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Social Protection and the MDGs in Sri Lanka *Implications for the Post-2015 Agenda*

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SOCIAL PROTECTION AND THE MDGs IN SRI LANKA
Implications for the Post-2015 Agenda

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Preface

The *Southern Voice on Post-MDG International Development Goals* was born in the spirit of collaboration, participation and broad academic inquiry. It is a network of 48 think tanks from Africa, Latin America and South Asia which has identified a unique space to contribute to the post-2015 dialogue. By providing quality data, evidence and analyses derived from research in the countries of the global South, these think tanks seek to inform the discussion on the post-2015 framework, goals and targets, and to help to shape the debate itself.

With these goals in mind, *Southern Voice* launched a call for papers among its members to inform the global debate based on the research they have already carried out, to strengthen national or regional policy discussions. The objective of the call was to maximise the impact of the knowledge that already exists in the global South, but which may have not reached the international arena.

In response to the call, we received numerous proposals which were reviewed by *Southern Voice* members. The research papers were also peer reviewed, and the revised drafts were later validated by the reviewer.

The resulting collection of ten papers highlights some of the most pressing concerns for the countries of the global South. In doing so, they explore a variety of topics including social, governance, economic and environmental concerns. Each paper demonstrates the challenges of building an international agenda which responds to the specificities of each country, while also being internationally relevant. It is by acknowledging and analysing these challenges that the research from the global South supports the objective of a meaningful post-2015 agenda.

In connection with the ongoing debates on post-2015 international development goals, **Social Protection and the MDGs in Sri Lanka: Implications for the Post-2015 Agenda** by *Dr Ganga Manjari Tilakaratna* (Research Fellow and Head of Poverty and Social Welfare Policy Unit) at the Institute of Policy Studies of Sri Lanka (IPS) reviews the existing social protection system in Sri Lanka. It analyses the level of social protection coverage and the quality of services/benefits provided to all vulnerable groups, identifies the weaknesses in the current system, and provides policy suggestions.

I would like to gratefully acknowledge the contributions of *Ms Andrea Ordóñez* (Research Coordinator of the initiative) and *Ms Mahenaw Ummul Wara* (Research Associate, Centre for Policy Dialogue (CPD) and Focal Point at the *Southern Voice* Secretariat) in managing and organising the smooth implementation of the research programme.

I would also like to thank the contribution of *Mr Towfiqul Islam Khan* (Research Fellow, CPD) for peer reviewing, and *Mr Michael Olender* for copy editing the paper.

I would like to take this opportunity to recognise the support of Think Tank Initiative (TTI) towards *Southern Voice*, particularly that of *Dr Peter Taylor*, Programme Leader, TTI.

I hope the engaged readership will find the paper stimulating.

Dhaka, Bangladesh
May 2014

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Abstract

The role of social protection in achieving the Millennium Development Goals (MDGs) has been widely recognised. The Sri Lankan experience demonstrates that social protection policies and programmes carried out by the successive governments over decades have helped make substantial progress on many goals. The importance of social protection goes beyond MDGs. The issues of ageing population, informalisation of work, low female labour force participation, and increasing vulnerability to shocks also stress the need for comprehensive social protection systems. Social protection has to be a key element of the post-2015 development agenda – either as a goal, or as an instrument to achieve several goals.

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Acronyms

ALMP	Active Labour Market Programme
GDP	Gross Development Product
HCR	Headcount Ratio
ICT	Information and Communication Technology
IMR	Infant Mortality Rate
MDG	Millennium Development Goal
NSE	National Secretariat for Elders
PSPS	Public Servants Pension Scheme

Social Protection and the MDGs in Sri Lanka

Implications for the Post-2015 Agenda

Ganga Tilakaratna

Social protection has been increasingly viewed as an important tool for addressing poverty, vulnerability, inequality and social exclusion. It can play a vital role in accelerating progress on the Millennium Development Goals (MDGs) by ensuring access to quality education, healthcare services, nutrition and income security. Evidence from several countries, such as Mexico and Brazil, has shown that social protection programmes like cash transfers have contributed to the achievement of the MDGs (UNICEF 2010; Fiszbein *et al.* 2013). Social protection has also been recognised as a key element that needs to be included in the post-2015 development agenda (ECA *et al.* 2012; HLP 2013; UNICEF 2010). Yet, approximately 80 per cent of the world's population lack access to comprehensive social protection (ECA *et al.* 2012).

