1	0.4	0.4	3.4	0.9
Camera	1.8	3.7	5.4	10.0	27.3	9.6

(a) Sub-category shares do not add up, as some households possess both categories of phones.

(b) Sub category shares do not add up, as some households possess more than one form of motorised transport.

in access to these household amenities. This was also reflected in the analysis by income levels (Chart 6.7). The availability of all other household amenities rose with income, except bicycles, thus reflecting it as a common man's utility (Table 6.30).

Media and Communication

A radio was the most commonly available household item of communication among all income groups, sectors and provinces, while television was the second highest available item among households. More than 75 per cent and 70 per cent of households had access to radios and televisions, respectively (Table 6.28). In the communication category, the household telephone has become more prominent in recent years and a high increase in usage was observed from 5 per cent in 1996/97 to 25 per cent during the 2003/04 survey. Access to computer and e-mail facilities remained marginal.

Access to radio and television had improved in all sectors over time in 2003/04. More than 80 per cent of households in the urban sector had access to both radio and television, whereas it was 78 per cent and 70 per cent, respectively, in the rural sector. The access to television in the estate sector had doubled from 23 per cent in 1996/97 to 55 per cent in the 2003/04 survey period, while access to radio had also improved significantly. The availability of telephone, computer and e-mail facilities showed a heavy urban bias. However, the access had considerably improved in both the urban and rural sectors compared to the previous survey in 1996/97. More than half of households in the urban sector had either fixed or cellular telephones whereas less than one fourth of households enjoyed the same in the rural sector (Chart 6.8).

In the Western province around 85 per cent of households possessed both radios and televisions (Table 6.29 and Chart 6.9). In most other provinces, the percentage of household access was below the national average, with access being lowest in the Eastern, Northern and Uva provinces. In the Western province, 45 per cent of households had telephone facilities, while they were less than the national average (25 per cent) in the all other provinces. The lowest telephone access ratio was reported from the Uva Province.

As can be expected, the household income and possession of Media/Communication items were clearly related (Table 6.30). However, 58 per cent and 39 per cent of all households in the

Chart 6.8
Availability of Radio, Television and Telephone by Sector
1996/97 and 2003/04

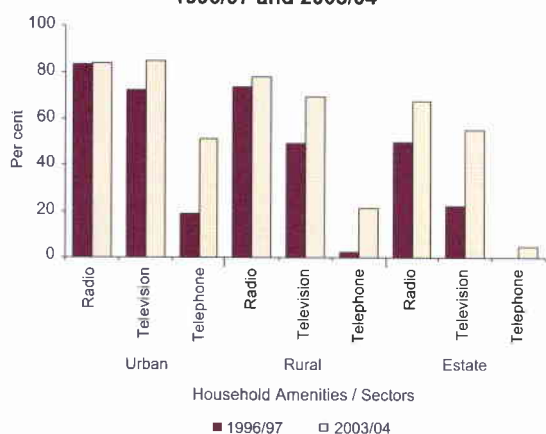


Chart 6.10
Availability of Motorised Transport by Sector
1996/97 and 2003/04

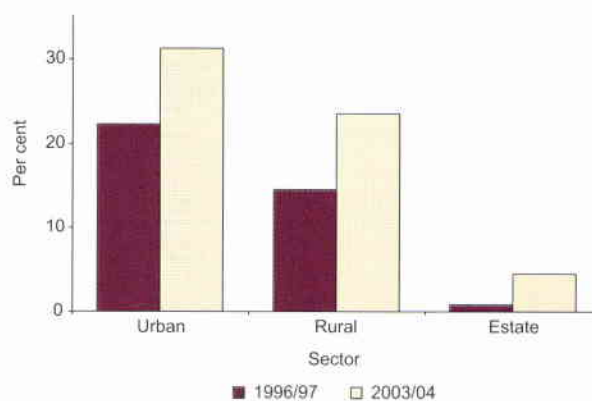
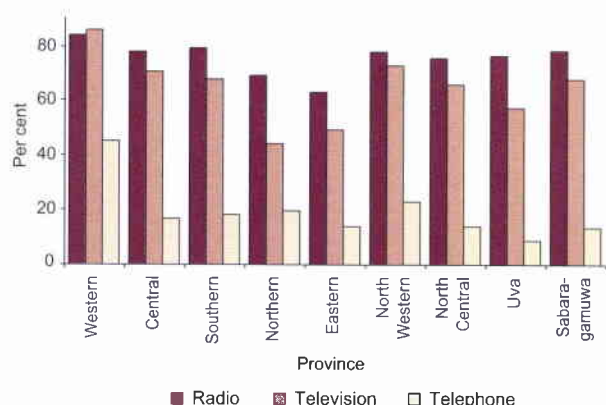


Chart 6.9
Availability of Radio, Television and Telephone by Province



lowest income quintile had radios and televisions, respectively. The availability of a variety of easy payment schemes to purchase such items could have contributed to this trend. Except these two media items, all other Communication items were highly income biased (Chart 6.7). Access to computer and e-mail facilities was insignificant in all but the highest income quintile (Table 6.30).

In general, the vast improvement in telephone access among households was the main feature in the Media/Communication category. Though income was a major causal factor, the expansion in the telecommunication network throughout the country including in the Northern and Eastern provinces for both fixed access and mobile telephone services had raised the number of subscribers significantly and influenced the availability of telephones among households.

Transport

Among transport sector items, the bicycle was the most common mode of transport and the availability was 47 per cent among households, reflecting a small increase since the previous survey

(Table 6.28). Meanwhile, access to some form of motorised transport had improved significantly between the survey periods, and by 2003/04, approximately one fourth of households had access to either a motorcycle, three wheeler, car, van or tractor, thereby explaining the low increase in availability of bicycles.

The bicycle continued to be the most common mode of transport in the rural sector and the household access rate was 50 per cent. An average of 31 per cent of households in the urban sector had access to motorised vehicles in 2003/04 compared to the corresponding rate of 22 per cent in the 1996/97 survey period. Among motorised vehicles, the availability of a scooter/motorcycle was highest in the rural sector (17 per cent). In the urban sector, equal shares of households of around 15 per cent had access to either scooters/motorcycles or cars/vans. Access in the estate sector to motorised transport of any type was very low (Chart 6.10).

At provincial level, one third of households in the Western province and the North Western province had access to some type of motor vehicle (Table 6.29). The access ratios in the Central, Uva and Sabaragamuwa provinces were much lower compared to the other provinces. The usage of a motorcycle or scooter was most popular in the North Western province, while a car or a van was most widely used in the Western province. In each province, the bicycle was the most common mode of transport. More than 80 per cent of households in the North Central and Northern provinces had access to bicycles. It was seen that the use of bicycles was lower in provinces that had a hilly terrain (Chart 6.11).

Access to motorised transport was highly positively related to income (Chart 6.7 and Table 6.30). More than half the households in the highest income quintile had access to a motor vehicle. Availability of bicycles was relatively evenly distributed among households across income quintiles.

Besides the increase in household income, upgrading of rural roads to motorable conditions and expansion of economic activities in the Northern and Eastern provinces after the ceasefire agreement would have also contributed to increase the availability of motorised vehicles among households in those areas.

Chart 6.11
Availability of Motor Vehicles and Bicycles by Province

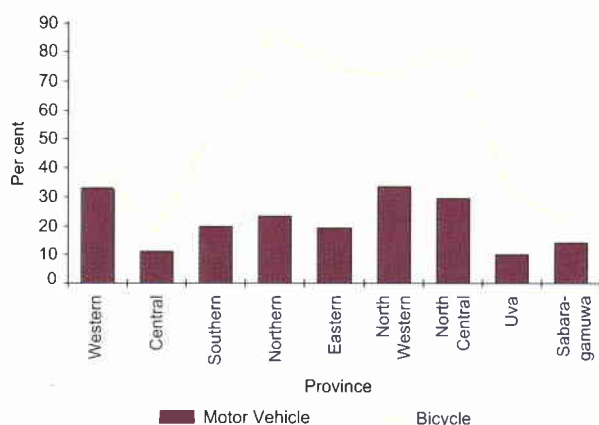
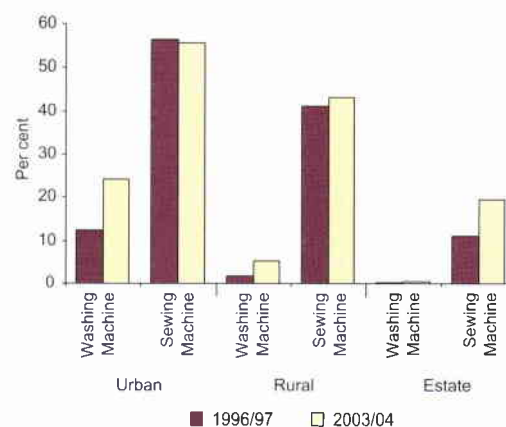


Chart 6.12
Availability of Washing and Sewing Machines by Sector 1996/97 and 2003/04



Clothing Related Appliances

Access to sewing and washing machines was analysed under this category. Availability of both sewing and washing machines among households had increased from 41 to 44 per cent and from 3 to 8 per cent, respectively between surveys (Table 6.28). Washing machines have not yet become a standard household appliance and the average access rate was minimal. More than 90 per cent of households still do their laundry manually or outsource it.

A sewing machine was the most common household appliance in all sectors. Availability of sewing machines recorded 20 per cent in the estate sector, a great improvement compared to 11 per cent registered during the previous survey period of 1996/97. Washing machines had a high urban bias, where the access had doubled from 12 per cent in 1996/97 to 24 per cent in 2003/04 survey period. The access to washing machines in the urban sector was three fold the national average (8 per cent), indicating very low penetration in the other two sectors (Chart 6.12).

More than half (58 per cent) of households in the Western province had access to sewing machines, while the availability was far behind the national average (44 per cent) in the Eastern and Northern provinces (Table 6.29 and Chart 6.13). The access ratio to washing machines was also significantly higher (18 per cent) in the Western province.

Availability of both washing and sewing machines was highly related to household income, particularly washing machines. Although access to sewing machines was positively related to income, a reasonable number of households with such access was observed even in the lowest income quintile (Table 6.30 and Chart 6.14).

Other Household Appliances

The availability of refrigerators and fans had significantly increased over time. It had almost doubled for refrigerators from 16 per cent in 1996/97 to 30 per cent in the 2003/04 survey period

Chart 6.13
Availability of Washing and Sewing Machines by Province

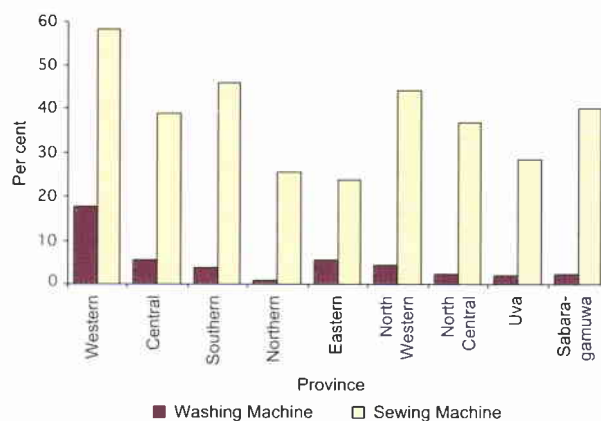
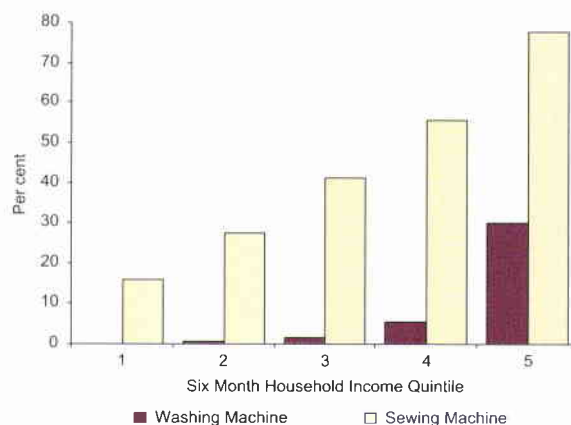


Chart 6.14
Availability of Washing and Sewing Machines by Income Quintile



(Table 6.28 and Chart 6.15). The usage of fans among households had also doubled from 20 per cent in 1996/97 to 42 per cent in the 2003/04 survey period.

It was observed that the access to all household appliances in this category had more than doubled in the rural and estate sectors compared to the 1996/97 survey period, while access had also increased significantly in the urban sector. The share of households with access to these appliances in the urban sector remained double that in the rural sector, and over 10 fold that in the estate sector, except for cameras.

When analysed by provinces, significantly higher access to all appliances was observed in the Western province. In general, compared to other provinces, the shares of household access to most appliances appeared lowest in the Uva province (Table 6.29 and Chart 6.16).

All household appliances in this category indicated a positive relationship with income. In particular, refrigerators, air-conditioners and cameras were very highly correlated with

Chart 6.15
Availability of Fan and Refrigerator by Sector
1996/97 and 2003/04

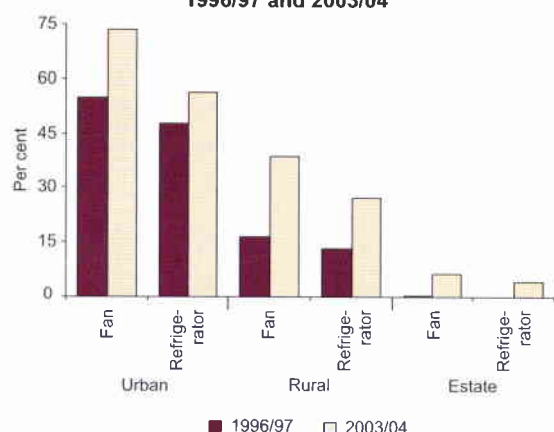


Chart 6.16
Availability of Selected Amenities by Province

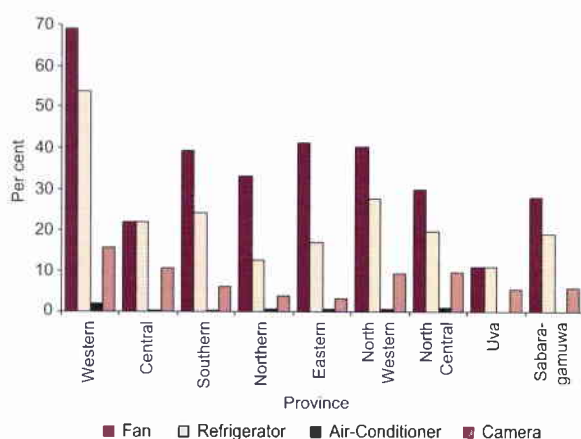
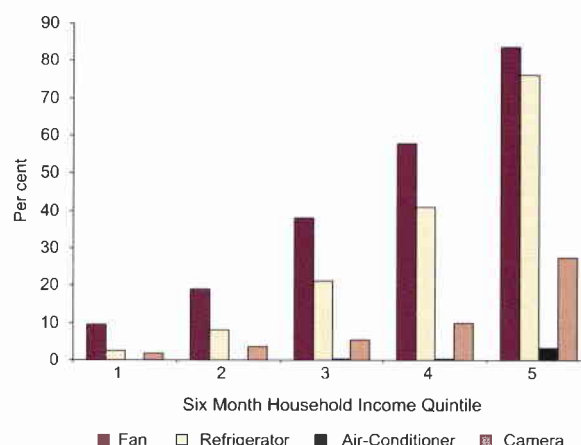


Chart 6.17
Availability of Selected Amenities by Income Quintile



household income. Access to electric fans signified a lower correlation with income, being a more affordable household appliance (Table 6.30 and Chart 6.17).

6.5 Land Ownership of Households

This section analyses land ownership of households and the utilisation of such land for economic purposes such as agriculture, industry and commerce. Land ownership details disclosed in this section were based on the information provided by households at the time of interview. The survey focused on the *de-facto* ownership of the land, and did not call for any supporting documentary evidence of legal ownership. Also land ownership was classified by the location of the owning household, and not by the location of such land. Further, any changes in the pattern of such land ownership from previous surveys to the current survey period could not be assessed, as such information had not been collected in previous surveys.

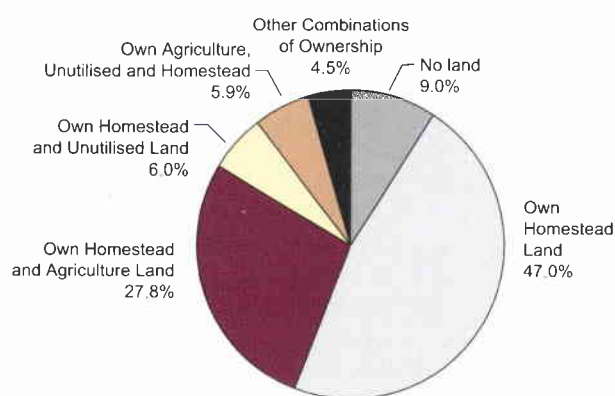
Land is a major asset. Hence the share of households with land ownership (land ownership ratio) is a measure of the asset base of the household sector in the economy. The survey results showed that 91 per cent of households owned land. The percentage of households with any land ownership was 85 per cent even in the lowest household income quintile.

The policies of promoting housing development and availability of various low interest credit schemes by both public and private sector financial institutions may have made a substantial contribution to increase the number of households with land ownership, particularly their own houses.

Distribution of Land Ownership

Information pertaining to land ownership of a household was collected under 5 categories of lands based on their utilisation. Those were homesteads, agricultural, commercial, industrial and unutilised lands. These can form 31 different combinations of ownership for a household. Although there are 31 such combinations, 96 per cent of households belonged to 5 of those

Chart 6.18
Distribution of Land Ownership

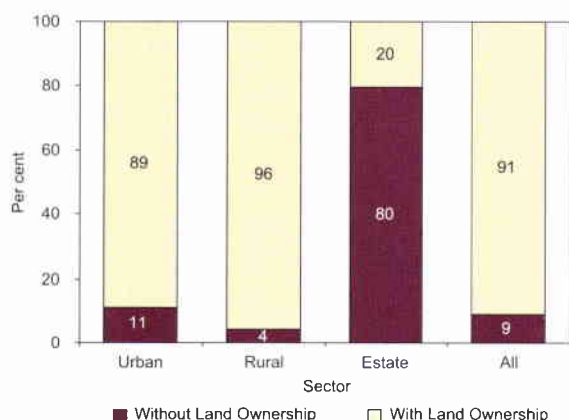


categories and only 4 per cent of households had more complex combinations of land ownership (Chart 6.18).

Of the total households sampled, only 9 per cent of households did not own any type of land. However, 47 per cent owned only their homestead land, while 28 per cent had both homestead and agricultural lands. The share of households which owned both homestead and unutilised lands was 6 per cent. The percentage of households with homestead, agricultural and unutilised land was another 6 per cent.

The sectoral analysis indicated that the share of households with land ownership was significantly higher in the rural sector compared to the urban and estate sectors (Chart 6.19). In the case of the estate sector, a larger proportion of plantation workers lived in accommodation provided by the estate employer, resulting in a low level of land ownership.

Chart 6.19
Land Ownership by Sector



Land Utilisation

It was seen that households using land for economic purposes were around 35 per cent for agriculture and around 2 per cent for industry or commerce (Table 6.31).

Each sector had a different pattern of land ownership. The ownership of homestead lands was significantly higher in the rural (94 per cent) and urban (85 per cent) sectors compared to the estate (15 per cent) sector. Ownership of homestead lands in the urban sector was relatively lower compared to the rural sector owing to a higher percentage of city dwellers living in condominiums/flats and rented annexes or houses. The demand for such houses in the urban sector usually comes from people who have migrated to the cities for employment, education and other purposes.

The rural sector, where agriculture was dominant, reported the highest percentage of households with ownership of agricultural land. Similarly, ownership of commercial and industrial lands, although very low overall, was relatively higher in the urban sector due to the higher density of industrial and commercial activities in those areas. The share of unutilised lands owned by households was 15 per cent in the rural sector, whereas it was 10 per cent in the urban sector.

Though the rural sector reported the highest average size of agricultural land per household (Table 6.32) the average size of agricultural land per household that owned land was higher in the urban sector (Table 6.33). Although owners of large agricultural lands live in urban areas, most of these lands would be located in the rural or estate sector, since land ownership in the survey was classified by the location of the owning household

Table 6.31
Ownership of Land by Utilisation and Sector
(As a percentage of households)

Type of Use	Sector			All Sectors
	Urban	Rural	Estate	
Homestead Land	85.1	93.7	15.5	88.7
Agriculture Land	6.3	41.4	9.1	35.4
Commercial / Industrial Land	3.3	2.2	0.7	2.3
Unutilised Land	9.9	14.7	3.0	13.5

Table 6.32
Average Land Size per Household by
Utilisation and Sector (a)

Type of Use	Sector			All Sectors
	Urban	Rural	Estate	
Agriculture	35.1	98.5	13.4	86.2
Industrial	0.1	0.8	0.1	0.7
Commercial	2.0	1.3	0.3	1.3
Homestead	14.9	38.9	3.8	34.1
Unutilised	10.0	17.8	1.6	16.0
Total	62.0	157.3	19.2	138.3

(a) Size of the land ownership of landless households was considered as zero.

Table 6.33
Land Ownership and Size per Owning Household by Utilisation and Sector

Type of Use		Sector			Perches
		Urban	Rural	Estate	All Sectors
Agriculture	No.	93	3,999	54	4,146
	Size	557	238	147	244
Industrial	No.	4	50	1	55
	Size	26	151	40	140
Commercial	No.	45	169	3	217
	Size	65	74	61	72
Homestead	No.	1,257	9,044	92	10,393
	Size	18	42	25	38
Unutilized	No.	146	1,414	18	1,578
	Size	101	122	53	119
Total	No.	1,311	9,241	120	10,672
	Size	70	164	95	152

and not by the location of the land itself. In fact, one household in the urban sector possessed 16,000 perches of agricultural land, which amounted to 32.4 per cent of the total agricultural land ownership of the sector. The smaller size of homestead land owned by households in the urban sector reflected the high density of households in those areas.

Among provinces, the average size of ownership of agricultural land per household was higher in the North Central and North Western Provinces which have relatively low

population density (Table 6.34). When compared to other provinces, the majority of households in both provinces depend on agriculture, mainly paddy cultivation. However, the average size of agriculture land per household that owned land in the Western Province was relatively high (Table 6.35). These lands can be located in other provinces. The highest average size of unutilised land ownership per household was reported from the Northern Province, which had been affected by the civil war during the last 20 years. The owners of such lands may not have had an opportunity to utilise those lands for agriculture or other economic activity due to security conditions.

When the ownership of land was analysed by size, 40 per cent of lands owned by households were less than 40 perches in size. Also 11 per cent of agricultural lands were less than 40 perches and over 50 per cent less than one acre in size (Table 6.36). This should be taken into consideration for policy planning in agriculture. It was also observed that 22 per cent of unutilised lands were more than one acre in size. Most lands which were used for industrial or commercial activities and homesteads were relatively small. In fact, over 35 per cent of homestead lands were less than 20 perches in size, and the percentage of industrial and commercial lands less than 20 perches in size were 28 per cent and 42 per cent, respectively.

The share of households with land ownership rose with income level, showing a positive correlation between land ownership and income (Table 6.37). A similar relationship was also observed between average size of agricultural land per household and

Table 6.34
Average Land Size per Household by Utilisation and Province (a)

Type of Use	Province								Perches
	Western	Central	Southern	Northern (b)	Eastern	North Western	North Central	Uva	All Provinces
Agriculture	43.0	54.9	75.5	36.3	108.5	136.1	224.4	124.3	86.2
Homestead	21.5	27.3	37.0	27.8	30.6	43.9	61.3	39.6	34.1
Unutilised	7.6	7.4	17.0	49.4	23.1	16.8	29.9	32.6	16.0
Total	74.4	91.5	130.4	113.5	162.3	199.5	319.2	197.9	138.3

(a) Size of the land ownership of landless households was considered as zero.

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 6.35
Land Ownership and Size per Owning Household by Utilisation and Province

Type of Use		Province								Perches
		Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	All Provinces
Agriculture	No.	501	486	638	50	242	765	505	440	4,146
	Size	276	173	178	261	380	268	339	221	244
Homestead	No.	2,933	1,135	1,423	251	778	1,440	727	646	10,393
	Size	24	37	39	40	33	46	64	48	38
Unutilised	No.	303	157	225	99	151	158	131	186	1,578
	Size	81	72	114	180	129	160	174	137	119
Total	No.	2,990	1,192	1,436	296	812	1,452	745	667	10,672
	Size	80	118	137	138	169	207	327	232	152

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 6.36
Land Ownership by Utilisation and Size
(As a percentage of number of lands)

Size (Perches)	Type of land					Total
	Agriculture	Industrial	Commercial	Home-atead	Unutilised	
1 – 19	3.8	27.8	42.1	35.5	18.5	25.9
20 – 39	7.5	7.4	17.1	27.9	20.0	14.6
40 – 79	15.8	7.4	15.7	21.3	19.9	14.7
80 – 119	13.1	24.1	9.3	9.2	11.3	10.3
120 – 159	11.1	9.3	5.1	1.5	7.9	3.9
160 <	48.6	24.1	10.6	4.7	22.4	30.6
Total	100.0	100.0	100.0	100.0	100.0	100.0

income. However the average ownership of unutilised land per household in the first quintile was higher than the second and third quintiles and above the average of the country. It appeared that the poorest segment of households own a relatively higher area of unutilised land which can be utilised for economic activities as a part of poverty alleviation programmes in the country.

In summary, significant changes have been taking place in the country in the areas of housing and access to public utilities and other household amenities over the past decade. The findings

Table 6.37
Land Ownership per Household by Income Quintile

Six Month Household Income Quintile	Percentage of Households with Land Ownership	Total Extent	Perches		
			Agricultural Land	Home- stead	Unuti- lised Land
1	85.5	117	65	33	17
2	87.7	115	68	34	12
3	91.8	129	79	35	14
4	94.0	134	80	34	18
5	96.2	197	139	34	19
Total	91.0	138	86	34	16

confirmed further improvements in the quality of housing and housing stock. At the same time, changing household preferences for more sophisticated household amenities and services were consistent with overall economic development in the country. Meanwhile, the pace of development varied significantly across provinces and sectors, further highlighting the disparities in the availability of infrastructure facilities, utilities and even basic household amenities across these different sub-sectors of the population. The findings further emphasised the need for a more focused regional development programme in these areas in the future.

Chapter 7

Income

Income is one of the most important and most sensitive variables in a socio-economic survey. The level of income in a household alone indicates the earning capacity as well as the purchasing power of that household, which determines the welfare level of the household members. The nutrition level of the household members, ownership of amenities and availability of facilities, and even their educational achievements and health conditions, ultimately depend on the level of income. At the same time, information on income is a parameter that is most difficult to assess, since there is a general tendency among respondents to misreport income due to various reasons. The tendency among high income earners has been to understate income in the fear that leakage of information could involve them in higher tax payments. The low income earners would do so in the fear that they will lose welfare benefits, if the reported level is too high, or in the hope that they will receive benefits if it is adequately low. In some cases, where respondents' income has fallen drastically, and they are embarrassed to reveal their true situation, income information may not be accurately stated. The collection of income information from non-fixed income earners is also made difficult, especially from those whose income fluctuates daily (e.g. three wheeler drivers), since they do not maintain records of their income. While the analyses in this chapter are subject to these limitations, the training of field investigators in CFS 2003/04 placed particular emphasis on overcoming these difficulties to minimise such misreporting of information on income.

The survey data revealed an improvement in the overall income level between the two survey periods, from 1996/97 to 2003/04. An income receivers' average one month income, in real terms, on an annual basis, had grown by 1.8 per cent. However, the one month average income of households recorded a lower real growth than of income receivers, due to the drop in the average number of income receivers per household. Yet, household one month per capita income showed a substantial increase between the two survey periods due to the sharper decrease in average household size during that period. The real increase in the income levels of income receivers, households, and per capita was somewhat overshadowed by the slight increase in the Gini coefficient towards greater inequality of income distribution. Moreover, disparities among sectors and provinces remained high. The findings identified certain factors affecting income inequality, both demographic (age, gender, and geographic location) and socio-economic (education, skills acquired, employment status, occupation and production sector).

7.1 Concepts, Definitions, Methodology of Data Collection and Limitations

As in the previous surveys, the CFS 2003/04 collected income statistics that enabled analysis of income by two **units**, namely, **income receivers** and **households**. Under **household income**, two **criteria** were used, namely, **total income**, the pooled income of all the income receivers in a household and **per capita income**, the total household income divided by the number of members in the household. Household per capita income captured the endowment per member of the household, on average.

In the survey, an individual who received a minimum one month income of Rs.250 or a minimum six month income of Rs.1,500, preceding the date of the interview, was considered as an income receiver. An income earned by an individual less than this stipulated amount was added to the income of the head of the household. Also, if the only income received by an individual was of an irregular nature (such as a windfall gain or transfer payment from a relative abroad) such income was not considered to be the income of the recipient but of the head of the household to which the individual belonged. The **type of occupation** and **production sector** of the income receivers were recorded under the ISCO-88 and ISIC-90, respectively. This facilitated analysing an income receiver's income from occupation by type of occupation and also allowed comparability of income data at international level.

Information on the income of income receivers was collected for two **reference periods**, **one month** (last thirty days preceding the date of the field interview) and **six months** (last six months preceding that date). The advantage of one-month data is that they are comparatively free from non-sampling errors arising from memory lapses. However, given the seasonal nature of economic activities, particularly in the agriculture sector, and irregularity of income in informal economic activities, information on six months income provides a more stable measure of household average income over a longer period that is better related to its expenditure patterns. As the sample size was large enough and the conduct of the survey was balanced to take account of seasonal variations throughout the year, there were no significant differences observed between the one-month data and the one month average of six-months data. Therefore, the analysis in the following sections is based on the one-month reference period.

The **sources of income** in the survey were identified as **occupation income** (or occupations, in instances where the income receiver was engaged in one or more subsidiary occupations) such as salaries, wages and other payments; **property income** which included rental income, imputed rental

value of owner occupied or rent subsidised dwellings and that of homegrown produce and income from financial assets (interests and dividends); **transfer income**; **windfall income**; and **other income** (from any other source). Transfer income, defined to be income for which no direct service was performed, was identified under different categories such as pensions, government transfers for targeted groups such as Samurdhi receipts, food stamps, school uniforms and other charitable allowances, and transfer payments from friends and relatives living outside the household. However, some government transfers to households such as value of school books provided and value of the government services provided free of charge, such as educational and medical services that cannot be valued easily and accurately, were not included in the survey as transfer income. Consequently, total income and corresponding expenditure have been underestimated to the extent of all such state services provided free.

In the CFS, in the case of wage earners, money income referred to their gross salary before deductions for taxes, pension funds/provident funds, loan instalments, salary advances, and other deductions. These deductions were recorded appropriately in the relevant sections of the survey questionnaire. As an example, provident fund deductions were recorded as contributions under household investments, while loan instalments were detailed as repayment of household loans. Thus, automatically, only the disposable income of the households was available to match their other expenses.

All income received were categorised by **type of income** under **money (or cash) income** or **income in kind** according to the nature of receipts and payments. Money income was defined as income received in cash as well as the net saleable value of agricultural or industrial production (after the cost of production was deducted), valued at the market price that prevailed on the date it was harvested or produced, if the sale had not taken place yet. Following the tradition of the previous CFS surveys, transfer payments from the government such as Janasaviya and Samurdhi were also considered as money income in the 2003/04 survey. Income in kind consisted of the imputed value of goods and services received as remuneration for employment, such as the value of meals, uniforms, transport services, railway warrants, and free living quarters, the imputed value of homegrown produce consumed, including firewood collected free, imputed value of rent for owner occupied dwellings and subsidised parts of rents, if any, and imputed values of goods and services received from friends and relatives living away from the household.

There are limitations to the above definitions and a few of them are discussed here. In the CFS, most of the "household income" was credited to the income of the head of household, who is always an income receiver, by definition. Accordingly, imputed rent for an owner occupied house (irrespective of which household member was the legal owner of the premises), all government transfers given to household members, including school uniforms, and any private transfers from family members or relatives living outside the household were considered as the income of the head of household, in the survey. This practice

has somewhat distorted the analysis in this chapter on income and income distribution when analysed by income receivers, as the head of the household is solely assigned such household income. Since the head of the household, in the majority of households is a male, this practice also biases income towards males in the analysis of income by gender. However, this does not affect the analysis when household income is examined by total income or per capita income.

Another practice followed in the survey was that when a family member or relative(s) lived outside the household, either within the country or abroad, for the purpose of employment, they were not treated as household members and, accordingly, as income receivers. Monetary contributions from these persons to their respective families were recorded as transfer income from family members living outside the household. This practice has reduced the relative share of income from occupation at the level of income receivers as well as households. In the cases of married persons living outside the household, their spouses living in the household were treated as the receivers of transfer income, and in the case of unmarried children living outside the household who contributed to the welfare of the household, the head of household (in most cases one of the parents) was treated as the receiver of the transfer income. This has distorted the role of occupation income when income is analysed by various categories such as gender, age and education.

In the CFS, a household was defined as a group of persons living under one roof with common cooking arrangements. This definition, which is appropriate for a multipurpose household survey like the CFS, may create complications when the data are analysed at the household level. According to the definition, household members include boarders and domestic aides. The inclusion of these members in a household raises household income and expenditure levels, as their incomes and expenditures are added to both the overall household income and expenditure, thereby creating a double counting error in total household income and expenditure. Though the statistical impact of this was minimal for the entire survey, this fact should be taken into account when household income is analysed at total or per capita level. This limitation does not arise when income is analysed by income receivers.

In addition to these specific limitations, the general limitations of the survey also affected the analysis of income. The outdated sectoral classification distorts the sectoral (urban, rural and estate) income analysis, while exclusion of the Northern and Eastern provinces in the 1996/97 survey and inclusion of five of nine districts in these two provinces in the current survey impacts on comparisons between the two surveys.

The following analyses for both units of income, households and income receivers, highlight the types of income, sources of income, overall income distribution and levels and inequality in relation to sectors and provinces. In this chapter, the annual compounded rate of change was used to analyse annual changes in income between surveys. In order to compare real changes in income between CFS 1996/97 and CFS 2003/04, the nominal

values in 2003/04 were deflated for the relevant period by using the Sri Lanka Consumers' Price Index (SLCPI) computed by the DCS. The analyses by income receivers also focused on the relationship of income with key individual characteristics such as gender, age, education level, employment status and employment sector. The latter analysis is limited to income receivers, as other useful measures such as total or per capita household income do not permit analysis of the level of income relative to such individual characteristics.

7.2 Income Levels

The mean and median are the two statistical measures used in this chapter to analyse income and income distribution. The mean is usually strongly influenced by extreme values. Hence, the median, which is the mid point of the distribution of income, when income receivers or households are arranged in ascending or descending order of income, is usually considered a more meaningful measure than the simple mean.

Mean Income

In 2003/04 the mean one month income per income receiver was estimated as Rs.10,754 (Table 7.1). When compared with 1996/97 values, it had increased at an annual real rate of 1.8 per cent between the two survey periods. As expected, the highest mean income per income receiver was reported from the urban sector and in the Western province, in comparison with other sectors and provinces, respectively. The mean of the urban sector was 1.7 times the rural mean and 3.5 times the estate mean. Although income receivers in the estate sector had the lowest average level of income when compared with the urban and rural sectors in both surveys, in real terms their income levels had

risen at a somewhat higher rate than in the other sectors over the period and sectoral disparities had declined marginally.

The Sabaragamuwa province recorded the lowest average income receivers' income compared to other provinces. Between 1996/97 and 2003/04 the income receivers' income in the Southern and Sabaragamuwa provinces had recorded real declines, unlike in the other provinces. Consequently, disparities among provinces had risen somewhat (Table 7.2).

Changes in the levels of income by households were different to changes in the levels of income by income receivers, as the average number of income receivers per household fell marginally to around 1.59 between surveys. In 2003/04 the mean one month household income in Sri Lanka was Rs.17,109 (Table 7.1). In real terms the mean household income had increased annually by 1.4 per cent between the two survey periods, somewhat lower than the increases for income receivers, and consistent with the decline in income receivers per household.

Analysis across sectors showed similar trends as in the case of income receivers, where in nominal terms, the mean income of households in the urban sector was 1.9 times the rural mean and 3.3 times the estate mean. The income of households in all sectors during the period had a lower real growth than of income receivers due to the drop in the average number of income receivers per household in all sectors (Table 7.1). As this drop was around 9 per cent in the estate sector, compared with a mere 1 per cent in the urban and rural sectors, the estate sector household income recorded somewhat lower real growth compared to the other two sectors.

A provincial comparison revealed that the lowest mean one month household income was reported from Uva province in both surveys, although only Sabaragamuwa recorded a real decline in household income. Chapter 3 reported that the average number

Table 7.1
One Month Income by Sector 1996/97 and 2003/04

Amounts in Rs.

Category	Sector	Mean Income					Median Income				
		1996/97(a)		2003/04(b)			1996/97(a)		2003/04(b)		
		Nominal	Nominal	Real (at 1996/97 Prices)	% Change	Annual Real Growth (%)	Nominal	Nominal	Real (at 1996/97 Prices)	% Change	Annual Real Growth (%)
Income Receiver	Urban	9,491	17,368	10,549	11.1	1.5	5,563	9,500	5,770	3.7	0.5
	Rural	5,406	10,060	6,110	13.0	1.8	3,940	7,000	4,251	7.9	1.1
	Estate	2,579	4,899	2,975	15.3	2.1	2,243	3,700	2,247	0.2	0.0
	All Sectors	5,760	10,754	6,531	13.4	1.8	3,878	6,975	4,236	9.2	1.3
Household	Urban	17,110	30,091	18,276	6.8	0.9	11,500	18,480	11,224	-2.4	-0.3
	Rural	8,577	15,611	9,481	10.5	1.4	6,254	11,042	6,706	7.2	1.0
	Estate	5,301	9,180	5,575	5.2	0.7	4,710	7,425	4,510	-4.3	-0.6
	All Sectors	9,439	17,109	10,391	10.1	1.4	6,550	11,350	6,893	5.2	0.7
Household Per Capita	Urban	3,865	7,771	4,719	22.1	2.9	2,429	4,549	2,763	13.7	1.9
	Rural	2,008	3,934	2,389	19.0	2.5	1,449	2,735	1,661	14.6	2.0
	Estate	1,198	2,137	1,298	8.3	1.1	1,046	1,697	1,030	-1.5	-0.2
	All Sectors	2,190	4,326	2,627	20.0	2.6	1,500	2,792	1,696	13.0	1.8

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 7.2
One Month Income by Province 1996/97 and 2003/04

Amounts in Rs.

Category	Province	Mean Income					Median Income				
		1996/97(a)		2003/04(b)		Annual Real Growth (%)	1996/97(a)		2003/04(b)		Annual Real Growth (%)
		Nominal	Nominal	Real (at 1996/97 Prices)	% Change		Nominal	Nominal	Real (at 1996/97 Prices)	% Change	
Income Receiver	Western	7,537	14,892	9,045	20.0	2.6	4,800	9,475	5,755	19.9	2.6
	Central	4,839	8,830	5,363	10.8	1.5	3,339	5,976	3,629	8.7	1.2
	Southern	5,362	8,559	5,198	-3.1	-0.4	4,321	6,177	3,751	-13.2	-2.0
	Northern	—	9,228	5,605	—	—	—	6,500	3,948	—	—
	Eastern	—	9,377	5,695	—	—	—	5,908	3,588	—	—
	North Western	4,831	10,276	6,241	29.2	3.7	3,625	7,173	4,357	20.2	2.7
	North Central	4,613	11,093	6,738	46.0	5.6	3,375	6,820	4,142	22.7	3.0
	Uva	4,062	8,022	4,872	20.0	2.6	2,740	5,362	3,257	18.9	2.5
	Sabaragamuwa	4,888	7,438	4,518	-7.6	-1.1	3,418	5,271	3,201	-6.3	-0.9
	All Provinces	5,760	10,754	6,531	13.4	1.8	3,878	6,975	4,236	9.2	1.3
Household	Western	13,711	25,602	15,549	13.4	1.8	9,540	17,810	10,817	13.4	1.8
	Central	7,802	14,029	8,521	9.2	1.3	5,574	9,835	5,973	7.2	1.0
	Southern	7,941	13,733	8,340	5.0	0.7	6,240	10,550	6,408	2.7	0.4
	Northern	—	15,201	9,232	—	—	—	10,430	6,335	—	—
	Eastern	—	13,395	8,136	—	—	—	8,500	5,162	—	—
	North Western	7,404	15,792	9,591	29.5	3.8	5,547	11,322	6,876	24.0	3.1
	North Central	6,786	15,624	9,489	39.8	4.9	5,019	10,395	6,313	25.8	3.3
	Uva	6,366	11,178	6,789	6.6	0.9	4,648	7,800	4,737	1.9	0.3
	Sabaragamuwa	8,149	12,225	7,425	-8.9	-1.3	6,108	8,923	5,419	-11.3	-1.7
	All Provinces	9,439	17,109	10,391	10.1	1.4	6,550	11,350	6,893	5.2	0.7
Household Per Capita	Western	3,121	6,603	4,011	28.5	3.6	2,167	4,333	2,632	21.4	2.8
	Central	1,846	3,548	2,155	16.7	2.2	1,306	2,374	1,442	10.4	1.4
	Southern	1,825	3,279	1,992	9.1	1.3	1,421	2,503	1,520	7.0	1.0
	Northern	—	3,741	2,272	—	—	—	2,334	1,417	—	—
	Eastern	—	3,162	1,921	—	—	—	1,955	1,187	—	—
	North Western	1,814	4,139	2,514	38.5	4.8	1,350	2,910	1,767	30.9	3.9
	North Central	1,623	4,003	2,431	49.8	5.9	1,191	2,646	1,607	35.0	4.4
	Uva	1,436	2,769	1,682	17.1	2.3	1,060	1,867	1,134	7.0	1.0
	Sabaragamuwa	1,912	2,996	1,820	-4.8	-0.7	1,350	2,233	1,356	0.4	0.1
	All Provinces	2,190	4,326	2,627	20.0	2.6	1,500	2,792	1,696	13.0	1.8

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

of income receivers per household in the Sabaragamuwa province had declined, but was higher than in the Uva province. This was the main reason why the household income in Sabaragamuwa province was higher than in Uva province, despite having the lowest income per income receiver (Table 7.2). In respect of the mean household income, the Southern province recorded positive real growth, despite the decline reported for income receiver income. This was due to a relatively higher increase in the average number of income receivers per household in the Southern province.

The household per capita income levels had increased by 2.6 per cent annually between the two survey periods in real terms. In 2003/04, the mean one month household per capita income was Rs.4,326 (Table 7.1). This higher level of growth, compared with the growth rates for income receivers and households, was due to the decrease in average household size to 4.3 from 4.6 recorded in the 1996/97 survey. The mean household per capita income in all 3 sectors behaved similarly, as a result of the decline in average household size of these sectors

by 10, 7, and 3 per cent, respectively. On annual basis, the mean household per capita income in the urban and rural sectors increased in real terms by around 3 per cent, while the estate sector recorded a much lower annual real growth of one per cent.

As in the case of total income, the lowest household per capita income among provinces was also recorded in Uva province. With the decline in the average household size in provinces between survey periods, the mean household per capita income in most provinces recorded a relatively higher real growth than total household income except Sabaragamuwa, where a real contraction was seen in household per capita income as well (Table 7.2).

The quintile distribution of income receivers' income (Table 7.3) recorded that on an annualised basis, the bottom quintile experienced a marginal real income growth. Thereafter, the growth rate rose with quintile, where the real income of the highest quintile achieved the highest annual growth of 2.4 per cent. Further examination by sectors shows that the trends were similar across sectors (Table 7.4). However, in the urban and the

Table 7.3
One Month Income by Income Quintile 1996/97 and 2003/04

Amounts in Rs.

Category	Income Quintile	Mean Income					Median Income				
		1996/97(a)		2003/04(b)			1996/97(a)		2003/04(b)		
		Nominal	Nominal	Real (at 1996/97 Prices)	% Change	Annual Real Growth (%)	Nominal	Nominal	Real (at 1996/97 Prices)	% Change	Annual Real Growth (%)
Income Receiver	1	1,164	1,936	1,176	1.0	0.1	1,200	2,027	1,231	2.6	0.4
	2	2,534	4,442	2,698	6.5	0.9	2,500	4,500	2,733	9.3	1.3
	3	3,899	6,979	4,239	8.7	1.2	3,878	7,000	4,251	9.6	1.3
	4	5,953	10,791	6,554	10.1	1.4	5,880	10,600	6,438	9.5	1.3
	5	15,253	29,649	18,007	18.1	2.4	11,045	20,500	12,451	12.7	1.7
	All	5,760	10,754	6,531	13.4	1.8	3,878	6,975	4,236	9.2	1.3
Household	1	2,733	4,308	2,616	-4.3	-0.6	2,885	4,524	2,747	-4.8	-0.7
	2	4,650	7,770	4,719	1.5	0.2	4,649	7,728	4,694	1.0	0.1
	3	6,579	11,447	6,952	5.7	0.8	6,550	11,354	6,896	5.3	0.7
	4	9,744	17,478	10,616	8.9	1.2	9,555	17,273	10,491	9.8	1.3
	5	23,496	44,550	27,057	15.2	2.0	17,726	32,786	19,912	12.3	1.7
	All	9,439	17,109	10,391	10.1	1.4	6,550	11,350	6,893	5.2	0.7
Household Per Capita	1	658	1,119	679	3.3	0.5	686	1,183	719	4.8	0.7
	2	1,085	1,935	1,175	8.3	1.1	1,083	1,925	1,169	8.0	1.1
	3	1,508	2,810	1,707	13.2	1.8	1,500	2,792	1,696	13.0	1.8
	4	2,244	4,281	2,600	15.9	2.1	2,208	4,217	2,561	16.0	2.1
	5	5,463	11,489	6,978	27.7	3.6	4,158	8,333	5,061	21.7	2.8
	All	2,190	4,326	2,627	20.0	2.6	1,500	2,792	1,696	13.0	1.8

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

rural sectors, the mean incomes improved in real terms, for all quintiles of income receivers, whereas in the estate sector, real incomes in the bottom two quintiles declined, while the other three quintiles improved their real mean incomes, with the upper most quintile experiencing a significant improvement. Therefore, the marginal growth reported in the bottom quintile of income receivers, in real terms, was mainly due to negative real income growth in the estate sector at that income level.

The mean incomes of households improved, in real terms, from the 2nd quintile onwards between 1996/97 and 2003/04, at successively higher rates across quintiles. On annualised basis, the highest quintile achieved the highest annualised growth of 2 per cent, while the 3rd and 4th quintiles recorded a growth rate of around 1 per cent (Table 7.3). The sectoral analysis of household income by quintiles shows that in real terms mean incomes of the 1st quintile in all three sectors had eroded substantially over the period. In the rural sector it had improved

Table 7.4
One Month Mean Income of Income Receivers by Income Quintile and Sector 1996/97 and 2003/04

Amount in Rs.

One Month Income Receivers' Income Quintile	Urban				Rural				Estate			
	1996/97(a)		2003/04(b)		1996/97(a)		2003/04(b)		1996/97(a)		2003/04(b)	
	Nominal	Nominal	Real (at 1996/97 Prices)	Annual Real Growth (%)	Nominal	Nominal	Real (at 1996/97 Prices)	Annual Real Growth (%)	Nominal	Nominal	Real (at 1996/97 Prices)	Annual Real Growth (%)
1	1,586	2,662	1,617	0.3	1,141	1,935	1,175	0.4	1,017	1,610	978	-0.6
2	3,448	6,038	3,667	0.9	2,577	4,536	2,755	1.0	1,786	2,887	1,753	-0.3
3	5,630	9,635	5,852	0.6	3,943	6,991	4,246	1.1	2,258	3,736	2,269	0.1
4	9,194	16,003	9,720	0.8	5,854	10,560	6,414	1.3	2,899	4,933	2,996	0.5
5	27,807	52,875	32,113	2.1	13,516	26,292	15,968	2.4	4,953	11,355	6,897	4.8
All	9,491	17,368	10,549	1.5	5,406	10,060	6,110	1.8	2,579	4,899	2,975	2.1

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 7.5
One Month Mean Income of Households by Income Quintile and Sector 1996/97 and 2003/04

Amount in Rs.

One Month Household Income Quintile	Urban				Rural				Estate			
	1996/97(a)		2003/04(b)		1996/97(a)		2003/04(b)		1996/97(a)		2003/04(b)	
	Nominal	Nominal	Real (at 1996/97 Prices)	Annual Real Growth (%)	Nominal	Nominal	Real (at 1996/97 Prices)	Annual Real Growth (%)	Nominal	Nominal	Real (at 1996/97 Prices)	Annual Real Growth (%)
1	4,424	6,513	3,956	-1.6	2,666	4,227	2,567	-0.5	2,345	3,642	2,212	-0.8
2	7,815	12,330	7,489	-0.6	4,512	7,583	4,605	0.3	3,670	5,693	3,458	-0.8
3	11,497	18,789	11,411	-0.1	6,297	11,068	6,722	0.9	4,722	7,489	4,549	-0.5
4	17,239	29,605	17,980	0.6	9,157	16,575	10,067	1.4	6,209	9,672	5,874	-0.8
5	44,630	83,302	50,593	1.8	20,262	38,608	23,449	2.1	9,567	19,402	11,784	3.0
All	17,110	30,091	18,276	0.9	8,577	15,611	9,481	1.4	5,301	9,180	5,575	0.7

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

from the 2nd quintile onwards (Table 7.5). In the urban sector, households in the bottom three quintiles suffered an erosion of mean income in real terms, whereas the upper two quintiles improved their mean incomes. In the estate sector the mean incomes of households declined, in real terms, for all quintiles except the highest, which had increased at an annual rate of 3 per cent during the period.

The per capita household incomes improved, in real terms, for all quintiles (Table 7.3) recording the same trend across quintiles as for income receivers, but at higher annual rates. On a sectoral basis, the quintile analysis showed that in the urban sector only the bottom quintile suffered an erosion of household per capita income in real terms, while all other quintiles improved their respective per capita income (Table 7.6). In the rural sector, all quintiles improved, while in the estate sector, the bottom two quintiles suffered an erosion of per capita income in real terms. As in the previous survey, the per capita income in the rural sector grew at the highest rate across sectors in the bottom three quintiles, while the urban sector growth rate was the highest for the upper two quintiles, when compared across sectors.

Median Income

In 2003/04, the median one month income per income receiver in Sri Lanka was estimated at Rs.6,975. In other words, a half of the income receivers in Sri Lanka had received less than Rs.6,975 per month (Table 7.1). It was observed that mean incomes had grown at a higher rate than median incomes, indicating that the distribution of income had further skewed towards the higher income groups. Sector-wise, there were differences in the changes that took place between the median and mean income of income receivers. The median incomes of the urban and rural sectors grew at a lower real rate than mean incomes, while in the estate sector, real median income remained unchanged between the two survey periods, while the rank order remained the same (Chart 7.1).

The mean and median income of income receivers at provincial level had the same ranking, where the Sabaragamuwa and Western provinces had the lowest and highest median incomes per income receivers, respectively (Chart 7.2). The median income per income receiver across provinces between survey periods had changed similar to the mean, where the Southern

Table 7.6
One Month Mean Household Per Capita Income by Income Quintile and Sector 1996/97 and 2003/04

Amount in Rs.

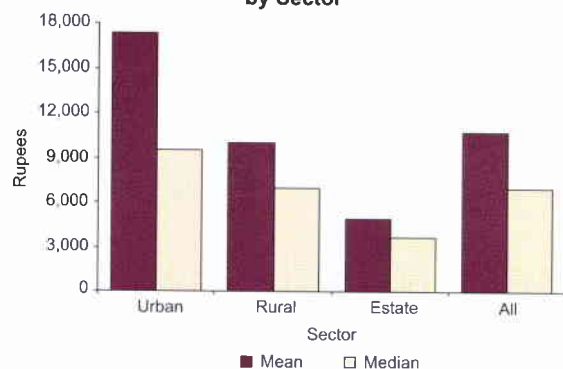
One Month Household Income Quintile	Urban				Rural				Estate			
	1996/97(a)		2003/04(b)		1996/97(a)		2003/04(b)		1996/97(a)		2003/04(b)	
	Nominal	Nominal	Real (at 1996/97 Prices)	Annual Real Growth (%)	Nominal	Nominal	Real (at 1996/97 Prices)	Annual Real Growth (%)	Nominal	Nominal	Real (at 1996/97 Prices)	Annual Real Growth (%)
1	975	1,516	920	-0.8	641	1,100	668	0.6	564	921	559	-0.1
2	1,678	2,807	1,705	0.2	1,063	1,916	1,164	1.3	829	1,345	817	-0.2
3	2,469	4,527	2,749	1.5	1,455	2,745	1,667	2.0	1,041	1,712	1,039	0.0
4	3,820	7,394	4,491	2.3	2,132	4,077	2,476	2.2	1,335	2,236	1,358	0.2
5	10,331	21,504	13,061	3.4	4,657	9,558	5,805	3.2	2,149	4,435	2,694	3.3
All	3,496	6,777	4,116	2.4	1,882	3,650	2,217	2.4	1,119	2,014	1,223	1.3

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Chart 7.1

One Month Mean and Median Income per Income Receiver by Sector



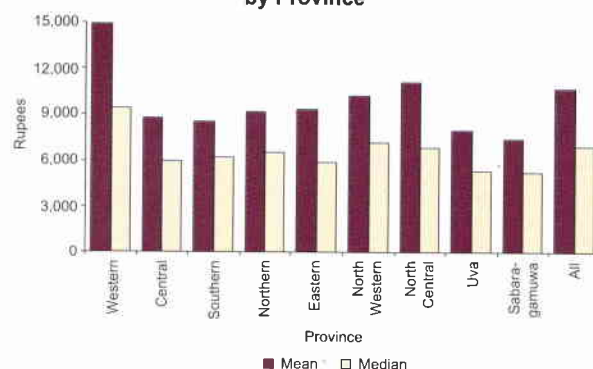
and Sabaragamuwa provinces recorded negative real growth rates.

The median household income for Sri Lanka was Rs.11,350. Similar to mean incomes, the highest median household income was reported from the urban sector in the sector-wise classification and Western province in the provincial classification. At the other extreme, the lowest median household income was reported from the estate sector and Uva province (Charts 7.3 and 7.4). The provincial variations of median income show that half the households in the Western province received less than Rs.17,810 per month, while in Uva province half the households received less than Rs.7,800 per month. Unlike for income receivers, the median household income in the urban and estate sectors declined in real terms, while the rural sector recorded an annual real growth of one per cent during the period. This reflected the decline in the number of income receivers in the urban and estate sectors at faster rates than their individual increases in real median income levels. The median household incomes across provinces behaved similar to the mean income, with minor differences in rank order (Table 7.2 and Chart 7.4).

The overall pattern among sectors and provinces for median household per capita income as well, were similar to that for income receivers' and total household income (Charts 7.5 and

Chart 7.2

One Month Mean and Median Income per Income Receiver by Province



7.6). In 2003/04 the median household per capita income was Rs.2,792 (Table 7.1). In real terms, it had increased annually by 1.8 per cent between the two survey periods, higher than the annual growth of the household median income of 0.7 per cent, due to the same reasons stated in the analysis of mean household per capita income. Analysis across sectors of the household per capita median income showed a marginal decline for the estate sector compared with the urban and rural sector increases in real terms. The decline in the real value of the urban median household income was mitigated by the higher drop (10 per cent) in the household size in the urban sector, thereby leading to a positive growth at household per capita income level.

The provincial variation showed that half of the households in the Western province received one month per capita incomes less than Rs.4,333, while half of the households in the Uva province received one month per capita incomes less than Rs.1,867 (Table 7.2).

In the case of household income quintiles, median per capita income had grown at a higher rate than mean income in the lowest quintile, at a lower rate in the highest quintile and at the same rate in the other three quintiles, thereby signifying that the distribution between income levels had become less skewed between survey periods (Table 7.3).

Chart 7.3

One Month Mean and Median Income per Household by Sector

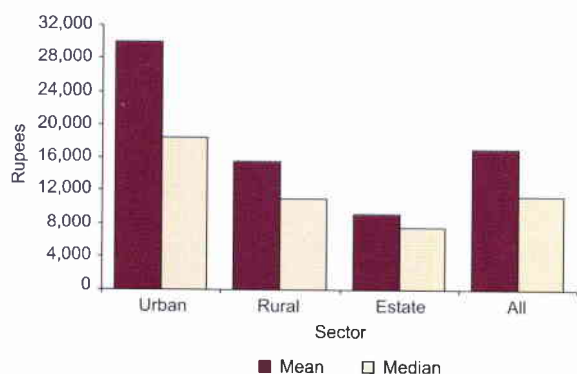


Chart 7.4

One Month Mean and Median Income per Household by Province

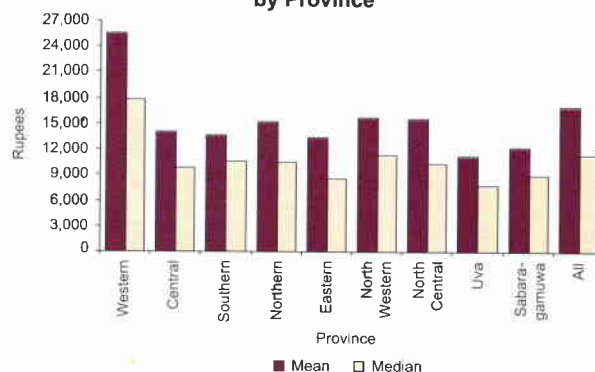
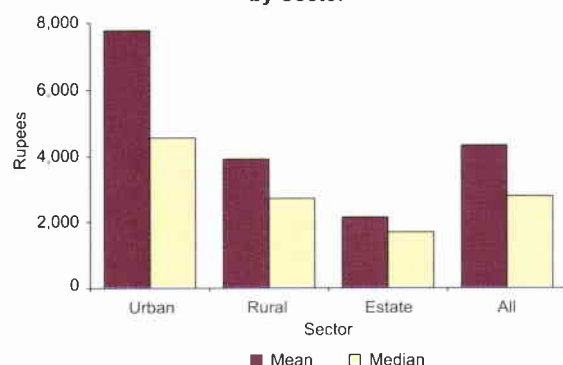


Chart 7.5

One Month Mean and Median Household Per Capita Income by Sector



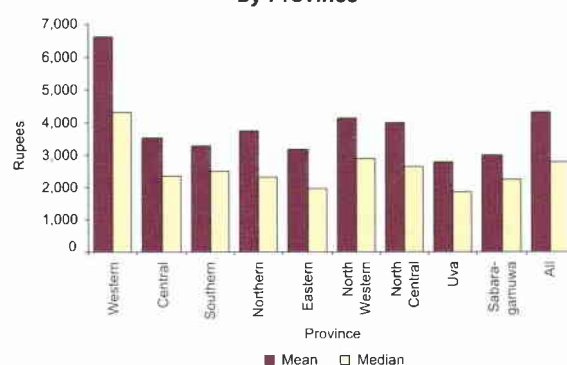
In summary, changes in the gaps between mean and median income levels between the two survey periods signified that variability in income levels had widened. The higher growth rates for mean income compared with median income were seen across all sectors and nearly all provinces for all measures of income at income receiver, household and household per capita level. Furthermore, the incomes of individuals had improved, on average, across all sectors and most provinces. However, there was evidence that incomes in the estate sector had deteriorated at household level compared to improvements in the other two sectors in real terms. Among provinces too, a similar deterioration was seen in the Sabaragamuwa province compared to other provinces at the household level. At the same time, disparities among sectors and provinces had not changed. The Urban sector and Western province had significantly higher levels, on average, while the estate sector, Uva, Sabaragamuwa and Eastern provinces recorded lower levels, on average, on nearly all measures of income that were analysed here. These findings were consistent with the findings in other chapters with regard to sectoral and provincial disparities in socio-economic conditions.

7.3 Income Distribution

There can be differences between changes in the distribution of income and the changes in income levels among different household sub-populations over time. Hence, inequality in income distribution is an important measure in analysing incomes in different sub sectors of the population. The shares of income among different sub populations, in relation to their population size, provide one measure of income inequality that was used in the analyses in this chapter. Another measure of income inequality that was used is the Decile Distribution Ratio, which is the ratio between the income share of the poorest 40 per cent of income receivers or households when ranked by income, to the income share of the richest 20 per cent. It captures the disparity in income at the extremes of the income distribution. This can also be illustrated by a Lorenz Curve (LC). The LC is obtained by drawing a graph of the cumulative percentage of persons against their cumulative share of income. The diagonal line in this graph represents complete equality in income distribution, where each

Chart 7.6

One Month Mean and Median Household Per Capita Income by Province



income receiver receives the same share of total income. The Gini coefficient is defined as twice the area between the LC and the diagonal line and measures the divergence between the LC and the diagonal. The level of inequality in the distribution of income is widely measured by changes in the Gini coefficient over time. It increases with the degree of inequality. The Gini coefficient takes the value 0 in the case of perfect equality (when LC coincides with the diagonal) and 1 in the case of perfect inequality. This was the third measure of inequality used in this analysis.

Shares of Income

The shares of total income among the urban, rural and estate sectors remained more or less the same as in 1996/97. Of the total income, the urban, rural and estate sectors accounted for 22, 75 and 3 per cent, respectively, in 2003/04, in comparison to the numbers of income receiver and household shares of 14, 80 and 6 per cent and 13, 82 and 5 per cent, respectively, showing that the urban bias in income distribution remained unchanged between the two survey periods (Table 7.7).

Further examination of the shares of income by income receivers' income quintiles revealed that between survey periods the share accruing to the poorest 40 per cent (1st and 2nd quintile) declined from 12.8 per cent to 11.9 per cent, similar to the respective shares in 1986/87. The share of the middle-income

Table 7.7

Distribution of Income Receivers, Households and Total Income by Sector 1996/97 and 2003/04

Sector	Share of Income Receivers		Share of Households		Share of Income	
	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)
Urban	13.4	13.7	12.2	12.6	22.1	22.2
Rural	79.8	80.3	82.4	82.3	74.9	75.1
Estate	6.8	6.0	5.4	5.1	3.1	2.7
Total	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 7.8

Distribution of Income Receivers' Income by Income Quintile 1953 to 2003/04

One Month Income								
Receivers' Income Quintile	1953	1963	1973	1978/79	1981/82	1986/87(a)	1996/97(a)	2003/04(b)
1	5.1	3.9	5.0	3.8	3.6	3.5	4.0	3.6
2	7.9	8.1	10.1	8.4	7.9	7.8	8.8	8.3
3	12.0	12.4	15.9	13.3	12.4	12.5	13.5	13.1
4	18.3	20.4	23.2	20.5	19.2	19.5	20.7	19.9
5	56.7	55.3	45.9	54.1	56.8	56.7	53.0	55.1
All	100	100	100	100	100	100	100	100
Decile Distribution Ratio	0.23	0.22	0.33	0.22	0.20	0.20	0.24	0.22
Gini Coefficient	0.50	0.49	0.41	0.50	0.52	0.52	0.48	0.50

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

groups (3rd and 4th quintile) also recorded a decline from 34.2 per cent to 33 per cent, while the richest 20 per cent (5th quintile) share moved up from 53 per cent to 55.1 per cent in 2003/04 (Table 7.8). The distribution of income by households also showed a similar trend towards greater inequality (Table 7.9 and Chart 7.7). However, the household income distribution recorded greater equality than that of income receivers in both surveys. Thus, lower income disparity at the household, relative to the individual level, implied relatively lower disparity in living standards at the household level.

