

ABSTRACT

Sri Lanka has a long history of social programmes and of food subsidies in particular. The most recent poverty alleviation programme, Samurdhi was introduced in 1995. This program was conceived by the government of Sri Lanka to alleviate poverty and create opportunities for the youth, women and the disadvantaged. Conceptually, Samurdhi has a 'protection' element which is a short-term measure to cushion those in poverty and a 'promotional' element that is more a strategy with medium and long-term focus that looks at creating the institutional support necessary to push people out of poverty. The protectional element includes the monthly welfare grant (the transfer component) disbursed to beneficiaries and an insurance scheme that covers contingencies. It also includes various small scale social development projects targeted at alcoholics, aged destitute, school drop-outs etc. The welfare grant (or transfer component) is the most significant aspect of the Samurdhi programme. This is not only because it consumes around 80 per cent of the overall budget, but also because it plays a vital role in implicitly forcing people to remain with Samurdhi and participate in its various 'promotional' components. The promotional element includes the savings/credit schemes and rural infrastructure development programmes. Samurdhi programme affect social and economic condition of the people in Sri Lanka.