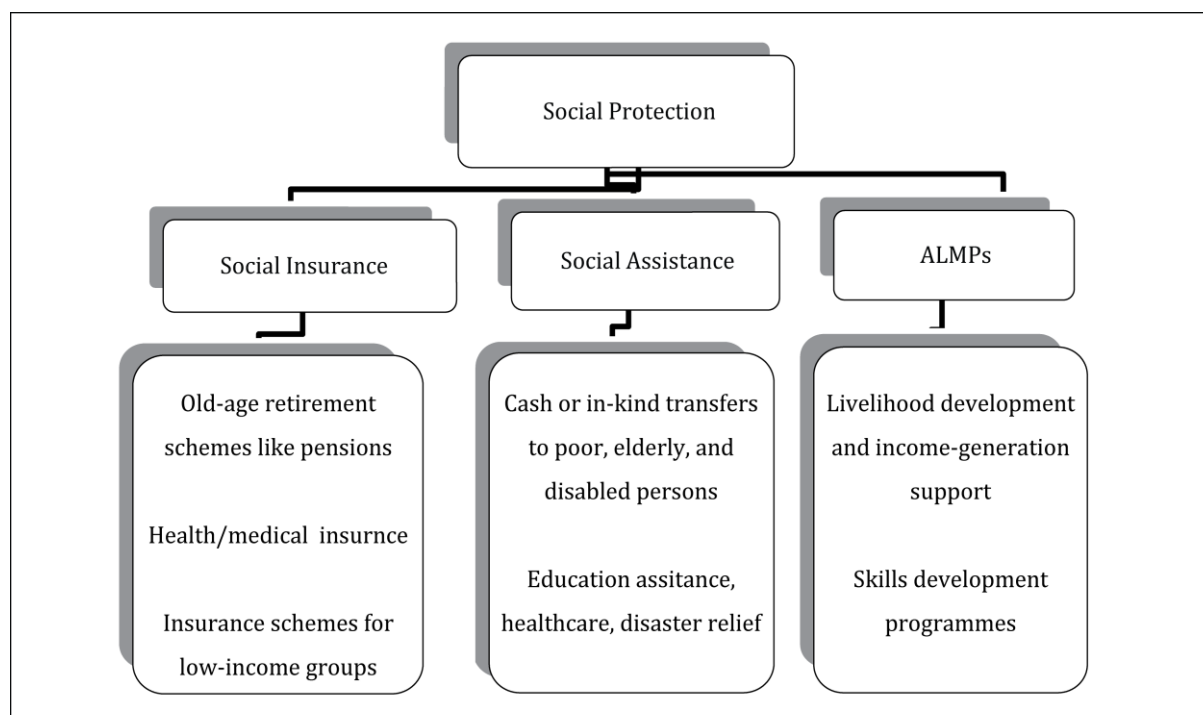
Sri Lanka has a long history of providing social protection, in particular free education and healthcare, pensions, and food subsidy and cash transfers to various segments of its population including the poor, the elderly, children and women. Social protection policies and programmes implemented by successive Sri Lankan governments over the past six decades have helped the country to make remarkable progress with regard to social indicators such as literacy ratio, primary school enrolment ratio, child and maternal mortality ratio, and life expectancy at birth – well before the declaration of the MDGs. The country's contemporary social protection system has contributed to achieving a number of MDGs. Sri Lanka has already achieved or is “on track” to achieve the MDGs on reducing poverty, achieving universal primary education, promoting gender equality, reducing child mortality, and improving maternal health (IPS 2010).

Given this context, this paper reviews the social protection system in Sri Lanka and analyses the country's progress on achieving the MDGs and the role of social protection in attaining them. It is based on a body of research on social protection carried out by the author as well as other recent secondary sources. The following section provides an overview of Sri Lanka's social protection system and highlights some of the gaps and weaknesses in it. The next section analyses the country's progress on the MDGs and the importance of social protection policies and programmes in attaining them. The final section discusses conclusions and policy implications for the post-2015 development agenda.