Table 7.9

Distribution of Household Income by Income Quintile 1996/97 and 2003/04

One Month Household Income Quintile	1996/97 (a)	2003/04 (b)
1	5.8	5.0
2	9.8	9.1
3	14.0	13.4
4	20.6	20.4
5	49.8	52.1
All	100	100
Decile Distribution Ratio	0.31	0.27
Gini Coefficient	0.43	0.46

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

When comparing sectors, it was seen that the richest 20 per cent of income receivers and households received 50 per cent or more of the total income in all sectors except in the estate sector. Also, when the share of income received by the poorest 40 per cent of income receivers as well as households by sectors were compared, the estate sector recorded the highest share (18.4 per cent and 20.3 per cent, respectively) indicating the lowest disparities in income distribution within the poorest sector (Tables 7.10 and 7.11).

The distribution of household income by quintiles showed that households in the lowest quintile each received less than Rs.6,214 and a share of 5 per cent, while households in the highest quintile each received more than Rs.22,037 and a share of 52 per cent of the total income (Table 7.11).

The income share by quintiles of income receivers within each province showed that the share of the poorest 20 per cent of income receivers in the Central, Western, North Central, Uva and Sabaragamuwa provinces were able to maintain or increase their respective shares of income, while shares of the Southern and North Western provinces dropped between survey periods. The share of the middle income quintiles declined in all provinces except Sabaragamuwa province. The share of the richest 20 per cent increased in all provinces except Sabaragamuwa, where 20 per cent of the estate sector is located (Chart 7.8)

Chart 7.7

Share of Household Income

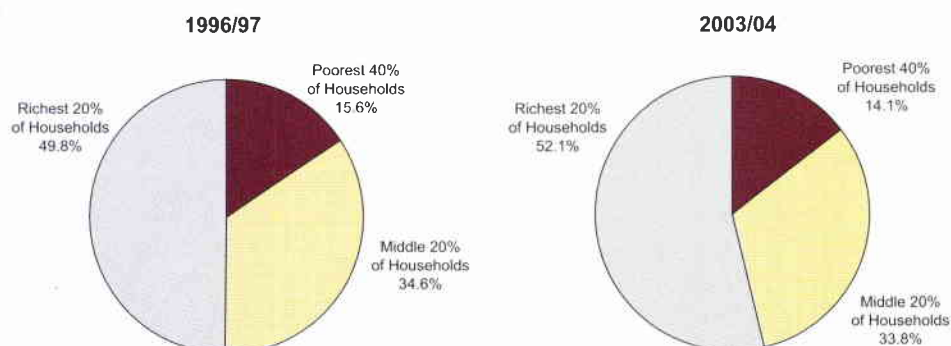


Table 7.10
Distribution of Income Receivers' Income by Sector and Income Quintile

One Month Income Receivers' Income Quintile	Urban		Rural		Estate		All Sectors	
	Income Range (Rs.)	Share of Income %	Income Range (Rs.)	Share of Income %	Income Range (Rs.)	Share of Income %	Income Range (Rs.)	Share of Income %
1	Less than 4,500	3.3	Less than 3,400	3.9	Less than 2,407	6.6	Less than 3,330	3.6
2	4,510 – 7,590	6.4	3,402 – 5,650	9.0	2,412 – 3,334	11.8	3,334 – 5,575	8.3
3	7,595 – 12,000	11.3	5,653 – 8,458	13.9	3,337 – 4,162	15.3	5,580 – 8,500	13.1
4	12,040 – 21,487	18.1	8,460 – 13,242	21.0	4,166 – 6,000	20.2	8,502 – 13,776	19.9
5	More than 21,489	60.9	More than 13,250	52.3	More than 6,020	46.2	More than 13,780	55.1
All		100		100		100		100

Table 7.11
Distribution of Household Income by Sector and Income Quintile

One Month Household Income Quintile	Urban		Rural		Estate		All Sectors	
	Income Range (Rs.)	Share of Income %	Income Range (Rs.)	Share of Income %	Income Range (Rs.)	Share of Income %	Income Range (Rs.)	Share of Income %
1	Less than 9,800	4.3	Less than 6,085	5.4	Less than 4,769	7.9	Less than 6,214	5.0
2	9,850 – 15,335	8.2	6,087 – 9,150	9.7	4,775 – 6,615	12.4	6,220 – 9,430	9.1
3	15,340 – 23,200	12.5	9,152 – 13,200	14.2	6,650 – 8,310	16.3	9,435 – 13,755	13.4
4	23,214 – 38,490	19.7	13,202 – 20,829	21.2	8,318 – 11,980	21.1	13,757 – 22,036	20.4
5	More than 38,500	55.3	More than 20,837	49.5	More than 12,000	42.3	More than 22,037	52.1
All		100		100		100		100

In respect of income quintile shares of household income, the first four quintiles recorded a decline in nearly all provinces, while the 5th quintile in all provinces, except Sabaragamuwa, recorded a higher share in 2003/04. The 5th income quintile share in Sabaragamuwa province also remained unchanged during this period. Since income data for the Northern and Eastern provinces were not available in the previous survey, these two provinces have been excluded when analysing changes between survey periods. However, according to CFS 2003/04, in these two provinces, the shares of the 1st quintile were relatively low and the shares of the 5th quintiles were high compared with other provinces, particularly in the Eastern province (Table 7.12). The analysis of household income shares by provinces indicated that

inequality had widened in most provinces, except Sabaragamuwa, between surveys. In addition, inequality appeared relatively high in the Northern and Eastern provinces in 2003/04 (Chart 7.9).

Gini Coefficient and Decile Distribution Ratio

The findings in the previous sections were further confirmed by the changes in the other two measures of inequality, the Gini Coefficient and the Decile Distribution Ratio, as well.

In 2003/04, the Gini Coefficient for income receivers had increased slightly towards greater inequality. This increase was significant in the estate sector, where it changed from 0.30 in 1996/97 to 0.38 in 2003/04. However, the estate sector continued to record the lowest inequality among the three sectors, where

Chart 7.8
Distribution of Income Receivers' Income by Income Quintile within Province

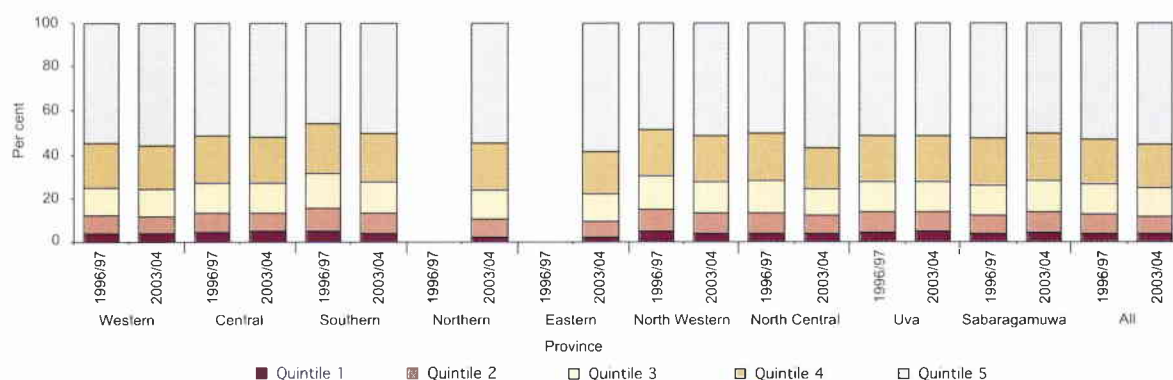


Table 7.12
Distribution of Income by Province 1996/97 and 2003/04

Item	Province									All Provinces
	Western	Central	Southern	Northern	Eastern	North Western	North Central	Uva gamuwa	Sabara-	
Income Shares by Quintiles of Income Receivers, %										
1996/97 (a)	100	100	100	—	—	100	100	100	100	100
1st Quintile	4.0	4.2	4.8	—	—	5.1	3.9	4.7	3.8	4.0
2nd Quintile	8.2	9.2	10.9	—	—	9.9	9.4	9.2	8.5	8.8
3rd Quintile	12.7	13.9	15.9	—	—	15.1	14.7	13.5	14.0	13.5
4th Quintile	20.2	21.3	22.7	—	—	21.2	22.0	21.3	21.2	20.7
5th Quintile	54.8	51.4	45.6	—	—	48.7	50.1	51.3	52.7	53.0
2003/04 (b)	100	100	100	—	—	100	100	100	100	100
1st Quintile	3.9	4.7	3.8	2.3	2.3	4.1	4.1	4.9	4.2	3.6
2nd Quintile	8.0	8.8	9.5	8.1	7.3	9.3	8.1	8.9	9.6	8.3
3rd Quintile	12.7	13.5	14.6	13.7	12.5	14.1	12.4	13.7	14.3	13.1
4th Quintile	19.7	21.1	22.1	21.2	19.2	21.0	18.6	20.9	21.6	19.9
5th Quintile	55.8	51.9	50.0	54.8	58.6	51.5	56.9	51.6	50.3	55.1
Decile Distribution Ratio										
1996/97 (a)	0.22	0.26	0.34	—	—	0.31	0.26	0.27	0.23	0.24
2003/04 (b)	0.21	0.26	0.26	0.19	0.16	0.26	0.21	0.27	0.27	0.22
Gini Coefficient										
1996/97 (a)	0.50	0.46	0.40	—	—	0.43	0.46	0.46	0.48	0.48
2003/04 (b)	0.51	0.47	0.46	0.52	0.55	0.47	0.51	0.46	0.45	0.50
Income Shares by Quintiles of Households, %										
1996/97 (a)	100	100	100	—	—	100	100	100	100	100
1st Quintile	7.5	6.5	7.1	—	—	7.4	5.9	6.0	6.5	5.8
2nd Quintile	9.9	10.8	11.7	—	—	11.4	10.7	10.7	10.8	9.8
3rd Quintile	14.2	14.4	15.9	—	—	15.0	14.8	14.6	15.2	14.0
4th Quintile	20.9	20.5	22.1	—	—	21.1	21.8	20.9	20.0	20.6
5th Quintile	49.3	47.8	43.3	—	—	45.1	46.9	47.9	47.5	49.8
2003/04 (b)	100	100	100	—	—	100	100	100	100	100
1st Quintile	5.4	5.9	6.5	5.4	3.9	6.0	4.8	6.0	6.2	5.0
2nd Quintile	9.5	9.9	11.1	10.1	8.4	10.0	8.8	10.0	10.3	9.1
3rd Quintile	13.9	13.9	15.4	14.1	12.5	14.4	13.0	14.0	14.6	13.4
4th Quintile	20.5	20.7	21.4	19.8	19.0	20.9	20.2	20.6	21.4	20.4
5th Quintile	50.7	49.6	45.6	50.5	56.3	48.7	53.1	49.4	47.5	52.1
Decile Distribution Ratio										
1996/97 (a)	0.32	0.36	0.43	—	—	0.42	0.35	0.35	0.36	0.31
2003/04 (b)	0.29	0.32	0.38	0.31	0.22	0.33	0.26	0.32	0.35	0.27
Gini Coefficient										
1996/97 (a)	0.43	0.40	0.36	—	—	0.37	0.41	0.41	0.40	0.43
2003/04 (b)	0.44	0.43	0.39	0.44	0.51	0.42	0.47	0.43	0.41	0.46

(a) Excluding Northern and Eastern provinces
(b) Excluding Killinochchi, Mannar and Mullaitivu districts

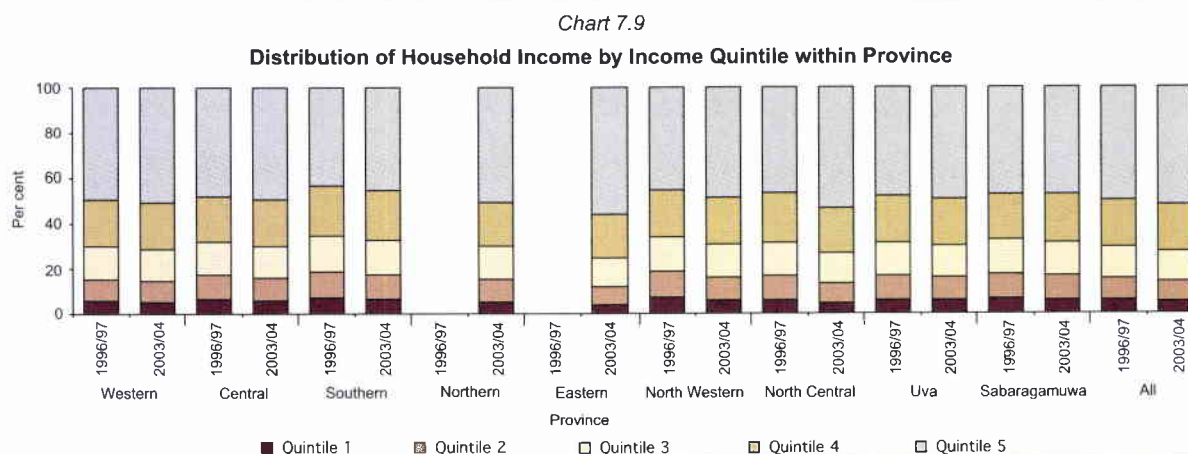


Table 7.13

Distribution of Income by Sector 1996/97 and 2003/04

Category		Decile Distribution Ratio		Gini Coefficient	
		1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)
Income Receivers	Urban	0.18	0.16	0.54	0.56
	Rural	0.28	0.25	0.45	0.48
	Estate	0.57	0.40	0.30	0.38
	All Sectors	0.24	0.22	0.48	0.50
Households	Urban	0.28	0.23	0.46	0.50
	Rural	0.35	0.31	0.40	0.43
	Estate	0.63	0.48	0.27	0.34
	All Sectors	0.31	0.27	0.43	0.46

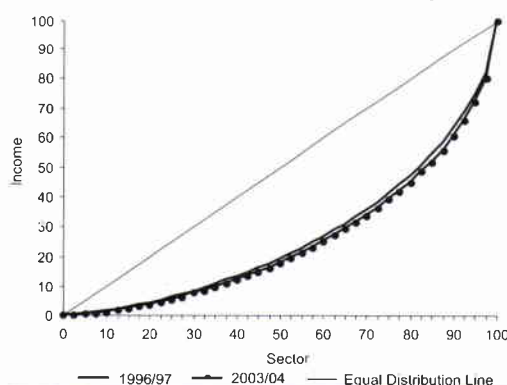
(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

relatively more homogeneous socio-economic conditions were encountered (Table 7.13). Inequality remained highest in the urban sector, where the Gini Coefficient was 0.56 compared with 0.54 in 1996/97. Income inequality in the rural sector also increased in 2003/04 to 0.48 from 0.45 in 1996/97. The widening of inequality between 1996/97 and 2003/04, which was reflected in the Gini Coefficient, was confirmed by the Decile Distribution Ratio moving from 0.24 to 0.22 and a downward shift in the Lorenz Curve (Chart 7.10). Therefore, the turnaround observed in the 1996/97 survey towards improving income equality reverted to the 1978/79 level in terms of the quintile distribution, the Decile Distribution Ratio and the Gini Coefficient (Table 7.8). The Decile Distribution Ratio in all sectors also recorded declines, but sharper in the estate sector, confirming a deeper widening of inequality in this sector.

The changes with respect to household income were similar overall and across sectors to the changes with respect to income receivers' income. The Gini coefficient for households was 0.46 in 2003/04 compared with 0.43 in 1996/97, showing widening of income inequality among households between survey periods. The Decile Distribution Ratio also declined and the Lorenz Curve shifted downward, as in the case of income receivers, in all sectors, with sharper changes in the estate sector (Table 7.13).

Chart 7.10

Lorenz Curve for Income Receivers

The estimates of both Gini coefficients and Decile Distribution Ratios for income receivers from 1953 to 2003/04 reveal that they had fluctuated in a narrow range during these five decades (Table 7.8). The historical series shows hardly any change, except in 1973, where both indicators recorded a shift in the distribution of income towards greater equality. However, the surveys after 1973 showed a reversal to the pre-1973 levels of inequality in income distribution. Thus, despite overall improvements in income levels, income inequality had hardly changed over time.

When the provinces were compared between surveys, the Gini Coefficient for income receivers had increased in all provinces, except Uva and Sabaragamuwa, towards greater inequality. The increases were highest in Southern, North Central and North Western provinces. The income receivers inequality had narrowed marginally in Sabaragamuwa province with no change in Uva province. The decile distribution ratios also recorded declines, but sharper in the Southern, North Central and North Western provinces, confirming a deeper widening of inequality in these provinces. At household level the Gini Coefficient had increased and the Decile Distribution Ratio had declined in almost all provinces, but relatively faster in the North Western and North Central provinces (Table 7.12). The Gini Coefficient as well as the Decile Distribution Ratio signified greater inequality in the Northern and Eastern provinces compared to most other provinces in 2003/04. These findings were consistent with the share distribution of income among quintiles within provinces that was discussed earlier.

7.4 Types of Income

According to the survey data, cash income accounted for slightly over 84 per cent, while income in kind was less than 16 per cent, of total income in 2003/04 (Table 7.14). This indicates a marginal rise in cash receipts from 1996/97, where income in kind represented 18 per cent of total income. In the sectoral analysis, cash income at 88 per cent was highest in the estate sector, as observed in the previous survey. In the urban and rural sectors the corresponding percentages were 81 per cent and 85 per cent. Lack of property income was the main reason for the lower income in kind in the estate sector. In the other two sectors, property income, particularly imputed rental income from owner occupied housing, supported the comparatively higher share of income in kind in these two sectors. Following the trend that prevailed in the previous surveys, income in kind was comparatively higher in the urban sector. The reason for this was the high commercial value of house rent in urban areas and consequently high value of imputed rent in the urban sector. Meanwhile, the provincial statistics did not show significant deviations for any province from the national average. The Western province had the highest share of income in kind and the Eastern and Northern provinces the lowest, probably for similar reasons to sectoral differences, due to the higher and lower contributions from the imputed values of rent, respectively (Table 7.15). In general, however, income in kind is subject to a greater degree of investigator specific errors, as discussed in Chapter 2, since it is estimated through imputations.

Table 7.14

Composition of Income by Sector 1996/97 and 2003/04

Sector	1996/97(a)			2003/04(b)		
	Cash	Kind	Total	Cash	Kind	Total
Urban	78.9	21.1	100	81.3	18.7	100
Rural	82.6	17.4	100	84.8	15.2	100
Estate	89.7	10.3	100	88.1	11.9	100
All Sectors	82.0	18.0	100	84.1	15.9	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

When analysed by income quintiles, the composition of income by type was not affected by the level of income, and no visible firm trends were discernible in either survey. (Table 7.16). However, the share of income in kind in the total income had risen for poorer groups and declined for richer groups between surveys.

Table 7.16

Composition of Income by Income Quintile 1996/97 and 2003/04

One Month Income Receivers' Income Quintile	1996/97(a)			2003/04(b)		
	Cash	Kind	Total	Cash	Kind	Total
1	85.2	14.8	100	82.3	17.7	100
2	85.7	14.3	100	84.7	15.3	100
3	82.8	17.2	100	83.7	16.3	100
4	81.3	18.7	100	83.3	16.7	100
5	81.3	18.7	100	84.5	15.5	100
All	82.0	18.0	100	84.1	15.9	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

7.5 Sources of Income

The CFS broadly classified sources of income under occupation income, property income (income from both real and financial properties), windfall income, transfer income and other income. In 2003/04, income from occupation accounted for 64.2 per cent of the total income, slightly higher than 63.3 per cent reported in 1996/97. Income from property and transfers were the two other important sources that accounted for 17.6 per cent and 17.5 per cent, respectively. Windfall income and income from unclassified sources were negligible and their contributions to the total household income were 0.2 per cent and 0.5 per cent, respectively (Chart 7.11). There was no observable difference in the structure of household income among major income sources between the two survey periods (Table 7.17).

When sources of income were disaggregated by type of income, it was seen that of the total cash income, 75 per cent was generated by occupation income, while 77 per cent of income in kind was generated by property income, mainly imputed rent and imputed value of homegrown produce. Imputed rent as a share of income in kind had risen between survey periods. Transfer income contributed between 15 and 20 per cent to both

Table 7.15

Composition of Income by Province 1996/97 and 2003/04

Sector	1996/97(a)			2003/04(b)		
	Cash	Kind	Total	Cash	Kind	Total
Urban	78.9	21.1	100	81.3	18.7	100
Western	80.3	19.7	100	82.2	17.8	100
Central	82.2	17.8	100	84.8	15.2	100
Southern	81.5	18.5	100	84.1	15.9	100
Northern	—	—	—	87.0	13.0	100
Eastern	—	—	—	87.3	12.7	100
North Western	86.5	13.5	100	85.4	14.6	100
North Central	83.3	16.7	100	86.6	13.4	100
Uva	83.5	16.5	100	83.9	16.1	100
Sabaragamuwa	84.0	16.0	100	85.7	14.3	100
All Provinces	82.0	18.0	100	84.1	15.9	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 7.17

Distribution of Income Receivers' Income by Source 1996/97 and 2003/04

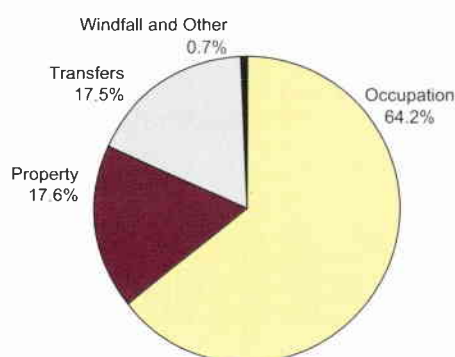
Source of Income	1996/97(a)			2003/04(b)		
	Cash	Kind	All	Cash	Kind	All
Occupation	75.5	7.7	63.3	75.0	7.0	64.2
Main Occupation	68.6	6.6	57.4	69.7	6.5	59.7
1st Subsidiary Occupation	5.9	1.0	4.8	4.8	0.4	4.1
2nd Subsidiary Occupation	0.8	0.1	0.4	—	—	—
Other Subsidiary Occupation	0.2	—	0.2	0.4	0.1	0.4
Property	6.0	76.5	18.7	6.4	76.5	17.6
Rent Immovable Property	1.8	0.3	1.6	2.2	0.5	1.9
Imputed Rent	—	53.7	9.7	0.0	57.4	9.1
Rent – Movable Property	0.8	0.3	0.7	0.7	0.1	0.6
Income from Other Property	0.9	0.5	0.9	1.1	0.4	1.0
Interest	0.7	—	0.5	0.9	—	0.8
Dividends	0.2	—	0.1	0.1	—	0.1
Imputed Value of Firewood	—	7.0	1.3	0.0	5.4	0.9
Imputed Value of Homegrown Produce	1.6	14.7	3.9	1.4	12.6	3.2
Windfall Income	0.2	0.1	0.2	0.2	0.1	0.2
Income from Gambling	0.1	0.1	—	—	—	—
Lotteries	0.1	—	0.2	0.2	—	0.2
Transfers	18.0	15.5	17.5	17.8	15.5	17.5
Pensions	4.1	—	3.8	3.8	—	3.2
Food Stamps, Janasaviya / Samurdhi	2.1	—	0.8	0.8	1.3	0.9
Other Government Transfers	0.1	0.8	0.5	0.5	1.3	0.7
Relatives (within the country)	5.4	9.1	5.6	5.6	7.7	5.9
Friends and Relatives (abroad)	5.3	3.6	6.4	6.4	2.7	5.8
Others	1.1	2.0	0.8	0.8	2.6	1.1
Other Income	0.3	0.2	0.3	0.5	0.9	0.5
Total	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

cash income and income in kind. Contribution to the former were mainly private transfers from both within and outside the country and pensions, while contribution to the latter was mainly private transfers from within the country (Table 7.17).

Chart 7.11
Distribution of Income by Source



On average, occupation income contributed 64 per cent of the total income, with 60 percent provided by the main occupation. The income from subsidiary occupations was only about 4.5 per cent of the total income. Income from subsidiary occupations has been declining over the years. As an example, contribution of subsidiary occupations to the total occupation income had been 14 per cent in the 1981/82 survey. This had declined gradually to 10.8 per cent in 1986/87, to 5.4 per cent in 1996/97 and to 4.5 per cent in 2003/04. This decline indicates that over the years, the importance of subsidiary occupations had declined, while dependence on the main occupation has increased. The declining importance of subsidiary occupations was also seen in Chapter 5, where the share of employed having a subsidiary occupation had declined from 15.9 per cent to 9.1 per cent between surveys.

Sector-wise statistics revealed that occupation income was the main income source in all sectors. Meanwhile, occupation income was highest in the estate sector, where there were less avenues for generating other income, and contributed 77 per cent of the total income, while this source was comparatively less important in the rural (64 per cent) and urban (62 per cent)

sectors. Yet, the contribution of subsidiary occupations to the total occupation income was lowest in the estate sector (2.5 per cent), indicating limited opportunities in the estate sector beyond the main occupation. This was highest in the rural sector (5 per cent), where agriculture provided a subsidiary income source.

Property income, which includes both income from real assets and from financial assets represented 17.6 per cent of the total income in 2003/04. Of the property income, income earned from real assets was much more important than from financial assets, where only 5 per cent of the total property income was earned from financial assets (Table 7.17). This indicates that in Sri Lanka, at the household level, investment in financial assets is still at a very low level compared with that in real assets. Dividends income was as low as 0.1 per cent of the total income (0.6 per cent of the total property income) and this emphasises that at the average household level, investment in equity market instruments is still unfamiliar. In the sector-wise analysis, the urban sector received 21.3 per cent of income from property, while the shares of the rural and estate sectors were 16.9 and 6.2 per cent, respectively (Table 7.18).

Of the total property income, over 50 per cent was contributed by the imputed rent income of owner occupied houses. The imputed rent income was most important in the urban sector due to higher real estate prices. This source of income was least important in the estate sector, where the employer provided most of the housing. Rent/lease income from immovable property (housing, commercial buildings, lands *etc.*) was again important in the urban sector due to the same reason. Imputed value from homegrown produce contributed 3.2 per cent of the total income, while the share from this source of income was considerably higher in the rural sector compared with the other two sectors.

Transfer income consisted of 17.5 per cent of the total income. Of this, 11.7 per cent of total income was private transfers sent by relatives or friends living elsewhere (Table 7.17). Private transfers were equally important in the three sectors. A salient feature of private transfers, especially transfer income from relatives/friends not living abroad, was the unusual increase in

Table 7.18
Sources of Income Receivers' Income by Sector 1996/97 and 2003/04

Source	1996/97(a)				2003/04(b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Occupation	59.0	63.8	83.8	63.3	62.0	64.4	76.6	64.2
Of which main occupation	56.7	56.8	77.8	57.4	59.4	59.3	74.1	59.7
Property	22.3	18.1	5.3	18.6	21.3	16.9	6.2	17.6
Of which imputed rent	16.1	8.1	1.1	9.7	13.5	8.1	1.6	9.1
Of which imputed value of homegrown produce	0.4	5.1	1.0	3.9	0.4	4.0	2.0	3.2
Windfall Income	0.3	0.2	0.0	0.2	0.0	0.3	0.1	0.2
Transfers	18.2	17.7	10.0	17.6	16.3	18.0	13.6	17.5
Of which from friends and relatives : local	4.2	6.7	5.1	6.1	3.9	6.4	10.0	5.9
: abroad	8.6	4.0	3.1	5.0	6.3	5.8	1.9	5.8
Other Income	0.3	0.3	0.8	0.3	0.3	0.5	3.6	0.5
Total	100	100	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 7.19
Sources of Income Receivers' Income by Province

Province	Source of Income					Total
	Occu- pation	Property	Wind- fall	Trans- fers	Other	
Western	63.8	19.6	0.3	15.7	0.5	100
Central	67.6	14.8	0.1	16.8	0.7	100
Southern	65.4	15.5	0.1	18.4	0.6	100
Northern (a)	51.8	11.1	0.1	37.0	0.0	100
Eastern	59.0	16.3	0.2	24.1	0.4	100
North Western	61.3	18.3	0.2	20.1	0.2	100
North Central	67.8	16.7	0.2	15.2	0.1	100
Uva	65.6	19.3	0.2	14.3	0.6	100
Sabaragamuwa	69.2	15.1	0.2	14.1	1.4	100
All Provinces	64.2	17.6	0.2	17.5	0.5	100

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

the estate sector (Table 7.18). This was consistent with the decline in income receivers in estate households and the higher migration rate from this sector that were discussed in Chapter 3. Pensions consisted of 3.2 per cent of the total income, while other government transfers to targeted groups such as Samurdhi benefits and school uniforms contributed 2 per cent of the total income.

Province-wise statistics revealed that occupation income was the highest income source in all provinces. It was most important in Sabaragamuwa province and least important in the Northern and Eastern provinces. (Table 7.19). In the Northern and Eastern provinces, from where many people had migrated with the outbreak of the civil conflict, transfer income constituted more than one third and nearly one quarter of the total income, respectively. Also, in the Northern province a relatively higher share of the 37 per cent total transfer income was from pensions. This again highlighted, as in Chapter 3, the relatively larger elderly population in that province. Occupation income in both provinces was below 60 per cent. In the North Western province too, the share of transfer income was relatively high, consistent with the relatively highest external migration rates from that province that were discussed in Chapter 3. In Sabaragamuwa province, occupation income comprised nearly 70 per cent of the overall income. There, property and transfer income were comparatively less important when compared with most other provinces. The share of property income was high in the Western province where imputed rents of owner occupied housing are high.

Table 7.20
Sources of Income Receivers' Income by Income Quintile

One Month Income Receivers' Income Quintile	Source of Income					Total
	Occu- pation	Property	Wind- fall	Trans- fers	Other	
1	72.8	14.1	0.1	12.9	0.1	100
2	70.4	12.8	0.1	16.5	0.2	100
3	68.1	15.2	0.2	16.2	0.2	100
4	63.8	16.8	0.2	18.8	0.4	100
5	61.9	19.4	0.2	17.7	0.7	100
All	64.2	17.6	0.2	17.5	0.5	100

When the sources of income were analysed by income quintiles, occupation income was the most important source in all income categories. However, with the increase in income level, the relative importance of occupation income declined (Table 7.20). Conversely, the share of property income increased with income, reflecting the importance of accumulated assets of the higher income earners. Contrary to expectations, transfer income was least important for the lowest income quintile and more important for the higher income quintiles. It is noteworthy here that the transfer income of the poorest mainly represented government transfers, while that of the richest largely represented the transfers sent by family members living outside the household locally or abroad.

7.6 Factors Affecting Inequality

A number of factors influence the income earning potential of income receivers. Some of the major factors that could be identified included demographic factors, such as gender, age and geographical location, and socio-economic factors, such as education, occupation, employment sector and production sector. In the following sections, income inequality is analysed in terms of each of these factors.

Gender

Historical data from the CFS series suggest that the income distribution was biased towards males. Though the situation has been changing over the years, the progress has been very slow. More than a two third (68 per cent) of income receivers were males (Table 7.21). This predominance of male income receivers was observed in all three sectors. The only exception in this regard, in the past, was the estate sector, where in the 1981/82 survey, the share of female income earners surpassed that of male income earners. However, this trend has reversed lately and in 2003/04, the equation changed to 43 per cent female income earners against 57 per cent males. In the urban sector, where opportunities are comparatively more accessible to females than in the rural sector, 36 per cent of the total income earners were women, while the corresponding share in the rural sector was 30 per cent. In the total household population, females exceeded males, but their share of income earners was 32 per cent. The CFS 2003/04 revealed that at each level of education, female

Table 7.21
Distribution of Income Receivers by Gender within Sector 1986/87 to 2003/04

Sector	1986/87(a)		1996/97(a)		2003/04(b)	
	Male	Female	Male	Female	Male	Female
Urban	65.2	34.8	67.0	33.0	63.8	36.2
Rural	73.0	27.0	70.2	29.8	69.7	30.3
Estate	50.9	49.1	52.1	47.9	57.5	42.5
All Sectors	67.2	32.8	68.6	31.4	68.2	31.8

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

participation was satisfactory. Nevertheless, the survey data indicated that fewer females transform that knowledge to employment. The limited number of female income receivers, compared with their male counterparts, reflects attitudes, cultural practices, aspirations and other socio-economic factors that have led to such a situation.

The provincial analysis indicated that in all provinces, male income receivers dominated (Table 7.22). The ratio was highest in the North Central province where there were 3 male income receivers per female income receiver. In the Northern province, where the highest share of female income receivers were reported in comparison to males, of the total income receivers, 37 per cent were females.

Table 7.22
Distribution of Income Receivers by Gender
within Province

Province	Gender		Total
	Male	Female	
Western	65.8	34.2	100
Central	68.9	31.1	100
Southern	66.0	34.0	100
Northern (a)	63.2	36.8	100
Eastern	70.3	29.7	100
North Western	70.9	29.1	100
North Central	74.6	25.4	100
Uva	73.3	26.7	100
Sabaragamuwa	67.4	32.6	100
All Provinces	68.2	31.8	100

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 7.23
Distribution of Income Receivers by Gender
within Income Quintile

Income Quintiles	Gender		Total
	Male	Female	
1	47.7	52.2	100
2	63.4	36.5	100
3	72.7	27.2	100
4	74.5	25.4	100
5	82.4	17.5	100
All	68.2	31.8	100

When gender-wise income receiver shares were analysed by income quintiles, it was seen that in the lowest income quintile, the share of female income receivers exceeded that of male income receivers (Table 7.23). However, with the increase in level of income, the male share increased. This structure suggests that the average income of females is lower than that of males, which was confirmed by the gender-wise breakdown of income levels in the survey.

The unequal gender composition of income receivers is explained by the difference in labour force participation rates of males and females (Table 7.24). In 1996/97, male participation in the labour force was almost double when compared with female participation. In 2003/04, the male participation improved and female participation declined. Sector-wise, female participation in the labour market was highest in the estate sector, which reflects the prevalence of the highest female income receivers share in that sector. One interesting observation was that the share of female income receivers was comparatively higher in the urban sector compared with the rural sector, but female labour force participation was higher in the rural sector compared with the urban sector. The reason could be the high incidence of employed females as unpaid family workers in the rural sector.

There was a marked difference in the sources of income by gender (Table 7.25). Occupation income provided 68 per cent of the total male income, while the corresponding share for females was 51 per cent. Property income was more significant among male income receivers at around 19 per cent of their income, as compared with around 14 per cent for females. The difference would be due to the higher incidence of heads of households who were males, to whom income from the imputed rental value

Table 7.25
Sources of Income within Gender

Source of Income	Male	Female
Occupation	68.0	51.2
Property	18.7	13.8
Windfall	0.2	0.3
Pension	2.4	5.8
Transfers – Government	1.4	1.7
Transfers – Private	8.8	26.9
Other	0.5	0.3
Total	100	100

Table 7.24
Labour Force Participation Rate by Gender and Sector 1996/97 and 2003/04
(As a percentage of working age population)

Gender / Sector	1996/97(a)				2003/04(b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Male	63.3	64.3	61.5	64.0	62.9	65.7	64.6	65.3
Female	27.0	32.0	53.6	32.5	26.3	29.0	46.7	29.5
All	44.0	47.1	57.4	47.6	42.9	46.4	55.3	46.4

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 7.26

Mean and Median Income by Gender and Sector

Sector		Male (Rs.)	Female (Rs.)	Male / Female Income Ratio
Urban	Mean (Rs.)	20,949	11,399	1.8
	Median (Rs.)	11,356	7,000	1.6
Rural	Mean (Rs.)	11,364	7,354	1.6
	Median (Rs.)	7,930	5,000	1.6
Estate	Mean (Rs.)	5,794	3,793	1.5
	Median (Rs.)	4,170	3,294	1.3
All Sectors	Mean (Rs.)	12,317	7,704	1.6
	Median (Rs.)	8,000	5,000	1.6

of owner occupied dwellings and homegrown produce was allocated. In contrast, the share of transfers in total income was considerably higher for females, where, private transfers accounted for 27 per cent of female income, compared with 9 per cent for males. This was probably transfer income received from their male spouses who were resident outside the household for employment purposes.

The data on mean and median income by gender further illustrated the income inequality between males and females. Both mean and median income of males were considerably higher than of females overall, as well as in each sector (Table 7.26). The difference between gender incomes was highest in the urban sector and lowest in the estate sector. The province-wise analysis also confirmed that gender disparities in income prevailed in all provinces (Table 7.27). One reason for comparatively high gender inequality of income in the urban sector and Western province was inclusion of imputed property income to the household head who was a male in most households. The imputed rental values were high in both the urban sector and Western province, in comparison to the other sectors and provinces.

Age

Both mean and median income increased steadily with age group upto retirement age (Table 7.28 and Chart 7.12). The least paid age group was those aged 10–14 years. Of the total income receivers, this category represents a negligible proportion of

Table 7.28

Distribution of Income Receivers and Income Levels by Age

Age Group (Years)	Percentage of Income Receivers	Mean (Rs.)	Median (Rs.)
10 – 14	0.1	3,178	1,762
15 – 18	1.9	3,446	3,000
19 – 24	10.8	5,649	4,500
25 – 34	21.8	9,754	7,123
35 – 44	24.1	12,198	8,100
45 – 54	21.3	12,646	8,120
55 – 64	12.2	12,795	8,000
Over 64	7.9	9,675	5,536
All	100	10,754	6,975

0.1 per cent. Lack of education, skills and experience would have affected incomes in this group. Income receivers aged 15–18 years accounted for less than two per cent of the total and were better paid when compared with child income receivers, but were also paid comparatively low wages. Almost all of these income receivers, presumably early school leavers, have poor bargaining power in the job market and, accordingly, were lower paid among employees. One advantage these workers had was their early entrance to the job market that would provide them working exposure at a very young age and if they were trained properly in the job, their earning capacity would improve in the future.

Chart 7.12

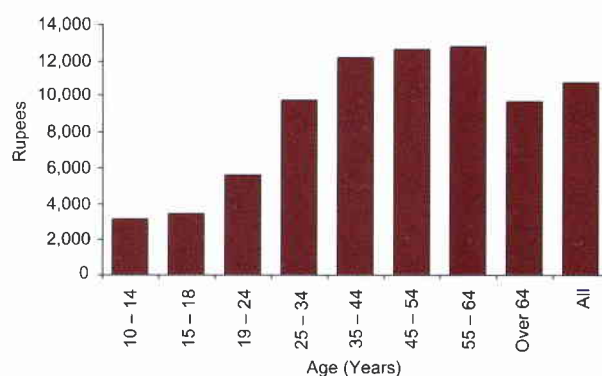
Mean Income of Income Receivers by Age Group

Table 7.27

Mean and Median Income by Gender and Province

Amounts in Rs.

Gender	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa	
Mean Income										
Male	17,405	9,886	9,756	10,484	10,506	11,357	12,532	8,872	8,422	12,218
Female	10,061	6,575	6,235	7,068	6,700	7,640	6,863	5,685	5,405	7,617
Male / Female Income Ratio	1.73	1.52	1.56	1.48	1.57	1.49	1.83	1.56	1.53	1.60
Median Income										
Male	11,166	6,873	7,053	7,560	6,545	8,046	7,455	6,011	6,070	7,958
Female	6,500	4,116	4,500	3,936	3,667	5,000	5,113	3,711	3,900	4,950
Male / Female Income Ratio	1.72	1.67	1.57	1.92	1.78	1.61	1.46	1.62	1.56	1.61

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

The age group 19–24 years represented 11 per cent of income receivers. The share was comparatively low due to two reasons. One reason was that a considerable proportion of this age group was not included in the income receivers' category as they were still enrolled in formal education or vocational training. The other reason was that this age group had the highest unemployment rate. The mean and median income of this age group was considerably below the national average, indicating that most of them were new entrants to the job market who lack job experience and training.

The survey data suggested that with more experience in the job market earnings increased. Those in the age group 25–34 years received a higher average income compared with the younger age groups. Education, experience, training and permanence in the job would be the reasons for the comparatively higher income in this age group. However, their earnings were still lower compared with the national average and older colleagues in the job market.

There were no drastic differences in income (mean and median) among income receivers at ages of 35–44, 45–54, and 55–64 years. Of these, the income receivers aged 55–64 years claimed the highest mean income, while the highest median income was claimed by the age group 45–54 years. While there were no considerable differences in income levels in these three groups, their income levels were noticeably higher compared with younger income receivers. Altogether, those who were in the age group 35–64 years were the highest average income earners. The income receivers in this range consisted of over 57 per cent of sampled income receivers and their mean and median incomes were higher than the national averages. These statistics confirm the notion that income is linked to age. Another factor that contributed to the high earning capacity of the older age group was their greater likelihood of acquiring more income-earning assets. However, the earning capacity declined considerably after 64 years. At this age, occupation income was rare and income consisted mostly of pensions and property income.

Sector-wise and province-wise data indicated that the overall trend prevailed in all sectors (Table 7.29). Province-wise data reflected similar trends and will not be analysed further here.

When the age distribution of income receivers was analysed by income quintiles, in the 5th income quintile, 56 per cent were

Table 7.30
Distribution of Income Receivers
by Age and Income Quintile

Age Group (Years)	One Month Income Receivers' Income Quintile					All
	1	2	3	4	5	
10 – 14	0.3	0.0	0.0	0.0	0.0	0.1
15 – 18	5.1	3.2	1.1	0.3	0.0	1.9
19 – 24	17.2	17.4	11.5	5.0	2.8	10.8
25 – 34	18.8	22.0	25.5	23.7	18.7	21.8
35 – 44	20.3	19.3	24.2	27.7	29.2	24.1
45 – 54	17.5	18.3	19.8	23.5	27.2	21.3
55 – 64	9.9	10.8	11.0	13.4	15.9	12.2
Over 64	10.9	9.0	6.8	6.4	6.2	7.9
Total	100	100	100	100	100	100

between 35–55 years, at the prime income earning age (Table 7.30). This share gradually declined for lower quintiles. In contrast, in the lowest income quintile, there were 23 per cent aged less than 25 years. This share decreased with the increase in level of income and in the highest income quintile, only 3 per cent were aged 25 years or less. The income quintile analysis also provided evidence that age was a decisive factor in income inequality.

Education

The level of income rose with the level of education of the income receivers. It was seen that investment in human capital paid dividends in the form of better job opportunities and higher returns. Education, on the one hand, provides the required qualifications for a more lucrative career and, on the other, creates expectations of a better life style in the society that cannot be achieved without adequate income. The historical CFS data series provided evidence that educational attainment was instrumental in the achievement of high income and also suggested that inequality in educational achievements and skills was one of the main reasons for income inequality. The data obtained from 2003/04 survey also confirmed these hypotheses.

Both mean and medium income increased with level of education (Table 7.31 and Chart 7.13). Income receivers with no schooling (both literate and illiterate) represented over 7 per cent of income receivers and were the lowest income earners. No schooling but literate income receivers earned slightly more,

Table 7.29
Distribution of Income Receivers (IRs) and Income Levels by Age and Sector

Age Group (Years)	Urban			Rural			Estate		
	% of IRs	Mean (Rs.)	Median (Rs.)	% of IRs	Mean (Rs.)	Median (Rs.)	% of IRs	Mean (Rs.)	Median (Rs.)
10 – 14	0.0	—	—	0.1	2,050	1,950	0.2	1,281	1,281
15 – 18	2.0	3,531	3,000	1.9	3,484	3,150	3.1	3,022	2,783
19 – 24	11.2	6,332	5,000	10.5	5,718	4,500	13.7	3,661	3,250
25 – 34	20.1	13,475	8,512	21.9	9,588	7,342	24.0	4,645	3,649
35 – 44	23.9	20,233	12,000	24.2	11,336	8,008	23.7	5,404	3,883
45 – 54	20.3	21,780	12,476	21.3	11,745	8,040	22.4	5,142	3,921
55 – 64	13.4	22,035	12,213	12.2	11,417	7,700	9.3	6,552	4,430
Over 64	9.1	18,276	7,025	8.0	8,197	5,500	3.5	3,972	3,600
All	100	17,368	9,500	100	10,060	7,000	100	4,899	3,700

Table 7.31
Distribution of Income Receivers and Income Levels
by Level of Education 1996/97 and 2003/04

Level of Education	Income Receivers (%)		2003/04	
	1996/97 (a)	2003/04 (b)	Mean (Rs.)	Median (Rs.)
No Schooling – Illiterate	7.4	0.4	5089	3,900
No Schooling – Literate	0.4	6.7	5,300	4,000
Primary	29.2	23.1	7,597	5,295
Secondary	34.6	43.4	10,299	7,136
Passed GCE (O/L)	18.5	12.4	13,570	8,853
Passed GCE (A/L)	7.9	11.3	16,082	10,255
Undergraduate	0.3	0.2	9,753	8,000
Passed Degree	1.7	2.5	26,279	14,753
All	100	100	10,754	6,975

(a) Excluding Northern and Eastern provinces

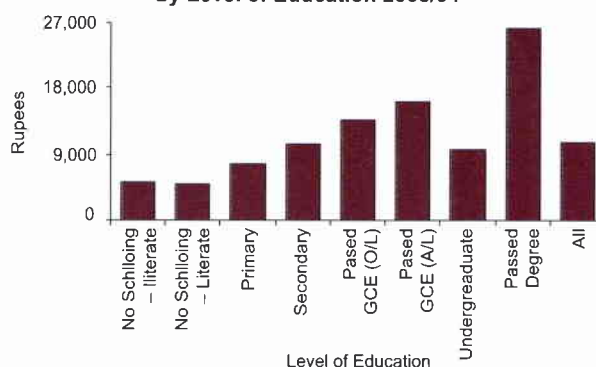
(b) Excluding Killinochchi, Mannar and Mullaitivu districts

emphasising the importance of literacy. The income receivers with primary education represented around 23 per cent of the income receivers compared with 29 per cent reported in the previous survey. This indicates an improvement in the educational level of income receivers. Their mean and median earnings were 50 per cent higher than those who had no schooling. However, their level of income was below the average income level.

The proportion of income receivers that had secondary education qualifications was around 43 per cent of all income earners. Their mean and median incomes were significantly higher than of those who had only primary education qualifications. However, their mean income level was still below the national average. Meanwhile, the share of income receivers whose educational qualification was GCE (O/L) declined in 2003/04 compared with the previous survey, while the corresponding share of those with GCE (A/L) rose significantly between the two survey periods. Income receivers with these qualifications earned higher than their less educated counterparts.

A noteworthy finding of the survey was that the income of undergraduates was lower than the income of those who had secondary education qualifications. The reason was that most of the undergraduates were part time employees or were engaged in temporary jobs while completing their degree programme, to finance their living expenses for higher education. Accordingly,

Chart 7.13
Mean Income of Income Receivers
by Level of Education 2003/04



their level of income did not match with their level of education. Their future earning capacities were reflected in the mean and median income of the graduates, the highest income earners, who accounted for only 2.5 per cent of the total income receivers. The mean and median incomes of graduates were considerably higher than the incomes of income receivers with GCE (A/L).

The sector-wise data also revealed that level of education was a crucial factor in income inequality. In each sector, the level of income, depicted by both mean and median income, increased with the level of education. The notable exception was in the estate sector, where the both mean and median incomes of the GCE (O/L) qualified were higher than that of the GCE (A/L) qualified (Table 7.32). The province-wise analysis also indicated that in all provinces, the level of education was a crucial factor that determined incomes.

The income quintile analysis also demonstrated the relationship between income receivers and education, where the shares in each quintile declined with income at the lower education levels and rose at the higher education levels (Table 7.33). Graduates who represented only 2.5 per cent of total income receivers, represented 7 per cent of income earners in the 5th income quintile, but a negligible proportion in the 1st and 2nd income quintiles. Similarly, those who passed GCE (A/L) represented 5 per cent of the lowest income quintile, while their representation in the highest income quintile was 21 per cent.

Table 7.32
Distribution of Income Receivers and Income Levels by Level of Education and Sector

Level of Education	Urban			Rural			Estate		
	% of IRs	Mean (Rs.)	Median (Rs.)	% of IRs	Mean (Rs.)	Median (Rs.)	% of IRs	Mean (Rs.)	Median (Rs.)
No Schooling – Illiterate	0.1	6,604	5,896	0.2	5,613	4,222	1.1	3,383	3,000
No Schooling – Literate	1.4	5,667	3,800	3.2	5,257	4,170	15.0	3,602	3,250
Primary	7.1	8,605	6,687	18.2	7,952	5,585	37.5	4,267	3,603
Secondary	34.6	14,419	9,000	43.8	9,853	7,101	35.4	5,969	4,000
Passed GCE (O/L)	18.9	21,628	10,165	15.0	12,005	8,671	7.5	9,486	8,320
Passed GCE (A/L)	27.0	24,485	14,200	14.4	13,617	9,844	3.3	7,751	7,790
Undergraduate	0.2	9,425	7,995	0.2	9,849	8,000	0.0	0.0	0.0
Passed Degree	10.6	40,075	24,963	4.9	21,557	13,524	0.3	18,125	18,125
All	100	17,368	9,500	100	10,060	7,000	100	4,899	3,700

Table 7.33
Distribution of Income Receivers
by Level of Education and Income Quintile

Level of Education	One Month Income Receivers' Income Quintile					% of IRs
	1	2	3	4	5	
No Schooling – Illiterate	0.8	0.6	0.3	0.2	0.1	0.4
No Schooling – Literate	14.1	10.0	5.3	2.9	1.4	6.7
Primary	31.9	29.0	25.1	18.2	11.2	23.1
Secondary	38.9	43.7	45.9	46.0	42.4	43.4
Passed GCE (O/L)	8.8	8.9	11.8	15.0	17.6	12.4
Passed GCE (A/L)	5.1	7.3	10.5	14.1	20.6	11.5
Passed Degree	0.4	0.4	1.2	3.6	6.7	2.5
Total	100	100	100	100	100	100

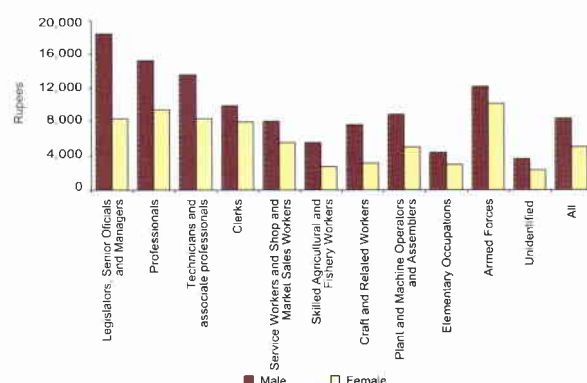
In contrast, the no schooling-literate category constituted 14 per cent of the lowest income quintile, while they were around 1 per cent in the highest income quintile.

Occupation

Another factor that affected income inequality was the occupation of the income receiver. As discussed earlier, when income is analysed by income receivers, the total picture is somewhat distorted since all the family income, such as imputed rent for owner occupied houses and transfer payments from government and other sources, were apportioned to the household head who was, in most cases, a male. Therefore, occupation income alone was analysed by gender to examine whether there were any gender-wise differences in earnings from occupation.

The data show that there were wide disparities among occupation incomes (Tables 7.34 and Chart 7.14). The highest income earners were Legislators, senior officials and managers, followed by Technicians and associate professionals, while the lowest income earners were Elementary workers. Skilled agricultural and fishery workers, and Craft and related workers were also comparatively lower paid. Most workers (59 per cent) were engaged in these least paid three categories of jobs. The predominance of these jobs and comparatively low level of wages for the same were also observed in 1996/97. Occupation income

Chart 7.14
Occupation Income by Gender and Occupation



data stresses the need to improve human capital, since these least paid jobs were for the relatively unskilled and less educated.

Gender-wise data indicated that the mean occupation income of males was always higher than that of females for each occupation category. The lowest difference between the two groups was recorded for clerks, where mean income of males was 25 per cent higher than of females. The highest inequality was recorded in the category of Craft and related workers, followed by Legislators, senior officials and managers, and Skilled agricultural and fishery workers. In these categories, male earnings were over twice female earnings. The gender inequality was also observed in 1996/97 data and suggests that the inequality had risen marginally between the two survey periods.

Employment Sector

Having observed that there was gender inequality in occupation income, it was relevant to examine whether the employment sector affected inequality. It was seen that in both the formal private sector and informal private sector, the mean income of males was higher and over twice that of females (Table 7.35). The inequality was least for government employees. It should be noted, however, that the gender-wise difference in the mean

Table 7.34
Distribution of Income Receivers and Occupation Income Levels by Main Occupation and Gender

Main Occupation	Male		Female		All		Male / Female Income Ratio
	% of IRs	Mean (Rs.)	% of IRs	Mean (Rs.)	% of IRs	Mean (Rs.)	
Legislators, Senior Officials and Managers	10.3	18,408	6.9	8,252	9.3	16,352	2.2
Professionals	3.4	15,192	11.9	9,350	5.8	11,870	1.6
Technicians and Associate Professionals	5.8	13,491	5.9	8,247	5.8	12,027	1.6
Clerks	3.4	9,821	7.8	7,895	4.6	8,921	1.2
Service Workers and Shop and Market Sales Workers	7.5	7,985	4.5	5,481	6.6	7,516	1.5
Skilled Agricultural and Fishery Workers	20.8	5,470	20.1	2,707	20.6	4,728	2.0
Craft and Related Workers	15.6	7,526	19.0	3,096	16.6	6,125	2.4
Plant and Machine Operators and Assemblers	9.0	8,735	7.2	5,035	8.5	7,872	1.7
Elementary Occupations	23.7	4,335	16.6	2,949	21.8	4,044	1.5
Armed Forces	0.6	12,106	0.0	10,105	0.5	12,051	1.2
Unidentified	0.1	3,629	0.0	2,275	0.0	3,291	1.6
All	100	8,311	100	5,019	100	7,405	1.7

Table 7.35
**Mean income from Main Occupation by
Employment Sector and Gender**

Employment Sector	Male (Rs.)	Female (Rs.)	All (Rs.)	Male / Female Income Ratio
Government	10,863	9,817	10,463	1.1
Semi government	11,635	7,236	10,527	1.6
Formal private sector	11,805	5,379	9,000	2.2
Informal private sector	7,248	3,337	6,406	2.2
Total	8,370	5,036	7,455	1.7

income from any sector can arise due to two reasons, different wages paid for the same job/skill and different wages paid for different jobs/skills within the same occupation category. Hence, the difference in gender-wise mean incomes recorded in even the government sector, which is an equal opportunity employer and does not discriminate gender-wise in its wages structure, reflected the different levels of jobs handled by males and females in all four employment sectors.

Production Sector

The survey data also revealed income inequality among production sectors. The mean and median incomes were lowest for Agriculture sector workers who represent 29 per cent of the total labour force (Table 7.36). In contrast, workers in the Services sector claimed highest mean and median incomes, on average. Among all sub sectors, employees in the Electricity,

gas and water sub sector of the industry sector, reported the highest average income. However, the other Industry sub sectors recorded lower average incomes compared with the Services sub sectors. Among Services sub sectors, Financial and business services workers, were the highest paid. These statistics confirmed that the production sector of income receivers also affected income inequality.

In summary, the CFS 2003/04 revealed that income by all units and measures had increased, in real terms, in 2003/04 compared with the previous survey. The impact of the increases in real incomes was reflected in the relative improvements in socio-economic conditions of households and of their individual members. The observed areas of such improvements were literacy and education, health, housing and access to household amenities, for the different sectors and provinces in the country which have been discussed in chapters 4 and 6 of this Report. Also, the increase in real income was reflected in the level and structure of household consumption expenditure discussed in Chapter 8 of this Report. Nevertheless, the CFS 2003/04 data confirmed that gender, age, level of education and occupation affected earning capacities.

Though the increase in real income and its positive impact on the society are satisfactory outcomes of economic and social change, the survey data indicated that factors affecting gender, sectoral and provincial disparities have resulted in significant income inequalities.

Table 7.36
Distribution of Income Receivers and Occupation Income Levels by Production Sector

Production Sector	% of IRs	Mean (Rs.)	Median (Rs.)
Agriculture	29.4	4,449	2,800
Agriculture	27.6	4,353	2,700
Forestry	0.4	6,267	4,870
Fishing	1.4	5,842	5,000
Industry	27.5	7,313	5,000
Mining and Quarrying	1.3	6,103	2,995
Manufacturing	18.0	7,008	4,958
Electricity, Gas and Water	0.6	15,214	12,333
Construction	7.5	7,650	5,250
Services	40.6	9,846	7,125
Wholesale and Retail Trade and Hotels and Restaurants	15.3	10,071	6,000
Transport, Storage and Communications	7.7	9,968	7,713
Financial Services, Real Estate and Business Services	3.0	13,631	8,000
Public Administration, Other Government Services and Defence, Other Community, Social and Personal Services	14.6	8,771	7,640
Activities Not Adequately Defined	2.6	3,601	3,000
All	100	7,405	4,850

Expenditure and Consumption

As in past surveys of the CFS series, information on expenditure was collected under four major categories of expenditure in this survey too, namely, food and non-alcoholic beverages, alcoholic beverages, tobacco and narcotics (food, alcohol and tobacco); other non-durable consumer goods and services (consumer non-durables), consumer durables and interest on debt.

The findings in this chapter indicated a change in expenditure patterns, particularly away from food expenditure to other expenditure categories of choice, with improvements to the overall standard of living in the country, though at different rates across different sub-populations, during the reference period. This trend could be attributed to better awareness of well-being and nutrition, higher incomes that enabled prioritising for greater convenience in the choice of expenditure beyond basic needs, improved infrastructure in the communication, transport and electricity sub-sectors resulting in increased access to such facilities, increasing competition for more skillful jobs in the labour market and its spill over effect to the education sector coupled with demonstration effect, and a relatively peaceful environment during the post ceasefire period, which kept up the momentum with respect to internal travel and other entertainment opportunities for over a year before, as well as during, the survey period.

8.1 Concepts, Definitions, Methodology of Data Collection and Limitations

Information on the total household expenditure collected under the four major categories in this survey was analysed in terms of the **Classification of Individual Consumption by Purpose (COICOP)** which comprises 12 main categories. The information collected under the first three of the four major categories mentioned were re-grouped into the COICOP categories for the analysis. The COICOP categories and per capita expenditure on each item recorded under those categories are given in Appendix IV. This international classification was adopted in the System of National Accounts (SNA) 1993 of the United Nations (UN) and is currently used in Sri Lanka for the analysis of private consumption expenditure and for the computation of Consumer Price Indices (CPIs). The adoption of this classification for the analysis would facilitate international comparisons. It would also help to update the CPIs designed under the COICOP structure to reflect current consumption patterns. This structure is different from the structure that was used for analysis in previous surveys. In particular, expenditure on each consumer durable item, that was analysed under the consumer durables category in previous surveys, was allocated to a specific COICOP category. For example, expenditure on a television was included under audio

visual equipment in the Recreation and culture category while expenditure on purchase of motor vehicles was grouped with the Transport category. An additional category, Interest on debt, which was analysed under household expenditure in previous surveys, is also included, although it does not come under the COICOP structure. Information from the CFS 1996/97 is also presented in this report under the new classification used for CFS 2003/04, so that any structural change in expenditure between the two survey periods can be identified clearly.

The analyses in this chapter were based on the estimated monthly per capita household expenditure in each survey period. The rate of growth in expenditure between the two survey periods was used to compute the geometric mean for those 7 years to provide the annual growth rate, which, when compounded, was equal to the overall rate of growth between surveys. This annual compound rate of growth was used to analyse annual changes in expenditure between surveys. In order to compare real changes in expenditure between CFS 1996/97 and CFS 2003/04, in each category of expenditure, the nominal values in 2003/04 were deflated for the relevant period by the appropriate sub-indices of the Sri Lanka Consumers' Price Index (SLCPI) computed by the DCS.

The reference period for the first major category of information collected, food, alcohol and tobacco, was seven days starting from the day prior to the date of the first field interview. Three reference periods, *i.e.*, one month, six months and one year prior that date, were used for consumer non-durables, while two reference periods of one month and six months prior to that date were used as reference periods for consumer durables and interest on debt. The market value of items purchased or consumed was recorded as the effective expenditure. As explained in Chapter 2, in situations where households had consumed goods or services free or at subsidised prices, an implicit market value was applied to get the actual effective cost.

The information collected was consistent with the information collected in the previous surveys of the CFS series. However, revisions were made to the questionnaire to capture changes over time in the availability of new consumer items, so that current consumption patterns would be better reflected in the data. Information collected under the first major category was classified under two COICOP categories namely, **Food and non-alcoholic beverages (Food)** and **Alcoholic beverages, tobacco and narcotics (Alcohol and tobacco)**. Information on both quantities and expenditure were collected for most of these items. However, only expenditure was recorded for a few items for which quantities were difficult to capture for the reference period. Consumption of food prepared at home, as well as purchased from outside the home, was also recorded. The food

purchased from outside was classified under the COICOP category of **Hotels and restaurants**.

Information on **Food and Alcohol and tobacco** was collected for the entire household using a diary designed for the reference period of seven days. The maintenance of this diary was monitored during the second and third field visits to each household to minimise recording errors. This helped avoid any misreporting due to memory lapses. Average expenditure for a week was used for items such as spices for which estimation of daily consumption was difficult to measure due to quantities applicable for a day being too small to measure accurately. The presence of visitors and the absence of its own household members at meals in the sampled households were ignored. It was assumed that the sampled household's food expenditure on visitors at some meals was compensated for by the absence of its own members at others.

The Food and Alcohol and tobacco expenditure profiles for the month were constructed by extrapolating weekly information by a factor of 4.286. Accordingly, the week for which the information was collected should have been a standard week for it to be representative of the entire month. Consumption and expenditure patterns of households with respect to food change during festive seasons such as Sinhala and Tamil New Year and Christmas and hence, the survey was not conducted during festive seasons to secure a standard representative week for enumeration. The consumption and expenditure patterns of households change during their social, cultural and religious occasions as well. Since such expenses cannot be excluded and their impact tends to even out among households due to the random nature of such occasions, information on such expenses was collected in the survey. However, data were not collected in those households that had family occasions such as weddings and funerals or had been affected by infectious diseases within the reference period, since it was not practical to collect information under such circumstances.

Information on expenditure on consumer non-durables was collected under the ten COICOP sub-categories of **Clothing and footwear; Housing, water, electricity, gas and other fuels (Housing and utilities); Furnishings, household equipment and maintenance (Furnishings and household equipment); Health; Transport; Communication; Recreation and culture; Education; Hotels and restaurants; and Miscellaneous goods and services**. In each of these categories, expenditure was collected for one month as well as for a longer period (*i.e.*, six months or one year), as relevant to each category of expenditure. In general, the one month expenditure data were used in the analyses of all these categories. Expenditure for longer reference periods were mainly collected to validate and cross reference the monthly data for accuracy and consistency.

Clothing and footwear is a major non-food consumer expenditure category in a household with a large range of items and diversity associated with gender and age groups. Data were collected for one month as well as for six months.