The Social Protection System in Sri Lanka

The Sri Lankan social protection system consists of a range of policies and programmes that are implemented by the government, specifically ministries and provincial councils, and non-governmental sectors, and targeted toward various vulnerable segments of the population, such as the poor, the elderly, the disabled, internally displaced persons, children and women. Social protection programmes vary from cash and in-kind transfers to education programmes, pensions and other retirement benefits, healthcare assistance, micro-insurance and livelihood development programmes. They can be broadly categorised as: (i) social insurance; (ii) social assistance; and (iii) active labour market programmes (ALMPs) (ADB 2011; Galappattige *et al.* 2012; Tilakaratna 2012).

Figure 1: Social Protection System in Sri Lanka



Social Insurance

Social insurance programmes generally cover against contingencies such as old age-related problems, permanent disability, death and other life cycle events. They are largely employment-related and involve the provision of old-age retirement benefit schemes (e.g. pensions). The social insurance programmes available for different segments of the population are briefly discussed below.

For **public sector workers**, the Public Servants Pension Scheme (PSPS) is a non-contributory pension scheme managed by the Department of Pensions. It covers all permanent public sector employees and the entitlement for a pension arises after 10 years of service in a permanent post. Under the PSPS, employees are also covered against work injuries, disability, and death. In the event of the death of a public servant, his or her dependents are entitled to the pension under the Widows'/Widowers' and Orphans' Pension Scheme (W&OP) – a mandatory contributory scheme under the PSPS. In addition, there is a Public Servants' Provident Fund, a contributory old-age benefit scheme for public servants who are not eligible for the PSPS. In 2012, there were 510,343 beneficiaries of the PSPS and 130,416 beneficiaries of the W&OP.¹ The annual expenditure for public sector pensions accounts for nearly 2 per cent of the gross domestic product (GDP).

Regarding **private sector workers**, all are mandated to contribute toward the Employees' Provident Fund and Employment Trust Fund. Currently, the Employees' Provident Fund has a membership of over two million people (covering about 25 per cent of the labour force). It provides old-age, permanent disability, and survivor's benefits to its members in the form of a lump sum based on the total contributions made by the employee and the employer(s).

Despite the considerable share of employment in the informal sector, social security programmes available to **informal sector workers** are limited. These workers often lack maternity and medical benefits, retirement benefits like those in the Employees Provident Fund and Employment Trust Fund, and pensions. There are a handful of contributory pension schemes (and insurance schemes) designed for specific groups of informal sector workers like farmers and fishermen. These are

¹Department of Pensions of Sri Lanka.

voluntary contributory schemes where benefit amounts are based on the contributions of individual members. In 2010, farmers' and fishermen's schemes had gross enrolments of around 959,000 and 67,000, respectively, but their active membership numbers remain much lower. Low coverage, inactive membership, low old-age benefit amounts, high administration costs, and weak financial sustainability are the major challenges that these schemes face.

Regarding **social insurance schemes for low-income groups**, there are a number of micro-insurance programmes such as the government's *Samurdhi* social security programme² and programmes carried out by non-governmental or private organisations. The *Samurdhi* social security programme is the largest insurance programme for low-income groups, covering over one million families (who are beneficiaries of the government's cash transfer programme) and providing insurance related to life cycle events such as marriage, child birth, sickness and death. This programme also includes a scholarship component aimed at providing benefits for children of beneficiary families who pass the General Certificate of Education (Ordinary Level) examination. Social insurance benefits are provided from the *Samurdhi* Social Security Fund formed from a monthly deduction of Rs. 45 from the monthly cash transfer given to these families (Table 1).

Table 1: Benefits of the *Samurdhi* Subsidy Programme: 2012

(Rupees)

Category of <i>Samurdhi</i> Beneficiary Family	Total Monthly Subsidy	Net Subsidy that can be Withdrawn	Compulsory Savings	Contribution to Social Security Fund	Contribution to Housing Fund
1-2 member family	750	595	100	45	10
3-5 member family	1,200	945	200	45	10
6 or more member family	1,500	1,145	300	45	10
Empowered family	210	155	n/a	45	10

Source: Tilakaratna *et al.* (2013b).