Information on rent in the **Housing** sub-category was collected under four categories of occupancy, namely, houses rented at

market rates, houses rented at subsidised rates, houses owned by occupants and rent free housing without ownership. The values of the latter 3 categories were imputed at the prevailing market prices and the difference between the imputed rent and actual rent paid was treated as income in kind. In the Housing category, information on the payments of rates and expenses on repairs was collected for one month as well as one year, whereas the rent expenditure (both actual and imputed) was collected for one month only. Information collected under **utilities** captured expenditure with respect to electricity, water, gas and other fuels. Expenditure on **water** was collected for a reference period of one month only, and where applicable, meter charges in units were also collected. Information collected in the **electricity, gas and other fuels** sub-category included inputs ranging from firewood collected free from the neighbourhood to electricity from the national grid, both metered and un-metered. The value of freely obtained firewood was imputed based on the market price in the neighbourhood, and in remote rural areas where no market was available for firewood the imputed value was very low. Information on both quantities in different units and expenditure were collected for a reference period of one month only. However, for certain items for which accurate quantities were difficult to measure, the information was collected only on expenditure.

Expenditure information on **Furnishings and household equipment** captured the expenditure incurred on household textiles, non-durable household goods, services for household maintenance and domestic aides and other household services, and the reference periods were one month and six months.

Information collected on **Health** expenditure covered payments for hospital charges, consultancy fees, drugs and other health related expenses, including payments for therapeutic services. However, the public health services that household members received free, at government expense, were not included due to practical difficulties in imputing such expenditure. Reference periods for which data were collected in this category were one month and one year.

Information on expenses for **Transport** was collected under two sub categories, namely, transport services (fares and vehicle hire charges) and maintenance expenses on private vehicles, including payments for licenses and taxes. The reference period for the former sub-category was one month, while both one month and one year were used for the latter sub-category.

Expenses on **Communication** captured items ranging from average postage charges to Internet and e-mail fees, and the reference period used was one month.

Information on expenditure on **Recreation and culture**, including expenditure incurred on social and religious functions, was collected for one month.

Information on expenses on **Education** was collected under four main categories, namely, pre-school education, primary and secondary education, tertiary education and professional and technical education. In compliance with the COICOP structure, only the expenditure incurred on education services, ranging from registration fees to examination fees was covered under these

categories, while spending on textbooks, exercise books and stationery for educational purposes was included in the sub-category Newspapers, books and stationery under Recreation and culture. The imputed values for public education services received free, at government expense, were not included for similar reasons as for public health services. The reference period for tuition fees and daily expenses was one month, while for all other expenses it was both one month and one year. The expenditure on tuition was given special emphasis in this survey, as it had increased across the country since the last survey.

Restaurants and hotels captured all the expenditure incurred on accommodation services and meals bought outside the home and the reference periods were one month and one year.

Expenditure incurred on personal care, personal effects, social security payments, insurance premiums and payments for financial and other services to households were collected under **Miscellaneous goods and services**. Information on these items was collected for one month, except in the case of insurance premiums where a one year reference period was also used.

Information on expenditure on **consumer durables** covered three aspects, namely, purchases, sales and maintenance expenditure with respect to a range of items such as jewellery, electric and electronic items, kitchen utensils, motor vehicles, furniture and ornamental items. Information was collected for two reference periods of one month and six months. These data were re-grouped into the relevant COICOP categories for the analysis.

Information on **Interest on debt** paid on loans and advances, including credit cards, was collected for two reference periods of one month and six months.

The analysis in this chapter is subject to certain limitations. First, as was mentioned above, different reference periods were used for collection of information. A food diary was used to minimise memory lapses with respect to weekly expenditure on

Food and Alcohol and tobacco. However, other information was based on the memory of respondents and the probing skills of the investigators. Hence, the information collected, especially for longer reference periods of six months or a year, could have suffered due to memory lapses, which are unavoidable.

Second, in the case of food expenditure and housing, the imputed value of items or services received free or at a subsidised price had to be computed based on the market price in the neighbourhood to arrive at the effective expenditure of households. There can be limitations in this method too due to lack of strictly appropriate implicit prices for calculations and hence, it may over or under estimate the effective expenditure on these items.

Third, use of SLCPI sub categories for deflating 2003/04 nominal values to remove the price impact on expenditure levels, so that real changes between surveys could be compared, also could have limitations associated with the limitations of the index itself. For example, the comparison of the price movements of individual items in the SLCPI and the movements of the relevant overall sub indices revealed different directions of movement. Prices of rice and coconut in the food sub index increased at a lower rate than the increase in the sub index between the two survey periods, while milk food prices increased at a faster rate than the sub index. Further, prices of mobile phones and computers, on average, dropped between the two survey periods, while the proxy sub-index for these items, which did not include these items, per se, recorded an increase. These factors could have affected the real values arrived at by deflating expenditure categories with the respective SLCPI sub- indices.

8.2 Overall Expenditure

The overall monthly per capita expenditure in 2003/04 was around Rs.3,936, compared to Rs.2,012 in CFS 1996/97, a nominal annual increase of around 10 per cent (Table 8.1).

Table 8.1
Monthly Per Capita Expenditure at Nominal and 1996/97 Prices – 1996/97 and 2003/04

Expenditure Category	1996/97 (a)		2003/04 (b)		2003/04 Values at 1996/97 Prices (c) Rs.	Annual Growth %	
	Nominal Rs.	Share %	Nominal Rs.	Share %		Nominal	Real
Food and non-alcoholic beverages	884	44.0	1,355	34.4	843	6.3	-0.7
Alcoholic beverages, tobacco and narcotics	66	3.3	87	2.2	54	4.1	-2.8
Clothing and footwear	119	5.9	258	6.6	174	11.8	5.6
Housing and utilities	292	14.5	589	15.0	363	10.5	3.1
Furnishings and household equipment	93	4.6	227	5.8	144	13.6	6.5
Health	48	2.4	135	3.4	49	16.1	0.4
Transport	143	7.1	385	9.8	200	15.2	4.9
Communication	12	0.6	86	2.2	46	32.8	21.3
Recreation and culture	108	5.4	299	7.6	213	15.7	10.2
Education	29	1.4	89	2.3	51	17.5	8.5
Restaurants and hotels	28	1.4	58	1.5	35	10.9	3.3
Miscellaneous goods and services	149	7.4	309	7.8	164	11.0	1.4
Interest on debt	43	2.1	59	1.5	36	4.8	-2.5
Total	2,012	100	3,936	100	2,371	10.1	2.4

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

(c) Nominal expenditure was deflated by the respective sub indices of the SLCPI

At 1996/97 average prices the real annual increase was 2.4 per cent. Though the expenditure on different categories had increased annually within a range of around 4 to 33 per cent in nominal terms, at 1996/97 prices, three categories registered real declines in expenditure, while the other ten categories registered real annual increases within a range of upto 21 per cent. A decline in real expenditure was observed for Food, Alcohol and tobacco and Interest on debt, in contrast to the increases in all other categories. The real rates of increase were highest for Communication (21 per cent), Recreation and culture (10 per cent) and Education (9 per cent)), although all three categories accounted for just 12 percent of total expenditure.

Comparison of the distribution of total expenditure among categories in CFS 1996/97 and CFS 2003/04 revealed structural changes between the two survey periods that were consistent with the changes in the real expenditure for different categories. The expenditure share on Food had dropped from 44 per cent in 1996/97 to 34 per cent in 2003/04. Two other sub categories, Alcohol and tobacco and Interest on debt, had also registered drops in their respective shares between surveys, consistent with the real declines seen in expenditure on those categories. All other expenditure categories had experienced increases in their relative shares, within a percentage range of up to around 3 percentage points, with the highest increase for Transport, in response to real increases in expenditure.

The distribution of expenditure among major categories revealed that around 60 per cent of the total expenditure was absorbed by three categories, Food, Housing and utilities and Transport in 2003/04, somewhat lower than in the previous survey. Among the other expenditure categories which shared the balance 40 per cent, shares of more than 5 per cent were observed for Miscellaneous goods and services, Recreation and culture, Clothing and footwear and Furnishings and household

equipment. The relative expenditure shares for Health, Education, Communication and Alcohol and tobacco were within a range of 2 to 3 per cent. Restaurants and hotels and Interest on debt had relatively lower shares of 1.5 per cent each. The real rates of change and relative share distribution of expenditure, away from a basic need such as food to expenditure categories of choice, such as Recreation and culture, Communication and Transport, signified improvements in overall living standards since the previous survey.

Overall Expenditure by Sector

The per capita expenditure for one month in the urban, rural and estate sectors were Rs.6,383, Rs.3,651 and Rs.2,367, respectively, in CFS 2003/04 in comparison to Rs.3,173, Rs.1,869 and Rs.1,414 in CFS 1996/97 (Table 8.2). Accordingly, there were significant differences in expenditure levels among sectors. Their ratio was in the order of 4:3:2 in 1996/97 which had widened to 5:3:2 in 2003/04, indicating a widening of differences in favour of the urban sector between the two survey periods. The respective nominal annual rates of growth in expenditure between survey periods were 10.5, 10, and 7.6 per cent, while in real terms they were 2.7, 2.3 and 0.5 per cent, respectively, revealing that improvements were relatively more favourable in the urban and rural sectors compared to the estate sector (Table 8.3).

There were also some sectoral differences in the pace of real change in expenditure among different categories of expenditure, though the general pattern of change between the two surveys was fairly similar across sectors. Similar to the national level, the Communication sector had recorded the highest real growth among all sectors, where the estate and rural sectors had much higher growth rates than the urban sector, although from relatively very low levels in 1996/97. Similarly, the estate and

Table 8.2
Monthly Per Capita Expenditure by Sector 1996/97 and 2003/04

Expenditure Category	1996/97 (a)				2003/04 (b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Food and non-alcoholic beverages	1,062	860	835	884	1,610	1,327	1,162	1,355
Alcoholic beverages, tobacco and narcotics	68	62	107	66	98	83	116	87
Clothing and footwear	159	112	120	119	422	234	229	258
Housing and utilities	751	233	92	292	1,394	487	188	589
Furnishings and household equipment	171	84	46	93	335	217	119	227
Health	77	45	18	48	228	126	52	135
Transport	227	137	35	143	692	355	97	385
Communication	39	8	2	12	201	72	21	86
Recreation and culture	170	102	54	108	475	278	196	299
Education	78	22	7	29	209	74	24	89
Restaurants and hotels	65	24	7	28	152	46	17	58
Miscellaneous goods and services	210	143	83	149	458	297	129	309
Interest on debt	96	37	8	43	109	54	17	59
Total Expenditure	3,173	1,869	1,414	2,012	6,383	3,651	2,367	3,936
Total Monthly Per Capita Income	3,496	1,882	1,119	2,048	6,777	3,650	2,014	3,968

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 8.3
Nominal and Real Changes in Expenditure by Sector

Expenditure Category	Annual Growth Rates								Per cent
	Nominal				Real				
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors	
Food and non-alcoholic beverages	6.1	6.4	4.8	6.3	-0.8	-0.6	-2.0	-0.7	
Alcoholic beverages, tobacco and narcotics	5.4	4.2	1.2	4.1	-1.5	-2.7	-5.4	-2.8	
Clothing and footwear	15.0	11.1	9.7	11.8	8.7	5.0	3.7	5.6	
Housing and utilities	9.3	11.1	10.7	10.5	1.9	3.7	3.3	3.1	
Furnishings and household equipment	10.1	14.6	14.8	13.6	3.1	7.4	7.5	6.5	
Health	16.8	15.8	16.1	16.1	1.1	0.2	0.5	0.4	
Transport	17.3	14.6	15.5	15.2	6.7	4.3	5.1	4.9	
Communication	26.3	36.6	39.2	32.8	15.4	24.8	27.1	21.3	
Recreation and culture	15.8	15.4	20.1	15.7	10.3	9.9	14.4	10.2	
Education	15.1	18.6	19.6	17.5	6.2	9.5	10.4	8.5	
Restaurants and hotels	13.0	9.8	13.9	10.9	5.2	2.3	6.1	3.3	
Miscellaneous goods and services	11.7	10.9	6.5	11.0	2.1	1.3	-2.7	1.4	
Interest on debt	1.8	5.7	11.3	4.8	-5.2	-1.6	3.7	-2.5	
Total	10.5	10.0	7.6	10.1	2.7	2.4	0.5	2.4	

rural sectors also recorded higher growth rates than the urban sector for Education, Furnishings and household equipment and Housing and utilities, where in two categories, estate sector growth rates were highest although, again, from a very low base. The estate sector also recorded the highest growth rates for Recreation and culture and Restaurants and hotels, thereby reducing sectoral disparities in those categories. The urban sector growth rates were relatively higher for Clothing and footwear, Transport and Miscellaneous goods and services, in that order. In line with the overall trend, the lowest real growth was observed in the Health category in all three sectors. Meanwhile, the highest real annual contractions in the Food and Alcohol and tobacco categories were seen in the estate sector, while Interest on debt had actually risen in real terms in this sector, in contrast to the other two sectors. In fact, their average monthly income was not sufficient to meet all their needs, unlike in the other two sectors

(Table 8.2). Hence, the estate sector appeared to depend more on loans for their daily consumption purposes. A contraction in real expenditure to meet a basic need such as food, together with higher indebtedness in the estate sector, despite relatively higher growth in expenditure on other categories of consumption between the two survey periods merits deeper study of the factors behind such a pattern. One shortcoming in the comparison of growth rates in real terms is the use of a universal deflator (*i.e.*, the SLCPI), in the absence of sectoral price indices, for comparison across sectors. This may distort the analysis in the context of significant price differentials among sectors.

The sectoral growth rates resulted in changes in sectoral shares of expenditure on the different categories (Table 8.4). Similar to the national level, the greatest decline in shares between surveys was in the Food category, and this decline was greater in the estate and rural sectors than in the urban sector. A similar pattern

Table 8.4
Distribution of Expenditure by Sector 1996/97 and 2003/04

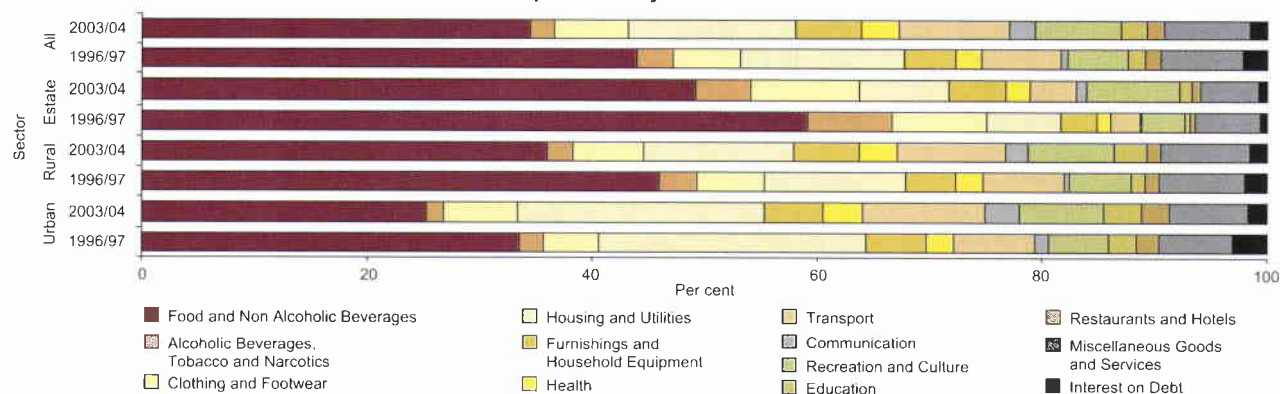
Expenditure Category	1996/97 (a)				2003/04 (b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Food and non-alcoholic beverages	33.5	46.0	59.1	44.0	25.2	36.4	49.1	34.4
Alcoholic beverages, tobacco and narcotics	2.1	3.3	7.6	3.3	1.5	2.3	4.9	2.2
Clothing and footwear	5.0	6.0	8.5	5.9	6.6	6.4	9.7	6.6
Housing and utilities	23.7	12.5	6.5	14.5	21.8	13.4	7.9	15.0
Furnishings and household equipment	5.4	4.5	3.2	4.6	5.2	5.9	5.0	5.8
Health	2.4	2.4	1.3	2.4	3.6	3.4	2.2	3.4
Transport	7.2	7.3	2.5	7.1	10.8	9.7	4.1	9.8
Communication	1.2	0.4	0.1	0.6	3.1	2.0	0.9	2.2
Recreation and culture	5.4	5.4	3.8	5.4	7.4	7.6	8.3	7.6
Education	2.5	1.2	0.5	1.4	3.3	2.0	1.0	2.3
Restaurants and hotels	2.0	1.3	0.5	1.4	2.4	1.3	0.7	1.5
Miscellaneous goods and services	6.6	7.7	5.9	7.4	7.2	8.1	5.5	7.8
Interest on debt	3.0	2.0	0.6	2.1	1.7	1.5	0.7	1.5
Total	100	100	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Chart 8.1

Distribution of Expenditure by Sector 1996/97 and 2003/04



of decline in share was seen for Alcohol and tobacco too. The greatest share increase was in Transport in both the urban and rural sectors, while the greatest increase in the estate sector was for Recreation and culture. The relative shares of expenditure for most other categories too had increased at national level as well as across all sectors (Chart 8.1).

Meanwhile, sectorwise differences were observed among the magnitudes of the relative shares of expenditure, while the pattern of the distribution remain fairly similar across sectors. As in the past, the highest share of expenditure was associated with the Food category, among all three sectors. The urban sector share, with highest per capita income, was only a quarter (25 per cent) of total expenditure, the rural sector share was a little higher than one third (36 per cent), while it was around a half (49 per cent) in the estate sector, with lowest per capita income. The level of income is a key determinant of the expenditure pattern, where the relative share on Food tends to fall with increase in income. Accordingly, the significant differences in sectorwise shares for Food could be attributed to their levels of total income, as it is supported by the ratio of income levels for urban, rural and estate sectors being in the order of 3.4:1.8:1. In contrast to the pattern with respect to Food, the urban sector spent a relatively higher share for Housing and utilities even though the growth rates were higher in the other two sectors, signifying a sharper increase in those two sectors in this category of expenditure. Nevertheless, housing rent continues to be relatively high in the urban sector due to high and increasing demand for housing with fast urbanisation. Even for owner occupied houses in the survey, an implicit rent was applied to assess the actual rental cost. Expenses for other amenities and repairs are also relatively higher in this sector. These could be the main reasons for this share pattern. Relatively higher shares in the urban sector were observed in the expenditure categories of Transport, as well as Education, Communication and Restaurants and hotels too, although at a relatively lower level of below 5 per cent. Higher income levels leading to higher demand, as well as a concentration of more facilities in the urban sector to cater to higher demand, could have contributed to this situation. Meanwhile, the estate sector continued to record a significantly higher share

of around 5 per cent for Alcohol and tobacco, whereas for the other two sectors it was only around 2 per cent.

Overall Expenditure by Province

Provincial monthly per capita expenditure levels varied within a range from Rs.2,564 in the Uva province to Rs.5,922 in the Western province, compared to the national average of Rs.3,936 in CFS 2003/04. The corresponding range observed in CFS 1996/97 was from Rs.1,442 in the Uva province to Rs.2,755 in the Western province with a national average of Rs.2,012, indicating some widening of differences in the relative expenditure levels among provinces between survey periods from a ratio of 1.9 between highest and lowest to a ratio of 2.3 (Table 8.5).

The overall annual changes varied from a 0.4 per cent contraction in Sabaragamuwa to 5.5 per cent growth in the North Western province. The patterns of real growth in expenditure were similar to the overall pattern, in general (Table 8.6). However, there were deviations in some provinces with respect to some categories of expenditure. While all other provinces had experienced declining real expenditure on Food, only the North Western province, which recorded highest overall expenditure growth, had experienced a marginal increase of 0.5 per cent. Meanwhile, Central, North Central and Sabaragamuwa provinces recorded declines in real expenditure on Transport, compared to the overall increase of around 5 per cent. As against the marginal increase in Health expenditure at overall level, North Central, Sabaragamuwa, Uva and Central provinces registered declines in their real expenditure on this category. The Southern and North Central provinces had significantly high (around 8 and 13 per cent, respectively) increases in Interest on debt in real terms compared to the contractions in all other provinces. In addition, Uva and Sabaragamuwa registered declines in real expenditure in the Restaurants and hotels category and in the Miscellaneous goods and services category, along with the Central province, although expenditure levels in most of the above mentioned categories were relatively low across all provinces.

Patterns of expenditure were fairly similar across provinces. Many expenditure categories had shares of over 5 per cent in

Table 8.5
Monthly Per Capita Expenditure by Province

Expenditure Category	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa	
Food and non-alcoholic beverages	1,610	1,228	1,238	1,398	1,329	1,382	1,272	1,110	1,178	1,355
Alcoholic beverages, tobacco and narcotics	99	89	76	68	81	95	86	73	76	87
Clothing and footwear	357	256	194	148	263	251	211	173	207	258
Housing and utilities	1,139	468	383	344	324	436	348	313	342	589
Furnishings and household equipment	320	173	195	174	193	260	237	152	137	227
Health	241	86	119	81	96	126	76	68	77	135
Transport	637	201	275	300	223	594	248	194	210	385
Communication	162	59	64	77	50	92	46	31	36	86
Recreation and culture	449	216	266	263	211	309	204	209	234	299
Education	165	61	69	88	68	67	45	43	48	89
Restaurants and hotels	114	32	32	62	87	41	24	17	23	58
Miscellaneous goods and services	518	190	254	226	186	312	305	160	192	309
Interest on debt	114	30	59	25	24	48	59	21	32	59
Monthly Per Capita Expenditure 2003/04	5,922	3,089	3,222	3,255	3,136	4,012	3,159	2,564	2,793	3,936
Monthly Per Capita Income 2003/04	5,999	3,222	3,060	3,208	2,905	3,872	3,814	2,570	2,894	3,968
Monthly Per Capita Expenditure 1996/97 (b)	2,755	1,816	1,650	—	—	1,648	1,625	1,442	1,756	2,012
Monthly Per Capita Income 1996/97 (b)	2,942	1,675	1,679	—	—	1,695	1,514	1,354	1,789	2,048

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

(b) Excluding Northern and Eastern provinces

Table 8.6
Annual Real Growth Rates of Expenditure by Province (a)

Annual Real Growth Rates of Expenditure by Province (%)								Per cent
Expenditure Category	Province							All Provinces
	Western	Central	Southern	North Western	North Central	Uva	Sabara-gamuwa	
Food and non-alcoholic beverages	-0.4	-1.3	-1.0	0.5	-0.4	-1.0	-1.5	-0.7
Alcoholic beverages, tobacco and narcotics	-1.9	-1.7	-2.4	-2.2	-3.4	-3.3	-5.4	-2.8
Clothing and footwear	6.2	7.0	4.0	8.5	6.0	2.1	4.3	5.6
Housing and utilities	4.4	3.2	2.6	8.0	4.6	2.3	0.8	3.1
Furnishings and household equipment	5.8	5.2	6.8	14.4	9.5	9.3	1.3	6.5
Health	3.2	-0.9	0.0	3.5	-7.6	-1.1	-4.5	0.4
Transport	8.3	-8.4	10.1	18.7	-3.0	8.1	-4.1	4.9
Communication	19.7	21.4	23.8	43.4	38.0	13.3	17.7	21.3
Recreation and culture	10.4	10.9	8.7	15.8	13.8	11.4	7.1	10.2
Education	11.1	8.7	8.9	6.9	9.2	-3.1	5.0	8.5
Restaurants and hotels	3.9	0.3	5.3	2.4	2.4	-4.5	-4.3	3.3
Miscellaneous goods and services	3.0	-3.3	3.1	5.3	6.2	-1.6	-3.0	1.4
Interest on debt	-0.7	-4.3	7.9	-9.5	12.8	-8.1	-5.2	-2.5
Total	3.6	0.5	2.4	5.5	2.4	1.2	-0.4	2.4

(a) Comparable values for Northern and Eastern provinces were not available for 1996/97

most provinces, while the expenditure categories of Education, Communication, Restaurants and hotels and Health had relatively lower shares upto 4 per cent, although their shares had improved significantly between survey periods. Meanwhile, the expenditure shares on Alcohol and tobacco and Interest on debt had declined in most provinces between surveys and were below 3 per cent in all provinces in 2003/04. As in the case of sectors, the importance of each major category of expenditure varied somewhat among provinces (Table 8.7). Following the general pattern, the relative

expenditure share on Food dominated, but varied from 27 per cent in the Western province to 43 per cent in the Uva province, compared to 34 per cent at national level. The corresponding range in the CFS 1996/97 was from 38 per cent in the Western province to 51 per cent in the Uva province and 44 per cent at national level, indicating that the importance of the Food share had fallen across all provinces as well. Comparison among provinces also revealed a close association between the annual real growth of expenditure and the rate of reduction in the share

Table 8.7
Distribution of Expenditure by Province

Expenditure Category	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	
Food and non-alcoholic beverages	27.2	39.7	38.4	42.9	42.4	34.4	40.3	43.3	42.2	34.4
Alcoholic beverages, tobacco and narcotics	1.7	2.9	2.4	2.1	2.6	2.4	2.7	2.8	2.7	2.2
Clothing and footwear	6.0	8.3	6.0	4.5	8.4	6.2	6.7	6.7	7.4	6.6
Housing and utilities	19.2	15.1	11.9	10.6	10.3	10.9	11.0	12.2	12.2	15.0
Furnishings and household equipment	5.4	5.6	6.0	5.4	6.2	6.5	7.5	5.9	4.9	5.8
Health	4.1	2.8	3.7	2.5	3.1	3.1	2.4	2.6	2.8	3.4
Transport	10.8	6.5	8.5	9.2	7.1	14.8	7.9	7.6	7.5	9.8
Communication	2.7	1.9	2.0	2.4	1.6	2.3	1.4	1.2	1.3	2.2
Recreation and culture	7.6	7.0	8.3	8.1	6.7	7.7	6.5	8.1	8.4	7.6
Education	2.8	2.0	2.2	2.7	2.2	1.7	1.4	1.7	1.7	2.3
Restaurants and hotels	1.9	1.0	1.0	1.9	2.8	1.0	0.8	0.7	0.8	1.5
Miscellaneous goods and services	8.7	6.2	7.9	7.0	5.9	7.8	9.6	6.3	6.9	7.8
Interest on debt	1.9	1.0	1.8	0.8	0.8	1.2	1.9	0.8	1.1	1.5
Total	100	100	100	100	100	100	100	100	100	100

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

of Food in the overall expenditure. Accordingly, a change in expenditure patterns with signs of overall elevation in the standard of living, that was observed nationally and across sectors, was observed across provinces as well, but to different degrees, where the Sabaragamuwa, Central and Uva provinces had the lowest real growth rates, the lowest reduction in their Food share, and spent 40 per cent or more of their total expenditure on Food. Meanwhile, the Northern, Eastern and

North Central provinces had also spent over 40 per cent of their expenditure on Food.

Overall Expenditure by Income

Income is the most important determinant of the level of expenditure and its distribution among major categories. People with the lowest incomes tend to spend the entirety of their disposable income to meet basic needs. Thereafter, the level of

Table 8.8
Monthly Per Capita Expenditure by Income Quintile 1996/97 and 2003/04

Six Month Household Income Quintile													Rs.
Expenditure Category	1996/97 (a)						2003/04 (b)						
	1	2	3	4	5	All	1	2	3	4	5	All	
Food and non-alcoholic beverages	640	733	813	951	1,185	884	1,007	1,144	1,272	1,434	1,794	1,355	
Alcoholic beverages, tobacco and narcotics	51	59	63	71	79	66	76	82	82	90	100	87	
Clothing and footwear	49	67	80	125	239	119	106	145	199	268	512	258	
Housing and utilities	117	143	190	281	642	292	237	282	403	558	1,316	589	
Furnishings and household equipment	27	46	66	89	205	93	101	147	175	207	456	227	
Health	19	25	34	44	102	48	58	65	91	136	292	135	
Transport	26	38	52	141	395	143	92	126	200	345	1,035	385	
Communication	1	1	2	5	43	12	8	16	31	86	257	86	
Recreation and culture	34	52	74	104	240	108	121	153	209	291	647	299	
Education	7	13	17	27	69	29	21	34	49	74	238	89	
Restaurants and hotels	10	13	20	29	60	28	26	27	38	57	128	58	
Miscellaneous goods and services	43	66	99	150	336	149	92	153	223	272	717	309	
Interest on debt	5	7	14	30	138	43	14	19	26	51	167	59	
Total Expenditure	1,028	1,265	1,525	2,046	3,732	2,012	1,957	2,395	2,997	3,869	7,659	3,936	
Average Monthly Income	658	1,085	1,508	2,244	5,463	2,190	1,216	1,807	2,497	3,581	9,092	3,968	
Average Propensity to Spend :													
Total Expenditure	1.56	1.17	1.01	0.91	0.68	0.92	1.61	1.33	1.20	1.08	0.84	0.99	
– Expenditure on Food and Non-alcoholic Beverages	0.97	0.68	0.54	0.42	0.22	0.40	0.83	0.63	0.51	0.40	0.20	0.34	
– Expenditure on Alcohol, Tobacco and other Non-food items	0.59	0.49	0.47	0.49	0.47	0.51	0.78	0.69	0.69	0.68	0.65	0.65	

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 8.9
Annual Real Growth Rates of Expenditure by Income Quintile

Expenditure Category	Six Month Household Income Quintile					Per cent
	1	2	3	4	5	All
Food and non-alcoholic beverages	-0.3	-0.4	-0.4	-0.9	-0.8	-0.7
Alcoholic beverages, tobacco and narcotics	-1.2	-2.0	-3.0	-3.3	-3.3	-2.8
Clothing and footwear	5.6	5.6	7.7	5.4	5.4	5.6
Housing and utilities	3.2	2.8	3.8	2.9	3.4	3.1
Furnishings and household equipment	12.9	10.6	7.6	5.8	5.1	6.5
Health	1.1	-0.7	-0.2	1.7	0.5	0.4
Transport	9.0	8.0	10.2	3.5	4.5	4.9
Communication	16.4	29.5	32.3	38.6	17.9	21.3
Recreation and culture	14.4	11.2	10.4	10.3	9.7	10.2
Education	8.9	5.7	7.0	6.4	10.2	8.5
Restaurants and hotels	7.3	3.1	2.5	2.5	3.7	3.3
Miscellaneous goods and services	1.9	3.0	2.6	-0.5	1.8	1.4
Interest on debt	8.9	7.0	1.9	0.4	-4.3	-2.5
Total	2.2	2.1	2.6	1.9	2.9	2.4

expenditure tends to rise with income and change structurally to become more sophisticated, in the sense that the share of expenditure on basic needs such as food shrinks, while the shares on other categories of expenses of choice rise gradually with income. The behaviour of expenditure with the level of income was analysed under income quintiles based on the six month household incomes.

The comparison of income and expenditure revealed the usually expected positive relationship between the level of income and expenditure. The lowest income quintile registered a monthly per capita expenditure level of Rs.1,957, while it was Rs.7,659 for the highest income quintile and the average expenditure for all income quintiles was Rs.3,936 (Table 8.8). The expenditure ratios among income quintiles were in the order of 1:1.2:1.5:2:3.9 where the corresponding order in 1996/97 was 1:1.2:1.5:2:3.6. Accordingly, the differences in relative expenditure among income quintiles had experienced hardly any change between the two survey periods.

The comparison of income and expenditure revealed that in most income quintiles, except the highest, per capita expenditure levels were higher than per capita income, while at the national level it was a little lower than income. The general tendency among respondents to under report incomes and overstate expenditure, even to an experienced investigator, could have some impact on this finding.

Nevertheless the general pattern observed was one where Average Propensity to Spend (APS), the ratio of expenditure to income, fell with rising income, together with a shift in expenditure from the food category to the non-food category. The APS had fallen in 2003/04 from 1.61 in the first income quintile to 0.84 in the fifth income quintile, while the shares of APS for food and for non-food categories, respectively, had gradually shifted from 0.83 and 0.78 to 0.20 and 0.65 from lowest to highest income quintile. The overall APS for all income quintiles had increased in 2003/04 compared to 1996/97 and this was driven entirely by the expenditure on Non-food categories (Table 8.8).

The expenditure at 1996/97 prices revealed that at all income levels the real expenditure had increased within a range of 1.9 to 2.9 per cent on annual basis, with an average increase of 2.4 per cent (Table 8.9). Although there was no discernible trend across quintiles, the highest increase was observed in the highest income quintile. However, real expenditure on different major categories of expenditure had changed in both directions. Among such mixed changes, the contraction in real expenditure on Food had increased with the level of income. A similar trend was observed for Alcohol and tobacco. The real change in Interest on debt shifted gradually from high positive to negative across income quintiles, reflecting clearly the spending capacity across quintiles. Among the expenditure categories with increases in real expenditure, decelerations in the pace of growth with increase in income were revealed in the expenditure categories of Furnishings and household equipment, Recreation and culture and Restaurants and hotels, while in the Transport category too the growth rates were significantly higher in the lower three quintiles compared to the upper two. The Communication category, in contrast, indicated increase in real expenditure up to the fourth income quintile. Meanwhile, there were no clear trends in the remaining five categories across income quintiles, suggesting lower expenditure elasticity in these categories.

The pattern of distribution of expenditure among major expenditure categories by income quintiles revealed clearly that expenditure tends to be more sophisticated with the rise in the level of income (Chart 8.2). The major shift between surveys was the significant decline in the Food share, with a commensurate share increase in all other categories in all income quintiles, signifying a general improvement in the standard of living among all quintiles. The only deviation from this was the decline in the expenditure share for interest on debt at the two upper most quintiles. In CFS 2003/04, the relative share on Food had dropped gradually with the level of income, from 51 per cent in the first income quintile to 23 per cent by the fifth. A similar pattern was observed with the expenditure on Alcohol and tobacco. The relative shares on Furnishings and household

Chart 8.2

Distribution of Expenditure by Income Quintile 1996/97 and 2003/04

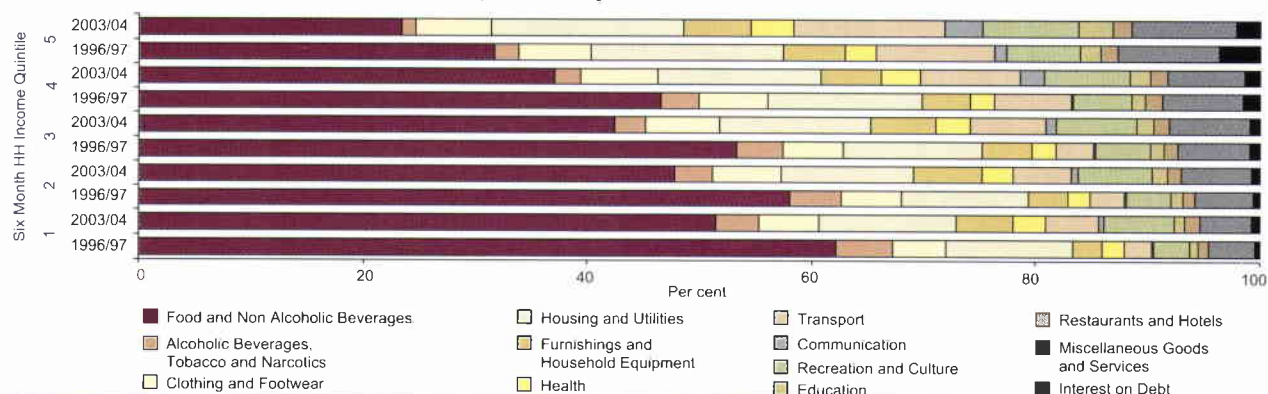


Table 8.10

Distribution of Expenditure by Income Quintile 1996/97 and 2003/04

Expenditure Category	Six Month Household Income Quintile									
	1996/97 (a)					2003/04 (b)				
	1	2	3	4	5	1	2	3	4	5
Food and non-alcoholic beverages	62.2	58.0	53.3	46.5	31.7	51.4	47.8	42.5	37.1	23.4
Alcoholic beverages, tobacco and narcotics	5.0	4.7	4.1	3.5	2.1	3.9	3.4	2.7	2.3	1.3
Clothing and footwear	4.7	5.3	5.3	6.1	6.4	5.4	6.1	6.6	6.9	6.7
Housing and utilities	11.4	11.3	12.5	13.7	17.2	12.1	11.8	13.4	14.4	17.2
Furnishings and household equipment	2.7	3.7	4.4	4.3	5.5	5.1	6.1	5.8	5.4	6.0
Health	1.9	2.0	2.2	2.2	2.7	3.0	2.7	3.0	3.5	3.8
Transport	2.5	3.0	3.4	6.9	10.6	4.7	5.3	6.7	8.9	13.5
Communication	0.1	0.1	0.2	0.2	1.2	0.4	0.7	1.0	2.2	3.4
Recreation and culture	3.3	4.1	4.9	5.1	6.4	6.2	6.4	7.0	7.5	8.5
Education	0.6	1.0	1.1	1.3	1.8	1.1	1.4	1.6	1.9	3.1
Restaurants and hotels	0.9	1.0	1.3	1.4	1.6	1.3	1.1	1.3	1.5	1.7
Miscellaneous goods and services	4.2	5.2	6.5	7.3	9.0	4.7	6.4	7.4	7.0	9.4
Interest on debt	0.4	0.6	0.9	1.5	3.7	0.7	0.8	0.9	1.3	2.2
Total	100	100	100	100	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

equipment and Health remained relatively stable across all income quintiles, signifying lower income elasticity of demand in these categories. Meanwhile, the relative share on all other expenditure categories generally rose across quintiles and these trends were more significant for Housing and utilities, Transport, Communication, Recreation and culture and Miscellaneous goods and services (Table 8.10).

8.3 Expenditure by COICOP Categories

This section analyses expenditure within each COICOP category, as well as expenditure on Interest on debt. With regard to the first category, expenditure on Food and non-alcoholic beverages was the single largest expenditure category in each domain of study, whether sector, province or income quintile. Also, changes in expenditure on this category reflect changes in nutrition levels and consequently, provide valuable information on the health and well-being of the household sector. Expenditure on the second category, in general, could impact adversely on the

individual, the household and the society, since most of the items in this category have been proven to be injurious to physical health and well-being. Hence, any changes in this expenditure category, either in terms of shifts or of increases in consumption, would require careful review in a society, to ensure that their adverse impact on the society as a whole is minimised. Hence, the first two categories have been analysed in more detail than the other eleven categories in this section for the above reasons.

Category 1: Food and Non-Alcoholic Beverages

Expenditure on Food and non alcoholic beverages (Food) dominated the overall expenditure of households, consistent with the trend observed in the past. However, the shift in the consumption pattern, where the relative share of per capita expenditure on this category had dropped between survey periods could be mainly attributed to rising incomes, changing consumer preferences, relative price variations, supply condition variability

Table 8.11
Monthly Per Capita Expenditure on Food 1996/97 and 2003/04

Category / Item	1996/97 (a)		2003/04 (b)		2003/04 Values at 1996/97 Prices (c) Rs.	Annual Real Growth %
	Rs.	%	Rs.	%		
Bread and cereals	326	36.9	455	33.6	283	-2.0
Rice	199	22.5	272	20.1	n.a.	n.a.
Bread	45	5.1	53	3.9	n.a.	n.a.
Wheat flour	15	1.7	20	1.4	n.a.	n.a.
Starchy food	24	2.7	31	2.3	n.a.	n.a.
Pulses	5	0.6	8	0.6	n.a.	n.a.
Rice, kurakkan, ulundu flour	1	0.2	5	0.3	n.a.	n.a.
Noodles	1	0.1	5	0.3	n.a.	n.a.
Meat	30	3.4	59	4.4	37	3.0
Fish and seafood	108	12.2	175	12.9	109	0.1
Milk, cheese and egg	77	8.7	132	9.8	82	1.0
Milk powder	47	5.3	103	7.6	n.a.	n.a.
Oils and fats	20	2.2	34	2.5	21	1.2
Fruits	98	11.1	155	11.5	97	-0.3
Fresh / dried / tinned fruits	27	3.1	58	4.3	n.a.	n.a.
Coconut	71	8.0	98	7.2	n.a.	n.a.
Vegetables	70	8.0	119	8.8	74	0.8
Sugar, jam and confectionery	47	5.3	58	4.3	36	-3.9
Sugar	43	4.9	49	3.6	n.a.	n.a.
Food products (n.e.c.)	87	9.9	134	9.9	84	-0.6
Coffee, tea and cocoa	17	1.9	28	2.1	17	0.3
Mineral water, soft drinks and fruit juices	3	0.3	5	0.3	3	0.3
Total	884	100	1,355	100	843	-0.7

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

(c) Nominal expenditure of food sub-groups was deflated using the SLCP – Food, beverages and tobacco sub-index

n.a. – not applicable

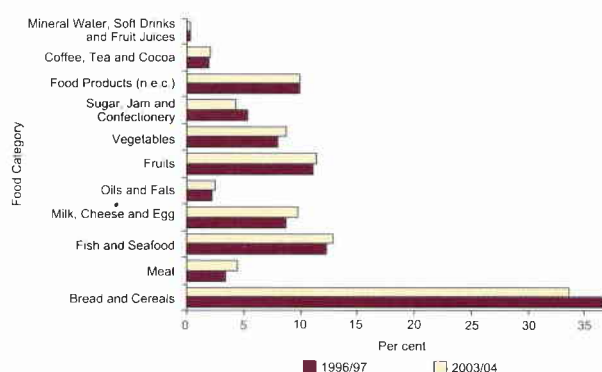
n.e.c. – not elsewhere classified

and changes in demographic composition. As almost 98 per cent of the total expenditure on this category was spent on food, with only around 2 per cent spent on non-alcoholic beverages, the analysis focused mainly on food items (Table 8.11).

Average per capita expenditure on food had increased to Rs.1,355 from Rs.884 in nominal terms over the period under consideration. However, real expenditure on food had dropped between surveys at an annual rate of around 0.7 per cent during this seven year period. Does this suggest that an average Sri Lankan consumes less food than seven years ago? The reduction in real expenditure on food was mainly derived from the decline in the categories of bread and cereals and sugar, jam and confectionery. Meanwhile, among major food categories, the highest real expenditure increases were recorded for meat, oils and fats, milk, cheese and egg and vegetables in CFS 2003/04 compared to CFS 1996/97. This indicated a shift in real expenditure from carbohydrates towards the consumption of foods rich in protein, fibre and minerals. A separate analysis on relative changes in consumption of key food items and energy intake presented later in this chapter (Section 8.4) revealed that a change in consumption patterns could be the reason for the drop in real expenditure. In general, consumers appeared to be more aware of dietary attributes and making a better choice on food, probably due to health reasons, indicating a positive trend in food habits.

The shift in consumer preferences was further demonstrated by changes in the relative shares of expenditure on key food items (Chart 8.3). The decline in the relative shares of expenditure on basic starchy foods, rice, wheat flour and sugar, which was observed over the previous years, continued into this period as well. Further, the share of expenditure on bread, coconut and other starchy food (*i.e.*, tubers) too declined between the two survey periods. The share spent on other flours and noodles rose marginally during this period relative to the previous period,

Chart 8.3
Distribution of Food Expenditure 1996/97 and 2003/04



which would have substituted somewhat for bread and wheat flour. This may also reflect a gradual shift in lifestyle and the tendency of more households towards consuming or purchasing processed foods or meals outside their homes, the expenditure on which showed an increase in real terms as well. This too would have contributed to the observed changes in consumption patterns. The latter is analysed separately in the Hotels and restaurants category under the new classification. Meanwhile, the declines in the expenditure shares on most starchy food, bread and sugar, jam and confectionery items was met with a corresponding increase in the expenditure shares on most of the other key categories mentioned above and on meat. The majority of food expenditure was spent on bread and cereals, followed by fish, fruits, food products n.e.c. (mainly condiments), dairy products and vegetables. This prioritisation of expenditure on different categories of food items had not changed between surveys despite other observed changes.

In order to ascertain the changing consumption pattern among sectors, average monthly per capita food expenditure was analysed sector wise. Expenditure on food had increased in all three sectors and ranged from Rs.1,162 in the estate sector to Rs.1,611 in the urban sector (Table 8.12). The general decline in real expenditure on most starchy foods was seen across all sectors. However, changes in real expenditure were mixed for other categories of food across sectors. All sectors recorded a real drop in food expenditure. The annual rate of decrease was highest in the estate sector (2 per cent) and lowest in the rural sector (0.6 per cent) reflecting an increase in sectoral disparities.

The change in consumption patterns, in terms of relative shares between the two survey periods was almost identical across all sectors and followed the overall pattern (Table 8.13).

When the distribution of expenditure among major categories of the food group was compared between the two survey periods, the trends were similar to the overall trend in all sectors. The highest share of expenditure on a single item in the food category was on rice, the staple food, irrespective of the sector. However, a relatively equal share of over 20 per cent was spent on rice in the rural and estate sectors, while it was substantially lower at around 13 per cent in the urban sector and had declined to lower than the expenditure share on fish in 2003/04. The urban sector spent a higher share on bread than the other two sectors, although each sector had marked a decline in consumption. The estate sector spent a significantly higher share on wheat flour, around Rs.100, five times the national average in 2003/04, while the urban sector had spent only around Rs.17. This reflects the major sectoral diversity in the dietary pattern, which was observed in the past as well, where the expenditure on bread and cereals was significantly higher in the estate sector (Chart 8.4). The relative decline in shares on rice, bread and wheat flour in all sectors during this period was marginally compensated for by increased expenditure on other types of flour and processed cereals. More importantly, the expenditure shares on fish, meat, milk powder, fruits and vegetables had increased in all three sectors.

In general, the relative shifts in the consumption pattern between the two survey periods in each sector were consistent with the overall pattern. Relative expenditure on meat, fish, milk

Table 8.12
Monthly Per Capita Expenditure on Food and Real Growth Rates by Sector

Category / Item	Expenditure (Rs.)				Annual Real Growth (%)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Bread and cereals	444	454	503	455	-1.9	-1.9	-3.4	-2.0
Rice	217	280	280	272	n.a.	n.a.	n.a.	n.a.
Bread	82	50	27	53	n.a.	n.a.	n.a.	n.a.
Wheat flour	17	15	101	20	n.a.	n.a.	n.a.	n.a.
Starchy food	27	32	27	31	n.a.	n.a.	n.a.	n.a.
Pulses	9	8	6	8	n.a.	n.a.	n.a.	n.a.
Rice, kurakkan, ulundu flour	8	4	2	5	n.a.	n.a.	n.a.	n.a.
Noodles	7	4	3	5	n.a.	n.a.	n.a.	n.a.
Meat	112	52	45	59	0.7	4.1	-0.7	3.0
Fish and seafood	241	172	74	175	-0.7	0.3	-1.4	0.1
Milk, cheese and egg	196	124	98	132	-0.5	1.3	2.0	1.0
Milk powder	148	97	76	103	n.a.	n.a.	n.a.	n.a.
Oils and fats	47	32	34	34	1.3	1.3	-0.5	1.2
Fruits	179	154	115	155	-0.2	-0.2	-0.9	-0.3
Fresh / dried / tinned fruits	88	55	25	58	n.a.	n.a.	n.a.	n.a.
Coconut	91	99	91	98	n.a.	n.a.	n.a.	n.a.
Vegetables	126	119	109	119	-0.3	1.0	0.2	0.8
Sugar, jam and confectionery	69	57	44	58	-3.0	-4.0	-4.1	-3.9
Sugar	53	49	40	49	n.a.	n.a.	n.a.	n.a.
Food products (n.e.c.)	153	133	114	134	-0.4	-0.6	-1.9	-0.6
Coffee, tea and cocoa	33	27	25	28	0.6	0.4	-2.0	0.3
Mineral water, soft drinks and fruit juices	12	4	0	5	-0.4	1.1	-30.2	0.3
Total	1,611	1,327	1,162	1,355	-0.8	-0.6	-2.0	-0.7

Table 8.13

Distribution of Food Expenditure by Sector 1996/97 and 2003/04

Category / Item	1996/1997 (a)				2003/2004 (b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Bread and cereals	29.6	37.6	47.8	36.9	27.5	34.2	43.3	33.6
Rice	15.5	23.7	25.2	22.5	13.5	21.1	24.1	20.1
Bread	6.5	5.0	2.5	5.1	5.1	3.8	2.3	3.9
Wheat flour	0.9	1.2	12.2	1.7	1.0	1.1	8.7	1.4
Starchy food	2.0	2.9	2.4	2.7	1.7	2.4	2.3	2.3
Pulses	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Rice, kurakkan, ulundu flour	0.2	0.1	0.0	0.2	0.5	0.3	0.2	0.3
Noodles	0.2	0.1	0.1	0.1	0.5	0.3	0.2	0.3
Meat	6.3	2.8	3.6	3.4	7.0	3.9	3.9	4.4
Fish and seafood	14.8	12.1	6.1	12.2	15.0	12.9	6.4	12.9
Milk, cheese and egg	11.9	8.2	6.3	8.7	12.2	9.4	8.4	9.8
Milk powder	6.9	5.1	3.5	5.3	9.2	7.3	6.5	7.6
Oils and fats	2.5	2.1	2.6	2.2	2.9	2.4	2.9	2.5
Fruits	10.6	11.4	9.1	11.1	11.1	11.6	9.9	11.5
Fresh / dried / tinned fruits	4.2	3.0	1.3	3.1	5.5	4.2	2.1	4.3
Coconut	6.4	8.4	7.8	8.0	5.6	7.5	7.8	7.2
Vegetables	7.5	8.0	8.0	8.0	7.8	9.0	9.4	8.8
Sugar, jam and confectionery	5.0	5.5	4.4	5.3	4.3	4.3	3.8	4.3
Sugar	4.4	5.0	4.3	4.9	3.3	3.7	3.5	3.6
Food products (n.e.c.)	9.2	10.0	9.8	9.9	9.5	10.0	9.8	9.9
Coffee, tea and cocoa	1.9	1.9	2.2	1.9	2.1	2.1	2.2	2.1
Mineral water, soft drinks and fruit juices	0.7	0.3	0.1	0.3	0.7	0.3	0.0	0.3
Total	100	100	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

powder and dairy products, which are relatively more expensive and rich in protein and nutrition, were highest in the urban sector, indicating their higher affordability, preference and availability, while the estate sector spent least on most of these items. An urban sector person spent around 34 per cent on these items while it was 26 per cent in rural sector and around 19 per cent in the estate sector. The proportion of expenditure on fish and seafood was significantly lower in the estate sector as access to fresh fish is limited with estate households being located away from coastal areas and inland fishery centres. Expenditure on dried fish comprised the major share of their expenditure on fish.

The real expenditure increase in meat was considerably higher in the rural sector, while it had declined in the estate sector. Further, the estate sector had spent a relatively lower share compared to other sectors on dairy products. Meanwhile, the shares of expenditure on coconut, vegetables and sugar were least in the urban sector when compared to the other sectors. A real drop in expenditure on milk, cheese and egg and vegetables was also recorded only in the urban sector. Non alcoholic beverages recorded the lowest expenditure in all sectors, lower than 3 per cent of the total food expenditure, and there was a real decrease of the same in the estate sector, especially in soft drinks.

The differences in the consumption patterns observed in the urban, rural and estate sectors appear to be a reflection of the differences in income levels, dietary preferences, lifestyles and to a certain extent, variation in prices.

In order to assess regional deviations in consumption behaviour, in terms of monthly per capita expenditure, a province wise analysis was carried out. On average, monthly per capita expenditure on food was lowest in Uva province and around Rs.1,110, while it was highest and around Rs.1,610 in the Western province (Table 8.14). This range was on par with the sectoral difference of Rs.1,162 and Rs.1,611 between estate and urban observed for the period. The Western province, comprising a higher urban population with relatively higher income, spent proportionately less on food, around 27 per cent of their monthly income. The Central, North Western and North Central provinces spent between 30 to 40 per cent, while it was greater than 40 per

Chart 8.4

Distribution of Food Expenditure by Sector

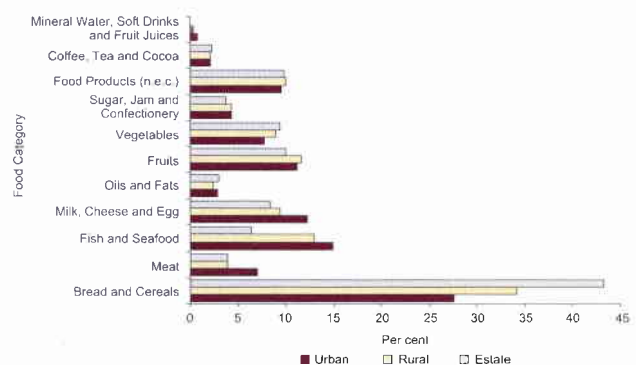


Table 8.14
Monthly Per Capita Food Expenditure by Province

Category / Item	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa	
Bread and cereals	468.46	455.32	434.93	478.95	406.88	456.15	450.47	457.13	472.28	454.85
Rice	246.44	269.97	273.50	193.32	252.11	295.18	311.27	291.91	318.36	272.07
Bread	83.63	42.56	49.17	54.05	46.94	39.92	31.29	30.33	37.35	52.95
Wheat flour	9.29	45.23	5.84	86.60	15.02	13.75	14.53	31.41	15.26	19.58
Starchy food	29.84	30.37	28.66	38.42	28.80	32.87	29.64	34.01	31.69	30.79
Pulses	10.63	6.81	6.37	6.79	3.82	9.19	5.54	8.74	6.95	7.91
Rice, kurakkan, ulundu flour	3.45	2.38	2.67	41.39	9.45	3.19	2.72	3.87	1.88	4.74
Noodles	7.23	3.34	5.32	2.98	2.50	3.91	2.10	2.33	3.91	4.57
Meat	83.14	58.79	22.64	71.95	89.46	71.30	46.33	29.52	30.28	59.27
Fish and seafood	249.37	102.67	167.98	152.87	203.59	199.29	167.81	78.60	107.15	175.32
Milk, cheese and egg	193.73	119.67	121.42	132.06	117.56	107.80	86.86	87.38	95.15	132.13
Milk powder	154.49	94.57	96.20	77.43	82.86	81.53	63.98	70.73	77.17	102.73
Oils and fats	42.80	36.58	21.21	36.77	30.14	32.69	35.67	37.98	27.25	34.34
Fruits	178.36	142.36	153.47	170.09	140.73	152.66	157.07	121.86	144.54	155.43
Fresh / dried / tinned fruits	84.28	47.40	50.55	50.73	50.53	53.76	50.35	40.97	39.45	57.91
Coconuts	94.08	94.96	102.91	119.37	90.20	98.90	106.72	80.88	105.09	97.52
Vegetables	131.47	118.81	102.17	106.37	107.58	129.50	126.20	108.30	113.46	119.24
Sugar, jam and confectionery	65.46	48.20	55.91	76.54	72.70	59.67	48.20	46.99	43.78	57.63
Sugar	51.09	42.41	50.20	71.80	65.20	50.05	43.70	41.30	38.43	49.09
Food products (n.e.c.)	153.19	117.21	132.36	137.09	131.06	139.63	128.43	117.48	117.91	134.25
Coffee, tea and cocoa	35.12	26.51	24.17	25.10	23.18	28.92	22.51	24.25	24.58	27.92
Mineral water, soft drinks and fruit juices	8.76	1.68	2.22	10.16	6.51	4.56	2.41	0.65	1.42	4.63
Total	1,609.85	1,227.80	1,238.46	1,397.94	1,329.38	1,382.16	1,271.96	1,110.13	1,177.80	1,355.02

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 8.15
Annual Real Growth Rates of Food Expenditure by Province (a)

Annual Real Growth Rates of Food Expenditure by Province (2)								Per cent
Category	Province							All Provinces
	Western	Central	Southern	North Western	North Central	Uva	Sabara-gamuwa	
Bread and cereals	-1.8	-2.6	-1.7	-1.5	-1.8	-2.0	-1.9	-2.0
Meat	0.8	1.8	2.9	7.1	2.8	4.2	0.7	3.0
Fish and seafood	0.1	-1.0	-0.8	0.9	2.2	-0.9	-1.4	0.1
Milk, cheese and egg	1.1	1.3	2.0	3.6	1.8	-0.3	-1.7	1.0
Oils and fats	2.0	1.3	-0.5	1.9	1.1	1.2	0.2	1.2
Fruits	-0.1	-0.7	-0.2	0.8	0.6	-0.7	-1.2	-0.3
Vegetables	0.4	0.8	0.3	1.7	3.2	1.4	1.0	0.8
Sugar, jam and confectionery	-3.5	-5.8	-5.3	-3.3	-4.6	-3.3	-5.9	-3.9
Food products (n.e.c.)	-0.1	-1.5	-1.3	1.6	-2.4	-1.0	-1.6	-0.6
Coffee, tea and cocoa	1.8	-1.2	-0.9	3.0	-0.3	0.2	-1.3	0.3
Mineral water, soft drinks and fruit juices	1.2	3.3	-12.5	10.1	-13.2	-5.8	-0.5	0.3
Total	-0.4	-1.3	-1.0	0.5	-0.4	-1.0	-1.5	-0.7

(a) Comparable values for Northern and Eastern provinces were not available for 1996/97

cent in all other provinces (Table 8.5). However, nominal expenditure was highest in the Western province for nearly all major consumption items, except rice and sugar, signifying greater affordability.

The expenditure on the most significant category, bread and cereals was within a range of Rs.407 to Rs.479 across provinces,

with expenditure on rice dominating this category. The expenditure on fish and fruits was lowest in the Uva province while that for milk products and meat too was comparatively lower in that province. Most other categories of expenditure in the food group had relatively low variations across provinces.

Table 8.16
Distribution of Food Expenditure by Province

Category / Item	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	
Bread and cereals	29.1	37.1	35.1	34.3	30.6	33.0	35.4	41.2	40.1	33.6
Rice	15.3	22.0	22.1	13.8	19.0	21.4	24.5	26.3	27.0	20.1
Bread	5.2	3.5	4.0	3.9	3.5	2.9	2.5	2.7	3.2	3.9
Wheat flour	0.6	3.7	0.5	6.2	1.1	1.0	1.1	2.8	1.3	1.4
Starchy food	1.9	2.5	2.3	2.7	2.2	2.4	2.3	3.1	2.7	2.3
Pulses	0.7	0.6	0.5	0.5	0.3	0.7	0.4	0.8	0.6	0.6
Rice, kurakkan, ulundu flour	0.2	0.2	0.2	3.0	0.7	0.2	0.2	0.3	0.2	0.3
Noodles	0.4	0.3	0.4	0.2	0.2	0.3	0.2	0.2	0.3	0.3
Meat	5.2	4.8	1.8	5.1	6.7	5.2	3.6	2.7	2.6	4.4
Fish and seafood	15.5	8.4	13.6	10.9	15.3	14.4	13.2	7.1	9.1	12.9
Milk, cheese and egg	12.0	9.7	9.8	9.4	8.8	7.8	6.8	7.9	8.1	9.8
Milk powder	9.6	7.7	7.8	5.5	6.2	5.9	5.0	6.4	6.6	7.6
Oils and fats	2.7	3.0	1.7	2.6	2.3	2.4	2.8	3.4	2.3	2.5
Fruits	11.1	11.6	12.4	12.2	10.6	11.0	12.3	11.0	12.3	11.5
Fresh / dried / tinned fruits	5.2	3.9	4.1	3.6	3.8	3.9	4.0	3.7	3.3	4.3
Coconuts	5.8	7.7	8.3	8.5	6.8	7.2	8.4	7.3	8.9	7.2
Vegetables	8.2	9.7	8.2	7.6	8.1	9.4	9.9	9.8	9.6	8.8
Sugar, jam and confectionery	4.1	3.9	4.5	5.5	5.5	4.3	3.8	4.2	3.7	4.3
Sugar	3.2	3.5	4.1	5.1	4.9	3.6	3.4	3.7	3.3	3.6
Food products (n.e.c.)	9.5	9.5	10.7	9.8	9.9	10.1	10.1	10.6	10.0	9.9
Coffee, tea and cocoa	2.2	2.2	2.0	1.8	1.7	2.1	1.8	2.2	2.1	2.1
Mineral water, soft drinks and fruit juices	0.5	0.1	0.2	0.7	0.5	0.3	0.2	0.1	0.1	0.3
Total	100	100	100	100	100	100	100	100	100	100

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

In general, the direction of real changes in most major categories of food expenditure between the two survey periods were similar across provinces and followed the overall pattern with a few exceptions. All provinces recorded real drops in food expenditure between the two survey periods, similar to the overall behaviour, except in the North Western province (Table 8.15). This could be attributed to increased income earning opportunities in this province, as this province recorded the highest real increase in overall expenditure as well. The expenditure on meat and milk cheese and egg had grown at considerably higher rates in this province and also the rates of decline for bread and cereals and sugar, jam and confectionery items were relatively lower compared to other provinces. Meanwhile, the highest real rates of contraction in food expenditure were recorded in Central and Sabaragamuwa provinces during this period.

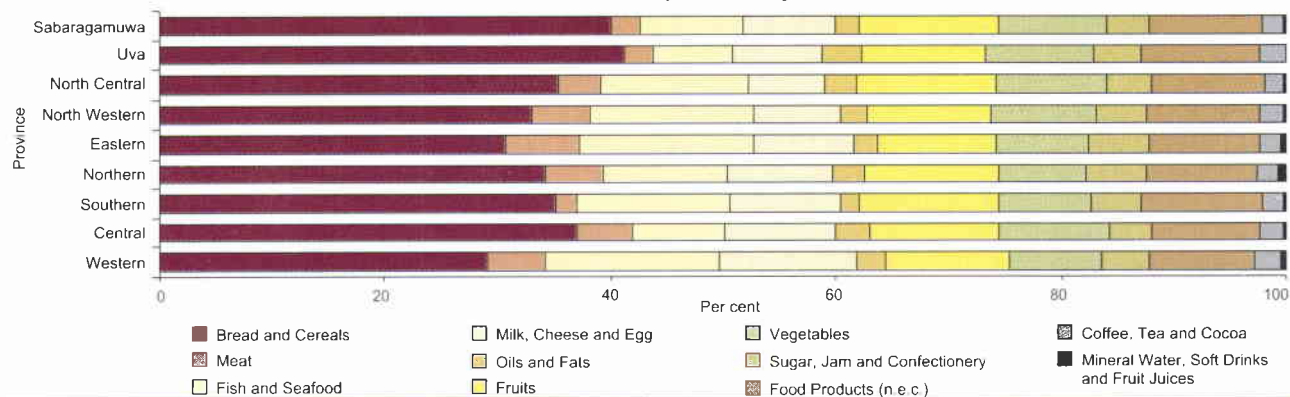
The expenditure on bread and cereals dominated overall food expenditure in all provinces, with Uva and Sabaragamuwa spending a proportionately higher share, probably reflecting higher estate sector presence (Table 8.16). A drop in the relative share of expenditure on the basic staple food, rice, was prevalent in all provinces, other than Sabaragamuwa, which recorded the highest share on rice. The share of per capita expenditure on rice in the Northern province was the lowest at around 14 per cent compared to the other regions. This lower share could be mainly attributable to increased consumption of wheat and other flours

and starchy food, in the Northern province which recorded the highest expenditure share of around 6 per cent on wheat flour. Relative shares of expenditure on wheat flour were low in the Western and Southern provinces. One reason for this could be the increased tendency of people in these regions to purchase flour based food items from outside their homes especially in the Western province. In fact, the proportion of expenditure on bread was highest in the Western province. The relative shares on meat, fish, dairy products and eggs, oils and fats, fruits and vegetables had risen during the period in all the provinces in general, except for minor deviations, reflecting the overall trend (Chart 8.5). Limited access to fresh fish due to the geographical location of Central, Uva and Sabaragamuwa provinces resulted in comparatively lower shares on fish and seafood. The expenditure share on fresh milk was substantially higher in the Northern province than any other region, possibly due to higher milk production in the region as rearing of cattle is solely for milking purposes and not for slaughtering. Meanwhile the relative shares on fish and dairy products were highest in the Western province while the highest share on meat was recorded in the Eastern province.

When the distribution of food expenditure among different categories of key food items was analysed, the Western province emulated urban sector consumption behaviour while Uva and Sabaragamuwa reflected estate sector preferences, with other provinces emulating rural sector characteristics, in general.

Chart 8.5

Distribution of Food Expenditure by Province



Although this was a general observation made with limited information, which could be attributed to the sectoral characteristics predominant in a given province, the Central province could not be easily identified with any sector with distinction.

Monthly per capita food expenditure was analysed by income quintiles, where the measure of income used for categorisation was six months household income.

The overall expenditure on food increased with the level of income and the rate of increase was highest in the fifth quintile (Table 8.17). In fact, nominal expenditure rose with income

quintile for nearly all food items, except rice at the highest income level, and wheat flour, which recorded the opposite trend. However, the lowest income quintile spent around 83 per cent of income on food, while the highest income quintile spent around 20 per cent on the same (Table 8.8). On average, monthly per capita expenditure on food in the lowest quintile was around Rs.1,007, while the highest income quintile spent around Rs.1,794. This was in comparison to Rs.640 and Rs.1,185 in CFS 1996/97, reflecting a very marginal reduction in disparities between the highest and lowest income quintiles. However, the drop in real expenditure of bread and cereals and sugar, jam and

Table 8.17
Monthly Per Capita Food Expenditure and Real Growth Rates by Income Quintile

Category / Item	Six Month Household Income Quintile						Annual Real Growth (%)					
	Expenditure (Rs.)											
	1	2	3	4	5	All	1	2	3	4	5	All
Bread and cereals	403.81	438.09	454.13	466.32	496.57	454.85	-1.6	-1.8	-2.0	-2.2	-2.2	-2.0
Rice	261.31	276.46	280.37	276.91	263.91	272.07	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Bread	37.01	44.37	49.98	56.90	71.06	52.95	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Wheat flour	23.65	25.33	19.53	17.43	13.72	19.58	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Starchy food	27.76	28.40	30.21	31.58	34.85	30.79	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Pulses	4.32	5.83	6.95	8.32	12.85	7.91	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Rice, kurakkan, ulundu flour	3.04	3.15	3.71	4.91	8.17	4.74	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Noodles	2.06	2.78	4.18	4.72	8.16	4.57	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Meat	23.15	33.44	43.30	64.49	117.91	59.27	7.3	8.1	6.2	2.9	1.0	3.0
Fish and seafood	98.32	126.12	159.35	197.32	268.16	175.32	1.3	0.0	1.0	0.0	-0.3	0.1
Milk, cheese and egg	57.49	88.66	114.34	151.95	222.05	132.13	1.5	2.9	2.3	1.1	-0.1	1.0
Milk powder	43.91	69.89	90.48	120.19	168.92	102.73	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Oils and fats	27.86	28.52	30.39	33.27	48.84	34.34	1.0	0.9	1.0	0.5	2.1	1.2
Fruits	112.76	126.91	143.81	165.90	212.17	155.43	-0.5	0.0	0.0	-0.4	-0.2	-0.3
Fresh / dried / tinned fruits	23.27	32.82	45.84	65.86	108.58	57.91	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Coconuts	89.49	94.08	97.97	100.04	103.60	97.52	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Vegetables	96.71	105.99	114.29	124.42	146.87	119.24	1.8	1.3	1.0	0.4	0.2	0.8
Sugar, jam and confectionery	45.71	49.45	55.07	60.67	72.93	57.63	-2.8	-3.6	-3.6	-4.1	-4.2	-3.9
Sugar	43.41	45.78	49.15	51.57	53.72	49.09	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Food products (n.e.c.)	115.74	120.32	128.62	137.73	161.79	134.25	0.4	-0.2	-0.3	-1.5	-0.9	-0.6
Coffee, tea and cocoa	23.51	24.59	26.20	28.11	35.48	27.92	0.2	0.5	0.3	0.1	0.6	0.3
Mineral water, soft drinks and fruit juices	1.60	1.57	2.75	4.30	11.57	4.63	10.1	-9.3	7.7	-2.8	1.7	0.3
Total	1,006.64	1,143.65	1,272.26	1,434.47	1,794.33	1,355.02	-0.3	-0.4	-0.4	-0.9	-0.8	-0.7

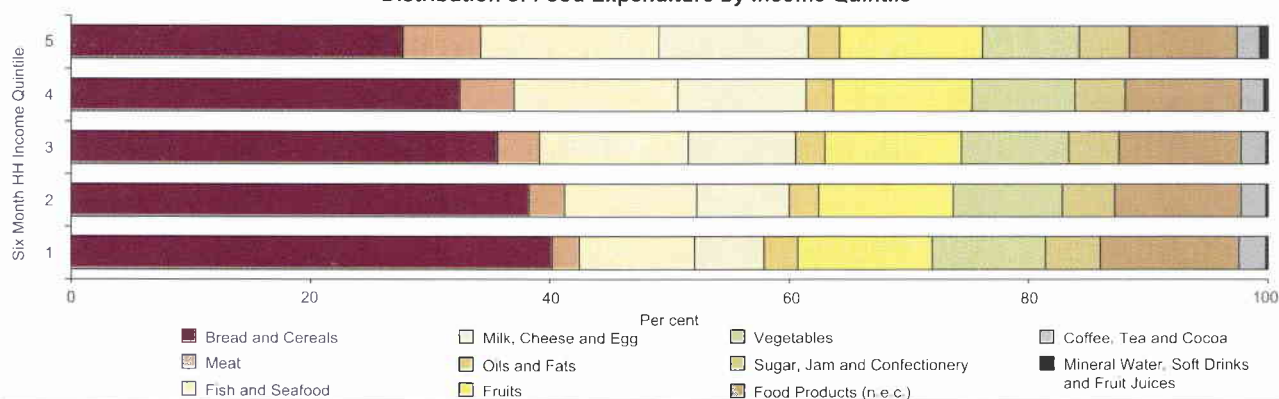
Table 8.18
Distribution of Food Expenditure by Income Quintile

Category / Item	Six Month Household Income Quintile					All
	1	2	3	4	5	
Bread and cereals	40.1	38.3	35.7	32.5	27.7	33.6
Rice	26.0	24.2	22.0	19.3	14.7	20.1
Bread	3.7	3.9	3.9	4.0	4.0	3.9
Wheat flour	2.3	2.2	1.5	1.2	0.8	1.4
Starchy food	2.8	2.5	2.4	2.2	1.9	2.3
Pulses	0.4	0.5	0.5	0.6	0.7	0.6
Rice, kurakkan, ulundu flour	0.3	0.3	0.3	0.3	0.5	0.3
Noodles	0.2	0.2	0.3	0.3	0.5	0.3
Meat	2.3	2.9	3.4	4.5	6.6	4.4
Fish and seafood	9.8	11.0	12.5	13.8	14.9	12.9
Milk cheese and egg	5.7	7.8	9.0	10.6	12.4	9.8
Milk powder	4.4	6.1	7.1	8.4	9.4	7.6
Oils and fats	2.8	2.5	2.4	2.3	2.7	2.5
Fruits	11.2	11.1	11.3	11.6	11.8	11.5
Fresh / dried / tinned fruits	2.3	2.9	3.6	4.6	6.1	4.3
Coconuts	8.9	8.2	7.7	7.0	5.8	7.2
Vegetables	9.6	9.3	9.0	8.7	8.2	8.8
Sugar, jam and confectionery	4.5	4.3	4.3	4.2	4.1	4.3
Sugar	4.3	4.0	3.9	3.6	3.0	3.6
Food products (n.e.c.)	11.5	10.5	10.1	9.6	9.0	9.9
Coffee, tea and cocoa	2.3	2.2	2.1	2.0	2.0	2.1
Mineral water, soft drinks and fruit juices	0.2	0.1	0.2	0.3	0.6	0.3
Total	100	100	100	100	100	100

confectionery items rose with income quintile, while for certain food groups such as meat and vegetables, the real increases declined with rising income, compared to CFS 1996/97. Meanwhile, the highest expenditure was on bread and cereals irrespective of the income group and was within a narrow range of Rs.400 to Rs.500 around the national average. Expenditure on rice, the single largest expenditure item, increased with the level of income up to the fourth quintile and declined thereafter. However, the proportion of expenditure on rice declined with the level of income, with the lowest quintile spending more than 25 per cent of total food expenditure on rice, while it was less than 15 per cent in the highest income earning households (Table 8.18). The expenditure share on bread increased with the level

of income but as a proportion of total food expenditure it remained in a narrow range between 3.7 and 4 per cent. The expenditure share on wheat flour and starchy food declined with the level of income, in contrast to other processed flours (rice, kurakkan, ulundu) and processed cereals and pulses which probably substituted for wheat flour and rice. Further, the tendency to consume food outside their homes also increased with the level of income due to higher affordability and convenience (Table 8.10). This too could be a possible reason for lower expenditure on basic items such as rice and wheat flour. This item of expenditure comes under the Hotels and restaurants category in the COICOP classification as mentioned earlier.

Chart 8.6
Distribution of Food Expenditure by Income Quintile



As could be expected, expenditure shares on food items such as meat, fish, milk powder, cheese and eggs and fruits other than coconuts^{1/} reflected a rising trend with the level of income. Monthly per capita expenditure for these items showed a wider disparity between low and high income groups with the expenditure of higher income groups surpassing the national average by a considerable amount. The combined proportion for these items exceeded 33 per cent in the highest income quintile, while it was less than 18 per cent in the lowest income quintile.

In contrast, expenditure shares on vegetables, coconut, sugar, food products (n.e.c.) and hot beverages declined with rising income, while the shares on a few items such as fresh milk and oils and fats remained stable. In fact, oils and fats recorded a marginally declining proportion of expenditure with the level of income upto the fourth quintile and then rose in the uppermost income quintile. This could be due to relatively higher consumption of cooking oil other than coconut oil by households in this income bracket. The share of expenditure on cold beverages rose marginally for the highest income group, reflecting greater affordability (Chat 8.6).

Category 2 : Alcoholic Beverages, Tobacco and Narcotics

Average monthly per capita expenditure was Rs.87 per month on this category, which was around 6 per cent of the expenditure on Food and non alcoholic beverages of Rs.1,355. Hence, a limited analysis was deemed sufficient to highlight key findings in this category.

The expenditure on Alcoholic beverages, tobacco and narcotics (Alcohol and tobacco) represented a mere 2.2 per cent of the total household expenditure in CFS 2003/04, which was a decline from 3.3 per cent in CFS 1996/97 (Table 8.1). The real expenditure too had dropped at an annual average rate of 2.8 per cent during this period, to Rs.54 (Table 8.19). This was the

combined outcome of the decreases in real expenditure on tobacco products and alcoholic beverages, which had dropped at annual rates of 2.3 per cent and 4.4 per cent, respectively, over this 7 year period. Meanwhile, narcotics, with a negligible share in 1996/97 recorded a considerable real increase during the period to 1.4 per cent. The drop in alcoholic beverages and tobacco expenditure could be due to the increase in import duty and taxes on these items during this period as well as increased awareness of the risks to health. The greatest drop was in the consumption of illicitly brewed liquor, which is hazardous to health, which had declined annually by 10.2 per cent, while real expenditure had more than halved. The expenditure on most other items had declined at rates within a range below 3 per cent during this period. However, the increase in narcotics expenditure, although at a marginal level, should be of concern if this trend continues into the future, especially in the context of respondents' reluctance to reveal such information leading to an under estimation of this expenditure, in general.

There was no material change in the relative shares of expenditure on the major categories within the Alcohol and tobacco group between the two periods. Cigarettes among tobacco products and arrack among alcoholic beverages accounted for the highest shares of expenditure, consistent with the past trend.

In nominal terms, all sectors recorded increases in per capita expenditure in this category. Such expenditure ranged from Rs.83 in the rural sector to Rs.116 in the estate sector (Table 8.20). However, expenditure in real terms had contracted in all three sectors with the highest annual decrease of 5.4 per cent being recorded for the estate sector, while the urban sector recorded the lowest annual average decline of 1.5 per cent, over this period. Although the estate sector recorded the highest per capita expenditure on alcohol beverages and tobacco products, no expense on narcotics was reported from this sector, probably due to lack of penetration into the estate sector due to their low

1/ Coconut is classified as a fruit under the COICOP.

Table 8.19
Monthly Per Capita Expenditure on Alcohol and Tobacco 1996/97 and 2003/04

Category / Item	1996/97 (a)		2003/04 (b)		2003/04 Values at 1996/97 Prices (c) Rs.	Annual Real Growth %
	Rs.	%	Rs.	%		
Alcoholic beverages	18.73	28.6	21.90	25.3	13.63	-4.4
Arrack	8.21	12.5	12.03	13.9	7.49	-1.3
Illicitly brewed liquor	7.80	11.9	5.91	6.8	3.68	-10.2
Toddy	1.37	2.1	1.78	2.0	1.10	-3.0
Beer / foreign liquor	1.36	2.1	2.17	2.5	1.35	-0.1
Miscellaneous – tobacco	46.64	71.1	63.52	73.3	39.53	-2.3
Betel leaves	6.33	9.7	8.61	9.9	5.36	-2.3
Arecanuts	5.65	8.6	7.35	8.5	4.58	-3.0
Cigarettes	20.85	31.8	28.49	32.9	17.73	-2.3
Beedi	3.91	6.0	5.36	6.2	3.34	-2.2
Other	9.90	15.1	13.70	15.8	8.52	-2.1
Narcotics	0.19	0.3	1.21	1.4	0.75	21.7
Total	65.56	100	86.62	100	53.91	-2.8

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

(c) Nominal expenditure was deflated using the SLCPI – Food, beverages and tobacco sub-index

Table 8.20

Monthly Per Capita Expenditure on Alcohol and Tobacco and Real Growth Rates by Sector

Category / Item	Expenditure (Rs.)				Annual Real Growth (%)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Alcoholic beverages	30.38	19.12	43.70	21.90	0.1	-5.0	-6.6	-4.4
Arrack	21.61	9.50	27.46	12.03	2.3	-1.4	-5.3	-1.3
Illicitly brewed liquor	2.30	6.59	4.32	5.91	-12.6	-9.4	-19.3	-10.2
Toddy	0.81	1.51	8.18	1.78	14.5	-5.0	2.0	-3.0
Beer / foreign liquor	5.66	1.52	3.74	2.17	0.4	-0.4	0.6	-0.1
Miscellaneous – tobacco	64.00	62.85	72.52	63.52	-2.7	-2.1	-4.7	-2.3
Betel leaves	2.76	9.03	16.39	8.61	3.4	-2.2	-4.9	-2.3
Arecanuts	2.18	7.94	10.97	7.35	8.9	-2.5	-9.2	-3.0
Cigarettes	47.46	26.62	11.11	28.49	-3.8	-2.0	6.6	-2.3
Beedi	2.65	5.40	11.27	5.36	4.8	-2.3	-4.2	-2.2
Other	8.95	13.85	22.79	13.70	-1.0	-1.7	-5.7	-2.1
Narcotics	3.56	0.92	0.00	1.21	11.7	34.6	0.0	21.7
Total	97.94	82.88	116.22	86.62	-1.5	-2.7	-5.4	-2.8

income levels and access difficulties, or under-reporting. The expenditure on cigarettes in the urban sector amounted to almost half the expenditure on this category in that sector.

The pattern of expenditure distribution among the different categories in all sectors was consistent with the overall distribution during the period, although the highest share of expenditure was on cigarettes in the urban and rural sectors, while the estate sector spent most on the consumption of arrack, which is consistent with past trends (Table 8.21).

When the expenditure on Alcoholic beverages is considered, the estate sector had the highest shares for arrack and toddy, and the rural sector for illicitly brewed liquor, while the share for arrack in the rural sector was relatively low. The observed drop in illicitly brewed liquor across all sectors indicated a change in consumer preferences for the better. The relative share on beer and foreign liquor was highest in the urban sector, reflecting greater affordability.

There was a higher relative share spent on cigarettes in the urban sector, which however had dropped relative to the previous

period, while the other two sectors marked an increase. This too indicated changing consumer preferences, though it was still early to predict a long term trend.

The general pattern of expenditure among major sub categories in this group was similar across provinces and followed the overall behaviour. The lowest expenditure of Rs.68 was in the Northern province, while the highest of Rs.99 was in the Western province, which also had the highest expenditure for alcoholic beverages, while Uva had the lowest (Table 8.22). Meanwhile, the highest expenditure on tobacco products was in the North Western province and the lowest in the Northern province.

Consequently, the share of expenditure on alcoholic beverages was highest in the Northern province and lowest in Uva province (Table 8.23). This share had increased relative to the previous year in the Central and Southern provinces, mainly due to higher shares on arrack, while others recorded drops. The Western province had the highest share for narcotics which was reported only in three other provinces, Southern, Eastern and Central.

Table 8.21

Distribution of Expenditure on Alcohol and Tobacco by Sector 1996/97 and 2003/04

Category / Item	1996/97 (a)				2003/04 (b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Alcoholic beverages	27.6	27.3	40.9	28.6	31.0	23.1	37.6	25.3
Arrack	16.9	10.5	23.4	12.5	22.1	11.5	23.6	13.9
Illicitly brewed liquor	5.4	13.1	11.3	11.9	2.3	8.0	3.7	6.8
Toddy	0.3	2.2	4.1	2.1	0.8	1.8	7.0	2.0
Beer / foreign liquor	5.0	1.6	2.1	2.1	5.8	1.8	3.2	2.5
Miscellaneous – tobacco	70.9	72.6	59.1	71.1	65.3	75.8	62.4	73.3
Betel leaves	2.0	10.5	13.5	9.7	2.8	10.9	14.1	9.9
Arecanuts	1.1	9.4	12.6	8.6	2.2	9.6	9.4	8.5
Cigarettes	57.2	30.7	4.1	31.8	48.5	32.1	9.6	32.9
Beedi	1.8	6.4	8.9	6.0	2.7	6.5	9.7	6.2
Other	8.8	15.6	20.0	15.1	9.1	16.7	19.6	15.8
Narcotics	1.5	0.1	0.0	0.3	3.6	1.1	0.0	1.4
Total	100	100	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 8.22
Monthly Per Capita Expenditure on Alcohol and Tobacco by Province

Category / Item	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	
Alcoholic beverages	27.00	26.31	20.91	22.44	15.80	20.85	16.71	12.24	19.08	21.90
Arrack	15.15	19.55	11.25	8.92	14.23	6.40	7.15	6.44	7.74	12.03
Illicitly brewed liquor	5.76	1.62	7.79	2.03	0.02	13.04	9.44	1.38	7.55	5.91
Toddy	0.29	3.34	1.52	11.32	1.14	0.22	0.00	4.15	2.72	1.78
Beer / foreign liquor	5.80	1.80	0.35	0.16	0.40	1.19	0.11	0.26	1.07	2.17
Miscellaneous – tobacco	67.39	62.13	54.56	45.72	64.76	74.57	68.82	60.60	57.19	63.52
Betel leaves	2.77	11.02	8.13	9.58	12.98	10.24	12.42	12.53	11.23	8.61
Arecanuts	1.75	6.94	7.79	8.58	11.84	12.62	11.62	9.09	8.42	7.35
Cigarettes	44.68	24.88	25.41	9.68	20.30	30.86	19.46	15.96	17.44	28.49
Beedi	1.95	7.07	2.35	8.77	12.76	5.66	12.92	7.81	2.87	5.36
Other	16.24	12.22	10.89	9.11	6.87	15.20	12.40	15.22	17.23	13.70
Narcotics	4.23	0.13	0.25	0.00	0.13	0.00	0.00	0.00	0.00	1.21
Total	98.63	88.57	75.73	68.17	80.68	95.42	85.53	72.84	76.27	86.62

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 8.23
Distribution of Expenditure on Alcohol and Tobacco by Province

Category / Item	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	
Alcoholic beverages	27.4	29.7	27.6	32.9	19.6	21.8	19.5	16.8	25.0	25.3
Arrack	15.4	22.1	14.8	13.1	17.6	6.7	8.4	8.8	10.2	13.9
Illicitly brewed liquor	5.8	1.8	10.3	3.0	0.0	13.7	11.0	1.9	9.9	6.8
Toddy	0.3	3.8	2.0	16.6	1.4	0.2	0.0	5.7	3.6	2.0
Beer / foreign liquor	5.9	2.0	0.5	0.2	0.5	1.2	0.1	0.4	1.4	2.5
Miscellaneous – tobacco	68.3	70.1	72.1	67.1	80.3	78.2	80.5	83.2	75.0	73.3
Betel leaves	2.8	12.4	10.7	14.1	16.1	10.7	14.5	17.2	14.7	9.9
Arecanuts	1.8	7.8	10.3	12.6	14.7	13.2	13.6	12.5	11.0	8.5
Cigarettes	45.3	28.1	33.6	14.2	25.2	32.3	22.8	21.9	22.9	32.9
Beedi	2.0	8.0	3.1	12.9	15.8	5.9	15.1	10.7	3.8	6.2
Other	16.5	13.8	14.4	13.4	8.5	15.9	14.5	20.9	22.6	15.8
Narcotics	4.3	0.1	0.3	0.0	0.2	0.0	0.0	0.0	0.0	1.4
Total	100	100	100	100	100	100	100	100	100	100

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

When the distribution of expenditure among various items was considered, most provinces recorded the highest expenditure and expenditure share on cigarettes, except for the Northern province, where toddy was the main item of expenditure, followed by cigarettes.

However, the number of cigarettes per person had dropped between surveys in most provinces except for the North Western and North Central. Relatively higher shares were spent on betel leaves and “other” tobacco products in Uva and Sabaragamuwa, reflecting the estate sector dominance, while the expenditure share on this category was very low and that on cigarettes was the highest in the Western province, reflecting its urban sector characteristics.

Within alcoholic beverages, the highest share was for arrack in many provinces, other than in the Northern, North Western and North Central provinces, where toddy and illicitly brewed

liquor were more popular. Among provinces, the highest expenditure share on arrack was in the Central province while the Western province had the highest share for foreign liquor, reflecting higher affordability and urbanisation.

The level of income had minimal impact on the distribution of expenditure among the three main categories of alcoholic beverages, tobacco and narcotics, which was consistent with the overall pattern in all income quintiles (Table 8.24). Monthly per capita expenditure on this group rose gradually from Rs.76 to Rs.100 from the lowest to the highest income quintile. The same trend prevailed in the share of expenditure on alcoholic beverages as well, while the opposite trend was reflected in the share of expenditure on tobacco products, which fell with rising income. There was no such clear trend in expenditure on narcotics with level of income, which remained in a range of upto 3 per cent across quintiles.

Table 8.24

Monthly Per Capita Expenditure on Alcohol and Tobacco and Distribution by Income Quintile

Category / Item	Six Month Household Income Quintile											
	Expenditure (Rs.)						Percentage Share (%)					
	1	2	3	4	5	All	1	2	3	4	5	All
Alcoholic beverages	15.63	21.60	18.16	21.60	30.48	21.90	20.7	26.3	22.2	24.1	30.5	25.3
Arrack	5.38	9.40	8.79	14.37	19.94	12.03	7.1	11.4	10.7	16.0	20.0	13.9
Illicitly brewed liquor	7.43	8.67	6.59	4.91	2.76	5.91	9.8	10.6	8.0	5.5	2.8	6.8
Toddy	2.41	3.05	2.23	1.10	0.45	1.78	3.2	3.7	2.7	1.2	0.4	2.0
Beer / foreign liquor	0.42	0.49	0.54	1.23	7.33	2.17	0.6	0.6	0.7	1.4	7.3	2.5
Miscellaneous – tobacco	59.80	60.42	62.72	65.49	67.77	63.52	79.1	73.6	76.5	72.9	67.9	73.3
Betel leaves	13.33	11.32	9.37	6.39	4.24	8.61	17.6	13.8	11.4	7.1	4.3	9.9
Arecanuts	10.63	9.58	8.11	5.70	3.90	7.35	14.1	11.7	9.9	6.3	3.9	8.5
Cigarettes	9.59	17.13	24.34	36.30	48.57	28.49	12.7	20.8	29.7	40.4	48.7	32.9
Beedi	9.16	8.19	6.09	3.62	1.13	5.36	12.1	10.0	7.4	4.0	1.1	6.2
Other	17.10	14.21	14.81	13.48	9.93	13.70	22.6	17.3	18.1	15.0	9.9	15.8
Narcotics	0.19	0.12	1.07	2.72	1.58	1.21	0.2	0.1	1.3	3.0	1.6	1.4
Total	75.63	82.14	81.95	89.81	99.82	86.62	100	100	100	100	100	100

Within tobacco products, the nominal expenditure as well as shares on betel, arecanut, beedi and other tobacco products declined, and steadily increased on cigarettes with the level of income, with the increase in affordability. The highest income group spent almost 50 per cent of their total expenditure in this category, on cigarettes. The pattern had not changed between surveys.

Within alcoholic beverages, the lowest quintile spent the highest share on illicitly brewed liquor while it was on arrack in other income groups, reflecting the ability to spend more on alcohol with the rise in income. The expenditure share on beer/foreign liquor increased with the average monthly income of the household, probably for the same reason.

The findings revealed that, in summary, the expenditure on cigarettes and arrack accounted for the major share of expenditure within this category, in general. However, minor deviations were observed where the estate sector spent more on betel and beedi than on cigarettes; toddy in the Northern province and illicitly brewed liquor in the North Western and North Central provinces had overtaken arrack; and the lowest income quintile tended to spend more on betel, arecanut and miscellaneous tobacco products than on cigarettes.

Category 3 : Clothing and Footwear

The Clothing and footwear category captures the expenditure incurred on readymade garments, clothing material, other clothing accessories and footwear, including spending on shoe repairs. This category accounted for a share of 6.6 per cent of the total household expenditure and 10.3 per cent of non-food expenditure.

Monthly per capita expenditure on clothing and footwear was Rs.258 in CFS 2003/04 compared to Rs.119 reported in CFS 1996/97 (Table 8.2). This was an annual increase of 5.6 per cent in real terms (Table 8.25). The expenditure ratio across sectors, which was 1.3:1:1 for urban, rural and estate sectors, respectively in 1996/97, had widened marginally to 1.8:1:1 by 2003/04 in favour of the urban sector. This was confirmed by the relative growth rates. Disparities between the rural and estate sectors had narrowed marginally consistent with the real annual growth rates of 5 per cent and 3.7 per cent, respectively, which indicated relatively higher growth in spending by the rural sector. While clothing still accounts for 5–6 times the expenditure on footwear in all these sectors, the higher real expenditure growth on footwear in comparison to clothing, particularly in the rural and estate sectors, as well as the real growth in expenditure on

Table 8.25

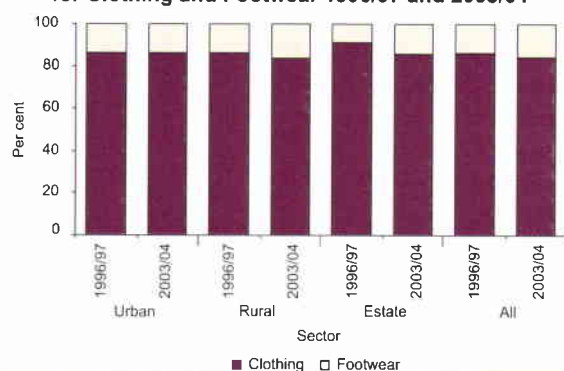
Monthly Per Capita Expenditure and Real Growth Rates by Sector for Clothing and Footwear

Category / Item	Expenditure (Rs.)				Annual Real Growth (%) (a)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Clothing	363.50	195.92	196.26	217.68	8.7	4.6	2.8	5.3
Clothing materials	27.40	18.13	12.15	19.01	-3.7	-2.9	-5.6	-3.1
Readymade garments	322.57	170.26	178.48	190.46	10.8	5.9	3.6	6.7
Footwear	58.88	37.83	32.45	40.27	8.8	7.2	11.0	7.7
Clothing and footwear	422.37	233.75	228.71	257.95	8.7	5.0	3.7	5.6

(a) Nominal expenditure was deflated using the SLCPI-Clothing and footwear sub-index

Chart 8.7

**Distribution of Expenditure by Sector
for Clothing and Footwear 1996/97 and 2003/04**



readymade garments coupled with the real decline on clothing materials, reflects how life styles and priorities have been changing, albeit slowly, over this period.

The expenditure structure in this category had changed marginally between the two survey periods and, on average, spending on clothing was around 85 per cent of the total spending on this category while the balance was spent on footwear (Chart 8.7). In all sectors, the clothing share had dropped between 1996/97 and 2003/04. The greatest deviation came from the estate sector, where the share of clothing declined from 91 per cent to 86 per cent in 2003/04. The corresponding increase in the share of footwear indicated improvements in the living standards of the estate sector community. Within the clothing sub category, over 87 per cent was spent on readymade garments in 2003/04 compared to 80 per cent recorded in 1996/97, while the remainder was spent on clothing material and other articles. This shift in consumption pattern reflects the continuous growth in the garment industry in Sri Lanka.

Category 4 : Housing and Utilities

This was the highest single non-food expenditure category, which covers all the expenditure incurred on housing (including imputed rent), repairs and other utility services such as electricity, water,

gas and other fuels. Of the total household expenditure, the share on this category was 15 per cent, while of the non-food expenditure it claimed a share of 23.6 per cent.

Monthly per capita expenditure on Housing and utilities was Rs.589 in CFS 2003/04 in comparison to Rs.292 in CFS 1996/97 (Table 8.2), an annual increase of 3.1 per cent in real terms (Table 8.26). The relative expenditure ratio among sectors of 15:5:2 in CFS 2003/04 compared to 16:5:2 indicated somewhat lower sectoral disparities. This was explained by the lower growth rate in the urban sector (1.9 per cent) in comparison to the rural sector (3.7 per cent) and the estate sector (3.3 per cent). Despite the fact that the highest share of expenditure in the urban sector was spent on imputed rentals, the real growth had declined marginally. Among the sub categories, maintenance and repairs had recorded the highest real growth of 15.9 per cent followed by water supply (14.2 per cent), electricity (11.5 per cent) and gas (9.7 per cent), mainly owing to the low levels of absolute expenditure recorded in CFS 1996/97 particularly in the rural and estate sectors, and the considerable increase in access to these utilities in these two sectors since the last survey that was highlighted in Chapter 6. However, expenditure on solid fuels showed a negative real growth, reflecting the drop in usage volumes of firewood among all sectors. The negative real growth for liquid fuels in the estate sector further confirmed the reduced use of kerosene that was also highlighted in Chapter 6.

In observing the expenditure structure, the urban sector claimed the highest share of 66 per cent on imputed rentals on housing followed by 62 per cent in the rural sector (Chart 8.8), mainly owing to the higher property values and better quality housing with more amenities in the urban sector. The respective share for the estate sector was lower at 43.5 per cent, reflecting the inferior quality of row houses specific to that sector. The share of actual rentals paid by the urban sector was relatively high (8.1 per cent) compared to the rural and estate sectors which recorded shares of 2.4 per cent and 1.1 per cent, respectively. This may be an outcome of more people moving from other sectors to the urban sector for employment and education purposes and therefore, being compelled to live in rented houses

Table 8.26

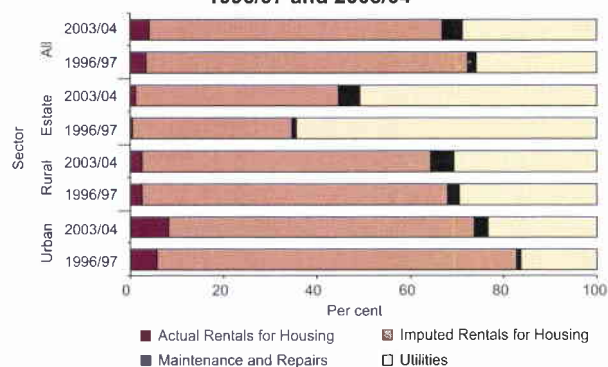
Monthly Per Capita Expenditure and Real Growth Rates by Sector for Housing and Utilities

Category / Item	Expenditure (Rs.)				Annual Real Growth (%) (a)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Actual rentals	113.06	11.62	2.01	24.27	7.3	3.5	14.3	5.7
Imputed rentals	914.39	302.12	81.66	369.73	-0.4	2.8	6.9	1.8
Maintenance and repairs	42.27	24.38	8.63	25.85	24.0	14.1	28.0	15.9
Utilities	324.66	149.26	95.36	169.13	7.2	4.2	-0.2	4.7
Electricity	168.91	56.92	22.10	69.58	10.3	11.8	37.9	11.5
Water supply	34.19	5.02	0.72	8.57	9.3	22.2	92.8	14.2
Gas	65.31	17.43	4.30	22.94	6.5	11.6	47.8	9.7
Liquid fuels (mainly kerosene)	24.93	17.75	27.94	19.22	3.2	0.3	-2.4	0.5
Solid fuels (mainly firewood)	30.40	46.93	35.66	44.18	-1.7	-2.2	-6.7	-2.4
Housing and utilities	1,394.37	487.38	187.66	588.98	1.9	3.7	3.3	3.1

(a) Nominal expenditure was deflated using the SLCPI- Housing, water, electricity, gas and other fuels sub-index

Chart 8.8

Distribution of Expenditure by Sector for Housing and Utilities 1996/97 and 2003/04

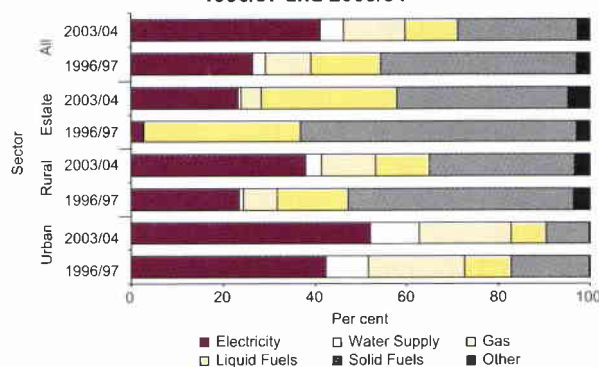


resulting in a higher demand for rented housing. Among sectors, the share of expenditure incurred on maintenance and repairs had increased between the two survey periods and the rural sector had spent the highest share (5 per cent) in 2003/04 on this sub-category. In the estate sector, utilities was the dominant component of expenditure that accounted for 51 per cent of the expenditure in this category, while in the urban and rural sectors the shares were 21 per cent and 30 per cent, respectively.

Of the expenditure on utilities, the major expenditure component in the urban sector was electricity followed by gas, where shares of both had increased between surveys (Chart 8.9). In the rural sector the pattern had changed, where the expenditure share on solid and liquid fuels had fallen to be replaced by electricity and to a lesser extent, by gas. In the estate sector, although a two third was spent on liquid and solid fuels, it was a decline from the 94 per cent reported in 1996/97. This deviation in the estate sector was reflected by the increase in spending on electricity, which moved from 2 per cent to 23 per cent over the 7 year period. In comparing the 1996/97 and 2003/04 surveys, the overall expenditure shares had increased notably on electricity (from 26.5 per cent to 41.1 per cent), water supply (from 2.8 per cent to 5.1 per cent) and gas (from 9.8 per cent to 13.6 per cent), while that on liquid and solid fuels declined (from 58 per cent to 38 per cent), signifying the positive shifts in peoples' living

Chart 8.9

Distribution of Expenditure by Sector for Utilities 1996/97 and 2003/04



standards over the years, that were also highlighted in Chapter 6.

Category 5 : Furnishings and Household Equipment

This category captures all the expenditure incurred on furniture, furnishings, household textiles, appliances, glassware and household utensils, tools and equipment for the house and garden, non-durables household goods and other domestic services such as payments to domestic aides and drivers. Of the total household expenditure, this category accounted for a share of 5.8 per cent, while of the non-food expenditure it claimed a share of 9.1 per cent.

Monthly per capita expenditure on Furnishings and household equipment in CFS 2003/04 was Rs.227 compared to Rs.93 in CFS 1996/97 (Table 8.2), an annual increase of 6.5 per cent in real terms (Table 8.27). Unlike in the Housing category, urban sector expenditure on this category had not deviated widely from that of the rural and estate sectors in the previous survey, with a ratio of 4:2:1. Also, the relatively higher real growth rates in the rural and estate sectors had further reduced disparities in spending on this category across the sectors to 3:2:1 by 2003/04. Expenditure on the other domestic services category (of which a major portion is for payments to domestic aides), the highest

Table 8.27

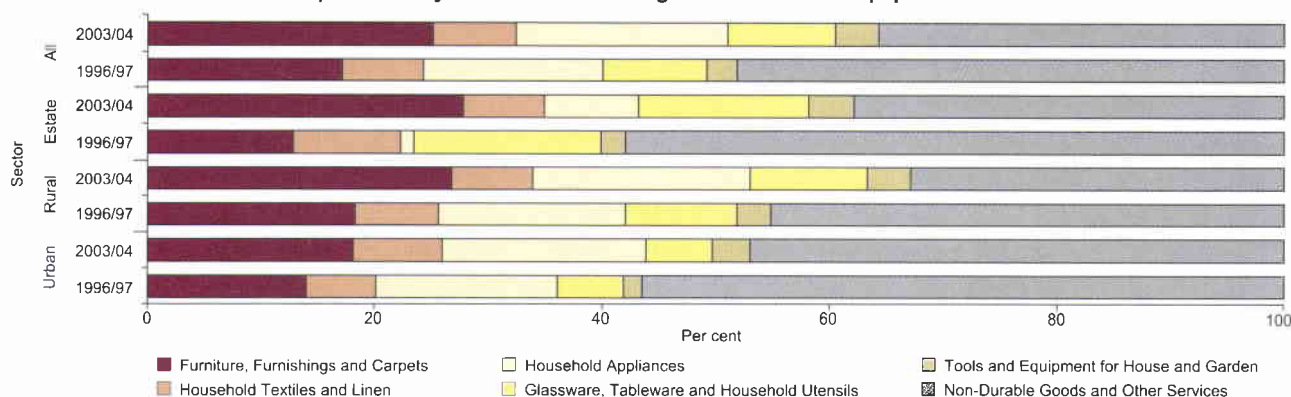
Monthly Per Capita Expenditure and Real Growth Rates by Sector for Furnishings and Household Equipment

Category / Item	Expenditure (Rs.)				Annual Real Growth (%) (a)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Furniture, furnishings and carpets	60.80	57.90	33.10	56.94	7.1	13.4	20.2	12.6
Household textiles and linen	25.83	15.70	8.65	16.64	6.5	7.1	3.3	6.9
Household appliances	60.09	41.46	9.90	42.19	5.0	9.8	43.9	9.0
Glassware, tableware and household utensils	19.42	22.03	17.78	21.46	2.9	7.8	6.0	7.0
Tools and equipment for house and garden	11.10	8.54	4.76	8.67	14.1	11.8	16.9	12.3
Non-durable goods and other services	157.53	71.20	45.22	81.01	0.5	2.6	1.2	2.0
Non durable household goods	76.11	57.89	43.25	59.47	2.2	3.0	2.7	2.9
Other domestic and household services	81.42	13.31	1.97	21.54	-0.9	1.1	-14.2	-0.1
Furnishings and household equipment	334.77	216.84	119.41	226.91	3.1	7.4	7.5	6.5

(a) Nominal expenditure was deflated using the SLCPI- Furnishings, household equipment and maintenance sub-index

Chart 8.10

Distribution of Expenditure by Sector for Furnishings and Household Equipment 1996/97 and 2003/04



single expenditure item in the urban sector, had declined by 0.9 per cent in real terms indicating a possible substitution of that service category by household appliances. Expenditure on furniture, furnishings and carpets had recorded the highest real annual growth of 12.6 per cent, followed by tools and equipment for the house and garden (12.3 per cent) and household appliances (9 per cent). This growth pattern was similar across all sectors. Relatively higher growth rates for expenditure on such durables, particularly in the estate sector, although on a very low base, signified improvements in their standard of living.

In 2003/04, non-durable goods and other services continued to be the dominant component of expenditure in all the sectors, which also captured spending on domestic aides (Chart 8.10). However, its share had fallen in all sectors. Of the urban sector expenditure, payments made to domestic aides were almost one fourth, while it was only 6.1 per cent in the rural sector. Furniture and furnishings in the urban sector claimed a share of 18.2 per cent while it was comparatively higher in the rural (26.7 per cent) and estate (27.7 per cent) sectors. The rural sector had spent relatively more on household appliances (19.1 per cent). Among the three sectors the highest spending share on glassware, tableware and household utensils was observed in the estate sector (14.9 per cent). Spending on household linen in all sectors varied in a narrow range of 7–8 per cent indicating an equal level of priority for this particular item across the sectors. The shares

of all expenditure items in this category, except for non-durable goods and other services, had risen in the CFS 2003/04 compared to the CFS 1996/97 indicating better access to durable household goods and consequent improvements in the standard of living across all sectors.

Category 6 : Health

Health captures all the expenditure incurred on medical products, appliances and equipment, outpatient services, and hospital services. Of the total household expenditure, Health accounted for a share of 3.4 per cent, while it was 5.4 per cent of non-food expenditure.

Monthly per capita expenditure on health services in 2003/04 was Rs.135 compared to Rs.48 in 1996/97 (Table 8.2), an annual marginal increase of 0.4 per cent in real terms (Table 8.28). In general, the nominal expenditure on health had multiplied by 2.5–3 times in all sectors in the seven year period compared to a doubling of overall nominal expenditure. However, the relative expenditure ratios across sectors had not changed and remained at 9.5:2, as the relative growth rates did not differ significantly. Although medical products, appliances and equipment, including pharmaceutical products, accounted for a major portion of the expenditure, on average, the real expenditure had dropped by 1.5 per cent. In all sectors, the use of outpatient services had increased significantly in real terms, while for

Table 8.28

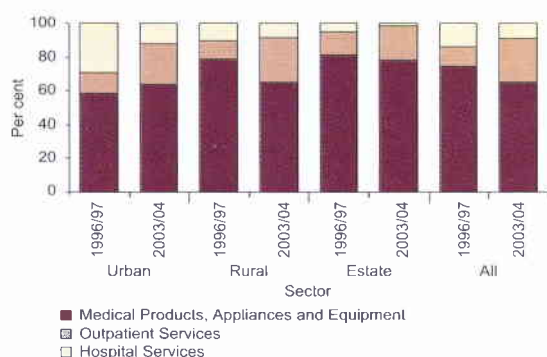
Monthly Per Capita Expenditure and Real Growth Rates by Sector for Health

Category / Item	Expenditure (Rs.)				Annual Real Growth (%) (a)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Medical products, appliances and equipment	144.89	81.81	40.68	87.79	2.3	-2.5	0.0	-1.5
Pharmaceutical products	131.62	75.47	40.41	80.87	3.4	-1.6	0.9	-0.6
Outpatient services	54.69	32.62	10.60	34.31	11.1	14.0	6.3	13.2
Hospital services	28.60	11.21	0.83	12.91	-10.5	-2.3	-15.7	-5.3
Health	228.18	125.64	52.11	135.00	1.1	0.2	0.5	0.4

(a) Nominal expenditure was deflated using the SLCPI- Health sub-index

Chart 8.11

Distribution of Expenditure by Sector for Health 1996/97 and 2003/04



hospital services it was the opposite, which highlights the shift in healthcare practices in the country over time that was highlighted in Chapter 4.

Within the health category, medical products, appliances and equipment was the dominant expenditure category that accounted for more than half the expenditure in all sectors (Chart 8.11). Expenditure shares in this category had fallen between CFS 1996/97 and CFS 2003/04 in both rural and estate sectors, while in the urban sector it had risen from 58.3 per cent to 63.5 per cent. Of this expenditure sub-category, a major portion (over 90 per cent) was spent on pharmaceutical products indicating a higher spending on prescription and non-prescription drugs. Spending on outpatient services varied between 20 and 26 per cent among the sectors. Relatively low spending on outpatient services in the estate sector (20.4 per cent) may be due to the availability of free medical centres and clinics provided by the employer or the estate. Among all sectors, the lowest portion of spending on healthcare was on hospital services. In the urban sector the respective share had declined significantly from 29.4 per cent to 12.5 per cent between the two survey periods, while in the rural sector it was only a modest drop from 10.7 per cent to 8.9 per cent. However in the estate sector, hospital services

had declined from 5.5 per cent to 1.6 per cent. This may be either due to the expansion of government hospitals with more facilities that are available at zero cost, or due to better awareness and preventive health practices. The lower spending on hospital services in all sectors was compensated by the higher spending on outpatient services and pharmaceutical products.

Category 7 : Transport

The Transport category captures all the expenditure incurred on purchases and operation of personal vehicles and on public transport services such as passenger transport by railway, by road, by water or by air. Of the total household expenditure, transport accounted for a share of 9.8 per cent, while of the non-food expenditure it claimed a share of 15.4 per cent. Transport was the second highest single expenditure category among the non-food categories.

In CFS 2003/04 the monthly per capita expenditure on transport was Rs.385, in comparison to Rs.143 in CFS 1996/97 (Table 8.2), a 4.9 per cent annual increase in real terms (Table 8.29). The nominal expenditure on Transport rose by 2.5–3 times in all sectors between surveys. Consequently, the relative expenditure ratios among the sectors increased marginally to 7:3.5:1, raising sectoral disparities slightly in favour of the urban sector. In the urban sector, purchases of both motorcars and motor cycles had increased notably in real terms, while purchase of motor cycles had increased significantly in the rural sector. Expenditure in this category in the estate sector was marginal. In the estate sector, expenditure on public transport increased by 11.3 per cent in real terms and though the absolute amount spent on railways was low, the increase in real terms was 13.3 per cent. In the urban and rural sectors the amount spent on transport services in absolute terms was high compared to that of the estate sector. This discrepancy may have risen from higher expenditure incurred in the urban and rural sectors on commuting to work, whereas in the estate sector there is no such necessity.

In the transport category, transport services accounted for the highest share in the rural and estate sectors (Chart 8.12). Expenditure on purchases of personal vehicles in 2003/04 was

Table 8.29

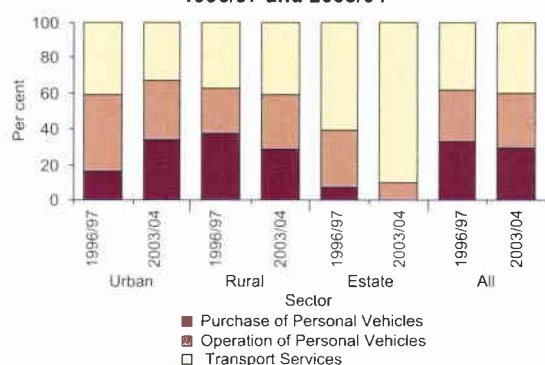
Monthly Per Capita Expenditure and Real Growth Rates by Sector for Transport

Category / Item	Expenditure (Rs.)				Annual Real Growth (%) (a)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Purchase of personal vehicles	232.03	101.59	—	113.06	19.0	0.2	—	3.2
Purchase of motor cars	184.22	20.30	—	40.48	19.7	-19.1	—	-9.2
Purchase of motor cycles	42.67	77.67	—	68.96	16.2	42.6	—	38.1
Operation of personal vehicles	228.47	106.62	9.06	117.19	2.8	7.3	-11.7	5.9
Fuels and lubricants for personal vehicles	147.31	60.51	5.75	68.83	4.5	5.1	11.8	5.0
Transport services	231.26	147.27	87.58	154.97	3.6	5.9	11.3	5.5
By rail	2.40	1.67	0.53	1.70	1.4	-4.3	13.3	-3.2
By road	159.78	134.55	86.75	135.26	3.8	5.2	11.2	5.1
By air	69.08	11.05	0.29	18.00	3.1	28.1	—	10.8
Transport	691.76	355.48	96.64	385.22	6.7	4.3	5.1	4.9

(a) Nominal expenditure was deflated using the SLCPI – Transport sub-index

Chart 8.12

Distribution of Expenditure by Sector for Transport 1996/97 and 2003/04



highest (33.5 per cent) and accounted for a marginally greater share in the urban sector and was double the share reported for 1996/97. A higher portion of the expenditure on personal vehicles was spent on motorcars compared to motorcycles. In line with the greater spending on acquisition of personal vehicles in the urban sector, an equivalent expenditure share (33 per cent) was incurred on operation of those personal vehicles where the major portion of this was spent on fuels and lubricants. Consequently the share on transport services had declined, signifying a rise in the standard of living of the people in this sector. Comparing the two survey periods in the rural sector, the expenditure share on purchase of personal vehicles declined from 37.8 per cent to 28.6 per cent, while that on operation of personal vehicles increased from 24.7 per cent to 30 per cent, probably due to continuation of maintenance of vehicles which the rural sector community had possessed earlier. In the rural sector a higher portion of the expenditure on personal vehicles was spent on motorcycles compared to motorcars. In the estate sector, the share on vehicle purchases in 2003/04 was zero compared to the 7.4 per cent share recorded in 1996/97. However the 9.4 per cent share on maintenance expenditure confirms the continuation of maintenance activities of the vehicles previously acquired, although such expenditure had declined in real terms. The expenditure share on transport services was highest in the estate sector (90.6 per cent). Of this sub-category, in all sectors a major portion was spent on road transport, which captures bus fares, taxi fare and vehicle hiring charges.

Category 8: Communication

The Communication category covers the expenditure incurred on postal services, telephone and telefax equipment and telephone and telefax services. Communication accounted for a share of 2.2 per cent of the total household expenditure and 3.5 per cent of the non-food expenditure.

Monthly per capita expenditure on communication for 2003/04 was Rs.86 as against Rs.12 in 1996/97 (Table 8.2), a notable real annual growth of 21.3 per cent (Table 8.30). In absolute terms, the urban sector had spent Rs.201, a real increase of 15.4 per cent on communication but the highest real increase of 27.1 per cent was recorded by the estate sector followed by 24.8 per cent in the rural sector, signifying that sectoral disparities had reduced from expenditure ratios of 19:4:1 to 9.5:3.5:1. With the rising demand for communications services, it was seen in Chapter 6 that possession of telephones by households had risen between the two surveys (Table 6.28). However, in the sectoral analysis of expenditure, the urban sector reported a negative real growth of 7.2 per cent for telephone and telefax equipment (Table 8.30). This might be either due to the saturation of spending on telephone equipment in the urban sector by the 2003/04 survey period or due to the limitations associated with the deflator used in computing the real growth rates. The deflator used for this category was the SLCPI – Miscellaneous goods and services sub index, which covers only telephone charges and services in the communications category. Hence, price variations of telephone equipment are not captured by this deflator. Further, the real growth of 21.8 per cent for telephone and telefax services in the urban sector confirmed higher spending for services on such equipment that was probably acquired prior to the survey period. In all sectors spending on postal services had dropped in real terms, indicating the gradual contraction of such services in the context of advances in telecommunications technology. This was further confirmed by the significant real expenditure increases in telephone and telefax services in all the sectors. The findings clearly indicated that access to communication services had improved significantly in the country and reduced past sectoral disparities, although further improvements are needed in the future as well.

Telephone and telefax services was the dominant component of expenditure that accounted for over 75 per cent share in all the sectors, with increased shares between the two survey periods (Chart 8.13). For postal services both urban and rural sectors

Table 8.30

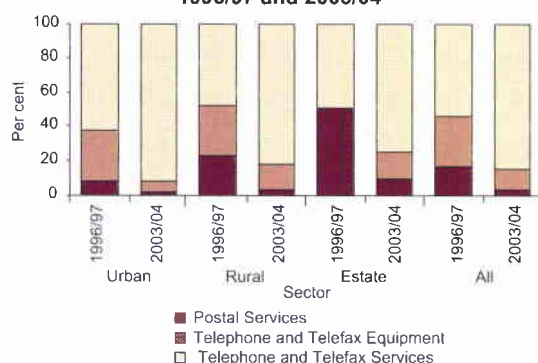
Monthly Per Capita Expenditure and Real Growth Rates by Sector for Communication

Category / Item	Expenditure (Rs.)				Annual Real Growth (%) (a)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Postal services	4.62	2.45	2.01	2.71	-3.8	-5.1	-0.1	-4.6
Telephone and telefax equipment	12.79	10.57	3.32	10.47	-7.2	12.9	—	7.1
Telephone and telefax services	183.58	59.39	16.07	73.18	21.8	34.8	35.1	29.4
Communication	200.99	72.41	21.40	86.35	15.4	24.8	27.1	21.3

(a) Nominal expenditure was deflated using the SLCPI- Miscellaneous goods and services sub-index

Chart 8.13

Distribution of Expenditure by Sector for Communication 1996/97 and 2003/04



claimed lower shares of 2.3 per cent and 3.4 per cent, respectively, whereas on telephone services both sectors recorded significantly higher shares of 91 per cent and 82 per cent, respectively. This highlights the resultant changes in life styles due to technology advances and infrastructure developments in the country. Another fact that contributed to the high growth in telephone services is the expansion in cellular phone usage in the past few years. However, in the estate sector, postal services continued to claim a relatively higher share of expenditure (9.4 per cent).

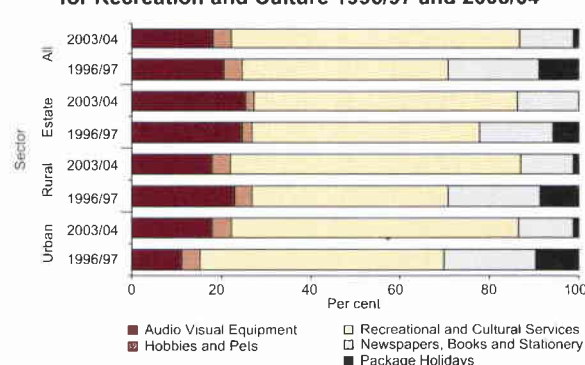
Category 9 : Recreation and Culture

This category captures all the expenditure incurred on audio-visual equipment, recreation and cultural services, newspapers, books and stationery (including school books), package holidays, other recreational items and equipment, gardening and pets. Of the total household expenditure, Recreation and culture accounted for a share of 7.6 per cent, while of the non-food category it claimed a share of 12 per cent.

Monthly per capita expenditure on Recreation and culture was Rs.299 in 2003/04, compared to Rs.108 in 1996/97 (Table 8.2), a real annual increase of 10.2 per cent (Table 8.31). The absolute expenditure on this category across sectors was in a ratio of 5:3:2, which reflected less variability among sectors than in other more essential categories such as transport, communication, housing

Chart 8.14

Distribution of Expenditure by Sector for Recreation and Culture 1996/97 and 2003/04



and health. In real terms, spending on package holidays had declined in all the sectors, whereas on newspapers and books, the growth in spending by both the urban and rural sectors was relatively low around 2-3 per cent compared to the estate sector which recorded a 11.4 per cent real growth. Within the newspapers, books and stationery sub-category, the expenditure incurred on school books and stationery had increased in real terms, and the estate sector recorded a relatively significant growth of 10.1 per cent. Expenditure on audio-visual equipment in the estate sector was marginally higher in nominal terms than in the rural sector, while the respective real growth was significantly higher, at 14.9 per cent in the estate sector compared to 6.1 per cent in rural sector. In real terms, recreational and cultural services in both rural and estate sectors had grown notably (over 16 per cent) compared to the urban sector (12.9 per cent). In this category too, the higher growth rate in the estate sector had reduced the spending disparity between the estate sector and the other two sectors in CFS 2003/04.

In all sectors, about a two third of the expenditure was spent on recreational and cultural services, of which around 90 per cent was incurred on social and religious functions (Chart 8.14). The higher shares in CFS 2003/04 as against CFS 1996/97 indicate the changes in relative importance in social and cultural activities. However, expenditure on package holidays which had accounted for shares of between 6 and 10 per cent in 1996/97

Table 8.31

Monthly Per Capita Expenditure and Real Growth Rates by Sector for Recreation and Culture

Category / Item	Expenditure (Rs.)				Annual Real Growth (%) (a)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Audio-visual equipment	84.89	49.66	49.79	54.23	18.0	6.1	14.9	8.2
Hobbies and pets	21.05	11.60	3.60	12.39	11.9	10.4	12.6	10.7
Recreational and cultural services	304.44	180.35	115.37	192.96	12.9	16.3	16.8	15.6
Newspapers, books and stationery	59.32	32.86	26.71	35.96	2.8	1.7	11.4	2.2
School books and stationery	29.12	20.20	21.67	21.44	3.4	1.2	10.1	2.0
Package holidays	5.36	3.47	0.09	3.53	-18.9	-16.8	-42.3	-17.4
Recreation and culture	475.05	277.93	195.57	299.09	10.3	10.0	14.4	10.2

(a) Nominal expenditure was deflated using the SLCPPI – Leisure, entertainment and culture sub-index

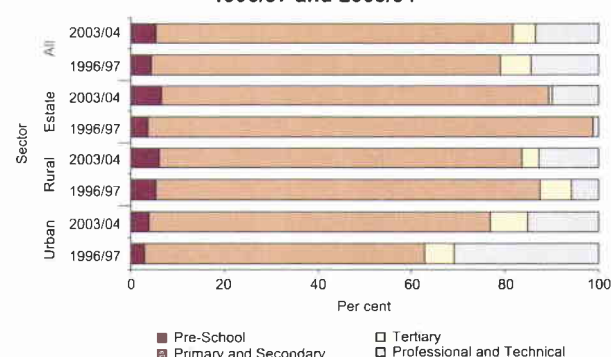
had dropped significantly in all sectors to one per cent by 2003/04. The expenditure share on audio-visual equipment, which includes spending on durables such as televisions and radios, was highest in the estate sector (25 per cent) while in the urban and rural sectors it was around 18 per cent. The spending share on newspapers and books, which had accounted for around 20 per cent in 1996/97, had decreased and varied between 13 and 14 per cent in 2003/04, probably due to the wider usage of audio-visual entertainment and internet facilities. Of this sub-category, over 50 per cent was spent on school exercise and textbooks and stationery, where the estate sector recorded the highest share of 81 per cent. Expenditure on hobbies and pets accounted for a share of around 4 per cent in both urban and rural sectors, while it was less than 2 per cent in the estate sector.

Category 10 : Education

This category captures all the expenditure incurred on education services with respect to pre-school, primary and secondary, tertiary and professional and technical education. In 2003/04 Education accounted for a share of 2.3 per cent of the total household expenditure compared to 1.4 per cent in 1996/97. Increase in the shares by over 60 per cent between the two survey periods emphasises changes in priorities and expenditure patterns. Of the non-food category, education accounted for a share of 3.6 per cent.

In 2003/04 the monthly per capita expenditure on education was Rs.89 compared to Rs.29 in 1996/97 (Table 8.2), an annual increase of 8.5 per cent in real terms (Table 8.32). Though relatively lower in absolute terms (Rs.24), the highest real growth was reported from the estate sector (10.4 per cent) followed by the rural sector (9.5 per cent). Consequently, the expenditure ratios among sectors in 2003/04 stood at around 9.3:1 compared to 11.3:1 in 1996/97, reflecting a reduction in the disparity between the urban sector and the other two sectors. Among all sectors, a consistent high real growth was observed for both the pre-school and primary and secondary education categories, which may be due to higher priority given to education and the expansion of private education services at all levels up to secondary education to meet the rising demand. In the urban

Chart 8.15
Distribution of Expenditure by Sector for Education
1996/97 and 2003/04



sector, expenditure on professional and technical education had dropped in real terms by 4 per cent, while, in line with the recent growth in opportunities for private university education, tertiary education expenditure had increased by 9.5 per cent in real terms.

In 2003/04 in all sectors, primary and secondary education was the dominant component of education expenditure that accounted for over 70 per cent of the expenditure on education services (Chart 8.15). In the urban sector, the share on this category had increased from 60 per cent to 73 per cent within the seven year period which was counterbalanced by the decline in the professional / technical education share from 31 per cent to 15 per cent. This might be a consequence of the growing tendency for taking private tuition, especially for secondary education, thereby expanding its relative expenditure share. Comparing the two survey periods, the rural sector spending on this category had dropped by about 5 percentage points while on professional and technical education it had increased by 7 percentage points (from 5.8 per cent to 12.8 per cent). However, in the estate sector, the share of expenditure on primary and secondary education had fallen, but accounted for 83 per cent, followed by 10 per cent on professional and technical and 6.5 per cent on pre-school education, whereas the expenditure share on tertiary education was negligible (0.7 per cent).

Table 8.32
Monthly Per Capita Expenditure and Real Growth Rates by Sector for Education

Category / Item	Expenditure (Rs.)				Annual Real Growth (%) (a)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Pre-school (b)	8.05	4.45	1.56	4.76	10.8	11.4	20.5	11.4
Primary and secondary (c)	152.83	57.54	18.93	67.88	9.3	8.6	8.2	8.8
Tertiary (d)	16.40	2.66	0.16	4.30	9.5	-0.1	—	3.9
Professional and technical	31.91	9.49	2.38	12.01	-4.0	22.6	47.4	7.3
Education	209.18	74.13	23.92	88.95	6.3	9.5	10.4	8.5

(a) Nominal expenditure was deflated using the SLCPI- Education sub-index

(b) Completed Kindergarten

(c) Passed Year 1 to passed Year 10 (up to G.C.E. Ordinary Level)

(d) Passed Year 11 to graduated (G.C.E. Ordinary Level and above)

Table 8.33

Monthly Per Capita Expenditure and Real Growth Rates by Sector for Tuition

Category / Item	Expenditure (Rs.)				Annual Real Growth (%) (a)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Primary and secondary (b)	93.36	38.55	12.92	44.29	8.7	9.9	10.4	9.6
Tertiary (c)	8.57	1.77	0.15	2.56	3.0	-5.3	—	-2.2
Professional and technical	13.09	4.90	1.00	5.75	22.9	19.6	30.2	20.6
Total	115.02	45.21	14.07	52.60	9.2	9.6	11.4	9.5

(a) Nominal expenditure was deflated using the SLCPI – Education sub-index

(b) Passed Year 1 to passed Year 10 (up to G.C.E. Ordinary Level)

(c) Passed Year 11 to graduated (G.C.E. Ordinary Level and above)

Expansion in and popularity of tuition services in the country merited a disaggregated analysis of per capita expenditure on tuition to see whether it had made any impact on spending patterns.