Social Assistance

There are many social assistance programmes targeted toward the poor and other vulnerable groups such as the disabled, the elderly, internally displaced persons, children and women. These programmes are primarily funded by the government.

With regard to **assistance for the poor**, the *Samurdhi* programme is the main social assistance initiative in Sri Lanka. It is designed with dual objectives: the short-term objective of reducing vulnerability to various risks, such as consumption shortfalls and sicknesses, and the long-term objective of poverty reduction through livelihood development and empowerment. It is comprised of multiple components, including the subsidy (or cash transfer), social security, and nutrition programmes, which are designed to achieve its short-term objectives, and the microfinance and livelihood development programmes that are geared toward the long-term objectives. Under the *Samurdhi* subsidy component, identified families receive a monthly cash transfer valued between Rs. 210 and Rs. 1,500, depending on family size (see Table 1). The *Samurdhi* subsidy is currently received by approximately 1.5 million families. Despite its substantial coverage, the subsidy programme suffers from a number of weaknesses such as targeting errors and the relatively low value of the cash transfer.

As for **assistance for the disabled**, the National Secretariat for Persons with Disabilities has a disability assistance programme that provides a monthly allowance of Rs. 3,000 for identified low-income families with disabled members. In 2011, this programme covered 11,216 families. The secretariat also implements programmes offering medical assistance for surgeries, housing assistance, and financial assistance for disabled persons engaged in self-employment activities. The

²This is a component of the government's largest poverty alleviation programme.

low coverage of eligible persons, which is related to budgetary constraints, is the main weakness of the disability assistance programme.

Regarding **assistance for the elderly**, in addition to the old-age retirement benefit schemes discussed in the previous section, a number of programmes for the elderly are carried out by the National Secretariat for Elders (NSE) of the Ministry of Social Services. With the elderly assistance programme, identified persons above 70 years of age who are without any source of income are given a monthly allowance of Rs. 1,000. This is a relatively new programme being implemented since 2012. Other programmes cover the establishment of day centres for the elderly, financial assistance for elders' homes and elders' committees, medical assistance, and financial assistance for medical clinics. Moreover, elders (persons above the age of 60) who do not qualify for the monthly allowance of Rs. 1,000 provided by the NSE, and do not have any source of income are often eligible for the *Samurdhi* programme or assistance under the public assistance monthly allowance programme.

In terms of assistance for internally displaced persons and resettling families, programmes such as the Vulnerable Group Feeding, Food for Work, and Food for Training programmes are carried out by the Ministry of Economic Development and the Ministry of Disaster Management to help these persons the IDPs (including those affected by natural disasters) and resettling families. In 2011, the beneficiaries of the first programme totalled nearly 600,000 persons, while those benefitting from the second and third programmes together totalled nearly 200,000.

With regard to **assistance for school children**, the universal free education policy that was introduced in 1945 is designed to provide education free-of-charge to all students from kindergarten to university and is the most far-reaching measure taken by the Sri Lankan government to improve school enrolment and attendance among children. Moreover, the compulsory education policy for all children aged 5-14 years, which ensures a minimum of nine years of education for all was implemented in 1998. In addition, successive governments over the past few decades have implemented various programmes to increase educational opportunities for children from low-income families. These include the free textbooks programme started in 1980 under which all students in Grades 1-11 in the government school system are provided with relevant textbooks for free; the free school uniform programme introduced in 1993 under which all students in the government school system are provided with free school uniform materials on an annual basis; the school and higher education bus season tickets programme that provides a transportation subsidy to all students; and the scholarship programme that awards scholarships to students from low-income families. Moreover, a mid-day meal programme is carried out in selected schools where students from Grades 1-5 are covered with the aim of improving the nutritional status of school children from low-income groups. The details of some of the social assistance programmes for school children are provided in Table 2.