The expenditure ratio across the three sectors was 8:3:1 and spending on private tuition at all levels of education was highest in the urban sector (Table 8.33). Estate sector spending on tuition was relatively low in nominal terms at all levels, and negligible for tertiary level, mainly due to the limited availability of tuition classes within that sector. However, the real annual growth rates at both primary and secondary and at professional and technical levels, were highest in the estate sector, indicating the enhanced demand, although absolute expenditure was low. However, the real growth in tuition expenditure at professional and technical level was notably high in all sectors, indicating the demand for and availability of new opportunities in the fields of professional and technical education, although actual expenditure levels were relatively low. In comparison, the negative real growth on spending at tertiary level may indicate a shift in demand from tertiary to professional and technical education since the previous survey to better meet the demands in the labour market.

In general, the share of expenditure on tuition accounted for over 50 per cent of the expenditure incurred on overall education in 2003/04 (Chart 8.16). In the urban sector the share of expenditure on tuition has increased by about 10 percentage points, while in the estate sector a moderate increase of 4 per

cent was observed. However in the rural sector the share of tuition had remained at the same level of 61 per cent. Of the spending on tuition, over 80 per cent was spent at primary and secondary level. Though marginal, the expenditure share on tuition at professional and technical level had increased in all sectors between 1996/97 and 2003/04. The respective shares on tuition at tertiary level had declined over the period with an exception in the estate sector where zero spending was recorded in 1996/97.

Category 11 : Restaurants and Hotels

This expenditure category captures all the expenditure incurred on restaurants and cafes and accommodation services. Although restaurants and cafes basically include food items, in accordance with the international COICOP classification, this category is treated as a non-food category. The expenditure incurred on meals bought outside or consumed away from the household that includes service charges and profit margins, is also included under this item. Accommodation services include boarding fees and accommodation charges at hotels and guesthouses. Of the total household expenditure, Restaurants and hotels accounted for a share of 1.5 per cent, while it was 2.3 per cent of the non-food category.

Monthly per capita expenditure on Restaurants and hotels in 2003/04 was Rs.58 compared to Rs.28 in 1996/97 (Table 8.2), which was an annual increase of 3.3 per cent in real terms (Table 8.34). The relative expenditure ratios of 9:3:1 across sectors in CFS 2003/04 indicate that sectoral disparities had declined somewhat from 9.5:3.5:1, where the rate of growth in real terms was highest in the estate sector with the lowest expenditure, compared to the other two sectors, and growth in the rural sector was relatively low. The urban sector accounted for the highest real growth on restaurants and cafes with an absolute per capita expenditure of Rs.132, confirming the higher consumption of meals outside the home that was consistent with the growth in the food and beverages and leisure industry in urban areas of the country in recent years.

Expenditure on restaurants and cafes recorded a share of over 87 per cent in both urban and rural sectors while it was 63 per cent in the estate sector (Chart 8.17). In the urban sector, the share has dropped slightly from 91 per cent in 1996/97 to 87 per

Chart 8.16

Distribution of Expenditure by Sector for Tuition and Other Education 1996/97 and 2003/04

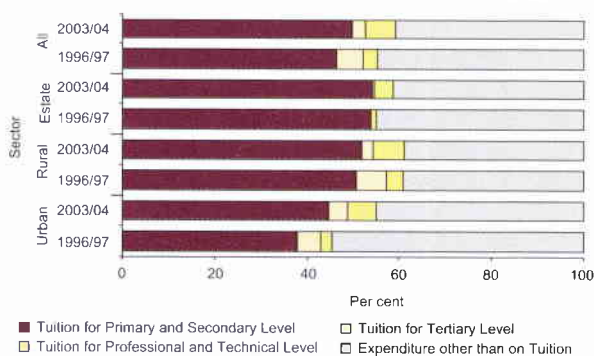


Table 8.34

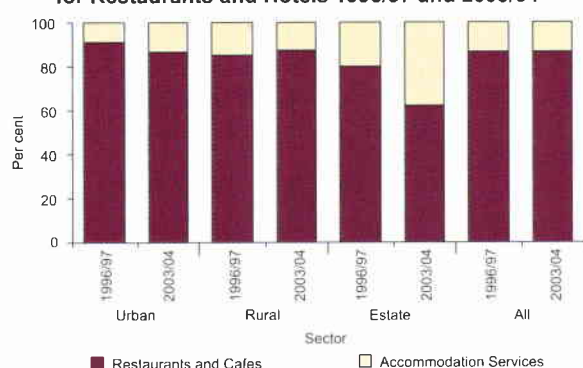
Monthly Per Capita Expenditure and Real Growth Rates by Sector for Restaurants and Hotels

Category / Item	Expenditure (Rs.)				Annual Real Growth (%) (a)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Restaurants and cafes	132.26	40.13	10.54	50.50	4.5	2.6	2.5	3.3
Accommodation services	19.75	5.91	6.31	7.73	11.7	—	15.9	3.4
Restaurants and hotels	152.01	46.04	16.85	58.22	5.2	2.3	6.1	3.3

(a) Nominal expenditure was deflated using the SLCPI (All items)

Chart 8.17

Distribution of Expenditure by Sector for Restaurants and Hotels 1996/97 and 2003/04



cent in 2003/04, whereas in the rural sector it had increased from 85 per cent to 87 per cent. The higher proportions in this sub-category confirm the present tendency of increased takeaway and fast-food consumption by a busy community due to convenience. However, in the estate sector, owing to the increase in the share of accommodation services by 17 percentage points, the share of restaurants and cafes had dropped from 80 per cent to 63 per cent, highlighting the changes in priorities and life styles inherent to that sector.

Category 12 : Miscellaneous Goods and Services

This category captures all the expenditure incurred on personal care, personal effects, insurance and other services (n.e.c.), which includes fines, out of court settlements, gifts and donations, tips, commissions, subscriptions to unions, etc. This category

accounted for a share of 7.8 per cent of the total household expenditure, while of the non-food category it was 12.4 per cent.

Monthly per capita expenditure on Miscellaneous goods and services had increased at an annual rate of 1.4 per cent, in real terms (Table 8.35) from Rs.149 in 1996/97 (Table 8.2) to Rs.309 in 2003/04. Despite the real expenditure decreases on other services (n.e.c.) in both urban and rural sectors, the real growth for the overall category was 2.1 and 1.3 per cent, respectively, owing to the increases in all other categories, while there was a contraction in real growth in the estate sector. Consequently, the disparity in spending among the three sectors had widened from 5:3.5:2 in 1996/97 to 7:5:2 in 2003/04. Despite a real decline of 15.2 per cent in other services and 2.7 per cent on the overall category in the estate sector, a significant feature observed was the high real growth of 38.8 per cent on insurance, although in absolute terms it was only Rs.5. The higher real growth in insurance spending in all the sectors was a consequence of the compulsory deduction for insurance from all recipients of Samurdhi benefits. The real growth in spending on gold jewellery was highest at 15.9 per cent in the estate sector, followed by 8.5 per cent in the urban sector, whereas in the rural sector it was marginal, at 0.9 per cent.

The share of expenditure on personal care which includes hair dressing, personal grooming, products and appliances for personal care had risen in 2003/04 and accounted for a share of around 25 per cent in urban and rural sectors, while in the estate sector the share was notably higher at 41 per cent (Chart 8.18). Similarly, spending on personal effects including gold jewellery, which had risen to around 23 per cent in the urban and rural sectors, was higher at 31 per cent in the estate sector. Relatively higher shares on these categories indicate the greater preferences

Table 8.35

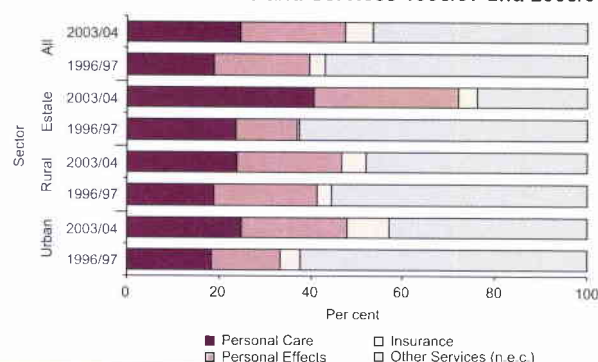
Monthly Per Capita Expenditure and Real Growth Rates by Sector for Miscellaneous Goods and Services

Category / Item	Expenditure (Rs.)				Annual Real Growth (%) (a)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Personal care	114.17	71.12	52.53	75.71	6.6	4.8	5.1	5.2
Personal effects	104.20	67.37	40.47	70.70	8.5	1.5	9.9	2.8
Gold jewellery	70.58	47.61	28.11	49.54	8.5	0.9	15.9	2.3
Insurance	42.76	15.69	5.33	18.65	13.6	8.5	38.8	10.1
Other services (n.e.c.)	196.44	142.54	30.92	143.55	-3.2	-0.7	-15.2	-1.5
Miscellaneous goods and services	457.57	296.73	129.25	308.61	2.1	1.3	-2.7	1.4

(a) Nominal expenditure was deflated using the SLCPI – Miscellaneous goods and services sub-index

Chart 8.18

Distribution of Expenditure by Sector for Miscellaneous Goods and Services 1996/97 and 2003/04



for such items among the estate sector community. Insurance accounted for 9.4 per cent, the highest share, in the urban sector while in the rural and estate sectors it was around 5 per cent, reflecting higher preventive action in the urban society to confront future uncertainty. In comparing the two survey periods, the share of insurance too had increased over time. Increase in these three sub-categories, between 1996/97 and 2003/04 was counterbalanced by the decline in shares of the other services (n.e.c.). In 1996/97 the three sectors accounted for shares between 55 and 63 per cent for this category, which had declined to less than 50 per cent in all sectors. The major drop was observed in the estate sector from 63 per cent to 24 per cent, whereas in the urban and rural sectors, the current survey recorded shares of 43 per cent and 48 per cent, respectively.

Category 13 : Interest on Debt

This category includes all interest payments on loans obtained from formal and informal lending sources.

Monthly per capita expenditure on this category had grown from Rs.43 in 1996/97 to Rs.59 in 2003/04, a real annual contraction of 2.5 per cent (Table 8.36) in a low interest rate scenario in the country. Expenditure had contracted in real terms in both urban and rural sectors, but risen in the estate sector, although over a much lower base (Chart 8.19). Consequently sectoral disparities had declined from 12:4.5:1 in 1996/97 to 6.5:3:1 in CFS 2003/04. In the estate sector, the relatively lower

Table 8.36

Monthly Per Capita Expenditure and Real Growth Rates by Sector for Interest on Debt 1996/97 and 2003/04

Sector	1996/97 (a) (Rs.)	2003/04 (b) (Rs.)	Annual Real Growth (c) (%)
Urban	96.01	108.66	-5.2
Rural	36.94	54.42	-1.6
Estate	7.95	16.86	3.7
All Sectors	42.95	59.44	-2.5

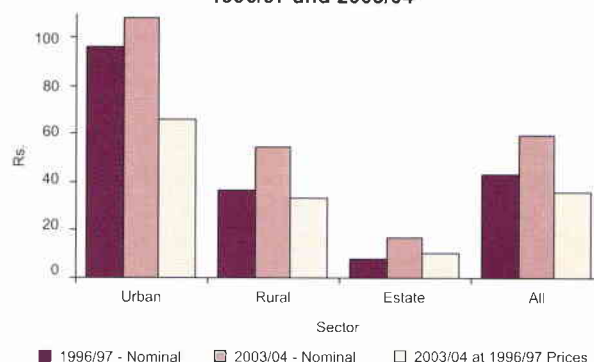
(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

(c) Nominal expenditure was deflated using the SLCPI (All items)

Chart 8.19

Monthly Per Capita Expenditure by Sector for Interest on Debt 1996/97 and 2003/04



levels of incomes that were insufficient to meet routine expenses may have resulted in higher indebtedness. A different factor would be that the urban and rural sector society have better knowledge and access to formal banking systems and thus can obtain loans at relatively lower interest rates. However, the estate sector community, due to poorer knowledge and backing (no collateral or well-accepted guarantors, etc.) may be restrained from approaching banks and thus, may have to obtain loans from individual money lenders at higher interest rates. This will ultimately increase their monthly interest payments resulting in higher real growth levels on this category.

Non-Food Expenditure by Province

The expenditure structure within categories 3 to 13 varied among the provinces, highlighting regional disparities in life styles. The pattern of the expenditure structure within these 11 categories within each province was somewhat different to that within the overall (including all categories) expenditure. This was due to the fact that the expenditure share on food differed considerably across provinces resulting in a fairly different structure within the other COICOP categories.

Among the provinces, the highest shares of spending on Clothing and footwear was reported from the Eastern (15.2 per cent) and Central (14.4 per cent), while the lowest shares were from the Northern (8.26 per cent) and Western (8.5 per cent) provinces (Table 8.37). In all the provinces, over 70 per cent of the total expenditure on Clothing and footwear category was spent on readymade garments, highlighting the recent changes in life styles in the society (Chart 8.20). Expenditure on Housing and utilities was the highest single non-food category in all the provinces except for the North Western province, where Transport dominated. Within the housing category, expenditure shares on rent, including imputed rentals on owned houses accounted for a major portion. Among the provinces, the share on Housing and utilities was highest in the Western province (27 per cent) indicating the higher property values with better housing conditions and amenities, especially in the country's capital district. In the utilities category, all provinces except the Northern and Eastern had spent the highest share on electricity, while in

Table 8.37

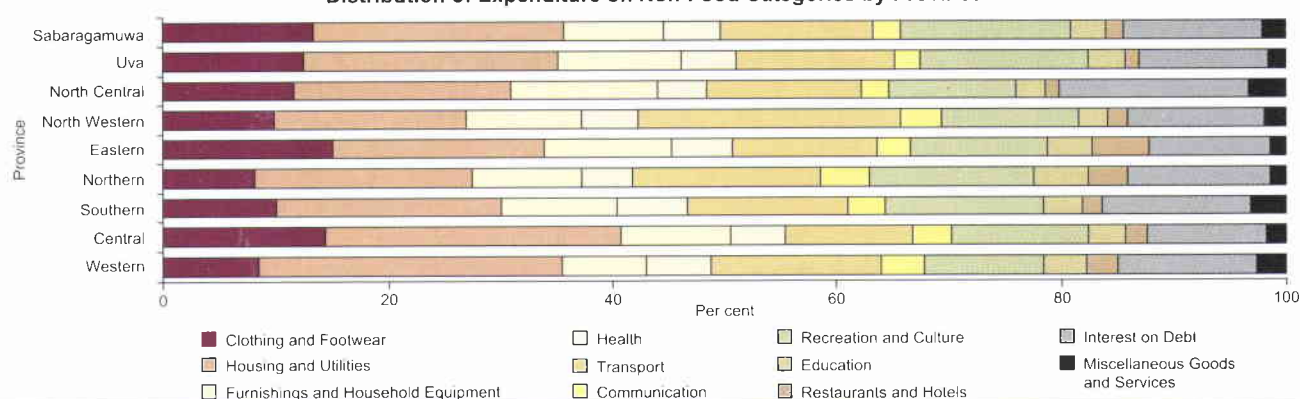
Distribution of Expenditure on Non-Food Categories by Province

Expenditure Category	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	
Clothing and footwear	8.5	14.4	10.2	8.3	15.2	9.9	11.7	12.5	13.5	10.3
Housing and utilities	27.0	26.4	20.1	19.2	18.8	17.2	19.3	22.7	22.2	23.6
Furnishings and household equipment	7.6	9.8	10.2	9.7	11.2	10.2	13.1	11.0	8.9	9.1
Health	5.7	4.8	6.2	4.5	5.5	5.0	4.2	4.9	5.0	5.4
Transport	15.1	11.3	14.4	16.8	12.9	23.4	13.8	14.0	13.7	15.4
Communication	3.8	3.4	3.3	4.3	2.9	3.6	2.5	2.3	2.3	3.5
Recreation and culture	10.6	12.2	13.9	14.7	12.2	12.2	11.3	15.1	15.2	12.0
Education	3.9	3.4	3.6	4.9	3.9	2.7	2.5	3.1	3.1	3.6
Restaurants and hotels	2.7	1.8	1.7	3.5	5.1	1.6	1.4	1.2	1.5	2.3
Miscellaneous goods and services	12.3	10.7	13.3	12.7	10.8	12.3	16.9	11.6	12.5	12.4
Interest on debt	2.7	1.7	3.1	1.4	1.4	1.9	3.3	1.5	2.1	2.4
Total (Non-food category)	100	100	100	100	100	100	100	100	100	100

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Chart 8.20

Distribution of Expenditure on Non-Food Categories by Province



those two provinces, a major portion of expenditure was spent on solid fuels, probably reflecting lower access in those provinces, in the context of the adverse security situation in the past 20 years.

Expenditure on Furnishings and household equipment varied between a low of 7.6 per cent in the Western province and high of 13.1 per cent in the North Central province. Among all the provinces a major portion of the expenditure in this category was spent on furniture, major household appliances and non-durable household goods. Spending on Health varied in a narrow span, with Southern province reporting the highest share of 6.2 per cent and the lowest share of 4.2 per cent in the North Central Province. In all provinces, pharmaceutical products accounted for the dominant component of the total healthcare expenditure, followed by outpatient services. In the Northern and Eastern provinces, a significant portion was spent on hospital services and this may have been due to lower availability of private out patient health services in those two provinces.

Transport accounted for the highest component of non-food expenditure in the North Western province (23.4 per cent), owing to the higher spending on purchasing of motor cycles and the

associated expenditure on fuel and maintenance. The Northern province too accounted for a relatively higher share on transport owing to the same reason. In Western and Southern provinces, larger expenditure shares on this category were attributed to higher spending on public transport, especially by road, and on fuels and lubricants for the operation of personal vehicles. In other provinces, within the transport category most of the expenditure had been incurred on passenger transport by road. The Northern province accounted for the highest share of spending on Communication, at 4.3 per cent, perhaps owing to the availability of new communication networks subsequent to the ceasefire. In line with the expanded mobile phone usage, the Western province was placed second with a share of 3.8 per cent on communication. The dispersion of shares on communication among the provinces was relatively narrow with the lowest spending of 2.3 per cent reported from Uva and Sabaragamuwa provinces. Over 70 per cent of the spending on Communication was incurred on telephone services in all the provinces, while shares on postal services were negligible.

Another major expenditure group was Recreation and culture, where Sabaragamuwa province had spent the highest share of

15.2 per cent, followed by the Uva province (15.1 per cent). In all the provinces, the major component was spent on cultural and religious services. In Sabaragamuwa, North Western and Southern provinces, relatively higher spending was incurred on audio-visual equipment such as televisions and radios. Uva, North Central and Sabaragamuwa provinces had spent relatively more on games of chance which include lotteries and betting. The expenditure share on Education was consistent among all provinces, where the Northern province spent the highest share of 4.9 per cent on Education and the Eastern province ranked second with a share of 3.9 per cent. In all provinces, primary and secondary education had absorbed over 75 per cent of the expenditure incurred on this category. Among the provinces, Eastern province had reported the highest share on professional and technical education, while at tertiary level the highest portion was claimed by the Northern province. Considering all provinces, North Central and North Western provinces reported the lowest shares on Education, around 2.5 per cent each.

In the Restaurants and hotels category, which was the least prominent category in the non-food expenditure group, the Eastern province had spent an exceptionally higher component of spending amounting to 5.1 per cent, followed by Northern province at 3.5 per cent. In all provinces, a major component was spent on restaurants and cafes. The North Central province accounted for the highest share of 16.9 per cent in the Miscellaneous goods and services category, while the lowest share was reported from the Central province (10.7 per cent). Within this category, the other services (n.e.c.) was the dominant component of expenditure in all provinces. Spending on gold jewellery was highest in the North Central and North Western provinces, while it was lowest and negligible in the Eastern province. The share of spending on insurance was highest in the North Western province followed by Central and Eastern provinces. The expenditure share on Interest on debt was highest in the North Central province at 3.3 per cent, reflecting the increase in loans taken especially for agricultural activities. The Southern province accounted for a share of 3.1 per cent on this category followed by 2.7 per cent in the Western province. The

lowest shares on interest were reported from the Northern and Eastern province (1.4 per cent each) indicating the lower indebtedness of the communities in those provinces.

Non-Food Expenditure by Income

The expenditure shares on many non-food categories either rose or fell with the level of income, reflecting the relative price sensitivity across those categories of expenditure. As explained in the province-wise analysis of non-food categories, the distribution of the expenditure structure within each income quintile too was fairly different to that of the overall expenditure for similar reasons. This was due to the fact that the expenditure share on food and beverages across income quintiles were different to each other, resulting in a different structure within the non-food COICOP categories.

Clothing and footwear recorded a somewhat decreasing trend from 12.1 per cent in the first quintile to 8.9 per cent by the fifth quintile (Table 8.38). At each income level, the highest share of spending was incurred on readymade garments. In absolute terms, spending by the highest income quintile was 5 times the amount spent by the first quintile, indicating the greater affordability of expensive clothing by higher income groups (Table 8.8). Within each income quintile, Housing and utilities was the dominant component of expenditure, which increased in absolute terms across quintiles, where per capita expenditure in the fifth quintile was about six times the spending in the first (Chart 8.21). Considering the expenditure shares for this category, the highest share of over one fourth was recorded in the first quintile, which, in general, decreased across quintiles, indicating relatively lower concentration of expenditure at the higher income levels on this category. In the two lowest quintiles, solid and liquid fuels had absorbed a significant share of expenditure in this category.

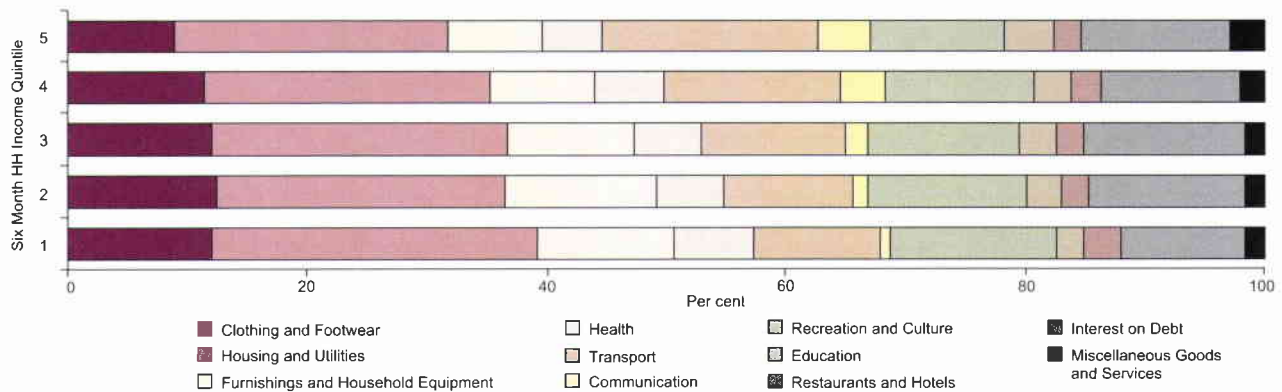
The spending pattern on Furnishings and household equipment was similar to that of Clothing and footwear, where the expenditure share dropped from the lowest to highest income quintile. The lowest quintile spent almost half of its expenditure on non-durable goods and these shares declined across income levels.

Table 8.38
Distribution of Expenditure on Non-Food Categories by Income Quintile

Expenditure Category	Six Month Household Income Quintile					All
	1	2	3	4	5	
Clothing and footwear	12.1	12.4	12.1	11.4	8.9	10.3
Housing and utilities	27.1	24.1	24.5	23.8	22.8	23.6
Furnishings and household equipment	11.5	12.6	10.6	8.8	7.9	9.1
Health	6.6	5.5	5.5	5.8	5.1	5.4
Transport	10.5	10.8	12.2	14.7	18.0	15.4
Communication	0.9	1.4	1.9	3.6	4.5	3.5
Recreation and culture	13.8	13.1	12.7	12.4	11.2	12.0
Education	2.4	2.9	3.0	3.2	4.1	3.6
Restaurants and hotels	3.0	2.3	2.3	2.4	2.2	2.3
Miscellaneous goods and services	10.6	13.1	13.6	11.6	12.4	12.4
Interest on debt	1.6	1.6	1.6	2.2	2.9	2.4
Total (Non-food category)	100	100	100	100	100	100

Chart 8.21

Distribution of Expenditure on Non-Food Categories by Income Quintile



The expenditure share on Health varied in a narrow range, while per capita expenditure on healthcare in nominal terms was Rs.292 in the fifth quintile, 5 times higher than the amount spent in the first quintile. Per capita absolute spending in the first and second quintiles were almost the same and varied from Rs.58 to Rs.65. Pharmaceutical products absorbed a major portion of spending of this category, but the share declined with the increasing level of income. Transport was one of the major expenditure categories that absorbed a larger share of expenditure in the highest income quintile (18 per cent), second only to Housing and utility services. The respective share in the lowest quintile was 10.5 per cent and increased monotonically with the level of income. In the fourth and fifth income quintiles, relatively higher spending was incurred on purchase of vehicles and on fuel and maintenance costs of privately owned vehicles, although in each income quintile, the highest share of spending was incurred on passenger transport by road. In absolute terms, expenditure on this category was widespread across income groups, where in the highest quintile, per capita spending was Rs.1,035, eleven times higher than spending in the first quintile.

Per capita spending in absolute terms on Communication fluctuated in a wider range of Rs.8 in the first quintile and Rs.257, thirty two times higher, in the highest quintile. Expenditure shares increased with rising levels of income from 0.9 to 4.5 per cent. In lower income groups, Communication appeared to be a non-essential item, whereas in higher income groups it was a necessity that had the same priority as Education or Health. This reflects the recent rapid technological development in the communication sector in the country and the higher income groups' responsiveness towards that expansion through wider usage of mobile phones, IDD connections, internet and e-mail services. Spending patterns among income groups on Recreation and Culture was in contrast to that on Communications. The expenditure share in the first quintile was 13.8 per cent, while in the highest quintile it was only 11.2 per cent. In all the expenditure groups, a major portion of spending was incurred on cultural and religious services. In absolute terms, per capita spending in the first four quintiles had increased gradually while in the fifth quintile a rapid growth was observed, although the share declined.

Spending on Education has been relatively stable among income groups, varying between 2.4 and 4.1 per cent. At all levels of income, over three fourth of the spending was incurred on primary and secondary education, while the share on tertiary and professional and technical education was maximum at the fifth quintile. In absolute terms, per capita expenditure on education was only Rs.21 in the first quintile and Rs.238 in the highest income quintile. Restaurants and hotels, which accounted for the lowest share of expenditure, declined monotonically from 3 per cent in the first quintile to 2.2 per cent by the highest quintile.

In the Miscellaneous goods and services category, a clear trend in the expenditure structure was unobservable, and the shares fluctuated between 10.6 and 13.6 per cent. The per capita expenditure had increased from Rs.92 in the first quintile to Rs.717 by the fifth quintile, where a rapid growth from the fourth to fifth quintile was observed. In the lower income quintiles a major portion was incurred on personal care items and with increasing income this share had dropped. However, in the lowest income quintile there had been negative spending on gold jewellery, which indicates selling of gold jewellery by some households in this income group probably to finance consumption. With increasing levels of income, interest payments on debt had increased in absolute terms as well as in expenditure shares.

8.4 Nutritional Intake

The level of nutritional intake is a widely used indicator of the standard of living. This includes energy, proteins, fats, minerals and vitamins intake, and is closely associated with the level of income and access to sources of food. In this analysis, nutritional intake was analysed in terms of energy and protein intake, based on information on food consumption collected in the survey. The conversion factors given in the publication of the Medical Research Institute (MRI) titled "Tables of Food Composition for Use in Sri Lanka", 1989 edition, were used to derive the daily energy and protein intake from each food item consumed by a household. Thereafter, the energy and protein content of all food items consumed by a household was divided by the household size to obtain per capita intake.

Table 8.39

Monthly Per Capita Consumption and Daily Energy and Protein Intake 1996/97 and 2003/04

Food Item	Unit	Quantities			Energy (Calories)				Protein (Grams)			
		1996/97 (a)	2003/04 (b)	Change (%)	1996/97 (a)	2003/04 (b)	Change (Units)	Change (%)	1996/97 (a)	2003/04 (b)	Change (Units)	Change (%)
Rice	Grams	8,845	8,851	0.1	1,024	1,024	0	0.0	21.4	21.1	-0.3	-1.4
Coconut	Number	8.1	8.2	1.2	282	286	5	1.4	2.9	2.9	0.0	0.0
Bread	Grams	2,661	1,756	-34.0	232	143	-89	-38.4	6.9	4.6	-2.3	-33.3
Sugar	Grams	1,341	1,305	-2.7	179	174	-5	-2.8	0.4	0.4	0.0	0.0
Wheat flour	Grams	837	786	-6.1	97	91	-6	-6.2	3.1	2.9	-0.2	-6.5
Meat and fish	Grams	1,289	1,483	15.1	95	100	5	5.3	10.9	11.6	0.7	6.4
Condiments	Grams	1,721	1,879	9.2	56	60	4	7.1	2.2	2.4	0.2	9.1
Vegetables	Grams	3,106	3,211	3.4	49	48	-1	-2.0	3.2	3.4	0.2	6.2
Fresh milk	mili litre	129	99	-23.0	25	52	27	108.0	2.0	3.9	1.9	95.0
Milk powder	Grams	287	309	7.7								
Other	n.a.	n.a.	n.a.	n.a.	298	347	49	16.4	8.2	11.5	3.3	40.2
Total	n.a.	n.a.	n.a.	n.a.	2,336	2,325	-11	-0.5	61.3	64.8	3.5	5.7

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Physical activity, genetic factors and climatic differences may cause considerable variation in energy requirements. Generally, sedentary workers require less energy than manual workers. Adolescents consume more energy than older persons. It should also be noted that there is a distinction between calorific and nutritive values, as food which is high in nutritive value may have a low calorific value and vice versa. In the analysis, however, these differences in energy requirements were disregarded and the analysis was limited to per capita energy intake in calories and per capita protein intake in grams.

Consumption of Key Food Items

Nutritional intake is directly linked to quantities of food consumed and their quality. Since the same quantity of different varieties of food can generate different units of energy and protein, there can be situations where a one to one relationship between changes in quantities and in nutritional intake cannot be established. Overall, the monthly per capita consumption of key food items in 2003/04 showed mixed results. Per capita consumption of rice in 2003/04 was more or less the same as in 1996/97 (Table 8.39). The per capita consumption of bread, wheat

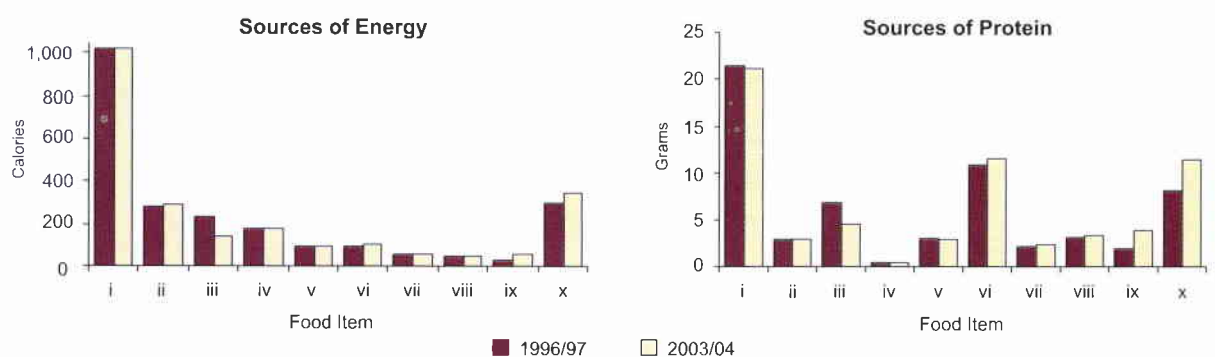
flour, sugar and fresh milk recorded decreases, while that of coconut, meat and fish, milk powder, vegetables and condiments recorded increases.

Sources of Energy and Protein

The sources of energy and protein were analysed under ten categories comprising nine key items and one category representing all other items whose individual energy and protein content were too small to treat separately. The historical phenomenon of rice being the most important single source of energy was observed in this survey as well (Chart 8.22). Coconut secured the second place in both surveys, while sugar had taken over third place from bread between the two surveys. The order of importance among items had not changed except for these marginal changes, while the distribution of nutritional intake from most items had also changed only marginally since 1996/97. However, the significance of bread as a source of energy had dropped substantially during this period. Intake of protein followed a similar pattern to that of energy, with rice, meat and fish being the main sources of protein in both surveys.

Chart 8.22

Sources of Nutritional Intake 1996/97 and 2003/04



i. Rice ii. Coconut iii. Bread iv. Sugar v. Wheat Flour vi. Meat and Fish vii. Condiments viii. Vegetables ix. Milk & Milk Powder x. Other

Overall, the per capita daily energy intake decreased marginally to 2,325 calories in 2003/04 from 2,336 calories in 1996/97. This could be compared with the minimum required per capita daily energy intake of 2,015 calories in CFS 2003/04. Unlike energy, the overall per capita daily protein intake marked an increase of around 4 grams or 6 per cent in 2003/04 compared to the previous survey. These changes were in line with the drop in food expenditure in real terms, coupled with small structural changes between 1996/97 and 2003/04. Changes in dietary habits and greater awareness appear to have led to such changes.

Nutritional Intake by Sector

Sector-wise, food consumption varied somewhat between the two survey periods. In particular, rice consumption had increased in the urban sector and decreased marginally in the rural and estate sectors (Table 8.40). An urban person consumed less than 7 kgs of rice per month, a marginal increase when compared to the previous survey period, while in the other two sectors per capita consumption exceeded 9 kgs per month. Consumption of wheat flour had risen in the urban and rural sectors, but declined significantly in the estate sector, in which historical per capita

consumption was 10 times as much as in the other two sectors. The consumption of bread and sugar had fallen, while that of meat and fish had risen or remained the same in all three sectors. Consumption of fresh milk increased in the urban sector, but decreased in the rural and estate sectors, while consumption of milk powder increased in the rural and estate sectors, probably due to greater availability and convenience of milk powder in the absence of refrigerator facilities. However, the consumption of milk powder had decreased in the urban sector, while that of fresh milk had increased, probably for the opposite reasons, as refrigeration facilities had increased in urban households. Also with the expansion in the dairy processing industry, the market for sale of fresh milk to the industry may have risen in the rural and estate sectors, whereby households in those sectors may have substituted milk powder for the consumption of fresh milk produced, from which they now earned an income.

Sources of energy intake differed among sectors. Overall, rice was the dominant source of energy, accounting for 1,024 calories in the daily energy intake, in 2003/04 followed by coconut (286 calories) and sugar (174 calories) (Table 8.41). However, in the estate sector, wheat flour was second only to rice as a source of

Table 8.40
Monthly Per Capita Consumption of Key Food Items by Sector 1996/97 and 2003/04

Food Item	Unit	1996/97 (a)				2003/04 (b)			
		Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Rice	Grams	6,465	9,198	9,199	8,845	6,597	9,190	9,143	8,851
Bread	Grams	3,979	2,551	1,209	2,661	2,560	1,684	899	1,756
Wheat flour	Grams	558	560	5,529	837	637	591	4,108	786
Meat and fish	Grams	1,870	1,238	681	1,289	1,981	1,456	685	1,483
Fresh milk	M. Litre	121	113	367	129	132	94	100	99
Milk powder	Grams	475	266	163	287	451	292	233	309
Coconut	Number	6.7	8.4	6.6	8.1	6.6	8.5	6.9	8.2
Vegetables	Grams	2,882	3,161	2,821	3,106	2,880	3,278	2,999	3,211
Sugar	Grams	1,443	1,343	1,073	1,341	1,412	1,304	1,059	1,305
Condiments	Grams	1,807	1,718	1,556	1,721	2,041	1,875	1,550	1,879

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 8.41
Daily Per Capita Energy Intake from Key Food Items by Sector 1996/97 and 2003/04

Food Item	1996/97 (a)				2003/04 (b)				Calories
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors	
Rice	747	1,065	1,067	1,024	763	1,063	1,060	1,024	
Bread	347	223	106	232	209	138	73	143	
Wheat flour	65	65	640	97	74	69	477	91	
Meat and fish	114	94	53	95	117	101	50	100	
Milk and milk powder	43	23	18	24	77	48	38	52	
Coconut	236	292	230	282	230	298	241	286	
Vegetables	46	50	38	49	44	49	40	48	
Sugar	192	179	143	179	188	174	141	174	
Condiments	60	55	54	56	65	59	51	60	
Other	360	290	277	298	437	337	291	347	
Total	2,210	2,336	2,626	2,336	2,204	2,336	2,462	2,325	

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

daily energy intake. Bread, a key source of energy in the urban and rural sectors in 1996/97, had lost its third position to sugar in the rural sector and lost its second position to coconut in the urban sector. Energy intake of bread in the urban, rural and estate sectors dropped from 347 calories, 223 calories and 106 calories in 1996/97 to 209 calories, 138 calories and 73 calories, respectively, in 2003/04. Meat and fish were more significant as a source of energy in the urban sector and least important in the estate sector. Vegetables, which provide minerals and vitamins in the daily diet, rather than energy, provided only 2 per cent of daily energy intake, despite a share of around 9 per cent in the per capita food expenditure.

The energy intake from sugar had dropped marginally in all three sectors, while the same from coconut had dropped only in the urban sector. One observation was the increase in energy intake from milk and milk powder, where all sectors had experienced almost 100 per cent increase from a low base share.

Sector-wise energy intake showed mixed trends. The calorie intake in the urban sector recorded a marginal decline, that in rural sector remained unchanged, while the greatest decline of 164 calories (6 per cent) was observed in the estate sector. The drop in total energy intake over this period mainly stemmed from the estate sector, which could be attributed to the considerable

Table 8.42
Daily Per Capita Protein Intake from Key Food Items by Sector 1996/97 and 2003/04

Food Item	1996/97 (a)				2003/04 (b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Rice	14.8	22.3	23.7	21.4	15.4	21.9	23.2	21.1
Bread	10.3	6.6	3.1	6.9	6.8	4.4	2.3	4.6
Wheat flour	2.0	2.1	20.3	3.1	2.3	2.2	15.1	2.9
Meat and fish	14.3	10.7	6.2	10.9	14.8	11.5	6.1	11.6
Milk and milk powder	3.1	1.8	1.5	2.0	5.8	3.7	2.9	3.9
Coconut	2.4	3.0	2.4	2.9	2.4	3.1	2.5	2.9
Vegetables	2.6	3.4	1.9	3.2	2.7	3.6	2.2	3.4
Sugar	0.5	0.4	0.4	0.4	0.5	0.4	0.4	0.4
Condiments	2.3	2.2	2.2	2.2	2.6	2.4	2.1	2.4
Other	9.3	8.0	8.7	8.2	13.1	11.3	10.9	11.5
Total	61.7	60.6	70.4	61.3	66.3	64.4	67.8	64.8

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 8.43
Daily Per Capita Nutritional Intake by Sector, Province and Income Quintile 1996/97 and 2003/04

Sector / Province / Income Quintile	Energy (Calories)				Protein (Grams)			
	1996/97 (a)	2003/04 (b)	Change (Units)	Change (%)	1996/97 (a)	2003/04 (b)	Change (Units)	Change (%)
All	2,336	2,325	-10	-0.4	61.3	64.8	3.5	5.7
By Sector								
Urban	2,210	2,204	-6	-0.3	61.7	66.3	4.6	7.4
Rural	2,336	2,336	0	0.0	60.6	64.4	3.8	6.3
Estate	2,626	2,462	-164	-6.2	70.4	67.8	-2.6	-3.6
By Province								
Western	2,320	2,262	-58	-2.5	63.8	66.1	2.3	3.7
Central	2,386	2,317	-70	-2.9	62.1	63.6	1.4	2.3
Southern	2,278	2,259	-18	-0.8	56.4	60.2	3.8	6.8
Northern	—	2,426	n.a.	n.a.	—	71.6	n.a.	n.a.
Eastern	—	2,274	n.a.	n.a.	—	66.3	n.a.	n.a.
North Western	2,387	2,465	78	3.3	64.1	70.2	6.1	9.5
North Central	2,385	2,468	83	3.5	64.2	69.5	5.4	8.4
Uva	2,288	2,349	61	2.7	55.4	58.3	2.9	5.1
Sabaragamuwa	2,328	2,329	2	0.1	58.9	61.0	2.1	3.6
By Six Month Household Income Quintile								
1	2,042	2,132	90	4.4	51.3	55.7	4.4	8.6
2	2,208	2,252	44	2.0	56.4	60.9	4.4	7.9
3	2,327	2,322	-5	-0.2	59.9	63.8	3.9	6.5
4	2,441	2,384	-57	-2.3	64.7	67.4	2.7	4.2
5	2,558	2,477	-81	-3.2	70.4	73.5	3.0	4.3

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

drop in their bread, rice and wheat flour consumption. In the urban sector the decrease was marginal and was mainly due to the lower consumption of bread. In the rural sector, though the calorie intake remained unchanged, a shift among food items was evident. Here, the energy intake from wheat flour, meat, fish, milk and milk powder, vegetables and condiments increased, while that from bread, sugar and rice decreased (Table 8.41). By and large, there was a drop in carbohydrates and sugar consumption across all sectors.

With the relative decrease in per capita energy intake in the estate and urban sectors in 2003/04, the gaps among the three sectors narrowed to 258 calories in 2003/04 from 416 calories in 1996/97. The rank order of calorie intake among sectors had not changed, although the deviations had narrowed.

The energy intake from meat, fish, milk and milk powder in 2003/04 was 194 calories in the urban sector, comparatively higher than in the rural (149 calories) and estate (88 calories) sectors. The comparative data for 1996/97 were 157 calories, 117 calories and 71 calories, respectively. This indicates that all sectors in 2003/04 improved their relative calorie intake from meat, fish, milk and milk powder over 1996/97.

There was an improvement in the overall per capita protein intake over the period under consideration, other than in the estate sector. Lower consumption of wheat flour and bread between survey periods by the households in this sector led to this situation. In the urban and rural sectors, although protein intake from bread had declined, this was compensated for by higher protein intake from meat and fish, milk and milk powder and miscellaneous items (Table 8.42).

With regard to protein intake too, the gap among sectors narrowed from 10 grams to 3 grams, as the estate sector which had recorded the highest intake in 1996/97, as with energy intake, experienced a drop, while the other two sectors recorded increases (Table 8.43). Here too, the rank order remained the same, although deviations had narrowed among the 3 sectors. The per capita energy and protein intake in the estate sector has been higher historically than in the other two sectors, and this was attributed in the past to a higher requirement in that sector in view of the manual nature of the work among a majority living

in that sector. Hence, the decline in both energy and protein intake requires further and deeper analysis to identify the reasons for this decline.

Nutritional Intake by Province

Rice consumption in the Northern, Western and Eastern provinces was lower than the national level (8,851 grams) and higher than this level in other provinces (Table 8.44). Relatively lower consumption of rice in these three provinces was substituted by relatively higher consumption of wheat flour, bread or sugar. The more urbanised Western province recorded the highest consumption of bread, consistent with consumption in the urban sector. The consumption pattern of other key food items varied, somewhat across provinces and reflected supply conditions in those areas to some extent. Vegetable consumption in the Central, North Western, North Central and Uva provinces was above the national level. This could be attributed to easy access and availability of vegetables at low prices or from home gardens. Consumption of coconuts reflected higher consumption in producing and adjoining areas of the North Western, Southern and North Central provinces. Consumption of condiments in the Western, Southern, Northern and North Western provinces was above the national level and indicated the cooking traditions prevailing in those provinces. Land-locked provinces, Central, Sabaragamuwa and Uva, with poor access to fish reflected lower consumption in that category.

Rice continued as the dominant source of energy in all provinces in 2003/04, as in all sectors, and differences among provinces in their energy sources reflected their consumption pattern (Table 8.45). Meanwhile, energy intake from rice in the Western and Eastern provinces had decreased. Energy intake from wheat flour and bread decreased and that from milk and milk powder increased in all provinces. Energy intake from coconut increased in most provinces except in the Western and Central provinces. Energy intake from sugar increased in the Eastern and Uva provinces only. Energy intake from meat and fish increased in the Western, Eastern, North Western and North Central provinces and decreased in the Southern, Uva and Sabaragamuwa provinces.

Table 8.44
Monthly Per Capita Consumption of Key Food Items by Province

Food Item	Unit	Province									All Provinces
		Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	
Rice	Grams	7,413	8,860	9,327	5,928	8,520	9,532	10,596	10,355	10,411	8,851
Bread	Grams	2,710	1,467	1,731	1,469	1,573	1,318	1,090	995	1,281	1,756
Wheat flour	Grams	348	1,876	224	3,688	605	537	580	1,228	584	786
Meat and fish	Grams	1,785	941	1,316	1,708	2,217	1,849	1,814	713	831	1,483
Fresh milk	M. Litre	35	105	26	1,107	196	70	91	57	21	99
Milk powder	Grams	466	290	290	216	239	245	194	213	233	309
Coconut	Number	7.2	7.5	8.7	7.5	6.7	11.0	9.7	6.6	9.2	8.2
Vegetables	Grams	3,023	3,440	2,995	2,266	2,743	3,640	3,939	3,678	3,108	3,211
Sugar	Grams	1,379	1,118	1,335	1,841	1,712	1,333	1,167	1,092	1,011	1,305
Condiments	Grams	2,018	1,627	2,038	2,068	1,830	1,981	1,832	1,670	1,641	1,879

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 8.45
Daily Per Capita Energy Intake from Key Food Items by Province

Food Item	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa	
Rice	856	1,027	1,076	689	989	1,106	1,228	1,195	1,205	1,024
Bread	221	120	141	120	129	108	89	81	105	143
Wheat flour	40	218	26	428	70	62	67	142	68	91
Meat and fish	119	71	85	77	128	133	126	57	69	100
Milk and milk powder	76	48	48	58	42	40	33	35	37	52
Coconut	252	262	303	263	236	384	339	230	322	286
Vegetables	49	50	47	29	39	55	54	49	47	48
Sugar	184	149	178	246	228	178	156	146	135	174
Condiments	62	53	60	75	60	64	61	53	52	59
Other	402	321	296	442	353	337	316	362	290	347
Total	2,262	2,317	2,259	2,426	2,274	2,465	2,468	2,349	2,329	2,325

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

In the provincial analysis, energy intake in the Western, Central and Southern provinces recorded declines compared to the previous period and stood below the national average in 2003/04, while others recorded increases and remained above the national average (Table 8.43). Daily energy intake in the Eastern province was below the national average in 2003/04, while that in the Northern Province was well above.

Rice was the main source of protein in all provinces. Differences in protein intake across provinces was closely linked to consumption of meat and fish. Higher consumption of bread and meat in the Western province and wheat flour in the Northern and Central provinces contributed to protein intake in those provinces (Table 8.46).

Protein intake had risen in all provinces, but at varying degrees (Table 8.43). Protein intake was above the national average in the Western, Northern, North Western, North Central and Eastern provinces and was below in the remaining four provinces in 2003/04. Meanwhile, unlike in the case of sectors, provincial deviations had widened for both energy and protein intake between survey periods. Rank order had changed for energy intake, while remaining the same for protein intake.

Nutritional Intake by Income

The consumption of key food items by income quintiles revealed that for most items, consumption rose with income level, reflecting greater affordability. The only exceptions were rice and wheat flour. Higher income groups consumed relatively less rice than the lower income groups, while consumption of wheat flour fell with rising income (Table 8.47). This could be due to higher consumption of processed flours and cereals or purchasing of more meals from outside among the higher income groups, again reflecting their higher purchasing power.

Food consumption within income quintiles varied somewhat between the two survey periods. In particular, rice consumption increased in the lower income quintiles and decreased in the middle and higher income quintiles in CFS 2003/04 over CFS 1996/97. Consumption of vegetables, meat and fish, and condiments had increased and that of bread had decreased at all income levels. Consumption of wheat flour decreased in nearly all income quintiles. Consumption of coconut increased in all income quintiles except the highest, consumption of milk powder increased in all income quintiles, while that of fresh milk increased only in the middle income quintile.

Table 8.46
Daily Per Capita Protein Intake from Key Food Items by Province

Food Item	Province									All Provinces
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara-gamuwa	
Rice	16.8	22.2	20.0	16.3	22.4	24.7	26.4	22.5	25.1	21.1
Bread	7.1	3.8	4.6	3.8	4.2	3.5	2.9	2.6	3.4	4.6
Wheat flour	1.3	6.9	0.8	13.5	2.2	2.0	2.1	4.5	2.1	2.9
Meat and fish	14.3	8.0	10.5	11.4	14.7	14.5	13.1	6.1	7.8	11.6
Milk and milk powder	5.8	3.6	3.7	3.6	3.1	3.0	2.5	2.7	2.9	3.9
Coconut	2.6	2.7	3.1	2.7	2.4	3.9	3.5	2.4	3.3	2.9
Vegetables	3.0	3.3	3.4	2.2	3.1	4.2	5.3	3.4	3.3	3.4
Sugar	0.5	0.4	0.4	0.6	0.6	0.4	0.4	0.4	0.3	0.4
Condiments	2.4	2.2	2.4	3.2	2.6	2.6	2.6	2.2	2.2	2.4
Other	12.4	10.5	11.3	14.1	11.1	11.3	10.8	11.5	10.6	11.5
Total	66.1	63.6	60.2	71.6	66.3	70.2	69.5	58.3	61.0	64.8

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 8.47

Monthly Per Capita Consumption of Key Food Items by Income Quintile 1996/97 and 2003/04

Food Item	Unit	Six Month Household Income Quintile											
		1996/97 (a)						2003/04 (b)					
		1	2	3	4	5	All	1	2	3	4	5	All
Rice	Grams	8,344	9,000	9,327	9,134	8,368	8,845	8,893	9,208	9,152	8,873	8,214	8,851
Bread	Grams	1,885	2,217	2,480	2,919	3,498	2,661	1,265	1,510	1,694	1,884	2,263	1,756
Wheat Flour	Grams	1,145	1,037	855	686	578	837	963	1,024	792	695	531	786
Meat and Fish	Grams	673	938	1,118	1,478	1,990	1,288	926	1,134	1,370	1,664	2,122	1,483
Fresh milk	M. Litre	89	107	93	164	173	128	88	93	102	99	111	99
Milk Powder	Grams	81	114	166	232	361	201	134	211	273	363	504	309
Coconut	Number	7.4	7.5	7.9	8.3	8.8	8.1	7.7	8.0	8.4	8.4	8.3	8.2
Vegetables	Grams	2,693	2,882	3,024	3,259	3,513	3,106	2,940	3,048	3,149	3,263	3,560	3,211
Sugar	Grams	1,034	1,180	1,299	1,441	1,635	1,341	1,145	1,204	1,302	1,375	1,446	1,305
Condiments	Grams	1,448	1,537	1,648	1,827	2,025	1,719	1,658	1,713	1,832	1,931	2,177	1,879

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

As could be expected, per capita energy and protein intake rose with the level of income (Table 8.48). The improvements in energy intake from lowest to highest income quintile resulted from the higher consumption of all items except rice and wheat flour. In fact, the decline in calories from these two items was more than compensated for by the increase from other items. In contrast, the key improvement in protein intake came from just two categories, meat and fish, and milk.

Per capita energy intake ranged between 2,132 and 2,477 calories in respect of the lowest and highest income quintiles in 2003/04, indicating a difference of 345 calories (Table 8.43). The corresponding difference in 1996/97 was 516 calories. Similarly, per capita protein intake ranged between 55.7 and 73.5 grams in respect of the lowest and highest income quintiles in 2003/04, indicating a difference of 7.8 grams, compared with 19.1 grams in 1996/97. Energy intake in the lowest two income quintiles had increased and had decreased in the higher quintiles. Protein intake had increased in all income quintiles, but at a relatively higher rate in the lower quintiles. Hence, changes between surveys across income quintiles for both energy and

protein intake indicated a decline in nutritional disparities among income quintiles, and was a very welcome development.

Energy Adequacy

Deficiency in nutritional intake using a calorie intake criterion is discussed in this section. The daily nutrition requirement for Sri Lanka recommended by the MRI for each population group by age and sex composition and the age and sex composition of the sample were used to arrive at a minimum required daily energy intake of 2,015 calories per person in CFS 2003/04. The energy inadequacy in the population was estimated as the share of individuals with per capita daily energy intake below the required amount of calories as a per cent of the total sample. In addition, those persons whose daily energy intake fell below 1,612 calories, *i.e.*, 80 per cent of the required minimum calories, were defined as at risk of malnutrition, as per international best practices.

The analysis that follows is subject to three important limitations. First, the distribution of food among the household members was not obtained during the survey. It was assumed

Table 8.48

Daily Per Capita Energy and Protein Intake from Key Food Items by Income Quintile

Food Item	Six Month Household Income Quintile											
	Energy (Calories)						Protein (Grams)					
	1	2	3	4	5	All	1	2	3	4	5	All
Rice	1,029	1,066	1,059	1,026	949	1,024	21.7	22.6	21.9	21.0	18.8	21.1
Bread	103	123	138	154	185	143	3.3	4.0	4.5	5.0	6.0	4.6
Wheat flour	112	119	92	81	62	91	3.5	3.8	2.9	2.5	1.9	2.9
Meat and fish	70	82	96	111	131	100	7.4	9.0	10.8	12.9	16.4	11.6
Milk and milk powder	22	34	45	60	86	52	1.7	2.6	3.5	4.6	6.4	3.9
Coconut	269	281	293	293	289	286	2.8	2.9	3.0	3.0	3.0	2.9
Vegetables	41	44	47	50	56	48	3.2	3.4	3.4	3.5	3.6	3.4
Sugar	153	161	174	183	193	174	0.4	0.4	0.4	0.5	0.5	0.4
Condiments	53	55	58	61	67	59	2.2	2.3	2.4	2.5	2.7	2.4
Other	279	287	319	364	460	347	9.5	10.0	11.1	11.9	14.1	11.5
Total	2,132	2,252	2,322	2,384	2,477	2,325	55.7	60.9	63.8	67.4	73.5	64.8

Table 8.49

Distribution of Daily Energy Adequacy by Sector, Province and Income Quintile 1996/97 and 2003/04

Sector / Province / Income Quintile	Calorie Range (% of minimum requirement)							
	<1612 (80%)		1612 - 2015 (80%-100%)		>= 2015 (100%)		Total	
	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)
All	14.1	12.7	22.3	23.2	63.6	64.1	100	100
By Sector								
Urban	19.0	15.5	26.1	29.8	54.9	54.7	100	100
Rural	13.9	12.6	22.1	22.3	64.0	65.1	100	100
Estate	4.7	8.6	16.2	20.0	79.1	71.4	100	100
By Province								
Western	13.7	14.6	22.9	24.7	63.4	60.7	100	100
Central	13.3	13.7	22.2	23.1	64.5	63.2	100	100
Southern	18.0	14.4	21.8	25.4	60.2	60.2	100	100
Northern	—	9.8	—	20.2	—	70.0	—	100
Eastern	—	13.8	—	26.0	—	60.2	—	100
North Western	8.9	8.8	21.3	20.2	69.8	71.0	100	100
North Central	13.2	7.4	21.2	19.6	65.7	73.0	100	100
Uva	18.3	13.0	20.5	21.4	61.2	65.6	100	100
Sabaragamuwa	14.6	11.9	24.1	22.2	61.3	65.9	100	100
By Six Month Household Income Quintile								
1	30.2	23.9	25.0	25.4	44.8	50.7	100	100
2	17.1	14.1	27.6	26.7	55.3	59.2	100	100
3	11.4	11.0	23.5	24.0	65.1	65.0	100	100
4	9.0	9.6	19.6	21.0	71.4	69.4	100	100
5	7.3	7.7	17.4	20.0	75.3	72.3	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

that food was equally shared for the purpose of determining per capita food consumption. The second limitation was that dietary habits and cooking practices result in considerable loss of calories due to wastage. Although allowances were made for such wastage and refuse, such as skins and seeds of fruits and bones and skins of fish and meat, it is unlikely that wastages have been fully accounted for. For instance, in the case of coconuts, there occurs a substantial loss in calories when coconut milk is extracted. However, it is difficult to estimate the extent of loss, as the proportion of nuts used for the extraction of milk and the proportion used for direct consumption are not known. The third limitation is that in the comparison of energy intake with the recommended norms it was assumed that there is known variation in individual calorie requirement within a population group of the same age and gender category. But, in real life, individual energy requirements differ considerably depending on the level of physical activity. Moreover, the CFS series is not a nutritional survey, per se, and consequently the food consumption data were based on the verbal responses of households, and not on any physical measurement of quantities consumed. Hence, the results presented here should be interpreted with caution.

It was seen that 36 per cent of the sampled persons were unable to meet the minimum energy requirement in both surveys, with the urban sector having the highest percentage of energy inadequacy (Table 8.49). In addition, 13 per cent were at risk of malnutrition in comparison to 14 per cent in the 1996/97 survey. This showed a marginal improvement. However, compared to 21 per cent in the 1996/97 survey, around 29 per cent of the

sampled persons in the estate sector suffered from calorie inadequacy compared to other sectors, signifying a deterioration in nutritional intake in that sector. Yet, the share of those unable to meet the minimum energy requirement remained below half the share in the other two sectors.

Within sectors, risk of malnutrition in the urban and rural sectors decreased, while in the estate sector risk increased. However, the share at risk in the estate sector remained low, followed by the rural and urban sectors. The percentages in the rural and estate sectors who received 2,015 calories or more, were above the national percentage, unlike in the urban sector (Chart 8.23), which had the highest shares at risk of malnutrition,

Chart 8.23

Distribution of Energy Adequacy by Sector 1996/97 and 2003/04

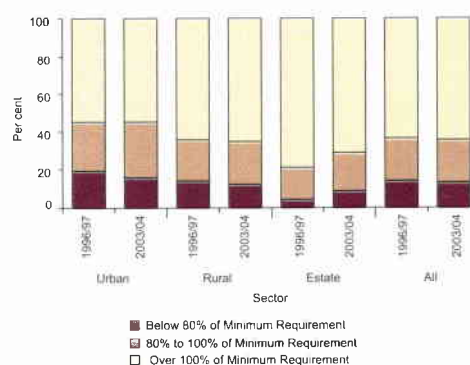
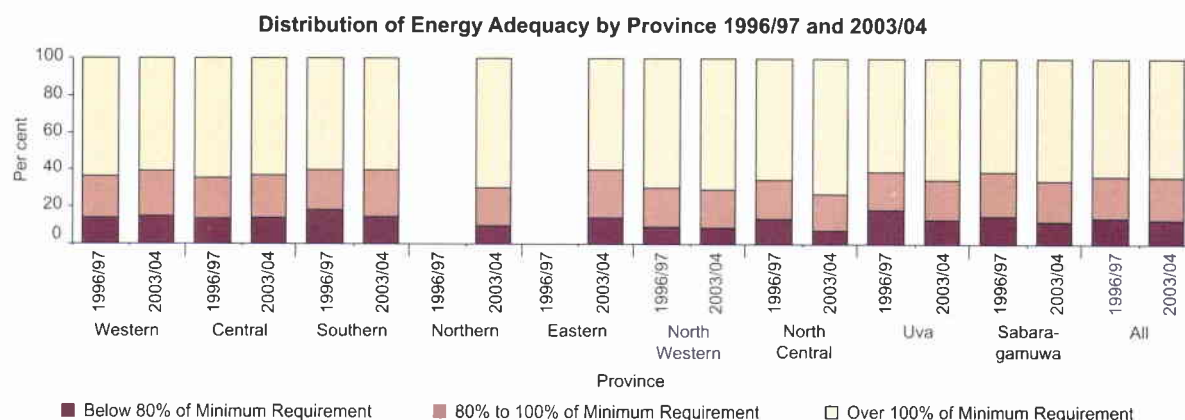


Chart 8.24

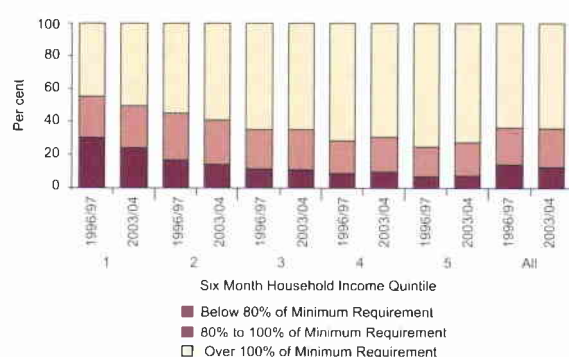


as well as unable to meet the minimum energy requirement. This could either be due to the fact that jobs in the urban sector are, by and large, sedentary and require less energy, or that expenditure options available in this sector encourage spending for other than food in this sector.

Within provinces the share unable to meet the energy requirement varied from 40 per cent in the Eastern province to 27 per cent in the North Central province. The share of persons at risk of malnutrition in North Central, North Western, Northern and Sabaragamuwa provinces were lower than the national level (12.7 per cent). In CFS 2003/04 more than 14 per cent in the Western and Southern provinces were at risk of malnutrition (Chart 8.24), probably for similar reasons to the higher shares in the urban sector.

Chart 8.25

Distribution of Energy Adequacy by Income Quintile 1996/97 and 2003/04



Within quintiles, the share below the minimum requirement fell from around 49 per cent in the lowest quintile to around 28 per cent in the highest quintile. Meanwhile, around 24 per cent of the sampled persons in the first quintile were at risk of malnutrition. Even in the highest quintile, around 8 per cent were at risk of malnutrition. However, there was an improvement among the poorest over 1996/97, where around 30 per cent were at risk of malnutrition in the lowest income quintile (Chart 8.25).

In summary, the findings with respect to household consumption and expenditure revealed improvements in the overall standard of living in the country between the two survey periods, while also identifying areas of concern for long term overall socio economic development. The structure of consumer expenditure had shifted away from food to non-food expenses, reflecting better awareness of well-being and health and access to information with the improvements in communication facilities, and better access to markets for goods and services with the improvements in the transportation and distribution networks in the country. Increasing competition for more skillful jobs and changing attitudes with increasing focus on the quality of education also seemed to have contributed to the observed changes in the structure of household expenditure. However, along with signs of overall improvements, significant disparities in consumption still remain among sectors, provinces and households at different income levels. Current nutrition levels also indicated that over a third of households in the country (35.9 per cent) did not receive the required minimum daily energy intake, while, even in the highest income quintile in 2003/04, a small share of households (7.7 per cent) faced the risk of malnutrition by international standards.

Savings, Investment and Borrowings

From a household perspective, any mismatch between household income and expenditure, that were discussed in the previous two chapters, would be explained by its savings, investments, borrowings and lendings. In addition to household income and expenditure, the CFS 2003/04 also collected information on these items that are used to balance the mismatch. If a household spent more than it earned during a period of time, it should have either borrowed additional resources or should have used savings accumulated earlier to finance the excess expenditure. Similarly, if a household spent less than its earnings, it should have saved, invested, effected a loan, or settled a loan it had borrowed earlier with the excess income. In this context, the composite picture of a household's economic activity is not complete without information on these balancing items.

The steady growth in the financial sector in recent times has led to the expansion of financial services and the use of modern technology in the financial sector. Consequently, the use of credit cards as a mode of payment has been on an increasing trend. Therefore, in addition to the information on commodity loans taken from retail shops that was collected in the previous survey, information on the use of credit cards for consumer purchases was also included under borrowings in the CFS 2003/04.

The survey findings revealed that household savings and expenditure on consumer durables had increased as a percentage of income. However, the percentage of households with positive savings had declined marginally. In the context of investment, the survey data revealed that the total net household investment as a percentage of income had increased between the two survey periods. The survey data also revealed that the household sector continued to invest in physical assets rather than financial assets. With regard to borrowings, the number of loans per household had risen, while the highest percentage of loans continued to be taken for consumption. Though a steady growth in the financial sector between the two survey periods had led to expansion in the branch network of financial institutions, there was only a marginal increase in the relative number of loans taken from institutional sources. Further, the majority of loans were unsecured, while nearly a third of loans had been taken on jewellery or consumer durables as security. The survey revealed that the percentage of households that purchased goods on credit from vendors and retail shops in the neighbourhood had increased in both the urban and rural sectors, while the use of credit cards was still low and mostly in the urban sector.

9.1 Concepts, Definitions, Methodology of Data Collection and Limitations

This chapter discusses savings from the point of view of individual households. In this analysis, household **savings** were

defined as the difference between total income and total expenditure. This was defined as “unadjusted” savings. Expenditure on jewellery and consumer durables added to unadjusted savings was defined as “adjusted” savings. In this analysis, the **unadjusted savings rate** was defined as the unadjusted savings as a percentage of household income. Similarly, the **adjusted savings rate** was defined as the adjusted savings as a percentage of household income. The savings in a month can be either positive or negative in a particular household. Since household savings were defined as the difference between income and expenditure, estimates of savings were derived from the data collected on the same. The methodology used to collect and analyse the income and expenditure data has been discussed in chapters 7 and 8, respectively. In Chapter 8, expenditure on payment of interest on debt was considered a part of household expenditure, to be consistent with the analysis in previous CFS surveys. However, the definition of expenditure used in this chapter excludes this category, as it was separately analysed as an essential component under borrowings.

The information collected on household investment and borrowings was based on the direct responses of the households. The information on both household investment and borrowings was collected for two **reference periods**, namely, **one month** and **six months** preceding the date of first interview. As the sample size was large and the conduct of the survey was balanced throughout the year, there were no significant differences between the one-month data and average of the six-months data. Therefore, the analysis in the following sections is based on the one-month reference period.

Investment can be broadly defined as purchase, construction or development of capital resources, including both physical and human capital. However, the analysis in this chapter does not focus on household investment in human capital, and household expenditure on education and health was discussed separately in Chapter 8, while changes in education levels and health conditions of household members were analysed in Chapter 4. Hence, the definition of household investment used here was limited to the allocation of money among different assets for future return or benefit. However, expenditure on consumer durables (*e.g.*, jewellery, electrical household goods, kitchen equipment, household appliances *etc.*) was not considered as an investment, although it was included in the broader definition of adjusted household savings.

In the CFS 2003/04, the information on household investment was collected under three main categories, **physical investment**, **financial investment** and **claims**. Physical investment included investment on lands, residential buildings, non-residential buildings, industrial and agricultural machinery and equipment,

agricultural, commercial and industrial stocks, business vehicles and livestock. Households can use such physical investments for their own businesses or for hiring or leasing out to earn income. Capital gains can also be earned from this kind of investment. Financial investment included deposits on savings accounts, term deposits including certificates of deposits, savings certificates and fixed deposits, purchase of government securities (Treasury bills, Treasury bonds, Rupee Loans, debentures, *etc.*), and investment in private financial instruments (shares, debentures, commercial paper, *etc.*). Households invest in financial assets with a view to receiving a capital gain, earning interest income or dividend income from the same. Claims included life insurance premia, provident fund contributions, widows' and orphans' pension fund contributions, cheetus and loans granted. Most employees in the government sector and formal private sector make compulsory contributions to provident funds or pension funds. Unlike the other two categories of investment, this category does not provide a capital gain or profit, but provides benefits to the holders in retirement or in case of contingencies. **Net investment** was defined as the total change in investment under all three main categories during the reference period. In this analysis, the **investment rate** was defined as total net investment as a percentage of household income under each category of investment. In addition to investment, information was also collected on capital losses that diminished the earning capacity of households under each category of investment.

The information on **borrowings** was gathered under three categories of borrowings, namely, **cash loans**, **commodity loans** and **credit card purchases**. Data were collected mainly on three components of cash borrowings, namely, size of the loan taken, capital repaid and interest paid by the households. The **purpose** for which the loan was taken, the **source** of funds, **rate of interest** and the **type of collateral** were recorded for each cash loan in the survey. Information on household commodity loans was collected under two categories, namely, from retail shops for day-to-day consumption and other commodity loans.

In this analysis, the **borrowing rate** was defined as total household borrowings (including cash loans, commodity loans and credit card purchases) as a percentage of household income. The average size of loans per household was derived by dividing the total loan amount by the total number of households. Similarly, the average number of loans per 100 households was derived by dividing the total number of loans accordingly. Both these statistics, *i.e.*, average size of loans and average number of loans, are indicators of household dependency on loans. These point estimates were used for comparisons across sectors and provinces. Loans were analysed by purpose, source and collateral using the percentage distribution of the number of loans and quantum of loans within each sector, province and income quintile.

The collection of income, expenditure, investment and borrowings data has inherent limitations. First, the complexity of the household income and expenditure structure contributes to increase memory lapses with respect to household income and

expenditure data. Second, in addition to their memory lapses, data can be misreported by householders for different reasons. In general, as discussed in Chapter 7, richer households are reluctant to disclose information on their incomes, borrowings and investments for certain reasons, while poorer households tend to mis-report their incomes for certain other reasons.

Third, monthly expenditure was calculated with respect to a particular reference period. The underlying assumption was that the reference period was representative of the usual monthly expenditure pattern. The estimates depend on the validity of this assumption.

Fourth, in some instances, though the householder had invested in production activities, the investigator was not in a position to value the work-in-progress. Especially in agriculture, growing crops were not given an imputed value due to lack of a consistent valuation method. Therefore, work-in-progress was not taken in to consideration in the estimation of household investment.

As mentioned earlier, the difference between income and expenditure, *i.e.*, savings, should ideally be exactly equal to the difference between changes in net investment and net borrowings, assuming no losses owing to theft or natural disaster such as fire, flood or drought. Therefore, to improve the quality and accuracy of data collection, investigators were directed to balance savings with the investment and borrowings of each household. However, balancing was not possible for the data collected from some households due to the above limitations.

9.2 Savings

The right skewed distribution of households with adjusted savings revealed that the majority of households had positive adjusted savings. The adjusted savings of most households indicated that their savings rate were relatively low (Chart 9.1).

The CFS 2003/04 estimated the average monthly household income and expenditure at Rs.17,109 and 16,717, respectively, and the average unadjusted household savings at Rs.392 per month (Table 9.1). As a proportion of income, the unadjusted savings rate for all sectors was around 2 per cent and had declined

Chart 9.1
Distribution of Households by Savings Rate

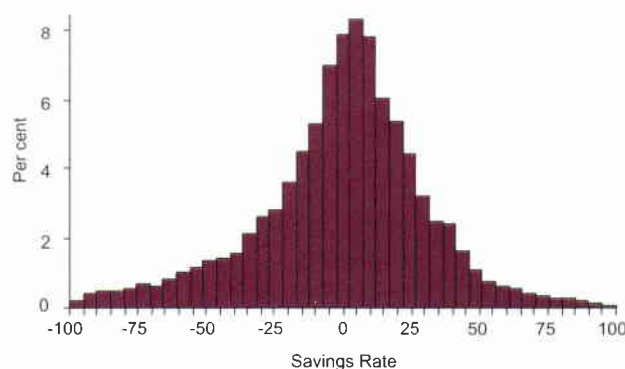


Chart 9.2
Unadjusted Savings Rate by Sector

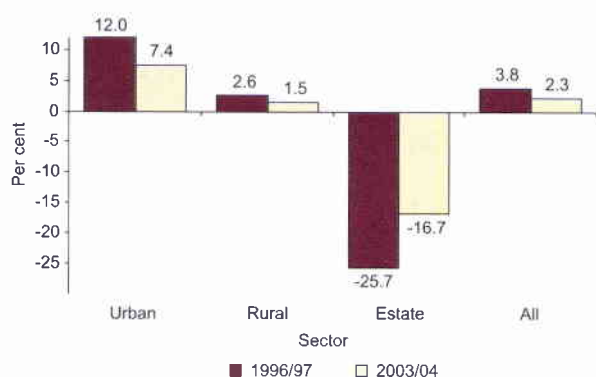
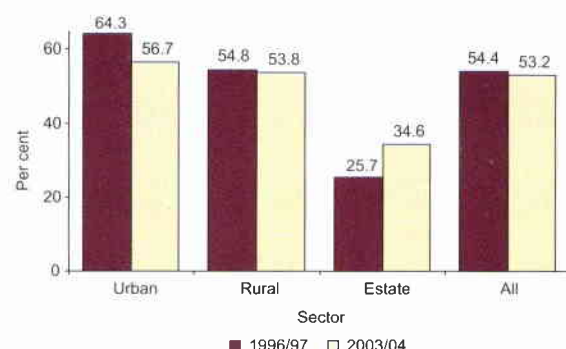


Chart 9.4
Percentage of Households with Positive Adjusted Savings by Sector



from around 4 per cent in CFS 1996/97 (Chart 9.2). The unadjusted savings rate for the urban and rural sectors were 7.4 per cent and 1.5 per cent, respectively. The negative unadjusted savings rate in the estate sector had declined from 26 per cent to 17 per cent between surveys (Chart 9.2), indicating a reduction in dis-saving, while the other two sectors showed a decline in positive unadjusted savings, indicating deterioration in their levels of savings.

Meanwhile, the average adjusted household savings was estimated at Rs.1,904 per month. When adjusted savings were considered, the savings rate had declined in the urban sector, but improved in the rural sector, while dis-savings in the estate sector

had reduced (Chart 9.3). The overall adjusted savings rate had risen to 11.1 per cent in 2003/04. Commensurate with the reduction in the dis-savings rate in the estate sector, the percentage of households with positive savings had increased in the estate sector, although the percentages in the other two sectors had declined (Chart 9.4). Though the estate sector showed average negative adjusted savings, over a third of households had reported positive savings, compared to over half of the households in the other two sectors.

Expenditure on consumer durables as a share of household income, which was 7 per cent in 1996/97, had increased to 9 per cent in 2003/04, indicating an upward trend in spending on

Table 9.1
Household Savings by Sector

Sector	Amounts in Rs.							
	Monthly Household Income	Monthly Household Expenditure	Unadjusted Savings	Monthly Expenditure on Consumer Durables	Adjusted Savings	Unadjusted Savings Rate (%)	Adjusted Savings Rate (%)	Households with Positive Savings (%)
Urban	30,091	27,860	2,231	2,408	4,639	7.4	15.4	56.7
Rural	15,611	15,382	229	1,429	1,658	1.5	10.6	53.8
Estate	9,180	10,712	-1,533	640	-893	-16.7	-9.7	34.6
All Sectors	17,109	16,717	392	1,512	1,904	2.3	11.1	53.2

Chart 9.3
Adjusted Savings Rate by Sector

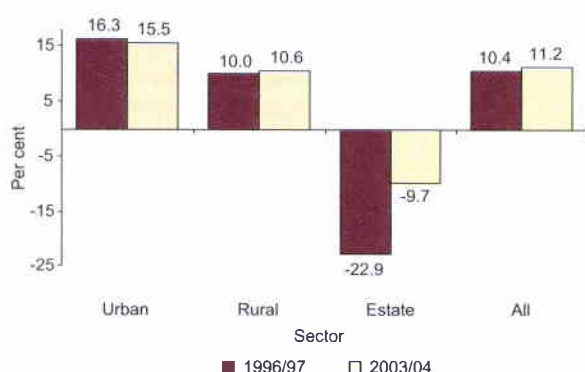


Chart 9.5
Expenditure on Jewellery and Consumer Durables as a Percentage of Household Income by Sector

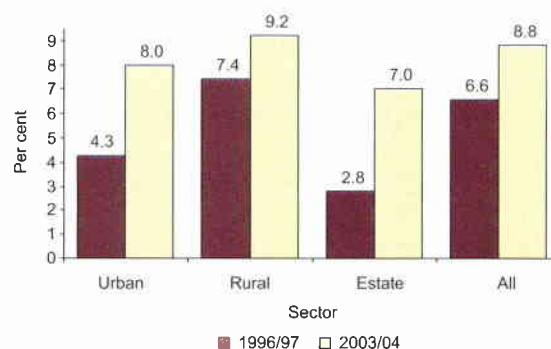


Table 9.2
Household Savings by Province

Amounts in Rs.

Province	Monthly Household Income	Monthly Household Expenditure	Unadjusted Savings	Monthly Expenditure on Consumer Durables	Adjusted Savings	Unadjusted Savings Rate (%)	Adjusted Savings Rate (%)	Consumer Durables as % of Income	Households with Positive Savings (%)
Western	25,602	24,788	814	2,135	2,948	3.2	11.5	8.3	60.0
Central	14,029	13,320	709	761	1,469	5.1	10.5	5.4	54.6
Southern	13,733	14,195	-463	1,343	880	-3.4	6.4	9.8	53.7
Northern (a)	15,201	15,308	-107	1,257	1,149	-0.7	7.6	8.3	38.1
Eastern	13,395	14,350	-955	834	-121	-7.1	-0.9	6.2	34.1
North Western	15,792	16,171	-378	2,661	2,283	-2.4	14.5	16.9	54.2
North Central	15,624	12,703	2,921	1,166	4,087	18.7	26.2	7.5	53.8
Uva	11,178	11,060	117	798	915	1.1	8.2	7.1	43.9
Sabaragamuwa	12,225	11,662	563	825	1,388	4.6	11.4	6.8	54.5
All Provinces	17,109	16,717	392	1,512	1,904	2.3	11.1	8.8	53.2

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

jewellery and consumer durable items (Chart 9.5). Although the estate sector reported a negative adjusted savings rate, expenditure on jewellery and consumer durables as a share of income had increased in the estate sector, as for the other two sectors, between the two survey periods.

On average, even a household in the estate sector spent 7 per cent of its income on consumer durable items, while urban and rural sector households spent 8 per cent and 9 per cent of their income on consumer durables, respectively.

The provincial estimates of unadjusted and adjusted savings were derived to identify disparities, if any, among provinces. All provinces reported positive adjusted savings except the Eastern province (Table 9.2). The North Central province and North Western province had comparatively higher savings rates. The share of households whose income exceeded their expenditure was highest at 60 per cent, in the Western province (Chart 9.6). The percentages were lowest, at around 30 to 40 per cent in the Eastern, Northern and Uva provinces, compared to over 50 per cent in all other provinces.

When estimates in CFS 1996/97 and CFS 2003/04 were compared, the percentage of households with positive adjusted savings increased with the level of income in both surveys.

A similar pattern was observed between income and net investment (Section 9.3). However, the share of households with positive savings had decreased up to the 3rd quintile between surveys, where the shares with positive savings had declined by more than 4 percentage points in both the 1st and 2nd quintiles (Chart 9.7).

Negative unadjusted savings were reported up to the 4th quintile and negative adjusted savings up to the 3rd quintile. However, even in the 1st quintile, 27 per cent of households had positive savings, while for the 5th quintile it was 80 per cent (Table 9.3).

9.3 Investment

Household investment was analysed in the terms of net investment, where net investment was defined as the total change in investments during the reference period. The sum of net physical investments, net financial investments and net claims was defined as the total net investment.

The distribution of the net investment rate revealed a considerable percentage of households with zero or very small net investment relative to their average monthly income

Chart 9.6

Percentage of Households with Positive Adjusted Savings by Province

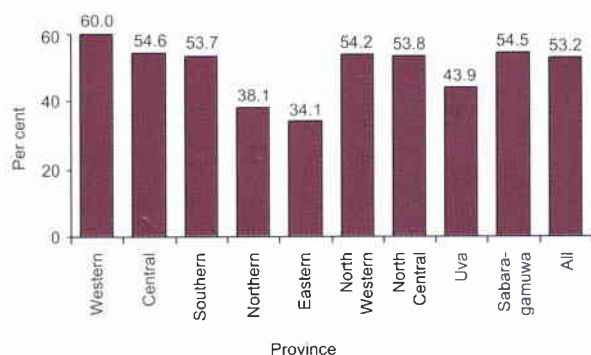


Chart 9.7

Percentage of Households with Positive Adjusted Savings by Income Quintile

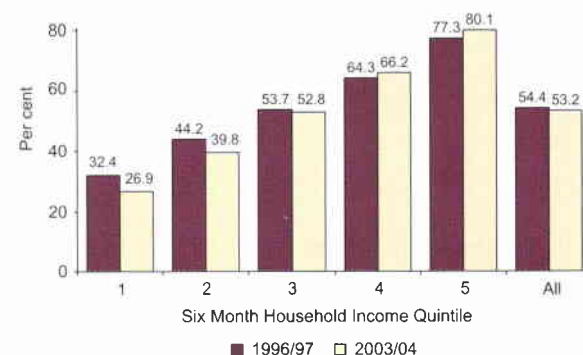


Table 9.3
Household Savings by Income Quintile

Amounts in Rs.

Six Month Household Income Quintile	Monthly Household Income	Monthly Household Expenditure	Unadjusted Savings	Monthly Expenditure on Consumer Durables	Adjusted Savings	Unadjusted Savings Rate (%)	Adjusted Savings Rate (%)	Consumer Durables as % of Income	Households with Positive Savings (%)
1	5,079	6,879	-1,800	220	-1,580	-35.4	-31.1	4.3	26.9
2	8,430	9,899	-1,469	601	-868	-17.4	-10.3	7.1	39.8
3	11,777	13,099	-1,323	906	-416	-11.2	-3.5	7.7	52.8
4	17,702	17,712	-10	1,557	1,547	-0.1	8.7	8.8	66.2
5	42,564	36,003	6,562	4,278	10,840	15.4	25.5	10.1	80.1
All	17,109	16,717	392	1,512	1,904	2.3	11.1	8.8	53.2

(Chart 9.8). The distribution skewed to the right because the majority of households reported positive net investment.

The net investment rate in 2003/04 increased to 24.9 per cent in comparison to 22.7 per cent reported in the previous survey (Chart 9.9). Total net investment per household stood at Rs.4,265 in 2003/04 (Table 9.4).

The urban sector recorded the highest rate as well as the highest increase over the previous survey. The investment rate in the rural sector declined from 25.2 per cent to 23.7 per cent, while the estate sector reported a marginal increase. In both surveys, the estate sector lagged behind the other two sectors, reflecting both the low level of savings and lower investment opportunities available in that sector.

Table 9.4

Distribution of Net Investment 1996/97 and 2003/04

Investment Category	1996/97 (a)		2003/04 (b)	
	Rs.	%	Rs.	%
Net financial investment	-82	-3.8	-126	-3.0
Net physical investment	1,668	77.7	3,254	76.3
Net changes in claim	561	26.1	1,137	26.7
Total	2,147	100	4,265	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Chart 9.8

Distribution of Households by Net Investment Rate

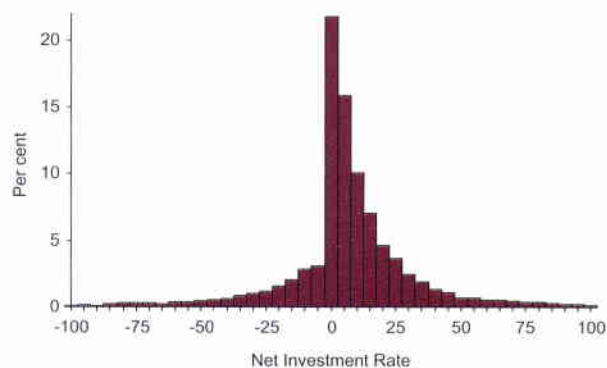
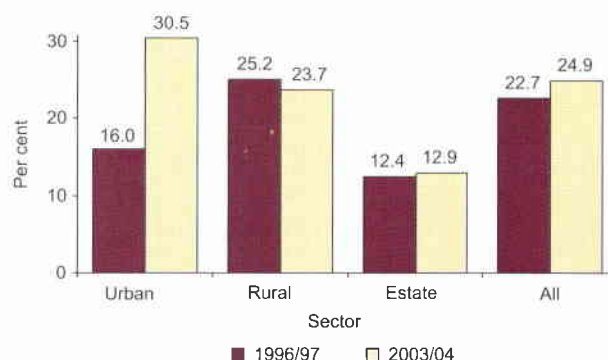


Chart 9.9

Net Investment Rate by Sector



In the province-wise analysis, the North Central province reported the highest investment rate, 83.2 per cent, while the Southern province reported the lowest, 10.5 per cent (Chart 9.10). The unusually high investment rate in the North Central province was solely due to the inclusion of one household in the sample that was responsible over 60 per cent of the total net investment in that province. The rates in other provinces fluctuated in a narrower range of 18 to 37 per cent.

When the investment rate was analysed by income quintiles, it was seen that only the highest income quintile was able to exceed the national average in both surveys (Chart 9.11). This

Chart 9.10

Net Investment Rate by Province

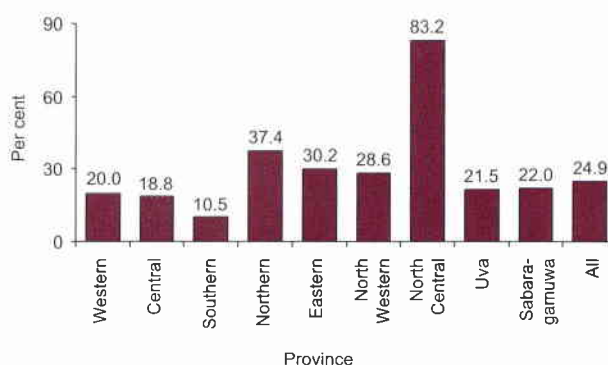
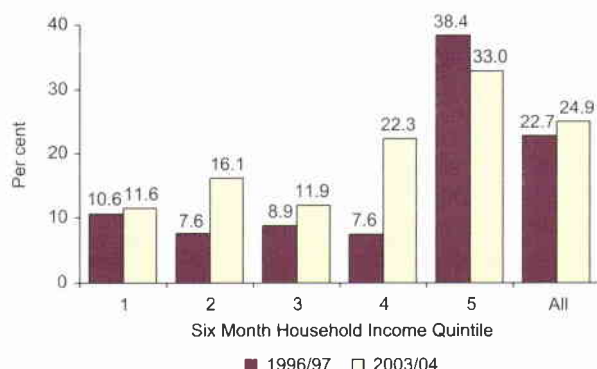


Chart 9.11

Net Investment Rate by Income Quintile

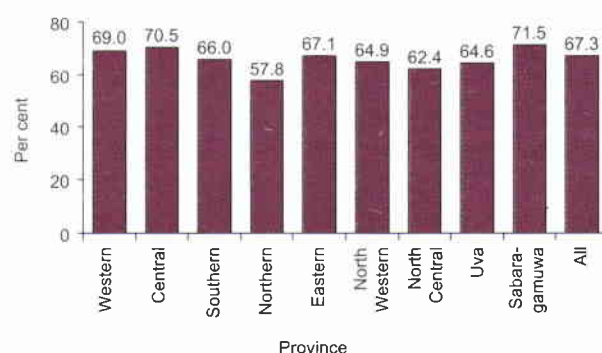


clearly reflected the dominance of richer households in the overall investment rate. Another interesting feature was the increase in the investment rate in 2003/04 compared with the previous survey in each income quintile, except the highest quintile, which recorded a decline in the investment rate, although it still remained significantly higher.

Even though the overall net investment rate was around 25 per cent, the percentage of households with positive investment exceeded a two third of all households (Chart 9.12). The estate sector, that reported the lowest investment rate, emerged as the sector that had the highest percentage of households with positive investments, in both surveys. The reason was that most estate sector inhabitants worked for the estate management, a formal sector employer, whereby their contribution to provident fund benefits is compulsory, albeit small in magnitude. The province-wise data showed that the percentage of households with positive investment varied from 58 per cent in the Northern province to 72 per cent in the Sabaragamuwa province (Chart 9.13). The income quintile analysis showed that the percentage of households with positive investment gradually increased with increase in income (Chart 9.14).

Chart 9.13

Percentage of Households with Positive Net Investment by Province



Distribution of Investment

The survey identified three broad categories of investment, namely, financial investment, physical investment and changes in claims. The contribution to the investment rate by the three investment categories clearly indicated the dominance of physical investment among the three categories (Table 9.4). The net physical investment rate was 19 per cent, whereas the net total investment rate was 25 per cent (Chart 9.15). The net physical investment accounted for around 76 per cent of the total, while net financial investment recorded a dis-investment of 3 per cent. Changes in claims made up the balance at around 27 per cent of the total net investment.

In the sector-wise analysis, the physical investment rate was highest in the urban sector, while the rate in the estate sector was just somewhat lower. In comparison to the previous survey, in the estate sector, the physical investment rate showed a significant improvement in the current survey. The main reason was that in some estates, estate sector households had been provided with land by their management to build their own houses, and this had stimulated investment on housing construction in the estate sector. However, between the two

Chart 9.12

Percentage of Households with Positive Net Investment by Sector

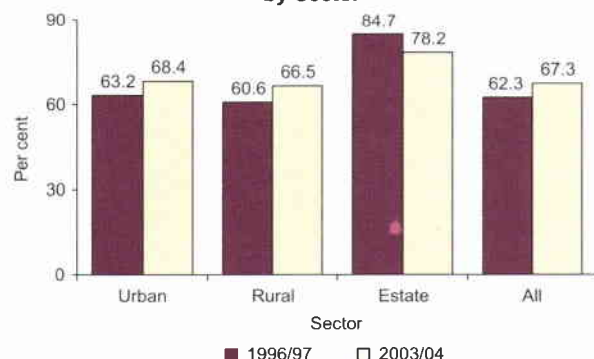


Chart 9.14

Percentage of Households with Positive Net Investment by Income Quintile

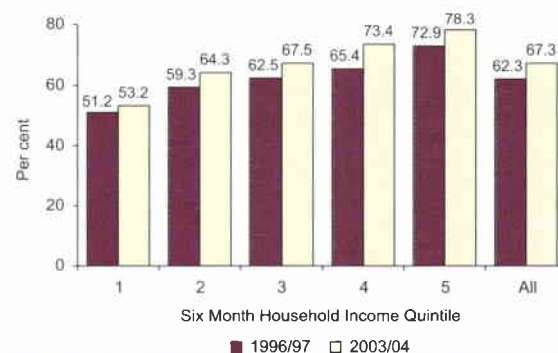
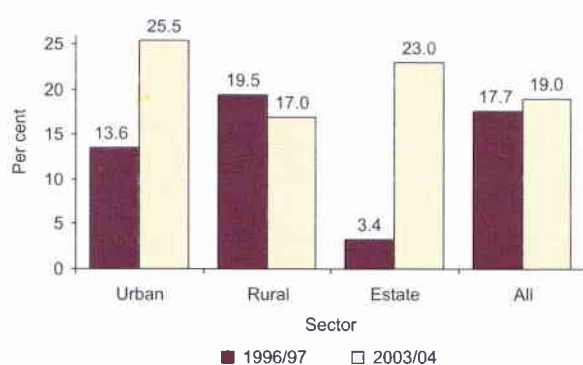


Chart 9.15

Net Physical Investment Rate by Sector



survey periods, physical investment in the rural sector had declined. In the province-wise analysis, the North Central province again reported an unusually high rate (80 per cent) due to the inclusion of the outlier mentioned earlier, while the Southern province reported the lowest of 3 per cent (Chart 9.16).

Chart 9.16

Net Physical Investment Rate by Province

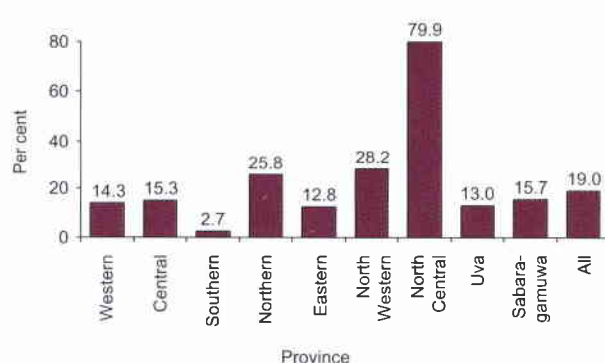


Chart 9.17

Net Physical Investment Rate by Income Quintile

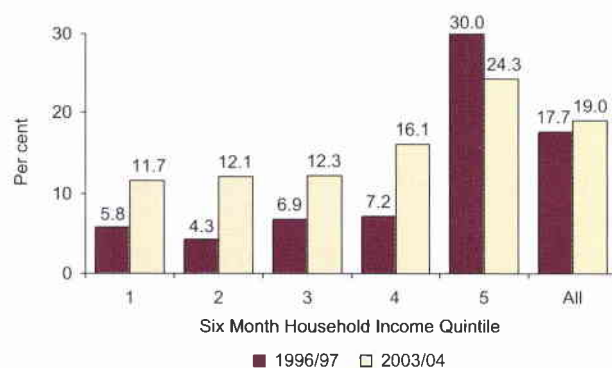
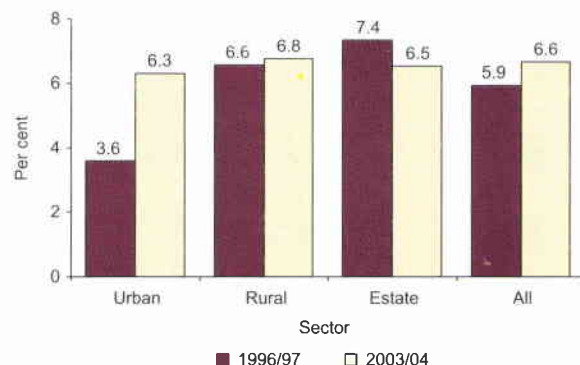


Chart 9.18

Net Changes in Claims Rate by Sector



In the income quintile analysis, the pattern of net physical investment was similar to that of total investment (Chart 9.17), as physical investment dominated total investment.

The second most important category was changes in claims. The net changes in claims as a percentage of income was 6.6 per cent, somewhat higher than the rate of 5.9 per cent recorded in the previous survey (Chart 9.18). Sector-wise, the importance of this source had risen somewhat in the urban and rural sectors, but declined in the estate sector since the previous survey, so that sectoral differences had declined by 2003/04. Province-wise, net changes in claims were most important in the Northern province investment portfolio, which was over twice of the national average, while this source of investment was important in the Eastern province as well (Chart 9.19).

In the income quintile analysis, the pattern was similar to that of net physical investment and net total investment, except that the net changes in claims had increased more sharply with changes in income, emphasising the importance of the higher incomes needed to expand such types of investment.

The net financial investment rate was marginally negative in both surveys (Chart 9.21). This indicates that during the survey period, the respondent households had disposed more financial assets than they had acquired. The negative behaviour in net

Chart 9.19

Net Changes in Claims Rate by Province

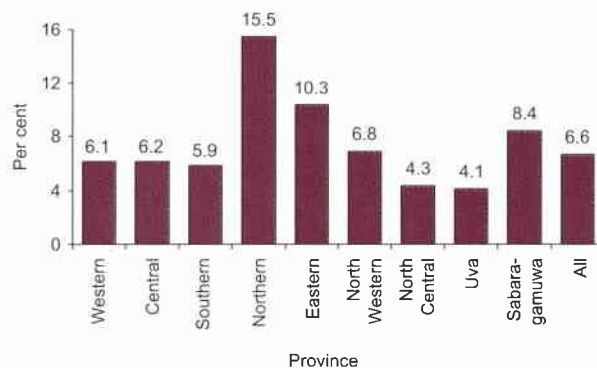


Chart 9.20

Net Changes in Claims Rate by Income Quintile

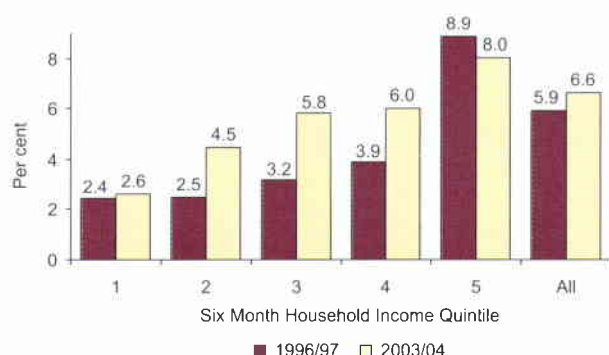


Chart 9.22

Net Financial Investment Rate by Income Quintile

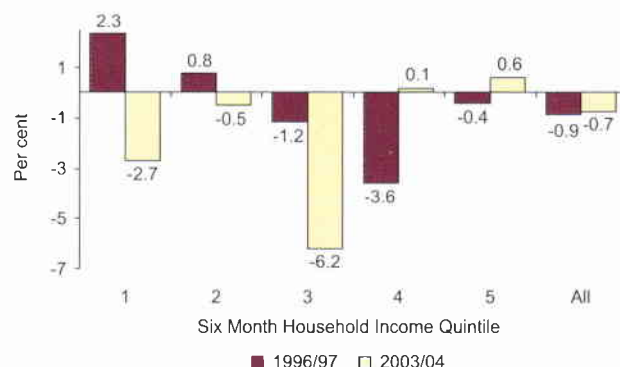
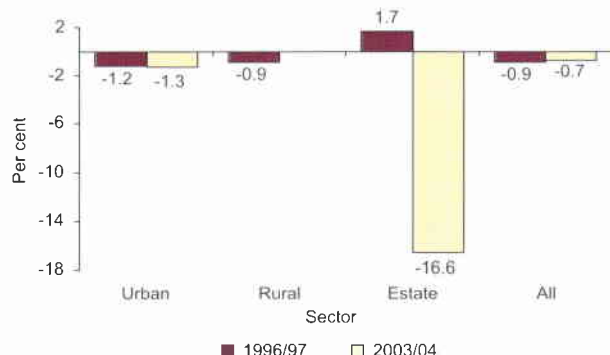


Chart 9.21

Net Financial Investment Rate by Sector



financial investment was observed in all three sectors and all but the highest income quintiles in 2003/04 (Chart 9.22). The dominance of physical investment and the lower importance of financial investment in the household investment portfolio reflected the preference of the household sector to invest in physical, rather than financial, assets.

Capital Losses

Any kind of damage or destruction to capital assets is considered a capital loss. In this survey, information was collected on capital losses under the main categories of house and property, agricultural assets, industrial/business assets, livestock deaths/thefts, and other physical assets.

Losses in agricultural assets were highest in both CFS 1996/97 and CFS 2003/04 (Table 9.5). Reflecting the relatively higher incidence of agricultural economic activities in the rural sector, it registered the highest share of losses of 70.7 per cent from agricultural assets, while the estate sector registered 100 per cent losses from the same category. In the previous survey too, the total share of losses was highest for agricultural assets. However, it was much higher in 2003/04 due to the severe drought that prevailed in many agricultural districts during the survey period. Losses from house and property accounted for an average share of 14.4 per cent in 2003/04. The relative share was 26.3 per cent in the urban sector and 14.4 in the rural sector. Relatively the losses were least in industrial assets. The share was 3.4 per cent. However, in the sector-wise distribution of losses, in the urban sector, the highest share of losses of 65.8 per cent was recorded from industrial assets.

Table 9.5

Distribution of Capital Losses by Sector 1996/97 and 2003/04

Category	1996/97 (a)				2003/04 (b)			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
House and property	13.5	17.1	—	16.7	26.3	14.4	—	14.4
Agricultural assets	—	40.4	27.8	37.3	—	70.7	100.0	70.4
Industrial / business assets	83.9	8.3	—	13.7	65.8	3.0	—	3.4
Livestock	2.2	15.2	—	14.1	7.9	7.9	—	7.8
Other physical assets	0.4	19.1	72.2	18.1	—	4.0	—	3.9
	100	100	100	100	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

9.4 Borrowings

In the structure of all household borrowings, the quantum share of cash borrowings was highest (78 per cent), while the share of borrowings from retail shops (18 per cent) was also significant (Chart 9.23). Other commodity loans amounted to around one per cent. Though credit card usage has been increasing in the recent past, its share was just 3 per cent of total household borrowings.

The borrowing rate was defined as the total amount of cash loans, commodity loans and credit card borrowings as a percentage of income. The borrowing rate can be affected by a number of factors such as the ability of households to meet all their expenditure with their income, their investment patterns and other social and cultural practices.

The borrowing rate had declined in both the rural and estate sectors, while the urban sector rate remained the same (Table

Table 9.6
Borrowing Rate by Sector 1996/97 and 2003/04
(As a percentage of household income)

Sector	1996/97 (a)	2003/04 (b)
Urban	15.4	15.4
Rural	27.6	23.8
Estate	37.1	27.8
All	25.2	22.1

(a) Excluding Northern and Eastern provinces
(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 9.7
Households with Borrowings by Sector 1996/97 and 2003/04
(As a percentage of all households)

Sector	1996/97 (a)	2003/04 (b)
Urban	31.8	43.6
Rural	41.7	48.6
Estate	79.6	71.1
All	42.5	49.1

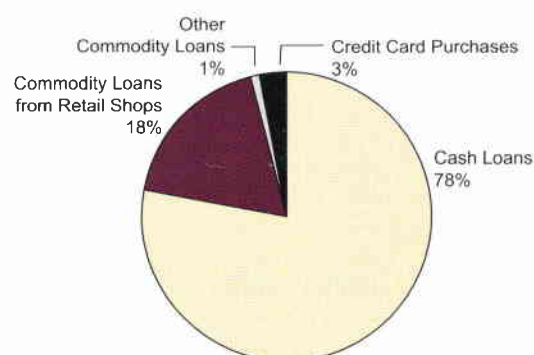
(a) Excluding Northern and Eastern provinces
(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 9.8
Borrowing Rate by Province
(As a percentage of household income)

Province	Borrowing Rate
Western	19.1
Central	18.4
Southern	31.3
Northern (a)	39.0
Eastern	43.6
North Western	22.3
North Central	14.2
Uva	21.3
Sabaragamuwa	14.7
All	22.1

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Chart 9.23
Distribution of Household Borrowings by Amount



9.6). Further, in both surveys the highest borrowing rate was reported in the estate sector and lowest in the urban sector. However the percentage of households with borrowings had increased in the urban and rural sectors, while in the estate sector the proportion declined, although its share was significantly higher than in the other two sectors (Table 9.7). These findings supported the findings in Chapter 8, where the estate sector reported a higher expenditure share on interest on debt than the other two sectors, consistent with their dis-savings.

According to the provincial analysis, the borrowing rate was highest in the Eastern province followed by the Northern province (Table 9.8). The Eastern province had also reported the lowest savings rate, discussed earlier. These findings indicated a high dependency on borrowings in the Eastern province. The percentage of households with borrowings was also highest in the Eastern province, followed by the Uva, then Northern province (Table 9.9).

The borrowing rate had risen in all income quintiles, except the 5th quintile between the two surveys. The percentage of households with borrowings had also risen in all income quintiles (Table 9.10). Following the changes between the two surveys, the share of households with borrowings declined with income in 2003/04. In fact, the findings indicated that fewer of the richest

Table 9.9
Households with Borrowings by Province
(As a percentage of all households)

Province	Households with Borrowings
Western	40.8
Central	50.4
Southern	49.4
Northern (a)	58.1
Eastern	65.3
North Western	47.4
North Central	49.5
Uva	61.3
Sabaragamuwa	48.9
All	49.1

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 9.10

Borrowing Rate by Income Quintile 1996/97 and 2003/04
(As a percentage of household income)

Six Month Household Income Quintile	1996/97 (a)	2003/04 (b)
1	24.4	37.6
2	19.2	28.5
3	16.7	22.4
4	18.4	20.1
5	32.0	19.7
All	25.2	22.1

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 9.11

Households with Borrowings by Income Quintile
1996/97 and 2003/04
(As a percentage of all households)

Six Month Household Income Quintile	1996/97 (a)	2003/04 (b)
1	55.4	62.8
2	51.8	59.2
3	45.2	50.6
4	35.1	42.4
5	25.1	30.5
All	42.5	49.1

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

households were dependent on borrowings in both surveys (Table 9.11).

Cash Loans

The average number of cash loans per 100 households and the average size of loan per household are indicators of the frequency and quantum of household borrowings, respectively. Compared to the 1996/97 survey, the average number of loans taken per household had increased in the country (Chart 9.24). However, in the sector-wise analysis, the number of loans per household

Chart 9.24

Average Number of Loans taken per 100 Households by Sector

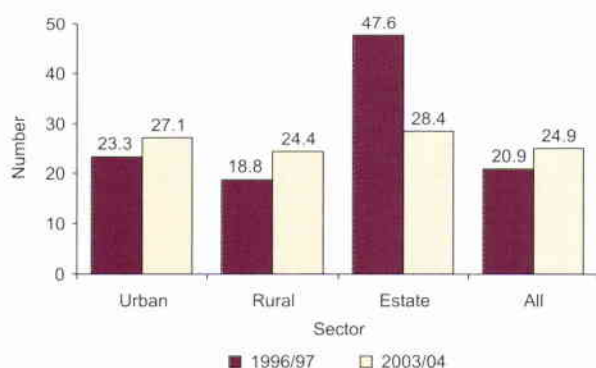
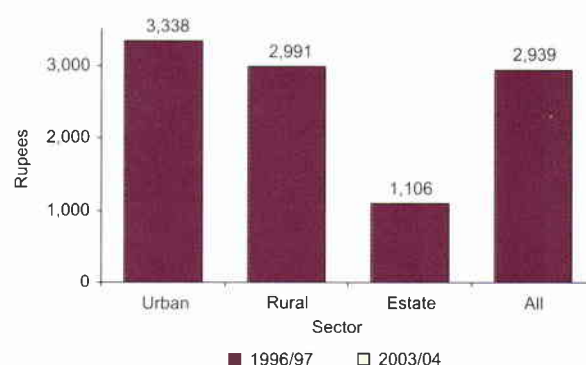


Chart 9.25

Average Size of Loan per Household by Sector



in the urban and rural sectors had risen, but declined in the estate sector, thereby reducing sectoral differences. The highest growth in the number of loans per household was reported from the rural sector, which was targeted by many financial institutions in the recent past in their market expansion programmes. The decline in the number of household loans reported by the estate sector was relatively high. This could be partly an outcome of the general trend in the estate sector towards the patterns in other sectors that was seen in other areas of household behaviour.

The average number of loans taken per 100 households was 25 and the average size of loan per household was Rs.2,939 (Chart 9.25) in comparison to average household income of Rs.17,109.

Sector wise, the estate sector had reported the highest average number of loans and lowest average size of loan per household, similar to the previous survey. It confirmed that dependency on loans was higher in the estate sector, though the sizes of loans were relatively low. This pattern was consistent with the negative adjusted savings (dis-savings) rate reported in the estate sector.

The Eastern and Northern provinces had reported relatively higher borrowings as cash loans in terms of both number and quantum (Chart 9.26 and 9.27). Both provinces had shown greater household dependency on loans than other provinces. The third highest number of loans per household and average loan size had been reported from the Western province, the most commercialised area in the country.

When the number and amount of loans taken was analysed by income quintiles, it was seen that while the distribution of the number of loans declined marginally with rising income quintile, the quantum share of loans taken increased significantly with the level of income (Table 9.12). A similar pattern could be observed in the previous survey too. In fact, households belonging to the highest income quintile had borrowed nearly half the quantum of loans, although a smaller share than in the previous survey. The reason for this is that probably richer households could afford higher credit due to their higher repayment capability and possession of assets that can be pledged as collateral. Meanwhile, the quantum share of loans taken by the lowest two quintiles had each doubled between the two surveys.

Chart 9.26

Average Number of Loans taken per 100 Households by Province

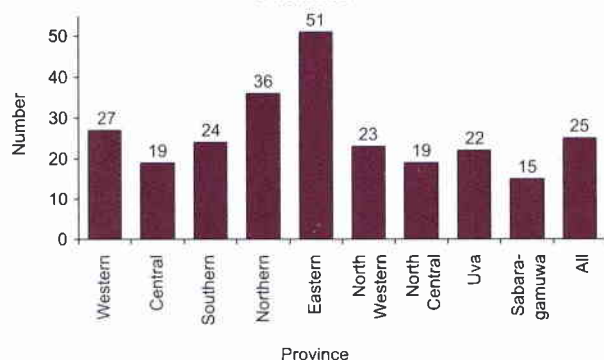


Chart 9.27

Average Size of Loan per Household by Province

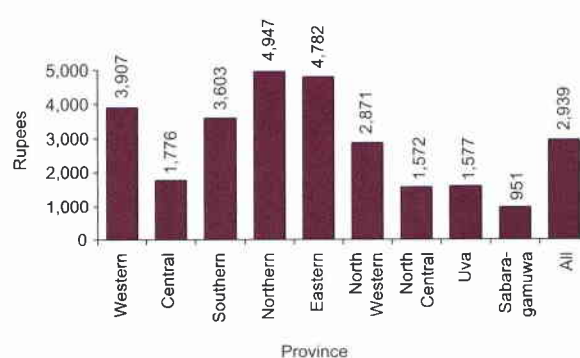


Table 9.12

Distribution of Number and Amount of Loans by Income Quintile 1996/97 and 2003/04

Six Month Household Income Quintile	Number		Amount	
	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)
1	20.1	21.3	4.1	8.3
2	21.9	21.5	5.5	10.7
3	21.0	20.4	7.1	12.5
4	18.6	19.7	13.9	19.2
5	18.4	17.1	69.4	49.3
Total	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 9.13

Distribution of Number and Amount of Loans by Purpose 1996/97 and 2003/04

Purpose	Number		Amount	
	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)
Agriculture	6.0	5.9	3.1	4.5
Industry / Business / Trade	7.5	9.0	50.4	27.1
Housing	9.5	8.4	16.4	20.8
Consumption	47.9	47.6	8.3	12.6
Ceremonial / Ritual	14.6	10.8	5.1	7.5
Consumer Durables	2.4	3.3	2.2	7.4
Other	12.1	15.0	14.4	20.1
Total	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Cash Loans by Purpose

The distribution by purpose of the number of loans taken by households had not changed appreciably between the two surveys (Table 9.13). The quantum share of loans taken for Industry/Business/Trade had declined from 50 per cent in CFS 1996/97 to 27 per cent in CFS 2003/04, while the percentage of number of loans had increased slightly.

The median size of loans taken indicated that half the loans were below Rs 3,000 (Chart 9.28). When analysed by purpose, the median size of loans revealed that the loans taken for Industry/Trade/Business, Housing and Consumer durables were relatively larger. The lowest mean size of loans had been taken for consumption and that category also reported the lowest median.

Chart 9.28

Mean and Median Size of Loans by Purpose

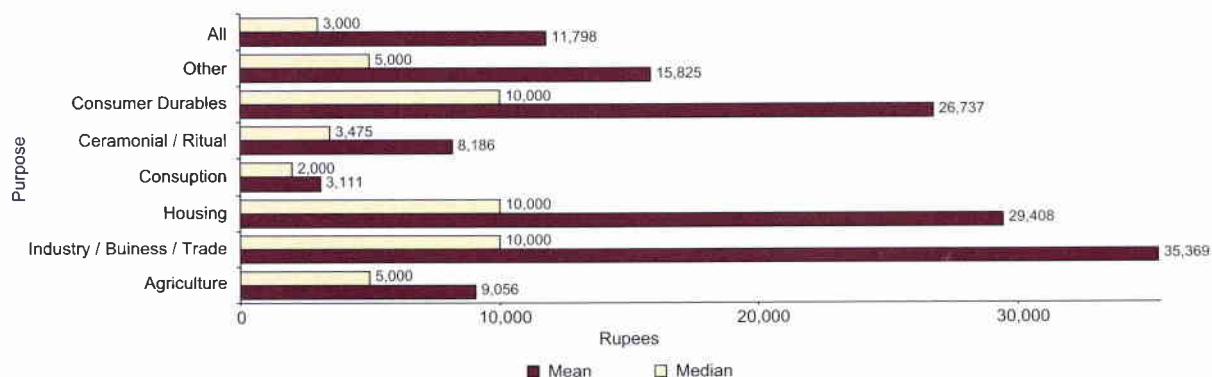


Table 9.14

Distribution of Number and Amount of Loans by Purpose within Sector

Purpose	Number				Amount			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Agriculture	0.8	7.0	3.6	5.9	0.3	5.2	7.2	4.5
Industry / Business / Trade	9.3	9.5	1.8	9.0	34.8	26.4	1.5	27.1
Housing	5.8	9.2	2.4	8.4	14.1	22.2	9.7	20.8
Consumption	53.0	46.3	52.7	47.6	14.5	11.7	33.7	12.6
Ceremonial / Ritual	14.5	8.9	28.4	10.8	9.6	6.5	36.9	7.5
Consumer Durables	2.0	3.7	0.6	3.3	2.7	8.3	2.7	7.4
Other	14.8	15.4	10.1	15.0	24.0	19.7	7.8	20.1
Unidentified	0.0	0.0	0.6	0.0	0.0	0.0	0.4	0.0
Total	100	100	100	100	100	100	100	100

The distribution of loans by purpose revealed that nearly half of the number of loans taken by households was for direct consumption (Table 9.14). However, the shares of both number and amount were significantly higher under the broader definition of consumption that included both ceremonial/ritual and consumer durables. Overall, 20 per cent of the amount of loans had been taken for other miscellaneous purposes.

Though the contribution of Agriculture to the Gross Domestic Product (GDP) has been around 20 per cent, the percentage of loans taken for agricultural purposes was lowest in terms of quantum. The highest quantum of loans had been taken for Industry/Business/Trade, followed by Consumption and Housing in the urban sector. In the estate sector, consumption loans accounted for one third of the total amount, while as observed in

the previous surveys too, a higher percentage of loans had been taken by the estate sector for ceremonial/ritual purposes. This high percentage of borrowing could be the outcome of social practices in the estate community.

When the distribution of household loans within each province was analysed (Tables 9.15 and Table 9.16), it showed that the highest percentage of number of loans had been taken for consumption purposes in all provinces. Further, the North Central province, being a predominantly agriculture area, reported the highest percentage of agricultural loans in terms of numbers and amount, while the lowest percentage was reported from the Western province where Agriculture is minimal. The share of loans taken for housing was highest in the Western province (10.5 per cent) followed by the Northern province (10 per cent).

Table 9.15

Distribution of Number of Loans by Purpose within Province

Purpose	Province									
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	All Provinces
Agriculture	0.8	7.3	4.4	3.8	4.9	8.6	27.8	14.0	4.8	5.9
Industry / Business / Trade	8.8	6.9	9.4	10.0	11.2	8.6	10.4	8.1	7.5	9.0
Housing	10.5	8.7	7.8	10.0	4.0	9.8	5.6	6.4	9.1	8.4
Consumption	51.9	38.2	51.1	48.5	55.5	39.2	28.5	47.7	47.3	47.6
Other	28.0	38.5	27.2	27.7	24.5	33.7	27.8	23.8	31.2	29.0
Total	100	100	100	100	100	100	100	100	100	100

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 9.16

Distribution of Amount of Loans by Purpose within Province

Purpose	Province									
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	All Provinces
Agriculture	0.3	5.8	4.1	3.6	4.3	9.4	25.9	11.5	4.6	4.5
Industry / Business / Trade	21.8	38.3	49.1	18.8	26.4	20.6	13.1	13.7	23.6	27.1
Housing	26.4	22.5	12.7	33.6	10.8	22.9	7.7	20.4	16.5	20.8
Consumption	11.2	11.6	9.9	19.0	19.4	10.4	7.4	17.0	16.3	12.6
Other	40.4	21.6	24.2	25.0	39.1	36.7	45.7	37.3	39.0	35.0
Total	100	100	100	100	100	100	100	100	100	100

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 9.17

**Distribution of Number of Loans by Purpose
within Income Quintile**

Purpose	Six Month Household Income Quintile					All
	1	2	3	4	5	
Agriculture	7.4	8.4	5.9	4.0	3.2	5.9
Industry / Business / Trade	3.4	7.5	8.1	12.5	15.2	9.0
Housing	6.9	4.5	7.1	10.8	13.8	8.4
Consumption	57.6	55.3	49.9	41.1	30.3	47.6
Other	24.8	24.2	29.1	31.5	37.5	29.0
Total	100	100	100	100	100	100

Table 9.18

**Distribution of Amount of Loans by Purpose
within Income Quintile**

Purpose	Six Month Household Income Quintile					All
	1	2	3	4	5	
Agriculture	9.8	12.7	5.4	3.6	2.0	4.5
Industry / Business / Trade	5.5	15.3	18.1	20.6	38.1	27.1
Housing	18.1	9.2	13.4	28.7	22.6	20.8
Consumption	30.2	22.4	23.8	13.8	4.1	12.6
Other	36.3	40.3	39.2	33.3	33.1	35.0
Total	100	100	100	100	100	100

Also, the Northern province reported the highest quantum of loans taken for housing, followed by the Western province. The Western province was the most commercialised province in the country with the highest population density. Therefore, housing construction activities have been considerable in the Western province. The reason for the higher share of housing loans reported from the Northern province could be the rapid growth in construction after the ceasefire agreement in early 2002.

When the number of loans taken for each purpose was analysed by income, it was clearly seen that poorer households had taken more loans for consumption than richer households (Table 9.17). Similarly, the quantum share of consumption loans in poorer households was higher than in richer households (Table 9.18). Further, the percentage share of the number of loans taken for consumption by the poorest income quintile was twice the share in the richest income quintile. Meanwhile, the richer households reported higher shares of loans taken for Industry/Business/Trade and Housing in terms of amount and number.

Cash Loans by Source

The sources of cash loans taken by households were classified under 9 categories. These sources were grouped into institutional sources and non-institutional sources based on their legal and structural background. All development banks, regional development banks and leasing companies were included in the Development finance institutions category. The category Other banks and co-operatives category comprised rural banks belonging to co-operative societies, Samurdhi banks and

Table 9.19

Distribution of Number and Amount of Loans by Source

Source	Number Share		Amount Share	
	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)
Institutional	43.1	44.4	67.3	61.1
Commercial Banks	19.6	23.9	50.7	35.9
Development Finance Institutions	1.4	5.3	2.4	11.2
Other Banks and Co-operatives	6.6	6.5	2.5	4.6
Formal Sector Employer	9.3	4.7	7.5	4.6
Other	6.3	4.0	4.1	4.8
Non-Institutional	56.9	55.6	32.7	38.9
Money Lenders	19.0	10.8	9.3	8.2
Friends and Relatives	36.4	42.4	22.0	29.0
Other	1.5	2.4	1.4	1.8
Total	100	100	100	100

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

Janashakthi banks which cater to the lower income layers of the society by providing micro credit facilities. Non-Government Organisations (NGOs) and thrift societies were included in Other institutional sources. Those who grant loans without charging interest were treated as Friends and relatives and those who charged interest were treated as "Money lenders" even if there was a relationship between the borrower and the lender.

The survey in 2003/04 revealed that around 44 per cent of the number of loans had been granted to households by institutional sources and 56 per cent by non-institutional sources (Table 9.19). Though the banking sector has recorded a fast growth in the recent past, yet non-institutional sources were the major source of loans in the household sector.

Further, the share of the number of loans taken from institutional and non-institutional sources had not changed considerably between the last two surveys (Chart 9.29). However, the share of the number of loans taken from commercial banks and development finance institutions had increased, while the share of loans obtained from formal sector employers had declined. It is noteworthy to highlight that the percentage of

Chart 9.29

**Distribution of Number of Loans by Source
1996/97 and 2003/04**

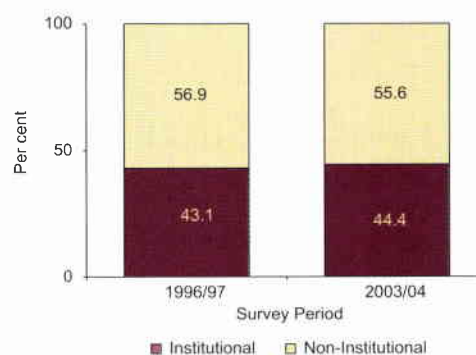
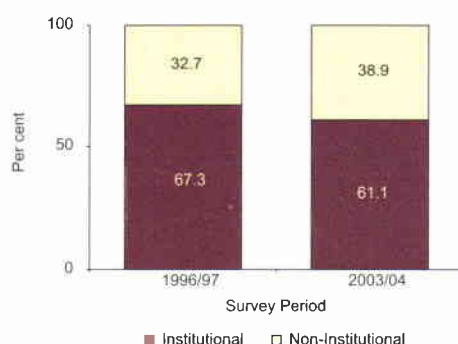


Chart 9.30
Distribution of Amount of Loans by Source
1996/97 and 2003/04

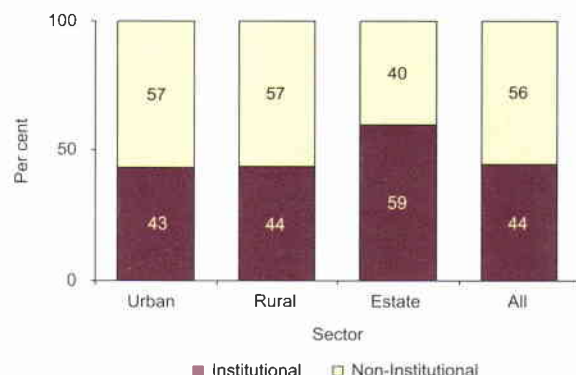


number of loans taken from money lenders had declined from 19 per cent to 11 per cent, while loans from friends and relatives had risen between the two surveys.

The share of the amount of loans taken from institutional sources had declined from 67 per cent in 1996/97 to 61 per cent in 2003/04 (Chart 9.30). A significant feature was that the percentage of amount of loans granted by commercial banks to the household sector had declined from 51 per cent to 36 per cent between surveys. The penetration of development finance institutions to the credit market could be the reason for this significant decline of the amount of loans in the commercial banking sector, as the amount of loans granted by development finance institutions had increased from 2 per cent to 11 per cent during the same period. The percentage of amount of loans taken from friends and relatives had also increased from 22 per cent to 29 per cent during this period.

Among non-institutional sources, friends and relatives were the most dominant loan providers. Meanwhile, money lenders continue to play a significant role in the credit market and contributed 11 per cent of the number of loans and 8 per cent of the amount of loans, often at high interest rates. The commercial banks share of household loans was 24 per cent of the number of loans and 36 per cent of the amount.

Chart 9.32
Distribution of Number of Loans by Source within Sector



The highest mean and median loan sizes were reported for loans taken from development finance institutions (Chart 9.31). The mean and median sizes of loans taken from friends and relatives were the lowest among all sources, and indicated that, although households frequently take loans from their friends and relatives, most of those loans were relatively small in size.

Sector wise, the shares of the number of loans taken from institutional sources by both the rural and urban sectors were around 43 per cent, while the estate sector reported 59 per cent (Chart 9.32). The share of the amount of loans taken from institutional sources was highest in the rural sector (Chart 9.33), which also reported the highest share of amount of loans taken from commercial banks. The share of loans taken from the employer was significantly higher in terms of the number and amount in the estate sector (Table 9.20).

The share of the number of loans taken from non-institutional sources in the Southern province was relatively highest and relatively lower in the Central and North Central provinces (Chart 9.34). However, the share of loans taken from non institutional sources in terms of amounts did not follow this trend except in the Central province, thereby indicating differences in loan sizes among provinces (Chart 9.35).

Chart 9.31
Mean and Median Size of Loans by Source

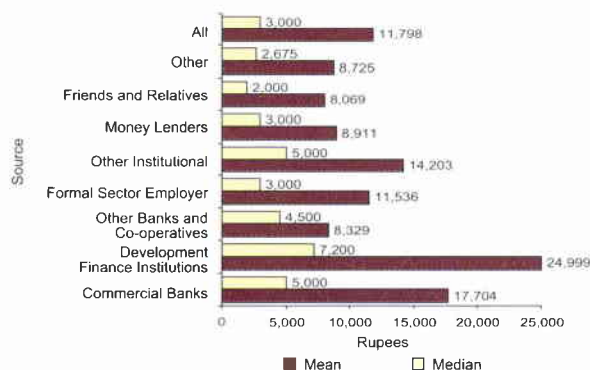


Chart 9.33
Distribution of Amount of Loans by Source within Sector

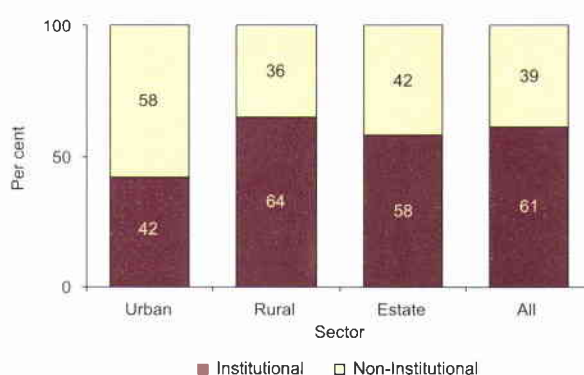


Table 9.20

Distribution of Number and Amount of Loans by Source within Sector

Source	Number				Amount			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
Institutional	43.3	43.6	59.2	44.4	42.1	64.4	57.7	61.1
Commercial Banks	27.0	23.0	30.2	23.9	28.4	37.3	29.7	35.9
Development Finance Institutions	3.3	5.7	4.1	5.3	5.8	12.3	4.2	11.2
Other Banks and Co-operatives	3.5	6.9	7.1	6.5	2.6	4.8	10.6	4.6
Formal Sector Employer	5.5	3.7	17.8	4.7	3.7	4.6	13.2	4.6
Other	4.0	4.3	0.0	4.0	1.6	5.4	0.0	4.8
Non-Institutional	56.8	56.5	40.2	55.6	57.9	35.6	41.9	38.9
Money Lenders	12.5	10.5	11.8	10.8	10.8	7.6	14.2	8.2
Friends and Relatives	42.0	43.6	25.4	42.4	44.1	26.5	26.0	29.0
Other	2.3	2.4	3.0	2.4	3.1	1.6	1.7	1.8
Total	100	100	100	100	100	100	100	100

Chart 9.34

Distribution of Number of Loans by Source within Province

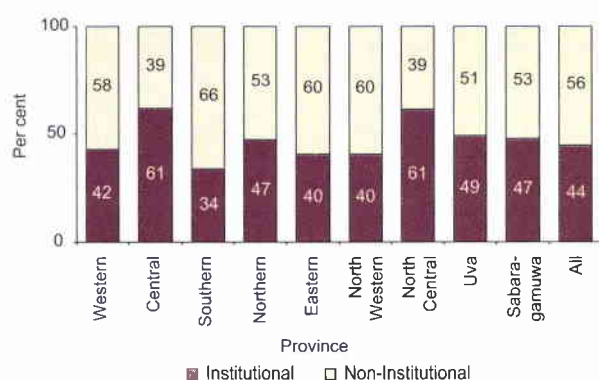
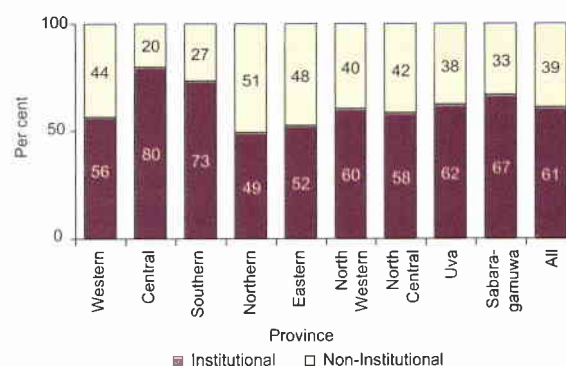


Chart 9.35

Distribution of Amount of Loans by Source within Province



In some provinces, differences between institutional and non-institutional sources were significant and could be due to socio-economic and cultural factors. However, this survey did not focus on finding out the reasons for those differences.

Table 9.21

Distribution of Number of Loans by Source within Income Quintile

Source	Six Month Household Income Quintile					All
	1	2	3	4	5	
Institutional	37.6	42.5	43.5	48.8	51.1	44.4
Non-Institutional	62.4	57.3	56.5	51.2	48.9	55.6
Total	100	100	100	100	100	100

Table 9.22

Distribution of Amount of Loans by Source within Income Quintile

Source	Six Month Household Income Quintile					All
	1	2	3	4	5	
Institutional	42.3	60.4	52.2	62.8	65.9	61.1
Non-Institutional	57.7	39.5	47.8	37.2	34.1	38.9
Total	100	100	100	100	100	100

When considering the source of loans by income, low-income households had taken a majority of loans from non-institutional sources (Table 9.21). Similarly, the quantum share from non-institutional sources was also higher in poorer households (Table 9.22). These findings showed that most poor households had been catered to by non-institutional lending sources. Even households in the highest income quintile had used non-institutional sources for around half the number and a third of the quantum of their credit needs.

Cash Loans by Collateral

During the period between the last two CFS surveys, the structure of the type of collateral with regard to the distribution of the number of loans had not changed significantly (Table 9.23). Meanwhile, the quantum share of loans taken on personal guarantee and jewellery/consumer durables had doubled, while that on immovable property had decreased significantly from 31 per cent in 1996/97 to 9 per cent in 2003/04. The shares in other categories of collateral had not changed during this period.

The mean and median sizes of cash loans by collateral were derived for specific categories. The mean size of the loans taken on immovable property was highest among the 5 categories (Chart 9.36), followed by loans taken on Machinery/EPF *etc.* Further, the median size of the loans taken on immovable property

Table 9.23
Distribution of Number and Amount of Loans
by Collateral

Type of Collateral	Number		Amount	
	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)
No security	57.8	54.6	35.5	37.7
Personal guarantee	6.7	9.9	10.4	20.8
Immovable property	1.6	1.2	30.6	9.1
Jewellery / consumer durables	31.2	31.0	11.9	20.8
Other	2.7	3.4	11.6	11.6
Total	100	100	100	100

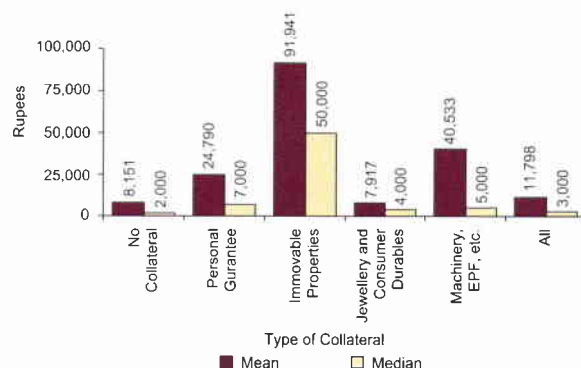
(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

was Rs.50,000, indicating that the sizes of the loans in that category were relatively higher than loans taken on other securities. Though the mean size of unsecured loans was Rs.8,151, the median of that category indicates that most of those loans were relatively small in size.

The highest percentage of number and amount of loans had been taken without collateral (Table 9.24). All loans taken from friends and relatives and some loans taken from money lenders and other sources had been taken without collateral. The second highest percentage of number of loans was taken with jewellery/consumer durables as collateral, while the corresponding quantum share of loans was 21 per cent. This shows that pawning was still a popular form of household borrowing in the country. Immovable property had been pledged for only one per cent of loans and 9 per cent in amount. In the sector wise analysis, the

Chart 9.36
Mean and Median Size of Loans by Collateral



percentage of number of loans taken without collateral was more than 50 per cent in both urban and rural sectors, while the estate sector reported 48 per cent. In terms of the amount of loans, the highest percentage had been reported by the urban sector. Both in terms of number and amount, the share of loans taken on personal guarantee were highest in the rural sector, while loans taken on jewellery and consumer durables were highest in the estate sector.

The percentage shares of number of loans and quantum of loans on different collateral varied among provinces. The percentage of the number of loans taken without collateral was more than 40 per cent in all provinces except North Central province (Table 9.25). Most of these loans had been taken from non-institutional sources such as money lenders and friends and relatives. The statistics showed that jewellery and consumer

Table 9.24
Distribution of Number and Amount of Loans by Collateral within Sector

Type of Collateral	Number				Amount			
	Urban	Rural	Estate	All Sectors	Urban	Rural	Estate	All Sectors
No security	57.0	54.6	47.9	54.6	57.8	34.2	40.4	37.7
Personal guarantee	7.0	10.8	4.1	9.9	13.8	22.4	3.7	20.8
Immovable property	0.5	1.3	0.6	1.2	1.3	10.6	1.1	9.1
Jewellery / consumer durables	30.5	30.0	45.6	31.0	23.0	19.8	48.3	20.8
Machinery / Pro-notes / EPF / other	5.0	3.2	1.8	3.4	4.2	13.0	6.4	11.6
Total	100	100	100	100	100	100	100	100

Table 9.25
Distribution of Number of Loans by Collateral within Province

Type of Collateral	Province									
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabara- gamuwa	All Provinces
No security	56.8	50.7	69.7	41.5	48.3	55.3	37.5	53.5	57.0	54.6
Personal guarantee	8.2	8.3	12.5	17.7	7.5	11.8	15.3	6.4	10.8	9.9
Immovable property	0.9	1.4	0.3	0.0	0.0	3.5	1.4	2.3	1.6	1.2
Jewellery / consumer durables	30.9	36.8	15.8	30.0	37.3	28.2	44.4	33.7	29.6	31.0
Machinery / Pro-notes / EPF / other	3.1	2.8	1.7	10.8	7.0	1.2	1.4	4.1	0.5	3.4
Total	100	100	100	100	100	100	100	100	100	100

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

Table 9.26
Distribution of Amount of Loans by Collateral within Province

Type of Collateral	Province									
	Western	Central	Southern	Northern (a)	Eastern	North Western	North Central	Uva	Sabaragamuwa	All Provinces
No security	43.4	23.7	33.8	34.0	37.1	37.3	36.3	38.6	36.7	37.7
Personal guarantee	12.4	18.6	45.7	30.7	15.9	17.4	21.4	7.1	28.7	20.8
Immovable property	10.1	3.6	5.5	-	-	24.0	10.8	11.1	13.5	9.1
Jewellery / consumer durable goods	16.1	45.8	10.9	25.4	26.7	20.3	30.0	25.2	18.5	20.8
Machinery / Pro-notes / EPF / other	17.9	8.3	4.1	10.0	20.3	1.1	1.4	18.0	2.2	11.6
All	100	100	100	100	100	100	100	100	100	100

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

durable goods were frequently used as collateral to meet household credit needs in all provinces. The percentage of loans taken on jewellery and consumer durable goods was highest in the North Central province and 28 per cent or higher in all provinces, except in the Southern province.

The quantum share of loans by a given collateral showed a similar pattern as the number of loans. However, with respect to the loans on jewellery and consumer durable goods, the quantum share was lower than 30 per cent in all provinces except the Central province (Table 9.26). This indicated that the sizes of loans taken on jewellery and consumer durable goods were relatively lower than other loans in those provinces.

Table 9.27
Distribution of Number of Loans by Collateral within Income Quintile

Type of Collateral	Six Month Household Income Quintile					All
	1	2	3	4	5	
No security	59.2	55.9	55.0	50.5	51.3	54.6
Personal guarantee	7.2	7.8	11.8	12.0	11.2	9.9
Immovable properties	0.6	0.8	0.8	1.6	2.2	1.2
Jewellery / Consumer durables	30.1	33.6	29.6	32.8	28.3	31.0
Machinery / Pro-notes / EPF / other	2.9	1.9	2.9	3.0	7.0	3.4
Total	100	100	100	100	100	100

Table 9.28
Distribution of Amount of Loans by Collateral within Income Quintile

Type of Collateral	Six Month Household Income Quintile					All
	1	2	3	4	5	
No security	50.1	41.6	48.1	36.3	32.6	37.7
Personal guarantee	9.0	14.0	15.7	21.1	25.4	20.8
Immovable properties	6.7	8.1	5.4	11.6	9.7	9.1
Jewellery / Consumer durables	30.7	29.8	25.7	24.3	14.5	20.8
Machinery / Pro-notes / EPF / other	3.5	6.6	5.1	6.7	17.7	11.6
Total	100	100	100	100	100	100

According to the analysis of collateral by income quintiles, more than half of the loans had been taken without collateral at all income levels (Table 9.27). However, the quantum share of unsecured loans had decreased with the increase in income level, as richer households had taken smaller unsecured loans compared to other loans. In general, the richer households may have the ability to provide security in the form of personal guarantees than the poorer in numbers and credit worthiness. In fact, it was revealed that with the increase of income, the number and quantum of loans taken on personal guarantee increased (Table 9.28). The share of the number of loans taken on jewellery and consumer durable goods as collateral was around 30 per cent in each income quintile, except the 5th quintile and the quantum share showed a declining trend with increase in income because richer households usually take smaller size loans on jewellery and consumer durables compared to their other loans.

Repayment of Cash Loans

Data were collected on both repayment of capital and payment of interest during the one month and six months reference periods preceding the date of interview. The total amount repaid was recorded under capital repayments and interest payments, separately. Analysis of capital repayments and interest payments as a percentage of total repayment of a loan instalment revealed a decline in the interest component in all sectors between the two surveys (Table 9.29). The lending rates of commercial banks had declined by 5–8 percentage points during the period between

Table 9.29
Shares of Capital Repayment and Interest Payment by Sector

Sector	Capital		Interest	
	1996/97 (a)	2003/04 (b)	1996/97 (a)	2003/04 (b)
Urban	68.1	78.5	31.9	21.5
Rural	73.3	86.5	26.7	13.5
Estate	78.8	86.0	21.2	14.0
All Sectors	72.1	85.3	27.9	14.7

(a) Excluding Northern and Eastern provinces

(b) Excluding Killinochchi, Mannar and Mullaitivu districts

the two surveys. This could have been one reason for the decline in the interest payment share, as the quantum share of interest free loans had not changed considerably during that period.

Commodity Loans

This section analyses all commodity (non-cash) loans taken by households in the form of either direct commodity loans or purchase of goods on credit from nearby retail shops for their daily consumption. Direct commodity loans comprise borrowings of commodities on a barter system with or without interest. In earlier surveys, commodity borrowings were observed especially in the rural sector, where, for instance, farmers exchanged seed paddy among themselves for their farming purposes. However, the practice of borrowing in commodity form has gradually declined and these types of borrowings represented a small share of the total non-cash borrowings (Table 9.30). Usually, the borrowings from retail shops were interest free, but there could have been a hidden interest component through the higher prices charged from the consumer. The quantum and the grace period of these unsecured borrowings depend on the trust between the shop owner and the householder.

In comparison with 1996/97, the percentage of households that borrowed from retail shops in the urban sector had nearly doubled, and had also increased in the rural sector (Chart 9.37). However in the estate sector, the share had declined. A similar pattern was seen in both surveys, with the urban sector reporting the lowest and estate sector the highest. Though the estate sector

Table 9.30

Average Commodity Loans per Household by Sector

Sector	Commodity Loans		Total
	Retail Shops	Other	
Urban	686	74	760
Rural	631	49	680
Estate	1,419	20	1,439
All Sectors	678	51	729

Chart 9.37

Percentage of Households that Borrowed from Retail Shops by Sector

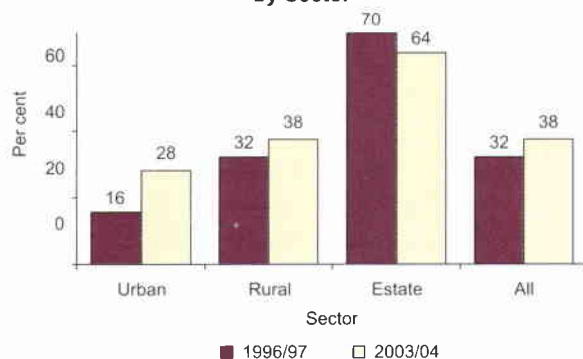


Table 9.31

Average Commodity Loans per Household by Province

Province	Commodity Loans		Total
	Retail Shops	Other	
Western	559	61	620
Central	759	34	793
Southern	628	66	694
Northern (a)	977	5	981
Eastern	1,009	44	1,054
North Western	575	41	615
North Central	627	24	650
Uva	784	2	785
Sabaragamuwa	728	105	833
All Provinces	678	51	729

(a) Excluding Killinochchi, Mannar and Mullaitivu districts

reported the lowest average income, expenditure, adjusted savings, investment and cash loans, compared to the other two sectors, the average size of borrowings from retail shops was highest in the estate sector. This was consistent with the dis-savings in that sector. In fact, a considerable share of their earnings was spent on settlement of such commodity debt.

Household borrowings from shops and other commodity debts excluding credit card purchases were analysed by province (Table 9.31 and Chart 9.38). Household borrowings from retail shops provide an indirect indicator of the trust between the householder and shop owner who provides unsecured interest free credit. According to the derived statistics, the Western province reported the lowest share of households that borrowed from shops, while the highest was reported from the Uva province. Further, the average size of commodity credit from shops was significantly higher in both the Northern and Eastern provinces, while the lowest was reported in the Western province.

The share of households that borrowed from retail shops fell with income level, indicating that poorer segments of the society were more dependent on day to day credit from such shops. Further, this percentage had increased at all income levels between surveys (Chart 9.39). The average amount borrowed from shops decreased somewhat with the level of income

Chart 9.38

Percentage of Households that Borrowed from Retail Shops by Province

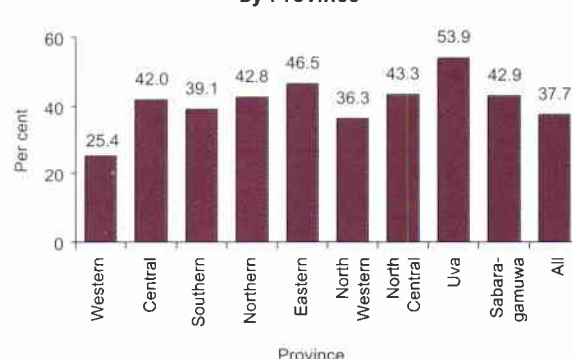


Chart 9.39

Percentage of Households that Borrowed from Retail Shops by Income Quintile

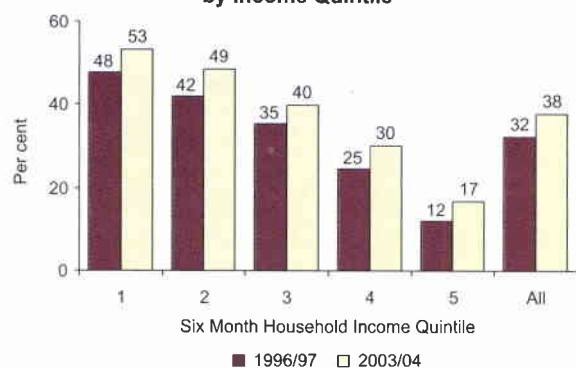


Chart 9.40

Credit Card Use per 100 Households by Sector

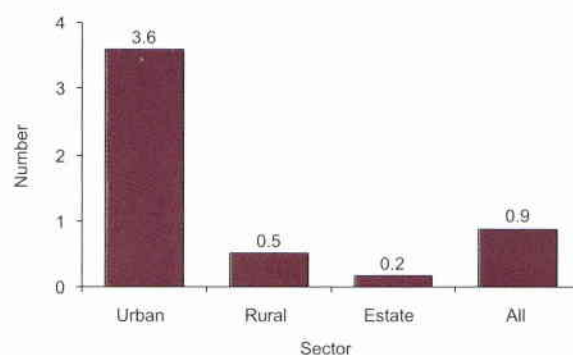


Table 9.32

Average Commodity Loans per Household by Income Quintile

Six Month Household Income Quintile	Commodity Loans		Total
	Retail Shops	Other	
1	676	13	689
2	801	21	822
3	743	52	796
4	668	62	730
5	503	105	608
All	678	51	729

indicating differences in the practice of borrowing from shops *vis-a-vis* purchasing power among income levels (Table 9.32).

Credit Card Purchases

In CFS 2003/04, a new component on credit card use was included under household borrowings to capture the shift, if any, in the modes of payments of households. Credit card borrowings are different from other types of non-cash borrowings discussed earlier because goods are purchased on credit through an established financial institutional mechanism, and not informally based on the trust between the borrower and the shop owner.

In general, credit card usage would be expected to increase with income level and the development of markets owing to a number of factors. An increase in real incomes enabling choices towards more convenient forms of purchasing goods and steady growth in the financial sector, through expansion in the branch network and provision of more financial services, are some of the identified factors.

In 2003/04, just under one percent of households had been using credit cards during the one month prior to the date of first field interview. Sector-wise, the highest usage of credit cards was reported from the urban sector (Chart 9.40). Both rural and estate sectors reported minimal credit card usage. In fact, incidence of credit card usage in the estate sector was only among members of the estate management.

Chart 9.41

Credit Card Use per 100 Households by Province

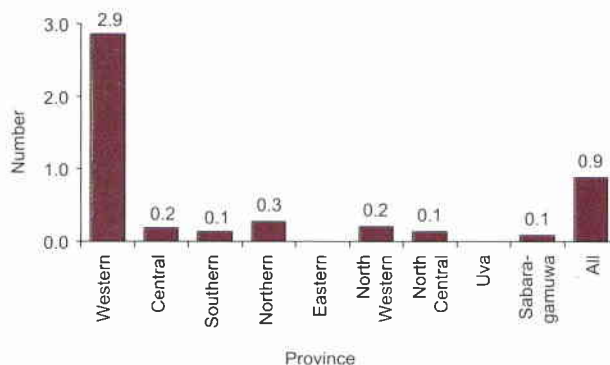
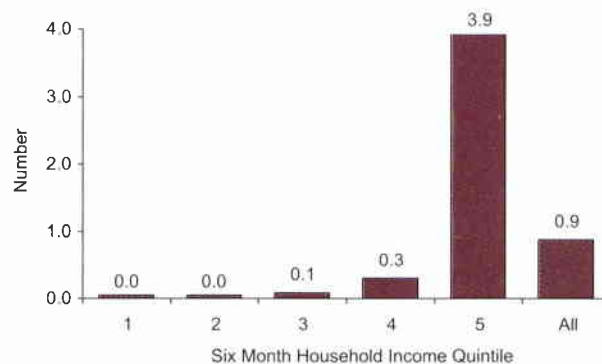


Chart 9.42

Credit Card Use per 100 Households by Income Quintile



In summary, the increase in expenditure on consumer durables as a percentage of income was consistent with the changing household preferences for more sophisticated household amenities discussed in Chapter 6. These improvements were seen in all three sectors, reflecting changing lifestyles and improvements in household real incomes. Further, the marginal increase in the share of households with positive savings showed that, although real income had risen, households' abilities to meet their expenditure using their income had not improved between the two surveys due to changes in consumer preferences and lifestyles in the society. Relatively lower interest rates may have also discouraged household savings. Greater investment in physical assets rather than financial assets emphasised the limited use of financial instruments in the investment decisions of the

household sector in Sri Lanka. Though there were no significant changes in the structure of sources of borrowing, disparities were seen across sectors and provinces. The penetration of modern financial instruments such as credit cards was still limited, and confined mainly, albeit at a low level, to urban areas. Survey results revealed the continuing important role played by neighbourhood retail shops in providing unsecured commodity loans for day to day consumption. The findings also revealed that, despite certain positive developments, the penetration of the formal financial institutional sector in the day-to-day economic activities of households in Sri Lanka was somewhat limited, even at the turn of the 21st century, indicating considerable scope for the expansion of financial services to the household sector.

**CONFIDENTIAL**

The information collected in this survey will be treated as strictly confidential and specific information that would enable identification of household, spending unit or individual will not be divulged to any person or agency

Round	
Lap	
Block	
Investigator No.	
Supervisor No.	

CONSUMER FINANCES AND SOCIO ECONOMIC SURVEY 2003/04
SURVEY SCHEDULE

* Result Code

Investigator Signature :-

Supervisor Signature :-

		* Result Code	
Complete Response	-	Completed	- 1
		Partially completed	- 2
		No competent respondent at home	- 3
Incomplete Response	-	Refused to respond	- 4
		Household is temporarily closed	- 5

STATISTICS DEPARTMENT
CENTRAL BANK OF SRI LANKA

SCHEDULE 10 - Codes

Province, District And Sector

WESTERN 1

Colombo (excluding CMC)	1
Gampaha	2
Kalutara	3
Colombo Municipality Area	4

NORTH WESTERN 6

Kurunegala	1
Puttalam	2

CENTRAL 2

Kandy	1
Matale	2
Nuwara-Eliya	3

NORTH CENTRAL 7

Anuradhapura	1
Polonnaruwa	2

SOUTHERN 3

Galle	1
Matara	2
Hambantota	3

UVA 8

Badulla	1
Monaragala	2

NORTHERN 4

Jaffna	1
Mannar	2
Vavuniya	3
Mulativu	4
Kilinochchi	5

EASTERN 5

Batticaloa	1
Ampara	2
Trincomalee	3

SECTORS

Urban	1
Rural	2
Estate	3

Col(4)-Relationship to Head of First Spending Unit

Head of First Spending Unit	1
Wife/Husband	2
Son/Daughter	3
Parents/in-laws	4
Other Relatives	5
Domestic Aide	6
Boarder	7
Other(Specify)	8

Col (8)-Marital Status

Never Married	1
Married	2
Widowed	3
Separated	4
Divorced	5

Col(10) -Ethnicity

Sinhalese	1
Sri Lankan Tamil	2
Indian Tamil	3
Moor	4
Malay	5
Burgher	6
Other(Specify)	7

Col (11) - Disability

No Disability	1
Mentally Retarded	2
Blind	3
Deaf & Dumb	4
Physically deformed	5
Other (Specify)	6

Col (14)-Type of Educational Institution

State Schools	1
Private Schools	2
International Schools	3
Pirivena Schools	4
State University	5
Private University	6
Special School for Differently Abled	7
Other Schools (Specify)	8

Col(16)-Reason for School Avoidance/ Non Enrollment

Inability to Provide Basic Requirements	1
House/Family Work	2
Disabled(Physically, Mentally or Poor Health)	3
Employment/Training in jobs	4
No Convenient School / Application Rejected	5
Incompletion of 5 Years -	
at the Beginning of the School Year	6
Civil Disturbances	7
Other(specify)	8

Col(17)- Educational Attainment

Kindergarten	00
Passed Year 1	01
Passed Year 2	02
" "	
" "	
Passed Year 12	12
Passed Year 13	13
Undergraduate	14
Graduate	15
No Schooling- Literate	20
No Schooling- Illiterate	21

Col(18) -Field of Education

No Schooling	1
General Schooling	2
Arts	3
Science	4
Commerce/Accounts/Management	5
Agriculture/Veterinary/Medical/Dental	6
Engineering/Architecture/	
Information Technology	7
Legal	8
Other(Specify)	9

CONFIDENTIAL

Sched.	Round	Block	Houshold	Province	District	Sector	Investigator
10							

SCHEDULE 21 , 23 & 24 - CODES

PART I - Housing particulars (Schd. 21)

Row (1) Tenure of Accommodation

Own House	1
Owned by Govt. / Employer	2
Leased in	3
Rented	4
Other Rented (Chummary etc)	5
Free of Rent (but not owned)	6
Other (Specify)	7

Row (2) Type of Housing Unit

Single House	1
Attached House/Annexe	2
Condominium/Flat	3
Slum/Shanty	4
Line Room/Row House	5
Other (Specify)	6

Row (5) Floor Type

Cement	1
Terrazzo/Tiles/Granite/Polished Wood	2
Prepared Clay/Mud	3
Wooden Planks	4
Unprepared Earth/Sand	5
Other (Specify)	6

Row (6) Wall Type

Bricks	1
Cement Block	2
Cabook / Stone	3
Wattle and Daub / Mud	4
Wooden Plank / Metal Sheet	5
Cadjan / Palmyrah	6
Other (Specify)	7

Row (7) Roof Type

Tiles	1
Asbestos	2
Concrete	3
Metal/Tar Sheet/Amano	4
Cadjan/Palmyrah/Straw	5
Other (Specify)	6

Row (9) Source of Water for Drinking

Own Well (dug/tube)	1
Pipe borne inside (Water Board)	2
Pipe borne inside (other)	3
Public Tap / Street Tap	4
Common Well (dug)	5
Common Well (tube)	6
River/Stream/Tank	7
Bowser	8
Other(Specify)	9

Row (10) Source of Water for Bathing/Washing

Same as Row (9)

Row (11) Toilet Facilities

Inside	1
Outside - Separate	2
Outside - Common	3
None	4

Row (12) Toilet Type

Water Seal with Commode	1
Water Seal with Squatting Pan	2
Pour Flush (Non water seal)	3
Pit	4
Bucket	5
None	6

Col (13) Energy for Lighting - Main Source

Kerosene	1
Electricity from Grid	2
Electricity from Mini Hydro Project	3
Electricity from Generator	4
Electricity from Solar	5
Electricity from other Source (Including Prasakthi Unit)	6
Bio Gas	7
Other (Specify)	8
None	9

Col (14) Energy for Lighting - Subsidiary Source

Same as Col (13)

Col (15) Energy for Cooking

Firewood	1
L.P. Gas	2
Kerosene	3
Electricity	4
Bio Gas	5
Saw Dust / Paddy Husk / Charcoal / Tinco	6
Other (Specify)	7

PART III - Health Conditions (Schd. 23)

Col (3) Illness Condition

Use Illness Codes

Col (6) Nature of Treatment

No Medication	1
Self Medication	2
Medical Practitioner Consulted	3
Hospital (Outdoor)	4
Hospital (Indoor)	5
Other (Specify)	6

Col (7) Source of Treatment

No Medication	1
Asymptotic (Government)	2
Asymptotic (Private)	3
Western (Government)	4
Western (Private)	5
Homoeopathy	6
Acupuncture	7
Other (Specify)	8

PART IV - Migration (Schd. 24)

Col (7) Purpose of Migration

Employment / Business	1
Education/Training	2
Civil Disturbances	3
Other (Specify)	4

Col (8) Type of Employment

Mason / Carpenter / Plumber	1
Driver	2
Domestic Aide	3
Labourer	4
Teacher	5
Technician	6
Nurse	7
Doctor	8
Engineer	9
Accountant	10
Administrative & Clerical Service	11
Business	12
Hotel Services	13
Armed Forces / Police Service	14
Others (Specify)	15

Col (9) Region Migrated to

Middle East (e.g. Saudi, Dubai, Oman etc.)	1
Africa (e.g. Nigeria, Zambia etc.)	2
North America (USA, Canada)	3
Japan / East Asia	4
Asia (Other)	5
Eastern Europe	6
Western Europe	7
Australia	8
Within Sri Lanka	9
Other (Specify)	10

[illegible]

SCHEDULE 31 - Codes

Col (8)

Reason for being absent from work

Ill Health/Accident	1
Bad Weather	2
On vacation/leave	3
Labour Disputes	4
Seasonal Nature of work	5
Reduction in Economic Activity	6
Mechanical or Electricity Failure	7
Shortage of Raw Materials / Fuel	8
Other (Specify)	9

Col (12)

Reason for not seeking or not being available for work

Schooling / Vocational Training	1
House Work	2
Disabled	3
Retired	4
Not interested in Employment	5
Other (Specify)	6

Col (22)

Sector of Previous Occupation

Central Government / Provincial Councils /	
Local Government	1
Public Corporation/Board / Co- operatives	2
Formal private sector	3
Informal private sector	4

Col (23)

Reason for leaving previous occupation

Unsatisfactory Terms	1
Cessation of Business	2
Inconvenient Location (Transport, Accommodation etc)	3
Incentives for Early Retirement	4
Interdiction	5
Completion of Contract	6
Marriage / Childcare	7
Labour Dispute	8
Further Education / Training	9
Physically / Mentally Disabled	10
Shift Work	11
Security Reasons	12
Other (Specify)	13

**SCHEDULE 111-
SECTION A -**

Economic Activity Status, Employment and Unemployment

Reference Period (Previous 7 days)-From.....To.....

Schd.	Round	Block	Household	Investigator
31				

IDENTIFICATION			ECONOMIC ACTIVITY STATUS					SKILL		EXPERIENCE		UNEMPLOYED PERSONS																			
		Name	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23						
1	Spending Unit No		Did you work for pay or profit? If Yes: (Between 1 or 3 < hours-1, 3 hours or more-2 Go to Q.13; No = 3	Did you work for family gain without receiving any payment? If yes:(Between 1 or 3 < hours-1, 3 hours or more = 2) Go to Q.13, No = 3	Though not working did you have a job to return to?	Yes = 1 : No = 2 Go to Q.9	Number of days absent from work (during last 3 Months)	Reason for being absent from work (Code) Go to Q.13	Is your age 10 years or above?	Yes = 1: No = 2 - Go to next Person	Were you actively seeking work?	Yes = 1 - Go to Q.13 - No = 2	Though not actively seeking work were you available for work?	Yes = 1 - Go to Q.13, No = 2	Reason for not seeking or not available for work ? (Code) Go to next person	Professional / Technical skill (Specify)	(Use Occupation Codes)	Period of training in this skill (Months)	Area of work with most experience (Specify)	(Use Occupation Codes)	Years of experience	(If the answer to Q.4,5 or 6 is yes go to section B of Sch. 32)	How long have you been actively seeking or been available for work ? (Months)	What kind of work (occupation) were you looking for or available for in Last 7 days Use Occupation Codes	Have you ever worked before ? Yes = 1, No = 2 Then go to next person	What was your previous job?	Use Occupation Codes	Period of employment in the previous job (in Months)	Sector of previous occupation	Reason for leaving previous occupation	(Code)

24 Persons

25 Employed Persons

26 Unemployed Persons

SCHEDULE 32 - Codes

Col - 4

Employment Status

Regular Employee	1
Casual Employee	2
Contractual Employee	3
Employer	4
Self-Employed	5
Unpaid Family Worker	6

Col - 7

Sector of Work

Central Government /Provincial Councils /	
Local Government	1
Public Corporation /Board / Co - operatives	2
Formal Private Sector	3
Informal Private Sector	4

Col - 11

How did You Get paid for work

Daily paid	1
Weekly paid	2
Monthly paid	3
Other(Specify)	4

Col - 22

Reason for working less than 35 hours

Bad Weather	1
Holiday,Vacation or Leave	2
Illness/Disability	3
Labour Dispute	4
Reduction in Economic Activity	5
Offseason Inactivity	6
Mechanical or Electricity Failure	7
Shortage of Raw Materials or Fuel	8
Part Time	9
Nature of the Work	10
Other (Specify)	11

SCHEDULE III

To be filled in respect of each individual whose answer to question 4, 5 or 6 in Section A is "Yes"

Schd.	Round	Block	Household	Investigator
32				

[illegible]

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Schd	Round	Block	Household	Inv
40				

SCHEDULE IV- Food and Drink Daily Expenditure for 7 days

Commencing Date : (7 days) From..... To

Commencing Day (7 days)

From

--	--	--	--	--	--

To

--	--	--	--

(1)

[illegible]

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Schd	Round	Block	Household	Inv
40				

(2)

[illegible]

CONFIDENTIAL

Schd	Round	Block	Household	Inv
40				

(3)

[illegible]

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Schd	Round	Block	Household	Inv.
40				

(4)

[illegible]

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Schd	Round	Block	Household	Inv.
40				

(5)

[illegible]

CONFIDENTIAL

Schd	Round	Block	Household	Inv.
40				

(6)

[illegible]

CONFIDENTIAL

Schd	Round	Block	Household	Inv.
40				

(7)

[illegible]

CONFIDENTIAL

Schd	Round	Block	Household	Inv.
40				

(8)

[illegible]

CONFIDENTIAL

Schd	Round	Block	Household	Inv.
40				

(9)

[illegible]

CONFIDENTIAL

Schd	Round	Block	Household	Inv.
40				

(10)

[illegible]

CONFIDENTIAL

Schd	Round	Block	Household	Inv.
40				

(11)

[illegible]

CONFIDENTIAL

Schd	Round	Block	Household	Inv.
40				

(12)

[illegible]

CONFIDENTIAL

Schd	Round	Block	Household	Inv
40				

(13)

[illegible]

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Sch	Round	Block	Household	Spending Unit	Inv.
51					

SCHEDULE V - Expenditure on Non- Food Items**Part I** (One schedule for each spending unit)

Last Month from

D	M	Y

D	M	Y

Last Six Months from

D	M	Y

D	M	Y

Last Year from

D	M	Y

D	M	Y

		(Expenditure in Rupees)		
	Item Name (1)	Last one year (2)	Last Month (3)	Item No (4)
1	HOUSING			
	1.1 If Living in Rented House			
	1.1.1 Rent for one month	X		501
	1.1.2 Rates Paid (If borne by resident)			502
	1.1.3 Repairs (If borne by resident)			503
	1.2 If Living in subsidized Rented House			
	1.2.1 Rent for One Month (At current market price)	X		504
	1.2.2 Rates paid (If borne by resident)			505
	1.2.3 Repairs (If borne by resident)			506
	1.3 If living in Own House			
	1.3.1 Rentable value for one month (At current market price)	X		507
	1.3.2 Rates paid			508
	1.3.3 Repairs			509
	1.4 If Living in Free Quarters			
	1.4.1 Rentable Value for one month (At current market price)	X		510
	1.4.2 Rates paid (If borne by resident)			511
	1.4.3 Repairs (If borne by resident)			512
2	FUEL AND LIGHT	Quantity	Last month	
	2.1 Fire wood purchased - Rubber (kg)			521
	2.2 Fire wood purchased - Assorted "			522
	2.3 Fire wood - Free "			523
	2.4 Charcoal /Timco "			524
	2.5 Sawdust "			525
	2.6 LP.Gas "			526
	2.7 Kerosene Oil (M.Litres)			527
	2.8 Electricity (Units)			528
	2.9 Fuel for Generators (M.Litres)			529
	2.10 Solar Power	X		530
	2.11 Batteries (Used for lighting purposes)	X		531
	2.12 Other batteries	X		532
	2.13 Wicks Mantles and Other lighting Equipment	X		533
	2.14 Energy Saving Bulbs	X		534
	2.15 Normal Bulbs	X		535
	2.16 Torches	X		536
	2.17 Non Electrical Lamps	X		537
	2.18 Candles	X		538
	2.19 Matches	X		539
	2.20 Other	X		540
3	WATER FOR DOMESTIC USE			
	3.1 Meter Charges (Units)			551
	3.2 Other modes of purchase	X		552
4	CLOTHING / APPAREL AND FOOTWEAR	Last six months	Last month	
	4.1 Men's and Boys (>13 yrs.)Wear			
	4.1.1 Trousers / Long			
	4.1.1.1 Denim			561
	4.1.1.2 Other			562
	4.1.2 Trousers / Short			563
	4.1.3 Courts			564
	4.1.4 Shirts			565
	4.1.5 T Shirts			566
	4.1.6 National Shirts			567
	4.1.7 Pyjamas			568
	4.1.8 Sarongs			569
	4.1.9 Veries			570
	4.1.10 Shawls			571
	4.1.11 Banians			572
	4.1.12 Underwear			573

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Sch	Round	Block	Household	Spending Unit	Inv
51					

(2)		(Expenditure in Rupees)		
	Item Name (1)	Last Six Months (2)	Last Month (3)	Item No (4)
	4.1.13 Socks and Stockings			574
	4.1.14 Other			575
4.2	Women's and girl's (>13 yrs) Wear			
	4.2.1 Skirts			576
	4.2.2 Blouses/Shirts			577
	4.2.3 Dresses			578
	4.2.4 Housecoats / Kimonas / Night Wear			579
	4.2.5 Trousers / Jeans			580
	4.2.6 Shorts			581
	4.2.7 T Shirts			582
	4.2.8 Salwar Sets			583
	4.2.9 Sarees			584
	4.2.10 Vests			585
	4.2.11 Underwear / Under Skirts / Brasieres			586
	4.2.12 Socks and Stockings			587
4.3	Infants' (<3 yrs), Childrens' (3-13 yrs.) wear and Schoolwear (5-18 yrs)			
	4.3.1 Infant's wear (<3 yrs)			588
	4.3.2 Children's Wear (3-13 yrs.)			589
	4.3.3 School Uniforms			590
	4.3.4 Other			591
4.4	Textiles Purchased by Meter for Garments			
	4.4.1 Trouser Materials			592
	4.4.2 Coat Lengths			593
	4.4.3 Shirt /blouse Materials			594
	4.4.4 Textiles for other Men's Garments			595
	4.4.5 Textiles for other Women's Garments			596
	4.4.6 Textiles for School Uniforms			597
	4.4.7 Textiles for Children's Garments (Other than school uniforms)			598
	4.4.8 Other			599
4.5	Articles of Clothing and Clothing accessories			
	4.5.1 Ties			600
	4.5.2 Handkerchiefs			601
	4.5.3 Rain Coats			602
	4.5.4 Hats			603
	4.5.5 Belts			604
	4.5.6 Helmets for Motorcycles			605
4.6	Footwear			
	4.6.1 Shoes			608
	4.6.2 Sandals			609
	4.6.3 Sports Shoes			610
	4.6.4 Slippers			611
	4.6.5 Other			612
	4.6.6 Repairs of Footwear			613
5	FURNISHINGS, HOUSEHOLD EQUIPMENT AND OTHER HOUSEHOLD MAINTENANCE			
5.1	Household Textiles			
	5.1.1 Towels			621
	5.1.2 Bed Sheets			622
	5.1.3 Table Cloths			623
	5.1.4 Curtain Materials			624
	5.1.5 Serviettes/Dusters			625
	5.1.6 Mosquito Nets			626
	5.1.7 Pillow Cases			627
	5.1.8 Cushion Covers			628
	5.1.9 Quilts			629
	5.1.10 Mats			630
	5.1.11 Rugs			631
	5.1.12 Pillows			632

CONFIDENTIAL

Sch	Round	Block	Household	Spending Unit	Inv.
51					

(3)		(Expenditure in Rupees)		
Item Name (1)		Last Six Months (2)	Last Month (3)	Item No (4)
5.2	Goods and Services for Household Maintenance (Non Durable Household Goods)			
5.2.1	Mosquito Coils/Mats			633
5.2.2	Brooms / Ekel Brooms / Brushes			634
5.2.3	Household Utensils			635
5.2.4	Ironing Board			636
5.2.5	Laundry Soap			637
5.2.6	Other Detergents (Cakes,powder and liquid)			638
5.2.7	Laundry Detergents and bleaches			639
5.2.8	Floor Polish and Wax Paints			640
5.2.9	Shoe Polish			641
5.2.10	Insecticides(Home purposes)			642
5.2.11	Other			643
5.3	Domestic aides and Household Services			
5.3.1	Cash Payments			644
5.3.2	Payments in Kind			645
5.3.3	Food			646
5.3.4	Clothes (Domestic Aides/Drivers)			647
5.3.5	Payment to Laundry / Dhoby			648
5.3.6	Grinding Charges			649
5.3.7	Other			650
6	HEALTH	Last one year	Last Month	
6.1	Western			
6.1.1	Hospital Charges			661
6.1.2	Consultation Fees	X		662
6.1.3	Laboratory Tests / Diagnostic Services	X		663
6.1.4	Medicines	X		664
6.2	Ayurvedic			
6.2.1	Hospital Charges			665
6.2.2	Ayurvedic Consultation Fees / Tests	X		666
6.2.3	Ayurvedic Medicines	X		667
6.3	Therapeutic Services			
6.3.1	Hearing Aides			668
6.3.2	Spectacles			669
6.3.3	Dental Care			670
6.3.4	Other (Prosthetic Devices, Artificial Limbs,Crutches etc)	X		671
6.4	Homeopathy (Fees, Drugs)	X		672
6.5	Accupuncture (Fees,Drugs)	X		673
6.6	Occult Practices	X		674
6.7	Medical Supplies/Services (Attendants, Ambulance etc.)	X		675
6.8	Contraceptive Methods/Drugs	X		676
7	TRANSPORT	Last one year	Last Month	
7.1	Transport Services			
7.1.1	Train Fare (Education)	X		691
7.1.2	Train Fare (Other)	X		692
7.1.3	Bus Fare (Education)	X		693
7.1.4	Bus Fare (Other)	X		694
7.1.5	Van Hire (Education)	X		695
7.1.6	Van Hire (Other)	X		696
7.1.7	Taxi, Car, Three Wheeler Hire (Education)	X		697
7.1.8	Taxi, Car, Three Wheeler Hire (Other)	X		698
7.1.9	Hackery / Cart / Two wheel Tractor hire	X		699
7.1.10	Domestic Air and Ship Travel			700
7.1.11	Travel Abroad (Travel Expenses only)			701
7.2	Operation of Personal Transport Equipment			
7.2.1	Petrol	X		702
7.2.2	Diesel	X		703
7.2.3	Gas	X		704
7.2.4	Oil / Other	X		705
7.2.5	Tyres, Tubes and Automotive Batteries			706

CONFIDENTIAL

Sch	Round	Block	Household	Spending Unit	Inv.
51					

(4)		(Expenditure in Rupees)		
	Item Name (1)	Last one year (2)	Last Month (3)	Item No (4)
	7.2.6 Other Spare Parts			707
	7.2.7 Maintenance services			708
	7.2.8 Garage Charges			709
	7.2.9 Driving Lessons Fees			710
	7.2.10 Conversion of Diesel / Gas			711
	7.3 Vehicle Licensing			712
	7.4 Road Development Taxes/Luxury Taxes on Vehicles			713
8	COMMUNICATION			
	8.1 Postage, Telegrams fees etc.	X		721
	8.2 Telephone Rent (Last Year)			722
	8.3 Telephone Bill (without rent)/Payphone cards			
	8.3.1 Domestic	X		723
	8.3.2 International	X		724
	8.4 Fax/Telex / E - Mail/ Internet Charges	X		725
9	RECREATION AND CULTURE			
	9.1 Recreation and Culture			
	9.1.1 Cinema, Theatre Game or Amusement Parks / Museums/ Concerts / Exhibitions / Zoo	X		731
	9.1.2 Batteries for Musical Instruments/ T.V's / Radios / Toys	X		732
	9.1.3 Cable TV Charges	X		733
	9.1.4 Battery Charging Fees	X		734
	9.1.5 Renting of Video Cassettes	X		735
	9.1.6 Buying of Cassettes / Video Casettes / CDs	X		736
	9.1.7 Photography	X		737
	9.1.8 Gardening and Other Hobbies	X		738
	9.1.9 Membership Expenses related to clubs	X		739
	9.1.10 Fitness Centres - Swimming Pools - Tennis Courts	X		740
	9.1.11 Sports Equipment / Musical Instruments	X		741
	9.1.12 Toys / Games	X		742
	9.1.13 Books and Magazines/ Library charges			743
	9.1.14 Newspapers	X		744
	9.1.15 Expenditure on pets / Aquarium / Vet service	X		745
	9.1.16 Lotteries	X		746
	9.1.17 Gambling and Betting	X		747
	9.1.18 Games of Skill (Video Games)	X		748
	9.1.19 Arts/Music Dancing Classes Fees	X		749
	9.1.20 Sports Coaching Fees	X		750
	9.1.21 Other	X		751
	9.2 Social and Religious Functions			
	9.2.1 Payments for Religious activities (Including payment for maintaining religious places)	X		754
	9.2.2 Coconut Oil for lamps	X		755
	9.2.3 Joss Sticks and Incense	X		756
	9.2.4 Births/Marriages / Funerals & Other Social function in the Household	X		757
	9.2.5 Births/Marriages / Funerals & Other Social function out of the Household	X		758
	9.2.6 Other Social functions (Gifts and Donations for outside household)	X		759
10	EDUCATION			
	10.1 Pre- School Charges			771
	10.2 Primary / Secondary Education			
	10.2.1 School Fees			772
	10.2.2 Facility Fees			773
	10.2.3 Tuition Fees	X		774
	10.2.4 Examination Fees			775
	10.2.5 Donation for School Maintenance and Other Functions			777
	10.2.6 Daily Expenses	X		778
	10.2.7 School Books / Exercise Books			779
	10.2.8 Equipment / Stationery			780
	10.2.9 Other (Bags, Water bottles)			781

CONFIDENTIAL

Sch	Round	Block	Household	Spending Unit	Inv.
51					

(5)		(Expenditure in Rupees)		
	Item Name (1)	Last one year (2)	Last Month (3)	Item No (4)
10.3	Tertiary Education			
10.3.1	Registration Fees			782
10.3.2	Tuition Fees	X		783
10.3.3	Examination Fees			784
10.3.4	Equipment / Stationery			785
10.3.5	Textbooks / Exercise Books			786
10.3.6	Other			787
10.4	Professional and Technical Education			
10.4.1	Registration / Membership Fees			788
10.4.2	Tuition Fees	X		789
10.4.3	Computer Education Fees			790
10.4.4	Examination Fees			791
10.4.5	Books and Other Accessories			792
10.4.6	Other			793
11	RESTAURANTS AND HOTELS			
11.1	Accommodation Services			
11.1.1	Boarding Fees (excluding Meals)	X		794
11.1.2	Boarding Fees Schools / University /Other etc			795
11.1.3	Hotel / Guest House / Rest House Accomodation charges			796
11.1.4	Pilgrimages and Holidays	X		797
12	MISCELLANEOUS GOODS AND SERVICES			
12.1	Personal Care			
12.1.1	Tooth Paste and Tooth Brushes	X		801
12.1.2	Toiletries and Shampoo	X		802
12.1.3	Shaving Equipment, Soap, Cream, and Lotion	X		803
12.1.4	Cosmetics Powder, Lipsticks, Cutex, and Cream	X		804
12.1.5	Hair cuts/ Hair Dressing and Shaving	X		805
12.1.6	Hair dye	X		806
12.1.7	Wigs / Hair Clips / Hair Nets	X		807
12.1.8	Beauty Culture	X		808
12.1.9	Tailoring / Cobbling (including Needles, Thread, Buttons)	X		809
12.1.10	Tissues / Paper Serviettes	X		810
12.1.11	Gingelly Oil for Body application	X		811
12.1.12	Coconut Oil for Hair dressing	X		812
12.1.13	Other	X		813
12.2	Personal Effects			
12.2.1	Artificial Ornaments (Such as chains, bangles and ear studs)	X		814
12.2.2	Sanitary Towels	X		815
12.2.3	Umbrellas, Sunglass, Sticks	X		816
12.2.4	Rubber Sheets	X		817
12.2.5	Diapers	X		818
12.2.6	Feeding Bottles and Teats	X		819
12.2.7	Travelling Bags, Suitcases, Travel bags	X		820
12.2.8	Hand Bags / Wallets/ Purses	X		821
12.2.9	Articles of Smokers (Pipe / Lighter / Ashtrays)	X		822
12.2.10	Other	X		823
12.3	Social Protection			
12.3.1	Elderly Home Charges	X		824
12.3.2	Creches / Day Care Charges	X		825
12.4	Insurance Premia Paid			
12.4.1	Fire Insurance			826
12.4.2	Health Insurance			827
12.4.3	Vehicle Insurance			828
12.5	Financial Services			
12.5.1	Service Charges (Current A/C/ATM/Credit Cards)			829
12.5.2	Damages and Out of Court Settlements	X		830
12.5.3	Tips/Commissions paid	X		831
12.5.4	Lawyer's Fees (Other than land and housing transactions)	X		832
12.5.5	Alimony and Maintenance Payments	X		833
12.5.6	Fines	X		834
12.5.7	Gifts and Donations (including kind and to welfare societies)	X		835
12.5.8	Subscription to Unions and Other Associations	X		836
12.5.9	Horoscope Reading	X		837
12.5.10	Other	X		838
13	TOTAL (ITEMS NO. 501 TO 838)	X		850

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SCHEDULE V

Part 11 (The Schedule for each Spending Unit)

Consumer Durables

(Goods not used for Commercial Purposes)

Schd	Round	Block	Household	Spending Unit	INV
52					

(Expenditure in Rupees)

Consumer Durables	Last Month		Last six Months		Maintenance Expenditure		Item Code
	Purchases	Sales	Purchases	Sales	Last Month	Last 6 Months	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1 Jewellery							2001
2 Radio with Audio Players							2002
3 Television							2003
4 Video / Cassette Decks/VCD							2004
5 Refrigerators							2005
6 Fans							2006
7 Air Conditioners							2007
8 Floor Polishers / Vacuum Cleaner							2008
9 Calculators							2009
10 Type Writers							2010
11 Computers / Printers							2011
12 Fax Machines							2012
13 Telephones / Cellular Phones /Pagers							2013
14 Grinders-Electric							2014
15 Mixing Machines(Fruit Squeezers,Blenders Ice Cream Makers, Food Processors etc)							2015
16 Washing Machines							2016
17 Electric Irons/Heaters							2017
18 Electric Kettles							2018
19 Hair Dryers							2019
20 Geysers							2020
21 Cameras / Video Cameras / Projectors / Binoculars							2021
22 Cookers/Stoves/Hot plates/Ovens (Electric)							2022
23 Cookers/Stoves/Ovens (Gas)							2023
24 Cookers/Stoves/Ovens (Kerosene)							2024
25 Rice Cookers / Pressure cookers							2025
26 Microwave Oven							2026
27 Toasters							2027
28 Generators							2028
29 Table Lamps (Electric) / Rechargeable Lamps							2029
30 Solar Power Machines							2030
31 Other Electrical Appliances							2031
32 Musical Instruments							2032
33 Motor Cars / Vans					X	X	2033
34 Motor Cycles / Scooters					X	X	2034
35 Three wheelers					X	X	2035
36 Bicycles					X	X	2036
37 Buggy Carts					X	X	2037
38 Tricycles, Pedal Cars and Baby carriages							2038
39 Sports / Fitness Equipment							2039
40 Lawn Mowers							2040
41 Wheel chairs							2041
42 Artificial Limbs					X	X	2042
43 Sewing Machines							2043
44 Clocks and Watches							2044
45 Furniture - All Varieties							2045
46 Mattresses					X	X	2046
47 Carpets							2047
48 Ceramic Ware, Glass Ware and Plastic Ware					X	X	2048
49 Flasks / Aluminium Ware					X	X	2049
50 Pots and Pans / Baskets and Basins					X	X	2050
51 Petromax Lamps							2051
52 Cutlery					X	X	2052
53 Grinding Tools and Equipment							2053
54 Curios / Antiques							2054
55 Other (Excluding Electrical Appliances)					X	X	2055
60 TOTAL (Item No 2001-2055)							2060

Difference: 2-3+6=

DII/1

Difference: 4-5+7=

DIF6

Worksheet No 1

(In Rupees)

Employment Income					
Money Income	Last Month	Last Six Months	Income in kind	Last Month	Last Six Months
Gross Salary (Including all allowances)			Uniforms		
			Lodging		
			Public Transport		
Add			Private Transport		
Over Time			Health Benefits		
Bonus			Food		
Other			Other		
Total					
EPF Contributions					
W&OP					
Income Tax					
Loan Deductions					
Total			Total		

Worksheet No 2

(In Rupees)

Imputed Value of Home Produce Consumed				
Products	Last Month		Last Six Months	
	Rs	Cts	Rs	Cts
Coconuts				
Vegetable and Leaves				
Fruits				
Eggs				
Milk				
Fish				
Meat				
Other				
Total				

Work Sheet No. 3

(In Rupees)

Income from Agriculture								
Agriculture	Product 1 (Specify)		Product 2 (Specify)		Product 3 (Specify)		Product 4 (Specify)	
	Last Month	Last 6 Months	Last Month	Last 6 Months	Last Month	Last 6 Months	Last Month	Last 6 Months
Gross value of Produce								
Less:								
Labour								
Fertilizer/manure								
Seeds/Plants								
Agro chemicals								
Tractor/buffalo charges								
Other Equipment								
Transport								
Rent								
Other								
Net Income								

Worksheet No 4

(In Rupees)

Income from Industry		
Industry	Last Month	Last 6 Months
Gross value of output		
Less:		
raw materials		
Labour		
Other Inputs(Specify)		
Rent(if paid)		
Fuel &Energy		
Business Taxes		
Net Income		

Worksheet No 5

(In Rupees)

Income from Trade/service		
Trade/service	Last Month	Last 6 Months
Gross Turnover		
Less:		
Purchases		
Labour		
Rent		
Other Inputs		
Net Income		

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SCHEDULE VI-Income of Individual Income Receiver

Reference Period - Last Month From

D	M	Y

 to

D	M	Y

Reference Period - Last Six Months From

D	M	Y

 to

D	M	Y

Sch	Round	Block	Household	Spending Unit	Individual No.	Investigator
60						

(In Rupees)								
Source of Income	Occupation (Code)	Industry (Code)	Money Income		Income in Kind		Total Income	
			Last one Month	Last Six Months	Last one Month	Last Six Months	Last one Month	Last Six Months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
01 Main Occupation +								
02 First Subsidiary Occupation +								
03 Other Subsidiary Occupations +								
04 Rent/Lease Income from Immovable Property								
05 Imputed Rent if Resident in own House			XX	XX				
06 Rental Income From Movable Property								
07 Income from Property not managed by Income Receiver								
08 Interest (Including Annuities)								
09 Dividends					XX	XX		
10 Imputed Value of firewood collected free			XX	XX				
11 Imputed Value of Homegarden Produce +								
12 Income from placing Bets/Gambling								
13 Lottery Prizes and Windfall Income								
14 Pensions					XX	XX		
15 Transfer Income, Government-Samurdhi								
16 Transfer Income, Government-Food/Kerosene Stamps/Janasaviya								
17 Transfer Income, Government- School Uniforms			XX	XX				
18 Transfer Income, Government- Year 5 Scholarships /Mahapola/Bursary								
19 Transfer Income, Government-Other								
20 Transfer Income, Non Govt. Organisations (N G O)								
21 Transfer Income-Friends and Relatives not living Abroad								
22 Transfer Income-Friends and Relatives living Abroad								
23 Transfer Income -Other								
24 Other Income (Specify)								
25 Total Income								

+ See Worksheets

Schedule 71 and 72 - Codes

Schedule 71

Heading 9 Column (5) - Cause

Fire	1
Flood	2
Theft	3
Drought	4
Other	5

Schedule 72

Heading 11 Column 3 - Purpose of Loans

Paddy Cultivation	01
Other Crops	02
Livestock	03
Industry	04
Business/Trade	05
Housing	06
Consumption	07
Ceremonial/Ritual	08
Settlement of Debt	09
Consumer Durables	10
Other (Specify)	11

Heading 11 Column 4 - Source of Loan

Commercial Banks	01
Development Banks(Regional Development Banks, Sanasa Bank etc.)	02
Development Financial Institutions (DFCC Bank, NDB, SMIB, NHDFC, NSB etc.)	03
Rural Banks/Co-operatives	04
Samurdhi Bank/Janashakthi Bank etc.	05
Loan Boards/Thrift Societies	06
Formal Sector Employers	07
Finance /Leasing Companies	08
NGOs	09
Money Lenders	10
Friends and Relatives	11
Other(Specify)	12

Heading 11 Column (5) - Nature of Security

No Security	1
Pronotes	2
Personal Guarantees	3
Immovable Property	4
Employees Provident Fund	5
Jewellery/Consumer Durable Goods	6
Machinery	7
Other (Specify)	8

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SCHEDULE V11-Savings,Investments,Loans and Taxes
(One Schedule for each Spending Unit)

(1)

Schd	Round	Block	Household	Spending Unit	Inv.
71					

Reference Period- Last Month from.....to.....

Last Six Months from.....to.....

(In Rupees)

1.0 Financial Assets	Item No	Deposits/Purchases				Withdrawals/Sales		Difference(+)/(-)	
		Last month	Last six Months			Last Month	Last Six Months	Last Month	Last Six Months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.1 Savings Accounts									
1.1.1 N.S.B.,P.O.S.B.	111			X	X				
1.1.2 Rural Banks Cooperatives	112			X	X				
1.1.3 Commercial Banks	113			X	X				
1.1.4 Development Banks	114			X	X				
1.2 Term Deposits(Including CD's SC,FD)									
1.2.1 N.S.B / POSB	121			X	X				
1.2.2 Commercial Banks	122			X	X				
1.2.3 Development Banks	123			X	X				
1.2.4 Finance companies	124			X	X				
1.3 Govt. Securities									
1.3.1 Treasury Bills	131			X	X				
1.3.2 Treasury Bonds	132			X	X				
1.3.3 Rupee Loans	133			X	X				
1.3.4 Debentures	134			X	X				
1.3.5 Others	135			X	X				
1.4 Private Sector Investments									
1.4.1 Shares	141			X	X				
1.4.2 Debentures	142			X	X				
1.4.3 Commercial Papers	143			X	X				
1.4.4 Others	144			X	X				
2.0 Physical Assets		Purchases		Construction/Improvements		Sales		Difference(+)/(-)	
		Last month	Last six Months	Last month	Last six Months	Last month	Last six Months	Last month	Last six Months
2.1 Land & Buildings									
2.1.1 Land	211								
2.1.2 Residential Buildings (See work sheet)	212								
2.1.3 Non-Residential Buildings (See work sheet)	213								
2.2 Machinery , Equipment etc.									
2.2.1 Industrial	221								
2.2.2 Agricultural	222								
2.2.3 Business Vehicles	223								
2.2.4 Other	224								
2.3 Livestock	230	Purchases		Natural increase		Sales		Difference(+)/(-)	

(2)

Schd	Round	Block	Household	Spending Unit	Inv.
71					

3.0 Physical Stocks and Receivables (1)	Item No (2)	Amount Increased		(5)	(6)	Amount Decreased		Difference(+)/(-)	
		Last month (3)	Last six Months (4)			Last month (7)	Last six Months (8)	Last month (9)	Last six Months (10)
3.1 Cash Assets(including Current Account balances and Cash in Hand)	310			X	X				
3.2 Stock of Agricultural Products	320			X	X				
3.3 Stock of Industrial Products	330			X	X				
3.4 Rent Receivable	340			X	X				
3.5 Business Stocks	350			X	X				
3.6 Other Receivable (Sales)	360			X	X				
4.0 Loans Given		Amount Given				Amount Received		Difference(+)/(-)	
4.1 Loans Given	410			X	X				
5.0 Contributions		Contributions/Instalment				Amount Received		Difference(+)/(-)	
		Last month	Last six Months			Last month	Last six Months	Last month	Last six Months
5.1 Life Insurance Premia	510			X	X	X	X		
5.2 EPF/ ETF	520			X	X	X	X		
5.3 W& OP Fund	530			X	X	X	X		
5.4 Cheettu	540			X	X	X	X		
6.0 Liabilities Other than Loans taken Representing Advances Received / Arrears Payable etc.		Amount Decreased				Amount Increased		Difference(+)/(-)	
		Last month	Last six Months			Last month	Last six Months	Last month	Last six Months
6.1 Credit Purchases	610			X	X				
6.2 Rent Payable	620			X	X				
6.3 Rates Payable	630			X	X				
6.4 Other Payables	640			X	X				
7.0 Capital Transfers		Amount Donated				Amount Received		Difference(+)/(-)	
		Last month	Last six Months			Last month	Last six Months	Last month	Last six Months
7.1 Cash Gifts	710			X	X				
7.2 Non Cash Gifts	720			X	X				
7.3 EPF/ ETF	730	X	X	X	X				
7.4 Cheettu	740	X	X	X	X				
7.5 Insurance Claims Received On Maturity / against Capital Losses/ Medical/Death/Personal	750	X	X	X	X				
7.6 Other Compensation Received against Capital/Losses	760	X	X	X	X				
7.7 Gratuity/Pension	770	X	X	X	X				
7.8 Others (Specify)	780	X	X	X	X				
8.0 Total (1.1 to 7.8)	800								
8.1 Total (Deduct Columns 5 & 6 of item 230 from the above total)	810	X	X	X	X	X	X		

(3)

Sch	Round	Block	Household	Spending Unit	Inv.
71					

9.0 Capital Losses from Physical Assets	Item no	Losses		Cause (Code)*				Losses	
		Last Month	Last Six Months					Last Month	Last Six Months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
9.1 Losses on House and Property	910				X	X	X		
9.2 Losses on Agricultural Assets	920				X	X	X		
9.3 Losses on Industrial/Bussines Assets	930				X	X	X		
9.4 Losses on Livestock-Deaths/Thefts	940			X	X	X	X		
9.5 Other Physical Losses	950				X	X	X		
10.0 Income Tax		Payments						Payments	
		Last Month	Last Six Months					Last Month	Last Six Months
10.1 Income Tax Payments	1010			X	X	X	X		
10.2 Other Taxes and Duties	1020			X	X	X	X		
10.3 Total (9.1 to 10.2)	1030			X	X	X	X		

Sch	Round	Block	Household	Spending Unit	Inv.
72					

(1)

11.0 Loans	Item	Purpose (Code)	Source (Code)	Nature of Security (Code)	Annual Interest Rate %	Amount Borrowed During		Loan Repayment During		Interest Payments During		Difference (+)/(-)	
						Last Month	Last Six Months	Last Month	Last Six Months	Last Month	Last Six Months	Last Month	Last Six Months
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
11.1 Loans Taken (Other than from boutiques / retail shops)	1	1111											
	2	1112											
	3	1113											
	4	1114											
	5	1115											
	6	1116											
	7	1117											
	8	1118											
	9	1119											
	10	1120											
11.2 Loans taken from boutiques / retail shops for day today Expenditure													
11.2.1 Direct		1121											
11.2.2 Credit Cards		1122											
11.3 Other Liabilities (Commodity loans etc)	1	1131	X	X	X	X				X	X		
	2	1132	X	X	X	X				X	X		
11.4 Total (11.1 to 11.3)		1140	X	X	X	X							

Sch	Round	Block	Household	Spending Unit	Inv.
73					

Work Sheet - Details of Constructions/Improvements

(Value in Rupees)

Building Materials/Labour (1)	Item No. (2)	Last Month			Last Six Moths		
		Cash (3)	Imputed Value (4)	Total (5)	Cash (6)	Imputed Value (7)	Total (8)
2.1.2 Residential Buildings							
2.1.2.1 Cement	3201						
2.1.2.2 Bricks	3202						
2.1.2.3 Timber (excluding flooring)	3203						
2.1.2.4 Metal	3204						
2.1.2.5 Iron & Steel	3205						
2.1.2.6 Sand	3206						
2.1.2.7 Soil	3207						
2.1.2.8 Roof Tiles	3208						
2.1.2.9 Thatching - Coconut, Palmyrah, Starw, Mana & Other Grass	3209						
2.1.2.10 Asbestos/G.I. Sheet/Ceiling Sheet/Amano Sheet	3210						
2.1.2.11 Flooring, Floor Tiles and Wall Tiles	3211						
2.1.2.12 Electrical & Sanitary Fittings	3212						
2.1.2.13 Landscaping/Garden Layout	3213						
2.1.2.14 Other (Readymade Fittings etc.)	3214						
Labour							
2.1.2.15 Masonry	3221						
2.1.2.16 Carpentry	3222						
2.1.2.17 Plumbing /Drainage	3223						
2.1.2.18 Electrical wiring and fitting	3224						
2.1.2.19 Other (Roofing, Tiling, Fittings etc.)	3225						
2.1.2.20 Total (Residential)	3226						
2.1.3 Non Residential Buildings							
2.1.3.1 Cement	3231						
2.1.3.2 Bricks	3232						
2.1.3.3 Timber (Other main Flooring)	3233						
2.1.3.4 Metal	3234						
2.1.3.5 Iron & Steel	3235						
2.1.3.6 Sand	3236						
2.1.3.7 Soil	3237						
2.1.3.8 Roof Tiles	3238						
2.1.3.9 Thatching - Coconut, Palmyrah, Starw, Mana & Other Grass	3239						
2.1.3.10 Asbestos/G.I. Sheet/Ceiling Sheet/Amano Sheet	3240						
2.1.3.11 Flooring, Floor Tiles and Wall Tiles	3241						
2.1.3.12 Electrical & Sanitary Fittings	3242						
2.1.3.13 Landscaping/Garden Layout	3243						
2.1.3.14 Other (Readymade Fittings etc.)	3244						
Labour							
2.1.3.15 Masonry	3251						
2.1.3.16 Carpentry	3252						
2.1.3.17 Plumbing/Drainage	3253						
2.1.3.18 Electrical Wiring and Fitting	3254						
2.1.3.19 Other (Roofing, Tiling, Fittings etc.)	3255						
2.1.3.20 Total (Non Residential)	3256						

Balancing Income and Expenditure for last month
(This should be filled in the schedule for Spending Unit 1)

Income, Expenditure, Assets and Liabilities		Spending Unit 1	Spending Unit 2	Spending Unit 3	Total
1	Income :- Schedule VI (60), Total Income (Item 25, Column 8)				
	Total				X
2	Expenditure :- Schedule IV (40) Item 26 (Item No. 375) Expenditure on food x 4.286				
	Schedule V (51 & 52) Expenditure on non-food Item 13 (Item No. 850) Expenditure on durables Item 60				
	Total				X
3	Difference between Income & Expenditure				
	Subtract Expenditure from Income (1-2) (If expenditure is more use (-) sign)				
4	Financial & Physical Assets, Stocks and Capital				
	Schedule VII (71), Item 810 Income Tax Paid (Item 1010)				
	Total				X
5	Loans Schedule VII (72) Item 1140 (Col. 13)				
6	Difference Between Assets & Loans (Subtract 4-5)				X

Check if figures in Item 3 and 6 above are equal, if not find out
reasons for the difference and make necessary adjustments in the schedule

Estimation Procedure

In any sample survey, the sample is selected to estimate the true values of characteristics of interest in the underlying target population. The CFS series focused on a target population of all households (housing units) in the country. Hence, the sample was selected from this household population, and designed to ensure reliability of the estimates for the required household characteristics at the population and specific sub population levels (Section 2.2).

In the CFS 2003/04 survey, a two stage stratified random sample design was adopted with proportional allocation among strata. Accordingly, allocation of the sample to strata was made in proportion to the number of housing units in each stratum. Therefore, each housing unit in a given stratum had an equal chance of being selected. At the first stage, a sample of census blocks were selected as primary sampling units (PSU) from all census blocks in each stratum in proportion to the number of housing units in that stratum. At the second stage, a fixed number of housing units per PSU were randomly selected as secondary sampling units (SSU) from the list of housing units in the selected PSU, thereby ensuring equal probability of selection of every housing unit in the stratum.

Generally, estimates in the form of means, proportions and ratios are derived from a sample survey of households as follows:

The sample mean, $\hat{\bar{X}} = \frac{\sum_{i=1}^n X_i}{n}$, estimates a population mean $\bar{X} = \frac{\sum_{i=1}^N X_i}{N}$,

The sample proportion, $\hat{P} = \frac{\sum_{i=1}^n X_i}{n}$, where $X_i = 0/1$, estimates a population proportion $P = \frac{\sum_{i=1}^N X_i}{N}$,

The sample ratio, $\hat{R} = \frac{\sum_{i=1}^n X_i}{\sum_{i=1}^n Y_i}$, estimates a population ratio $R = \frac{X}{Y} = \frac{\sum_{i=1}^N X_i}{\sum_{i=1}^N Y_i}$

where X_i and Y_i are values of specific characteristics for household i , n is the number of households in the sample, and N is the number of households in the population. In the case of a proportion P , \hat{P} is, in effect, an estimate of a population mean \bar{X} , where X_i is a binary variable taking the values 0 or 1.

Under the CFS 2003/04 sample design, estimates were derived as follows:

h - Denotes stratum h (sector (urban, rural, estate) and province)
 i - Denotes census block
 j - Denotes housing unit

L = Total number of strata in the population frame,
 M_h = Total number of census blocks in stratum h , $h = 1$ to L ,
 N_h = Total number of housing units in stratum h , $h = 1$ to L ,
 N_{hi} = Total number of housing units in census block i in stratum h , $i = 1$ to M_h , $h = 1$ to L .

Then, $N = \sum_{h=1}^L N_h = \sum_{h=1}^L \sum_{i=1}^{m_h} N_{hi} = \text{Total number of housing units in population frame.}$

$m_h = \text{Number of PSU in stratum } h, h = 1 \text{ to } L,$

$n_h = \text{Number of SSU in stratum } h, h = 1 \text{ to } L,$

$n_{hi} = \text{Number of SSU in PSU}_i \text{ in stratum } h, i = 1 \text{ to } m_h, h = 1 \text{ to } L.$

Then, $n = \sum_{h=1}^L n_h = \sum_{h=1}^L \sum_{i=1}^{m_h} n_{hi} = \text{Total number of SSU in the sample.}$

In the CFS, the total number of PSU among strata and SSU among PSU were allocated to ensure that the total number of SSU in each stratum was proportional to the number of housing units in each stratum.

Hence, $\frac{n_h}{n} = \frac{N_h}{N},$

where, $n_{hi} = 8$ for all PSU_i and strata h , except the Colombo Municipal Council (CMC) and $n_{\text{CMCi}} = 4$ for all PSU_i in the CMC and

$$\frac{m'_h}{\sum_{h=1}^L m'_h} = \frac{N_h}{N}, \text{ where } m_h = m'_h \text{ for all } h \text{ except CMC, and } m_{\text{CMC}} = 2m'_{\text{CMC}},$$

so that for all $h = 1 \text{ to } L$

$$\frac{n_h}{n} = \frac{\sum_{i=1}^{m_h} n_{hi}}{\sum_{h=1}^L \sum_{i=1}^{m_h} n_{hi}} = \frac{8m'_h}{\sum_{h=1, h \neq \text{CMC}}^L 8m'_h + 4m_{\text{CMC}}} = \frac{8m'_h}{\sum_{h=1, h \neq \text{CMC}}^L 8m'_h + 4 * 2m'_{\text{CMC}}} = \frac{8m'_h}{8 \sum_{h=1}^L m'_h} = \frac{m'_h}{\sum_{h=1}^L m'_h} = \frac{N_h}{N}.$$

Let Y_{hij} be a characteristic attached to household j in PSU_i in stratum h . Then, the following summations are defined over the sampling units:

$Y_{hi} = \sum_{j=1}^{n_{hi}} Y_{hij} = \text{Sum of the value of characteristic } Y \text{ in all SSU in } \text{PSU}_i \text{ in stratum } h,$

$Y_h = \sum_{i=1}^{m_h} Y_{hi} = \text{Sum of the value of characteristic } Y \text{ in all SSU in stratum } h,$

$Y = \sum_{h=1}^L Y_h = \text{Sum of the value of characteristic } Y \text{ in all SSU in the total sample.}$

An unbiased estimate for the population mean \bar{Y} of a household characteristic Y_{hij} (e.g. household income) is given by $\hat{\bar{Y}}$ where

$$\hat{\bar{Y}} = \frac{Y}{n} = \frac{\sum_{h=1}^L \sum_{i=1}^{m_h} \sum_{j=1}^{n_{hi}} Y_{hij}}{\sum_{h=1}^L \sum_{i=1}^{m_h} n_{hi}}$$

An unbiased estimate of variance of $\hat{\bar{Y}}$ is given by

$$V[\hat{\bar{Y}}] = \frac{1}{n^2} \sum_h \left(\frac{n_h}{n_h - 1} \right) \left[\sum_i \sum_j Y_{hij}^2 - \frac{Y_h^2}{n_h} \right]$$

Similarly, an unbiased estimate of the sub-population mean \bar{Y}_h of the same household characteristic for stratum h is given by $\hat{\bar{Y}}_h$ where

$$\hat{\bar{Y}}_h = \frac{\sum_{i=1}^{m_h} \sum_{j=1}^{n_{hi}} Y_{hij}}{\sum_{i=1}^{m_h} n_{hi}} = \frac{Y_h}{n_h}, \text{ so that } n_h \cdot \hat{\bar{Y}}_h = Y_h$$

$$\hat{\bar{Y}} = \frac{\sum_{h=1}^L \sum_{i=1}^{m_h} \sum_{j=1}^{n_{hi}} Y_{hij}}{\sum_{h=1}^L \sum_{i=1}^{m_h} n_{hi}} = \frac{\sum_{h=1}^L Y_h}{n} = \frac{\sum_{h=1}^L n_h \hat{\bar{Y}}_h}{n}$$

The weighted average estimate used in a stratified sample for population mean \bar{Y} of the characteristic Y_{hij} , is the weighted average $\hat{\bar{Y}}_{st}$ where

$$\hat{\bar{Y}}_{st} = \sum_{h=1}^L \frac{N_h}{N} \cdot \hat{\bar{Y}}_h$$

Under proportional allocation of the sample to the different strata it was seen that $\frac{N_h}{N} = \frac{n_h}{n}$

$$\text{Hence, } \hat{\bar{Y}} = \sum_{h=1}^L \frac{n_h \hat{\bar{Y}}_h}{n} = \sum_{h=1}^L \frac{N_h \hat{\bar{Y}}_h}{N} = \hat{\bar{Y}}_{st}$$

It is therefore seen that the simple sample mean of any household characteristic is identical to the weighted average, due to the sample allocation among strata being proportional to the number of households in each stratum.

Assume that Y_{hij} and X_{hij} , are two characteristics attached to household j in sample block i and stratum h.

Then an estimate \hat{R} of a population ratio $R = \frac{X}{Y}$ (e.g. per capita income) is given by,

$$\hat{R} = \frac{\sum_{h=1}^L \sum_{i=1}^{m_h} \sum_{j=1}^{n_{hi}} Y_{hij}}{\sum_{h=1}^L \sum_{i=1}^{m_h} \sum_{j=1}^{n_{hi}} X_{hij}}$$

\hat{R} is a biased estimator of R . However, in the case of large samples, as in the CFS, the bias is negligible.

An estimation of the variance of \hat{R} is given by

$$V[\hat{R}] = \frac{1}{N^2} \left[\sum_h \left(\frac{n_h}{n_h - 1} \right) \left\{ \left(\sum_i \sum_j Y_{hij}^2 - \frac{Y_h^2}{n_h} \right) + (\hat{R})^2 \left(\sum_i \sum_j X_{hij}^2 - \frac{X_h^2}{n_h} \right) - 2\hat{R} \left(\sum_i \sum_j Y_{hij} X_{hij} - \frac{Y_h X_h}{n_h} \right) \right\} \right]$$

Summary Statistics for Comparison of Key Variables between 1996/97 and 2003/04^(a)

Serial No.	Variable (b)	Base Population	1996/97 (c)				2003/04 (d)				P-Value (e)
			Estimate	Standard Error	95% Confidence Interval Limits		Estimate	Standard Error	95% Confidence Interval Limits		
					Lower	Upper			Lower	Upper	
Chapter 3 - Demographic Features											
1	Household Size (No. of Individuals)	All households	4.61	0.019	4.57	4.65	4.31	0.015	4.28	4.34	0.000
2	Spending Units per Household (No.)	All households	1.08	0.004	1.07	1.09	1.11	0.003	1.10	1.12	0.000
3	Income Receivers per Household (No.)	All households	1.64	0.009	1.62	1.66	1.59	0.007	1.58	1.61	0.000
4	Income Dependency Ratio										
	(Non income Receivers:Income Receivers)	All individuals	1.81	0.015	1.78	1.84	1.71	0.012	1.69	1.73	0.000
5	Age Dependency Ratio										
	(Non Economically Active Age:Economically Active Age)	All individuals	53.7	0.58	52.5	54.8	50.2	0.48	49.3	51.2	0.000
6	Sex Ratio (Males per 100 Females)	All individuals	93.7	0.75	92.3	95.2	90.7	0.62	89.5	91.9	0.001
7	Age at Marriage (Years)	Ever married individuals	24.4	0.04	24.3	24.5	24.2	0.03	24.1	24.2	0.000
8	Internal Migrants per Household	All households	0.015	0.002	0.010	0.020	0.029	0.002	0.026	0.032	0.000
9	External Migrants per Household	All households	0.063	0.003	0.057	0.068	0.060	0.002	0.056	0.065	0.278
Chapter 4 - Education and Health											
10	Literacy Rate (%)	All individuals age 5 years and above	91.8	0.14	91.5	92.1	92.5	0.12	92.2	92.7	0.000
11	Educational Attainment - No schooling (%)	All individuals age 5 years and above	8.6	0.15	8.3	8.9	7.9	0.12	7.6	8.1	0.000
12	Educational Attainment - Primary(%)	All individuals age 5 years and above	35.2	0.25	34.8	35.7	29.9	0.21	29.5	30.3	0.000
13	Educational Attainment - Secondary(%)	All individuals age 5 years and above	35.5	0.25	35.0	36.0	41.1	0.23	40.6	41.5	0.000
14	Educational Attainment - Post Secondary(%)	All individuals age 5 years and above	20.7	0.21	20.3	21.1	21.2	0.19	20.8	21.6	0.037
15	Attendance in Formal Education (%)	All individuals in age group 5 -24 years	64.4	0.38	63.7	65.2	63.8	0.35	63.1	64.5	0.112
16	School Avoidance (%)	All eligible individuals in age group 5-14 years	3.3	0.21	2.9	3.7	2.1	0.15	1.8	2.4	0.000
17	Monthly Expenditure on Tuition for Formal Education per Student (Rs.)	All students attending tuition for formal education	175	5	166	184	384	8	368	400	0.000
18	Hours Spent on Tuition for Formal Education per Student	All students attending tuition for formal education	7.3	0.08	7.1	7.5	7.0	0.07	6.9	7.1	0.005
19	Tuition for Formal Education - In Primary Level (%)	All students attending primary education	23.9	0.58	22.8	25.1	41.7	0.63	40.5	42.9	0.000
20	Tuition for Formal Education - In Secondary Level (%)	All students attending secondary education	43.7	0.82	42.1	45.3	54.0	0.76	52.5	55.5	0.000
21	Tuition for Formal Education - In Post Secondary Level (%)	All students attending post secondary education	63.7	1.53	60.7	66.8	70.1	1.21	67.7	72.5	0.001
22	Tuition for Formal Education - All Education Levels (%)	All students attending formal education	35.0	0.48	34.0	35.9	49.6	0.46	48.7	50.5	0.000
23	Aesthetic Studies as Extra Curricular Activities (%)	All students attending formal education	n.a.	n.a.	n.a.	n.a.	1.4	0.11	1.2	1.6	n.a.
24	Sports as Extra Curricular Activities (%)	All students attending formal education	n.a.	n.a.	n.a.	n.a.	0.5	0.07	0.4	0.6	n.a.
25	Languages as Extra Curricular Activities(%)	All students attending formal education	n.a.	n.a.	n.a.	n.a.	8.3	0.25	7.8	8.8	n.a.
26	Computer Studies as Extra Curricular Activities (%)	All students attending formal education	n.a.	n.a.	n.a.	n.a.	1.7	0.12	1.4	1.9	n.a.
27	Persons in Ill Health During Last 14 Days (%)	All individuals	13.2	0.17	12.8	13.5	13.3	0.15	13.0	13.6	0.301
28	Man Days Sick During Last 14 Days per Individual	All individuals	0.95	0.015	0.92	0.98	0.99	0.013	0.96	1.01	0.051
29	Man Days Absent From Daily Activities due to Illness per Individual	All individuals	0.59	0.011	0.56	0.61	0.53	0.009	0.52	0.55	0.000
30	Mental Disability (%)	All individuals	0.83	0.045	0.74	0.92	0.64	0.035	0.57	0.71	0.000
31	Physical Disability (%)	All individuals	1.48	0.060	1.36	1.60	1.66	0.057	1.55	1.77	0.013
32	Mental or Physical Disability (%)	All individuals	2.31	0.075	2.16	2.46	2.30	0.067	2.17	2.43	0.460
Chapter 5 - Labour Force, Employment and Unemployment											
33	Labor Force Participation Rate - Male (%)	All males	53.0	0.36	52.3	53.7	54.3	0.32	53.6	54.9	0.004
34	Labor Force Participation Rate - Female (%)	All females	27.3	0.31	26.7	27.9	24.9	0.27	24.4	25.5	0.000
35	Labor Force Participation Rate - Overall (%)	All individuals	39.7	0.24	39.2	40.2	38.9	0.22	38.5	39.3	0.006
36	Unemployment Rate - Male (%)	All males in labour force	6.4	0.24	5.9	6.9	6.3	0.21	5.8	6.7	0.313
37	Unemployment Rate -Female (%)	All females in labour force	17.5	0.51	16.5	18.5	14.2	0.43	13.3	15.0	0.000
38	Unemployment Rate - Overall (%)	All individuals in labour force	10.4	0.24	9.9	10.8	8.9	0.20	8.5	9.3	0.000
39	Underemployment Rate - Male (%)	All males in labour force	22.0	0.41	21.2	22.8	21.5	0.36	20.8	22.2	0.184
40	Underemployment Rate - Female (%)	All females in labour force	21.1	0.54	20.0	22.2	21.8	0.51	20.8	22.8	0.169
41	Underemployment Rate - Overall (%)	All individuals in labour force	21.7	0.33	21.0	22.3	21.6	0.29	21.0	22.2	0.439
42	Employment - Overall (%)	All individuals in labour force	89.6	0.24	89.2	90.1	91.1	0.20	90.7	91.5	0.000
43	Employment - Agriculture (%)	All employed individuals	37.7	0.41	36.9	38.5	32.8	0.35	32.1	33.5	0.000
44	Employment - Industry (%)	All employed individuals	25.5	0.37	24.8	26.3	26.0	0.33	25.3	26.6	0.189
45	Employment - Services (%)	All employed individuals	36.7	0.40	35.9	37.5	41.2	0.37	40.5	41.9	0.000
46	Number of Days Worked per Week (per Employee)	All employed individuals	5.1	0.02	5.1	5.1	4.9	0.02	4.9	4.9	0.000
47	Number of Hours Worked per Week (per Employee)	All employed individuals	40.0	0.17	39.7	40.3	39.1	0.16	38.8	39.4	0.000

Summary Statistics for Comparison of Key Variables between CFS 1996/97 and CFS 2003/04^(a) (Contd.)

Serial No.	Variable (b)	Base Population	1996/97 (c)				2003/04 (d)				P-Value (e)
			Estimate	Standard Error	95% Confidence Interval Limits		Estimate	Standard Error	95% Confidence Interval Limits		
					Lower	Upper			Lower	Upper	
Chapter 6 - Housing, Household Amenities and Land Ownership											
48	Living in Own House (%)	All households	89.5	0.33	88.9	90.2	89.2	0.29	88.6	89.8	0.227
49	Household Ownership of Land (%)	All households	N.A	N.A	N.A	N.A	91.0	0.26	90.5	91.6	N.A
50	Separate Water Seal Toilet (%)	All households	66.1	0.51	65.1	67.1	76.5	0.39	75.8	77.3	0.000
51	No Toilet (%)	All households	6.5	0.26	6.0	7.0	5.6	0.21	5.2	6.0	0.003
52	Pipe Borne Water - Inside House (%)	All households	16.3	0.40	15.6	17.1	30.8	0.43	30.0	31.6	0.000
53	Own Well (%)	All households	30.5	0.49	29.5	31.5	31.1	0.43	30.2	31.9	0.199
54	Availability of Electricity (%)	All households	57.1	0.53	56.1	58.1	74.9	0.40	74.1	75.7	0.000
55	Firewood for Cooking (%)	All households	86.6	0.37	85.9	87.3	82.8	0.35	82.1	83.5	0.000
56	LP Gas for Cooking (%)	All households	10.8	0.33	10.2	11.5	14.6	0.33	14.0	15.3	0.000
57	Availability of TV (%)	All households	50.6	0.54	49.5	51.6	70.8	0.42	69.9	71.6	0.000
58	Availability of Radio (%)	All households	73.6	0.47	72.7	74.6	78.3	0.38	77.5	79.0	0.000
59	Availability of Mobile/Land Phones (%)	All households	4.5	0.22	4.0	4.9	24.5	0.40	23.7	25.3	0.000
60	Availability of Bicycles (%)	All households	40.5	0.53	39.4	41.5	46.6	0.46	45.7	47.5	0.000
61	Availability of Motorised Transport (%)	All households	14.7	0.38	14.0	15.5	22.3	0.38	21.6	23.1	0.000
62	Availability of Refrigerator (%)	All households	16.8	0.40	16.0	17.6	29.7	0.42	28.9	30.6	0.000
Chapter 7 - Income											
63	Monthly Income per Income Receiver (Rs.)	All income receivers	5,760	75	5,613	5,907	10,754	128	10,503	11,005	0.000
64	Monthly Income per Income Receiver - Male (Rs.)	All male income receivers	6,556	97	6,365	6,747	12,218	174	11,877	12,558	0.000
65	Monthly Income per Income Receiver - Female (Rs.)	All female income receivers	4,025	104	3,821	4,229	7,617	143	7,336	7,898	0.000
66	Monthly Income per Household (Rs.)	All households	9,439	131	9,182	9,695	17,109	213	16,691	17,527	0.000
67	Monthly per Capita Income (Rs.)	All individuals	2,048	28	1,992	2,103	3,968	50	3,870	4,065	0.000
68	Income share by type - cash (%)	All income receivers	82.0	0.29	81.5	82.6	84.1	0.22	83.6	84.5	0.000
69	Income share by type - kind (%)	All income receivers	18.0	0.29	17.4	18.5	15.9	0.22	15.5	16.4	0.000
70	Income share by source - Occupation (%)	All income receivers	63.3	0.58	62.2	64.5	64.2	0.49	63.2	65.1	0.128
71	Income share by source - Property (%)	All income receivers	18.6	0.35	17.9	19.3	17.6	0.32	17.0	18.2	0.014
72	Income share by source - Transfers (%)	All income receivers	17.6	0.54	16.5	18.6	17.5	0.40	16.7	18.3	0.450
73	Income share by source - Other (%)	All income receivers	0.5	0.05	0.4	0.6	0.7	0.13	0.5	1.0	0.03
Chapter 8 - Expenditure and Consumption											
74	Monthly per Capita Expenditure (Rs.)	All individuals	2,012	31	1,951	2,073	3,936	49	3,840	4,033	0.000
75	Monthly Expenditure per Household (Rs.)	All households	9,275	144	8,993	9,557	16,974	212	16,558	17,390	0.000
76	Monthly Expenditure on Food per Household (Rs.)	All households	4,077	21	4,035	4,118	5,843	26	5,792	5,894	0.000
77	Monthly Expenditure on Housing per Household (Rs.)	All households	1,347	23	1,302	1,393	2,540	37	2,466	2,613	0.000
78	Expenditure Share - Food (%)	All households	44.0	0.62	42.7	45.2	34.4	0.38	33.7	35.2	0.000
79	Expenditure Share - Housing (%)	All households	14.5	0.25	14.0	15.0	15.0	0.38	14.2	15.7	0.172
80	Expenditure Share - Clothing & Footwear (%)	All households	5.9	0.14	5.6	6.2	6.6	0.10	6.3	6.8	0.000
81	Expenditure Share -Transport (%)	All households	7.1	1.02	5.1	9.1	9.8	0.68	8.4	11.1	0.011
82	Expenditure Share - Communication (%)	All households	0.6	0.07	0.4	0.7	2.2	0.06	2.1	2.3	0.000
83	Monthly per Capita Alcohol Consumption (ml.)	All households	215	10	196	234	164	8	148	180	0.000
84	Monthly per Capita Cigarettes Consumption (Number)	All households	5.2	0.16	4.9	5.5	3.9	0.13	3.7	4.2	0.000
85	Per Capita Daily Calorie Intake (Calories)	All individuals	2,336	8	2,319	2,352	2,325	7	2,311	2,339	0.176
86	Per Capita Daily Protein Intake (grams)	All individuals	61.3	0.24	60.8	61.8	64.8	0.22	64.4	65.3	0.000
Chapter 9 - Savings, Investments and Borrowings											
87	Households with Positive Savings (%)	All households	54.4	0.54	53.3	55.4	53.2	0.46	52.3	54.1	0.045
88	Households with Positive Investment (%)	All households	62.3	0.52	61.3	63.3	66.6	0.44	65.7	67.4	0.000
89	Households with Borrowings (%)	All households	42.5	0.53	41.5	43.6	49.1	0.46	48.2	50.0	0.000
90	Average Number of Loans per Household (No.)	All households	0.21	0.005	0.20	0.22	0.25	0.005	0.24	0.26	0.000
91	Average Size of Loan per Household (Rs.)	All households	1,987	450	1,105	2,868	2,939	240	2,468	3,409	0.335
92	Savings Rate, % of Income	All households	10.40	0.94	8.56	12.24	11.13	0.86	9.44	12.82	0.276
93	Net Investment Rate, % of Income	All households	22.74	5.60	11.76	33.72	24.93	3.52	18.03	31.83	0.371
94	Borrowing Rate, % of Income	All households	25.18	4.75	15.87	34.49	22.07	1.41	19.31	24.83	0.265

(a) The sample was treated as simple random for compilation of population and strata estimates, where the sample was self-weighted with probability proportional to strata sizes.

(b) Definitions of variables are given in the relevant sections of Chapters 2 to 9

(c) Excludes Eastern and Northern provinces

(d) Excludes Killinochchi, Mannar and Mullaitivu districts

(e) Probability of no significant difference between the two survey periods

n.a - not available

Monthly Per Capita Consumption and Expenditure by Item under Major COICOP Categories

Appendix IV

CFS Code No.	Item	Unit	Quantity (Units)	Value (Rs.)	CFS Schedule No.	CFS Code No.	Item	Unit	Quantity (Units)	Value (Rs.)	CFS Schedule No.
Food and Non-alcoholic Beverages						116	Fresh Milk Pasturised (Cow)	M Litre	4.27	0.29	40
1	Samba (Own Production)	Grams	162.01	4.99	40	117	Fresh Milk Sterilised (Cow)	M Litre	2.49	0.13	40
2	Ordinary Par Boiled (Own Production)	Grams	625.51	18.37	40	118	Fresh Milk (Goat)	M Litre	45.43	1.15	40
3	Red Raw Kekulu (Own Production)	Grams	308.20	8.84	40	120	Infant Milk Powder	Grams	30.00	11.13	40
4	White Raw Kekulu (Own Production)	Grams	568.69	15.90	40	121	Milk Powder - Full Cream	Grams	250.66	81.48	40
5	Other Rice (Own Production)	Grams	7.75	0.25	40	122	Milk Powder - Non Fat	Grams	28.38	10.12	40
6	Samba (Bought)	Grams	1,361.44	46.81	40	123	Condensed Milk	M Litre	1.98	0.26	40
7	Ordinary Par Boiled (Bought)	Grams	2,537.84	78.45	40	124	Evaporated Milk	M Litre	1.23	0.13	40
8	Red Raw Kekulu (Bought)	Grams	1,448.62	44.76	40	125	Cheese	Grams	1.34	1.04	40
9	White Raw Kekulu (Bought)	Grams	1,646.21	47.74	40	126	Moru	M Litre	0.37	0.06	40
10	Other Rice (Bought)	Grams	184.80	5.95	40	127	Curd	M Litre	33.68	2.41	40
11	Wheat Flour	Grams	785.99	19.58	40	128	Yoghurt	M Litre	20.56	2.73	40
12	Rice Flour	Grams	86.23	3.44	40	129	Ice Cream	M Litre	29.47	3.75	40
13	Kurakkan Flour	Grams	19.85	1.00	40	130	Other (Processed milk)	M Litre	2.11	0.26	40
14	Ulundu Flour	Grams	4.41	0.30	40	135	Coconut Oil	M Litre	318.26	26.98	40
21	Bread Standard Loaf	Grams	1,719.11	50.81	40	136	Vegetable Oil	M Litre	15.84	1.94	40
22	Bread Special Loaf	Grams	36.50	1.42	40	137	Soyabean / Sunflower / Corn Oil	M Litre	1.34	0.24	40
23	Bread Flat Loaf (Rospaan)	Number	0.15	0.72	40	138	Gingelly Oil	M Litre	0.77	0.17	40
24	Pizza	Number	0.00	0.41	40	139	Margarine	Grams	8.32	2.05	40
25	Buns / Spanchi	Number	1.12	8.31	40	140	Butter	Grams	7.30	2.30	40
26	Cakes	Number	0.35	2.87	40	141	Ghee	Grams	0.20	0.04	40
27	Biscuits	Number	101.19	14.87	40	142	Other Oil and Fats	Grams	0.14	0.03	40
30	Kurakkan	Grams	6.33	0.29	40	143	Gingelly	Grams	0.34	0.05	40
31	Maize	Grams	16.05	0.38	40	144	Cashewnuts	Grams	0.75	0.18	40
32	Barley	Grams	0.43	0.03	40	145	Ground Nuts	Grams	3.93	0.35	40
33	Papadam	Grams	14.85	1.78	40	150	Coconuts	Number	8.18	97.37	40
34	Noodles / Pasta	Grams	32.78	2.76	40	151	Coconut Milk Powder	Grams	0.56	0.13	40
35	Sago	Grams	1.34	0.12	40	152	Other Processed Coconut Products	Grams	0.14	0.02	40
36	Processed Cereals (Cornflakes etc.)	Grams	1.05	0.32	40	153	Kottakiliangu	Grams	0.19	0.02	40
37	Triposha / Samaposha	Grams	8.89	1.05	40	155	Other Palmyrah Products	Grams		0.02	40
38	Other Processed Cereals	Grams	4.06	0.31	40	161	Kolikuttu	Number	0.82	4.30	40
55	Beef	Grams	102.08	16.30	40	162	Anamalu / Ambun	Number	0.74	3.34	40
56	Mutton	Grams	9.20	2.45	40	163	Ambul	Number	7.27	13.38	40
57	Chicken	Grams	181.57	31.46	40	164	Other Plantains	Number	1.94	3.74	40
58	Pork	Grams	17.26	2.63	40	165	Papaw	Number	0.57	10.49	40
59	Other Meat	Grams	7.50	1.03	40	166	Pineapple	Number	0.19	2.23	40
60	Beef (Processed Meat Products)	Grams	6.54	1.13	40	167	Mangoes	Number	1.38	6.77	40
61	Mutton (Processed Meat Products)	Grams	0.55	0.16	40	168	Oranges / Mandarin (Local)	Number	0.15	0.99	40
62	Chicken (Processed Meat Products)	Grams	19.68	3.69	40	169	Grapes	Grams	4.69	1.24	40
63	Pork (Processed Meat Products)	Grams	1.83	0.31	40	170	Jak Fruits	Grams	21.25	0.47	40
64	Other (Processed Meat Products)	Grams	0.54	0.11	40	171	Passion Fruits	Number	0.04	0.12	40
71	Thora (Sea Fish - Fresh)	Grams	8.85	2.64	40	172	Wood Apple	Number	0.22	0.78	40
72	Parawa (Sea Fish - Fresh)	Grams	37.43	8.07	40	173	Beli	Number	0.04	0.20	40
73	Balaya (Sea Fish - Fresh)	Grams	72.27	11.94	40	174	Guava	Number	0.17	0.35	40
74	Kelawalla (Sea Fish - Fresh)	Grams	66.16	13.34	40	175	Butter Fruits (Avocado)	Number	0.17	1.14	40
75	Mullel (Galmalu) (Sea Fish - Fresh)	Grams	34.15	5.11	40	176	Mangosleen	Number	0.07	0.27	40
76	Kumbalawa (Sea Fish - Fresh)	Grams	25.00	3.44	40	177	Melon	Number	0.01	0.29	40
77	Shark (Sea Fish - Fresh)	Grams	9.11	1.68	40	178	Pomegranate	Number	0.01	0.24	40
78	Thalapath (Sea Fish - Fresh)	Grams	23.96	6.15	40	179	Apple	Number	0.32	4.02	40
79	Prawns (Sea Fish - Fresh)	Grams	15.47	3.80	40	180	Orange / Mandarin (Imported)	Number	0.06	0.72	40
80	Sprats (Sea Fish - Fresh)	Grams	17.09	1.95	40	181	Lovi			0.01	40
81	Hurulla (Sea Fish - Fresh)	Grams	107.15	11.96	40	182	Weralu			0.04	40
82	Cuttle Fish / Crabs (Sea Fish - Fresh)	Grams	10.54	1.59	40	183	Jambu			0.05	40
83	Salaya (Sea Fish - Fresh)	Grams	80.97	7.80	40	184	Anoda			0.19	40
84	Other (Sea Fish - Fresh)	Grams	136.73	17.16	40	185	Rambutan			1.05	40
85	Fresh Water Fish (All Varieties)	Grams	150.88	12.72	40	186	Nelli			0.03	40
90	Thora (Sea Fish - Dried)	Grams	2.62	0.43	40	187	Other Fresh Fruits			0.51	40
91	Parawa (Sea Fish - Dried)	Grams	3.75	0.82	40	188	Dates	Grams	10.05	0.67	40
92	Balaya (Sea Fish - Dried)	Grams	40.56	8.05	40	189	Sultanas	Grams	0.83	0.15	40
93	Katta (Sea Fish - Dried)	Grams	15.55	4.57	40	190	Other Dried Crystallised Fruits	Grams	0.01	0.00	40
94	Thalapath (Sea Fish - Dried)	Grams	3.55	0.95	40	191	Pineapple (Tinned Fruits)	Grams	0.54	0.04	40
95	Koduwa (Sea Fish - Dried)	Grams	0.46	0.10	40	192	Mangoes (Tinned Fruits)	Grams	0.15	0.02	40
96	Shark (Sea Fish - Dried)	Grams	16.81	3.91	40	193	Other (Tinned Fruits)	Grams	0.42	0.04	40
97	Anguluwa (Sea Fish - Dried)	Grams	18.32	3.12	40	200	Cabbage	Grams	213.57	8.29	40
98	Kumbalawa (Sea Fish - Dried)	Grams	1.29	0.24	40	201	Beans	Grams	313.69	16.50	40
99	Keeramin (Sea Fish - Dried)	Grams	19.79	3.74	40	202	Leeks	Grams	106.22	5.30	40
100	Hurulla (Sea Fish - Dried)	Grams	12.05	1.81	40	203	Carrot	Grams	130.81	7.04	40
101	Dried Sprats	Grams	111.39	18.98	40	204	Beet Root	Grams	133.01	6.09	40
102	Dried Prawns	Grams	2.62	0.60	40	205	Tomato	Grams	62.97	3.16	40
103	Bombili	Grams	1.70	0.33	40	206	Capsicum	Grams	62.56	3.33	40
104	Other (Sea Fish - Dried)	Grams	27.51	4.61	40	207	Raddish	Grams	80.59	2.28	40
105	Fresh Water Fish - Dried	Grams	7.47	1.02	40	208	Knolkhol	Grams	33.34	1.20	40
106	Salted Fish	Grams	0.67	0.16	40	209	Ash Plantains	Grams	88.01	3.08	40
107	Maldiva Fish	Grams	15.55	5.84	40	210	Ridge Gourd	Grams	79.61	2.73	40
108	Tinned Fish	Grams	35.78	6.19	40	211	Ladies Fingers (Bandakka)	Grams	107.80	3.75	40
109	Other Processed Fish Products	Grams	2.57	0.50	40	212	Snake Gourd (Pathola)	Grams	75.02	2.37	40
112	Hen Eggs	Number	2.88	15.86	40	213	Bitler Gourd (Karawila)	Grams	74.72	3.30	40
113	Other - Eggs	Number	0.01	0.03	40	214	Long Beans	Grams	173.12	5.77	40
115	Fresh Milk Unprocessed (Cow)	M Litre	47.18	1.30	40	215	Brinjals	Grams	273.75	9.23	40
						216	Drumsticks (Murunga)	Grams	62.97	2.29	40

Monthly Per Capita Consumption and Expenditure by Item under Major COICOP Categories (Contd.)

CFS Code No.	Item	Unit	Quantity (Units)	Value (Rs.)	CFS Schedule No.	CFS Code No.	Item	Unit	Quantity (Units)	Value (Rs.)	CFS Schedule No.
217	Ash Pumpkin (Puhul)	Grams	9.69	0.25	40	321	Fennel Seed (Maduru)	Grams	4.93	0.70	40
218	Cucumber	Grams	38.75	1.02	40	322	Mathe Seed (Uluhal)	Grams	15.67	1.77	40
219	Golden Melon (Kekiri)	Grams	51.25	1.14	40	323	Raw Ginger	Grams	7.24	1.09	40
220	Kohila Roots	Grams	26.06	0.96	40	324	Mustard	Grams	8.29	1.12	40
221	Pumpkin	Grams	212.30	5.49	40	325	Cinnamon	Grams	3.33	1.01	40
222	Batana	Grams	5.68	0.17	40	326	Goraka	Grams	27.92	3.76	40
223	Wing Bean (Dambala)	Grams	40.08	1.68	40	327	Cardamom	Grams	0.72	0.22	40
224	Talana Batu	Grams	44.49	1.56	40	328	Cloves	Grams	0.53	0.10	40
225	Thibbalu	Grams	13.67	0.73	40	329	Rampe / Sera / Karapincha	Grams	60.84	4.50	40
226	Plantain Flowers	Grams	53.77	1.10	40	330	Other Condiments	Grams	0.55	0.10	40
227	Ambarella	Grams	24.96	0.69	40	335	Tea Dust / Leaves	Grams	113.67	24.88	40
228	Mushrooms	Grams	7.49	0.62	40	336	Coffee Seed / Powder	Grams	4.75	1.06	40
229	Raw Cashew	Grams	4.10	0.41	40	337	Cocoa Powder	Grams	0.30	0.08	40
230	Other Vegetables	Grams	25.70	0.83	40	338	Other Hot Beverage Powder	Grams	5.72	1.90	40
231	Frozen and Other Vegetable Products	Grams	0.59	0.02	40	339	King Coconut / Young Coconut	Number	0.15	1.36	40
232	Tinned and Other Vegetable Products	Grams	0.08	0.00	40	340	Mineral Water	M Litre	3.57	0.14	40
235	Mukunuwenna	Grams	196.06	5.39	40	341	Carbonated Drinks	M Litre	24.56	1.38	40
236	Kankun	Grams	51.45	1.55	40	342	Cordial Powder	Grams	1.94	0.39	40
237	Katurumunga	Grams	42.44	1.29	40	343	Cordial Liquid	M Litre	6.35	1.15	40
238	Gotukola	Grams	107.59	3.26	40	344	Other (Fruit / Vegetable based drinks)	M Litre	1.60	0.21	40
239	Saarana / Thampala	Grams	14.58	0.49	40		Sub Total			1,355.02	
240	Nivithi	Grams	23.76	0.76	40		Alcoholic Beverages, Tobacco and Narcotics				
241	Cabbage Leaves	Grams	19.22	0.49	40	350	Toddy	M Litre	66.43	1.78	40
242	Kohila Leaves	Grams	17.57	0.61	40	351	Arrack	M Litre	31.51	12.03	40
243	Salad Leaves	Grams	2.29	0.17	40	352	Beer / Stout	M Litre	9.16	0.92	40
244	Onion Leaves	Grams	13.96	0.54	40	353	Whisky / Brandy / Gin / Wine etc.	M Litre	1.17	1.26	40
245	Other Leafy Vegetables	Grams	91.96	2.31	40	354	Kassippu	M Litre	55.94	5.91	40
246	Manioc	Grams	131.38	2.15	40	365	Belal Leaves	Number	17.62	8.61	40
247	Polatoes	Grams	301.82	19.33	40	366	Arecanuts	Number	6.91	7.35	40
248	Sweet Polatoes	Grams	32.31	0.72	40	367	Chunam			0.45	40
249	Innala	Grams	5.84	0.21	40	368	Tobacco	Number	0.35	3.44	40
250	Kiri Ala	Grams	11.86	0.38	40	369	Belal Chew	Number	1.64	7.57	40
251	Other Yams	Grams	10.73	0.39	40	370	Cigarettes	Number	3.91	28.49	40
252	Jak (Malured)	Grams	225.40	3.34	40	371	Cigars	Number	0.97	2.18	40
253	Jak (Immatured)	Grams	117.00	1.95	40	372	Beedi	Number	6.44	5.36	40
254	Jak Seed	Grams	11.59	0.22	40	373	Pipe Tobacco	Grams	0.17	0.06	40
255	Breadfruit	Number	0.18	2.04	40	374	Narcotics			1.21	40
256	Other Starchy Food	Grams	1.57	0.06	40		Sub Total			86.62	
260	Masoor Dhal	Grams	403.28	26.69	40		Clothing and Footwear				
261	Other Varieties of Dhal	Grams	11.27	0.78	40	561	Denim Trousers			6.16	51
262	Gram	Grams	38.87	3.29	40	562	Other Trousers - Long			16.38	51
263	Green Gram	Grams	43.55	3.03	40	563	Trousers - Short			2.57	51
264	Ulundu	Grams	3.14	0.20	40	564	Coats			1.34	51
265	Cowpea	Grams	25.09	1.39	40	565	Shirts - Men's and Boy's Wear			23.29	51
266	Soya Beans	Grams	4.56	0.62	40	566	T-Shirts - Men's and Boy's Wear			10.13	51
267	Soya Products	Grams	28.42	4.56	40	567	National Shirts			0.33	51
268	Other Pulses	Grams	12.32	0.67	40	568	Pyjamas			0.19	51
270	Sugar	Grams	1,304.89	49.09	40	569	Sarongs			12.14	51
275	Jaggery (Coconut and other)	Grams	7.81	0.67	40	570	Verties			0.30	51
276	Treacle (Coconut and other)	M Litre	1.25	0.18	40	571	Shawls			0.04	51
277	Honey (Bees)	M Litre	0.31	0.07	40	572	Banians			1.67	51
278	Other Jaggery and Treacle			0.03	40	573	Underwear			1.73	51
280	Chocolates	Grams	2.58	1.55	40	574	Socks and Stockings			0.32	51
281	Toffees and Lozenges	Number	0.54	0.66	40	575	Other Men's and Boy's Wear			0.27	51
282	Kewum / Kokis (Traditional Sweets)	Number	0.14	0.55	40	576	Skirts			14.62	51
283	Musket / Kaludodol (Traditional Sweets)	Number	0.09	0.56	40	577	Blouses / Shirts			14.92	51
284	Thalabola / Rulan / Aluwa	Number	0.16	0.43	40	578	Dresses			9.86	51
285	Other Sweets	Number		1.90	40	579	Housecoats / Kimonas / Night Wear			3.33	51
290	Jams	Grams	9.68	1.93	40	580	Trousers / Jeans			2.45	51
291	Pickles / Chutneys	Grams	0.36	0.08	40	581	Shorts			0.21	51
292	Packeted Desserts	Grams	0.27	0.07	40	582	T-Shirts - Women's and Girl's Wear			2.50	51
293	Sauces	Grams	1.74	0.42	40	583	Salwar Sets			8.50	51
294	Marmite / Vegemite	Grams	2.74	1.83	40	584	Sarees			21.18	51
295	Soup Cubes	Grams	0.59	0.37	40	585	Vests			0.22	51
296	Packeted Soups	Grams	0.06	0.01	40	586	Underwear / Under Skirts / Brassieres			4.97	51
297	Canned / Bottled Curries	Grams	0.01	0.00	40	587	Socks and Stockings			0.26	51
298	Canned / Bottled Spice / Pastes	Grams	0.01	0.00	40	588	Infant's wear (< 3 Years)			7.74	51
299	Other Preserved Food Products	Grams	0.45	0.10	40	589	Children's Wear (3-13 Years)			19.85	51
305	Chillies Dried	Grams	44.76	7.37	40	590	School Uniforms			2.35	51
306	Chillies Green	Grams	137.91	10.02	40	591	Other (Infants' / Children's wear)			0.47	51
307	Chilly Powder	Grams	102.76	20.77	40	592	Trouser Materials			1.16	51
308	Turmeric / Turmeric Powder	Grams	23.74	4.21	40	593	Coat Lengths			0.09	51
309	Curry Powder (Saraku)	Grams	45.85	8.35	40	594	Shirt / Blouse Materials			1.38	51
310	Curry Powder (Other)	Grams	15.02	2.67	40	595	Textiles for other Men's Garments			1.43	51
311	Red Onions	Grams	247.12	13.10	40	596	Textiles for other Women's Garments			10.64	51
312	Big Onions	Grams	551.89	24.11	40	597	Textiles for School Uniforms			2.73	51
313	Garlic	Grams	91.00	6.48	40	598	Textiles for Children's Garments			1.02	51
314	Salt	Grams	345.21	5.82	40	599	Other Textiles Purchased by Melre			0.56	51
315	Pepper	Grams	22.13	4.99	40	600	Ties			0.23	51
316	Lime	Grams	77.02	4.70	40	601	Handkerchiefs			1.23	51
317	Vinegar	M Litre	0.72	0.10	40						
318	Tamarind	Grams	23.75	1.54	40						
319	Coriander Seeds	Grams	12.61	1.31	40						
320	Cumin Seed (Suduru)	Grams	7.15	1.46	40						

Monthly Per Capita Consumption and Expenditure by Item under Major COICOP Categories (Contd.)

CFS Code No.	Item	Unit	Quantity (Units)	Value (Rs.)	CFS Schedule No.	CFS Code No.	Item	Unit	Quantity (Units)	Value (Rs.)	CFS Schedule No.
602	Rain Coats			0.17	51	819	Feeding Bottles and Teats			0.48	51
603	Hats			0.90	51	2005	Refrigerators			11.62	52
604	Bells			0.41	51	2006	Fans			3.89	52
605	Helmets for Motorcycles			0.15	51	2007	Air Conditioners			0.51	52
608	Shoes			22.16	51	2008	Floor Polishers / Vacuum Cleaners			0.45	52
609	Sandals			12.38	51	2014	Grinders (Electric)			1.16	52
610	Sports Shoes			0.29	51	2015	Mixing Machines			0.99	52
611	Slippers			4.82	51	2016	Washing Machines			3.38	52
612	Other Footwear			0.41	51	2017	Electric Irons / Heaters			0.99	52
613	Repairs of Footwear			0.22	51	2018	Electric Kettles			0.41	52
809	Tailoring / Cobbling			5.29	51	2020	Geysers			0.10	52
	Sub Total			257.95		2022	Cookers / Stoves / Ovens (Electric)			2.12	52
	Housing, Water, Electricity, Gas and Other Fuels					2023	Cookers / Stoves / Ovens (Gas)			2.84	52
	<i>Rented House</i>					2024	Cookers / Stoves / Ovens (Kerosene)			0.13	52
501	Rent for one month			15.94	51	2025	Rice Cookers / Pressure Cookers			1.69	52
502	Rates Paid (if borne by resident)			0.01	51	2026	Microwave Ovens			0.92	52
503	Repairs (if borne by resident)			0.00	51	2027	Toasters			0.83	52
	<i>Subsidised Rented House</i>					2028	Generators			0.49	52
504	Rent for one month			7.08	51	2029	Table Lamps (Electric)			0.45	52
505	Rates Paid (if borne by resident)			0.05	51	2030	Solar Power Machines			3.21	52
506	Repairs (if borne by resident)			0.10	51	2031	Other Electrical Appliances			3.42	52
	<i>Living Own House</i>					2040	Lawn Mowers			0.14	52
507	Rentable value for one month			348.67	51	2043	Sewing Machines			3.03	52
508	Rates Paid (Living Own House)			1.08	51	2045	Furniture - All Varieties			47.51	52
509	Repairs (Living Own House)			24.13	51	2046	Mattresses			3.90	52
	<i>Living in Free Quarters</i>					2047	Carpets			0.79	52
510	Rentable value for one month			21.07	51	2048	Ceramic / Glass / Plastic Ware	Number		9.14	52
511	Rates Paid (if borne by resident)			0.11	51	2049	Flasks / Aluminium Ware			3.26	52
512	Repairs (if borne by resident)			1.62	51	2050	Pots and Pans / Baskets and Basins			4.11	52
521	Firewood purchased - Rubber	Kg	1.20	3.17	51	2051	Petromax Lamps			0.02	52
522	Firewood purchased - Assorted	Kg	3.14	7.51	51	2052	Cutlery			0.16	52
523	Firewood Free	Kg	20.63	32.99	51	2053	Grinding Tools and Equipment			0.45	52
524	Charcoal / Timco	Kg	0.23	0.34	51	2054	Curios / Antiques			4.28	52
525	Sawdust	Kg	0.15	0.18	51	2055	Other Non-Electrical Appliances			3.31	52
526	LP Gas	Kg	0.46	22.94	51		Sub Total			226.91	
527	Kerosene Oil	M Litre	608.74	19.04	51		Health				
528	Electricity	Kwh	12.27	69.58	51	661	Hospital Charges			12.17	51
529	Fuel for Generators	M Litre	4.66	0.19	51	662	Consultation Fees			9.48	51
530	Solar Power			0.99	51	663	Laboratory Tests / Diagnostic Services			16.60	51
531	Batteries (used for lighting purposes)			3.64	51	664	Medicines			77.41	51
551	Meter Charges			7.75	51	665	Hospital Charges			0.74	51
552	Other			0.82	51	666	Ayurvedic Consultation Fees / Tests			1.00	51
	Sub Total			588.98		667	Ayurvedic Medicines			3.47	51
	Furnishings, Household Equipment and Maintenance					668	Hearing Aides			0.86	51
532	Other Batteries			1.55	51	669	Spectacles			4.26	51
533	Other Lighting Equipment			0.20	51	670	Dental Care			1.08	51
534	Energy Saving Bulbs			2.99	51	671	Other Devices			0.08	51
535	Normal Bulbs			3.36	51	672	Homeopathy (Fees, Drugs)			0.07	51
536	Torches			0.56	51	673	Acupuncture (Fees, Drugs)			0.50	51
537	Non-Electrical Lamps			0.06	51	674	Occult Practices			5.92	51
538	Candles			0.52	51	675	Medical Supplies / Services			0.73	51
539	Matches			3.26	51	676	Contraceptive Methods / Drugs			0.31	51
540	Other Fuel and Light Expenses			0.39	51	2041	Wheel Chairs			0.33	52
621	Towels			2.08	51		Sub Total			135.00	
622	Bed Sheets			4.37	51		Transport				
623	Table Cloths			0.58	51	691	Train Fare (Education)			0.15	51
624	Curtain Materials			3.56	51	692	Train Fare (Other)			1.55	51
625	Serviettes / Dusters			0.09	51	693	Bus Fare (Education)			13.39	51
626	Mosquito Nets			2.19	51	694	Bus Fare (Other)			73.56	51
627	Pillow Cases			0.64	51	695	Van Hire (Education)			12.50	51
628	Cushion Covers			0.61	51	696	Van Hire (Other)			7.93	51
629	Quilts			0.59	51	697	Taxi / Car / Three Wheeler Hire (Education)			3.64	51
630	Mats			1.18	51	698	Taxi / Car / Three Wheeler Hire (Other)			23.74	51
631	Rugs			0.53	51	699	Hackery / Cart / Two Wheel Tractor Hire			0.52	51
632	Pillows			0.21	51	700	Domestic Air and Sea Travel			2.81	51
633	Mosquito Coils / Mats			4.73	51	701	Travel Abroad (Travel Expenses only)			15.20	51
634	Brooms / Ekel Brooms / Brushes			5.31	51	702	Petrol			48.48	51
635	Household Utensils			0.14	51	703	Diesel			18.18	51
636	Ironing Board			0.40	51	704	Gas			0.35	51
637	Laundry Soap			30.36	51	705	Oil / Other			1.82	51
638	Other Detergents			5.87	51	706	Tyres / Tubes / Automotive Batteries			9.60	51
639	Laundry Detergents and Bleaches			6.99	51	707	Other Spare Parts			18.59	51
640	Floor Polish and Wax Paints			0.65	51	708	Maintenance Services			14.18	51
641	Shoe Polish			0.64	51	709	Garage Charges			2.37	51
642	Insecticides (Home Purposes)			0.41	51	710	Driving Lessons Fees			1.27	51
643	Other - Non-Durable Household Goods			0.15	51	711	Conversion of Diesel / Gas			0.00	51
	<i>Domestic Aides and Household Services</i>					712	Vehicle Licensing			2.33	51
644	Cash Payments			15.54	51	713	Road Development Taxes / Luxury Taxes on Vehicles			0.01	51
645	Payments in Kind			0.47	51	2033	Motor Cars / Vans			40.48	52
646	Food			1.26	51	2034	Motor Cycles / Scooters			41.27	52
647	Clothes			0.47	51	2035	Three Wheelers			27.69	52
648	Laundry Charges			0.71	51	2036	Bicycles			3.60	52
649	Ginding Charges			2.21	51	2037	Buggy Carts			0.01	52
650	Other Charges			0.89	51		Sub Total			385.22	

Monthly Per Capita Consumption and Expenditure by Item under Major COICOP Categories (Contd.)

CFS Code No.	Item	Unit	Quantity (Units)	Value (Rs.)	CFS Schedule No.	CFS Code No.	Item	Unit	Quantity (Units)	Value (Rs.)	CFS Schedule No.
Communication						45	Snack Meal	Number	0.52	4.00	40
721	Postage, Telegrams Fees etc.			2.71	51	46	String Hoppers	Number	10.13	9.83	40
722	Telephone Rent (last year)			28.30	51	47	Hoppers / Rotli / Pittu	Number	1.57	5.76	40
723	Domestic Calls			38.04	51	48	Puri / Chapathi / Thosai / Masalai etc.	Number	0.51	2.56	40
724	International Calls			5.63	51	49	Tea / Coffee	Number	0.16	0.74	40
725	Fax / Telex / E-mail / Internet Charges			1.21	51	50	Tea / Coffee with Milk	Number	0.08	0.68	40
2012	Fax Machines			0.16	52	51	Kolakenda (Gruel)	Number	0.04	0.32	40
2013	Telephones / Cellular Phones / Pagers			10.30	52	52	Other Meals Bought Outside			4.84	40
Sub Total				86.35		794	Boarding Fees			2.45	51
Recreation and Culture						795	Boarding Fees at Educational Institutes			3.00	51
731	Cinema / Theatre / Games / Amusement Parks / Museums / Concerts / Exhibitions / Zoo			5.22	51	796	Hotel / Other Accommodation charges			2.27	51
732	Batteries for Musical Instruments / TVs / Radios / Toys			0.36	51	Sub Total				58.22	
733	Cable TV Charges			0.20	51	Miscellaneous Goods and Services					
734	Battery Charging Fees			1.00	51	757	Birth / Marriage / Funeral / Other Expenses			99.27	51
735	Renting of Video Cassettes			0.60	51	780	Other (Bags, Water bottles)			3.51	51
736	Buying of Cassettes / Videos / CDs			2.81	51	787	Other Tertiary Education			2.22	51
737	Photography			6.35	51	793	Other Professional / Technical Education			1.13	51
738	Gardening and Other Hobbies			1.71	51	801	Tooth Paste and Tooth Brushes			13.53	51
739	Membership Expenses related to Clubs			0.28	51	802	Toiletries and Shampoo			20.89	51
740	Fitness Centers / Swimming Pools / Tennis Courts			0.66	51	803	Shaving Equipments / Cream / Lotion			8.33	51
741	Sports / Musical Instruments			0.57	51	804	Cosmetics			9.67	51
2039	Sports / Fitness Equipment			0.31	52	805	Hair Cuts / Hair Dressing / Shaving			14.19	51
742	Toys / Games			5.46	51	806	Hair Dye			0.42	51
743	Books / Magazines / Library Charges			3.20	51	807	Wigs / Hair Clips / Hair Nets			1.01	51
744	Newspapers			11.32	51	808	Beauty Culture			0.92	51
745	Pets / Aquarium / Vet services			2.26	51	810	Tissues / Paper Serviettes			0.12	51
746	Lotteries			23.03	51	811	Gingelly Oil for Personal Care			0.18	51
747	Gambling and Betting			0.95	51	812	Coconut Oil for Hair Dressing			2.20	51
748	Games of Skill (Video Games)			0.11	51	813	Other Personal Care			2.29	51
749	Art / Music / Dancing Class Fees			0.31	51	814	Artificial Jewellery			1.17	51
750	Sports Coaching Fees			0.26	51	815	Sanitary Towels			1.97	51
751	Other Recreation and Culture			1.44	51	816	Umbrellas / Sunglasses / Canes			3.04	51
754	Payments for Religious Activities			38.46	51	817	Rubber Sheets			0.16	51
755	Coconut Oil for Lamps			7.34	51	818	Diapers			0.25	51
756	Joss Sticks and Incense			4.90	51	820	Travelling Bags / Suitcases			1.34	51
758	Birth / Marriages / Funerals			81.87	51	821	Hand Bags / Wallets / Purses			2.86	51
759	Other Social Functions			21.10	51	822	Articles of Smokers (Pipe / Lighter)			0.06	51
778	School Books / Exercise Books			13.80	51	823	Other Personal Effects			0.10	51
779	Equipment / Stationery (Primary / Secondary Education)			4.66	51	824	Elderly Home Charges			1.12	51
785	Equipment / Stationery (Tertiary Education)			0.73	51	825	Creches / Day Care Charges			1.10	51
786	Textbooks / Exercise Books			0.86	51	826	Fire Insurance			1.17	51
792	Books and Other Accessories			1.38	51	827	Health Insurance			9.85	51
797	Pilgrimages and Holidays			3.53	51	828	Vehicle Insurance			7.63	51
2002	Radio with Audio Players			5.02	52	829	Service Charges (Current A/c / ATM / Credit Cards)			0.78	51
2003	Television			26.24	52	830	Damages / Out of Court Settlements			0.86	51
2004	Video / Cassette Decks / VCD			11.74	52	831	Tips / Commissions paid			0.72	51
2009	Calculators			0.24	52	832	Lawyer's Fees (Other than Land and Housing Transactions)			6.18	51
2010	Type Writers			0.00	52	833	Alimony and Maintenance Payments			0.67	51
2011	Computers / Printers			6.34	52	834	Fines			2.02	51
2021	Cameras / Video Cameras / Projectors / Binoculars			0.48	52	835	Other Gifts and Donations			4.57	51
2032	Musical Instruments			1.96	52	836	Subscription to Unions / Associations			3.97	51
Sub Total				299.09		837	Horoscope Reading			2.74	51
Education						838	Other Financial Services			19.54	51
771	Pre-School Charges			4.76	51	2001	Jewellery			49.54	52
<i>Primary / Secondary Education</i>						2038	Tricycles / Baby carriages			0.66	52
772	School Fees			9.92	51	2044	Clocks and Watches			4.65	52
773	Tuition Fees			2.42	51	Sub Total				308.61	
774	Facility Fees			44.29	51	Interest on Debt					
775	Examination Fees			1.10	51	1111-20	Loans Taken (Other than from Retail Shops)		10	57.89	72
776	Donation for School / Other Functions			4.11	51	1121	Direct Credits			0.79	72
777	Daily Expenses			6.04	51	1122	Credit Cards			0.76	72
<i>Tertiary Education</i>						Sub Total				59.44	
782	Registration Fees			1.11	51	TOTAL					
783	Tuition Fees			2.56	51					3,936.38	
784	Examination Fees			0.64	51						
788	Registration / Membership Fees			2.73	51						
<i>Professional / Technical Education</i>											
789	Tuition Fees			5.75	51						
790	Computer Education Fees			2.30	51						
791	Examination Fees			1.24	51						
Sub Total				88.95							
Restaurants and Hotels											
40	Full Meal Eastern (Vegetarian)			3.77	40						
41	Full Meal Eastern (Non-Vegetarian)			12.43	40						
42	Full Meal Western (Vegetarian)			1.22	40						
43	Full Meal Western (Non-Vegetarian)			2.56	40						
44	Full Meal Chinese			1.79	40						

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Calendar of Activities

Appendix VI

Task	Key Activity	Period
1. Initial Preparation	<ul style="list-style-type: none"> * Obtaining formal approval to conduct CFS 2003/04 * Initial field plan * Preparation of budget and detailed cost estimates * Obtaining Monetary Board approval 	Jan. 2002 – Feb. 2003
2. Questionnaire Preparation	<ul style="list-style-type: none"> * Initial questionnaire revisions * Obtaining feedback from within and outside CBSL * Preparation of questionnaire, field instructions and survey manual for pre-testing at pilot surveys * Finalisation of questionnaire after pre-test * Printing of questionnaire and survey manual 	Jan. 2001 – Sep. 2003
3. Sample Selection	<ul style="list-style-type: none"> * Decision on sample design and procedures * Determination of sample size * Allocation of the sample among Rounds and strata * Selection of PSUs per Round from each stratum * Copying of housing unit lists of selected PSUs from Census 2001 	May 2002 – Dec. 2002
4. Selection and Training of Field Staff	<ul style="list-style-type: none"> * Preparation of TOR for field supervisors and investigators * Selection of trainee field investigators * Training of field supervisors * Training of field investigators * Conduct of pilot surveys * Recruiting of field investigators 	July 2002 – Aug. 2003
5. Field Programme	<ul style="list-style-type: none"> * Mapping of selected PSUs to prepare field plan * Allocation of PSUs in each Round to laps and teams * Correspondence with administrative authorities, GNs, estate authorities, urban housing units * Transport arrangements and logistics for Rounds and laps * Updating housing unit lists and selection of SSUs in each PSU * Field Work and data collection in each PSU * Overall supervision programme 	June 2003 – Oct. 2004
6. Budgeting, Financial Monitoring and Control	<ul style="list-style-type: none"> * Design and implementation of lap-wise expenditure monitoring system * Design and implementation of payment monitoring schedules for each category of payment * Arrangements to make EPF/ETF contributory payments * Monitoring and maintaining budgetary control 	June 2002 – March 2005
7. Data Processing	<ul style="list-style-type: none"> * Decision on data processing plan * TOR for outsourcing systems analyst and data entry operators * Development of data entry procedures * Development of data editing procedures * Preparation of data verification, tabulation and presentation plan * Recruiting of Data Entry Operators * Questionnaire control and supervision of data entry and editing * Data processing and database development 	Oct. 2002 – Dec. 2004
8. Data Review and Dissemination	<ul style="list-style-type: none"> * Data review and finalisation * Dissemination of preliminary findings * Preparation of Report Part 1 and Part 2 * Arrangements for printing * Preparation of micro data files for release to researchers 	Dec. 2003 – Dec. 2005