In terms of **health assistance**, public healthcare is provided free-of-charge in government hospitals and dispensaries. By 2012, there were 593 government hospitals with 73,437 beds, which amount to 3.6 beds per 1,000 persons, excluding beds in private hospitals. By the end of 2012, there were 17,129 qualified doctors in the state health sector, or a doctor for every 1,187 persons, and 29,781 qualified nurses, or a nurse for every 683 persons (CBSL 2013). However, the public health service has not been adequate in meeting the demand for healthcare, and consequently, private expenditure on healthcare has been increasing in Sri Lanka. Currently, government expenditure on health care accounts for about 1.3 per cent of GDP. Total expenditure on healthcare is typically much higher – it was 4.15 per cent of GDP in 2008 (UNDP Sri Lanka 2012).

Nutrition programmes for children and pregnant and lactating mothers are carried out by various ministries. The largest programme is the *Thripasha* programme implemented by the Ministry of Economic Development. Under this national supplementary food programme, *Thripasha* (cereal) packs are provided to the identified pregnant and lactating mothers, infants and children aged 6-59 months. This programme recorded a total of 873,509 beneficiaries in 2010. The Ministry of Economic Development carries out the Food for Education programme with the objective of promoting education and reducing hunger among children. Under this programme, cooked meals

are provided for students in Grades 1-9 in selected schools in the Northern Province. The Ministry also carries out the Mother and Child Health Nutrition programme for pregnant and lactating mothers and children under five years of age. In addition, the Ministry of Child Development and Women's Affairs carries out nutrition programme for nursery children (children aged 2-5 years) in low-nutrition areas, as shown in Table 2.

Table 2: Major Social Protection Programmes for Children

Programme	Institution	Beneficiary Type	Benefit Level	Beneficiaries in 2011	Expenditure in 2011 (Rs. Million)
School textbooks	Ministry of Education	All students in government schools and <i>Pirivens</i> (Grades 1-11)	Free textbooks each year	3,410,280 (students)	2,200*
School uniforms	Ministry of Education	All students in government schools	Free uniform material each year	3,994,813 (students)	1,260*
School and higher education bus season tickets	Sri Lanka Transport Board, Ministry of Transport	All students in government schools, <i>Pirivens</i> and universities	Subsidised bus tickets at 10 per cent of the cost per ticket	2,373,120 (students)	2,436*
Grade 5 scholarship	Ministry of Education	Students from low-income households who pass the Grade 5 Scholarship Exam	Rs. 5,000 per year until end of senior secondary education	45,019 (students)	225*
Mid-day meal	Ministry of Education	Students of primary and secondary schools in Grades 1-5 in selected rural areas and students in special education	Mid-day meal	1,117,219	2,486*
Thripasha	Ministry of Health	All pregnant and lactating mothers for first six months as well as infants and children aged 6-59 months deviating from the normal weight and those whose growth is faltering	Two take-home packs of <i>Thripasha</i> (cereal) once a month	873,509	980*
Food for Education	Ministry of Economic Development	Students in Grades 1-9 in selected schools	Cooked meals at school	170,433	457
Mother and child health nutrition	Ministry of Economic Development	Pregnant and lactating mothers as well as children under 5 years of age in selected areas	Corn soya blend ration per person per month	197,762	230
Fresh milk for nursery children	Ministry of Child Development and Women's Affairs	Children aged 2-5 years in the low-nutrition areas	Rs. 200 per child for 25 days a month in selected nurseries	78,329	191*

Sources: Tilakaratna *et al.* (2013b).

Note: *denotes that data on beneficiaries and expenditure are for 2010.

Active Labour Market Programmes

Two types of programmes can be identified under the ALMPs: livelihood development programmes and skills development programmes. The major livelihood development programmes targeted toward low-income families include the *Samurdhi* programme and *Divi Neguma* programme implemented by the Ministry of Economic Development, under which selected families are provided with support (grants, loans, inputs and technical assistance) to start or expand livelihood activities in the areas of agriculture, livestock, fisheries and cottage industries. In addition, livelihood development programmes to help single mothers and women-headed households are carried out by the Ministry of Social Services and Ministry of Child Development and Women's Affairs.

The Ministry of Youth Affairs and Skills Development, through a number of training institutes that come under the purview of the Ministry and training centres located across the island, offers vocational training to youth and school leavers (both male and female) with the aim of enhancing their entrepreneurial skills and employment potentials. Training covers a range of areas such as carpentry, agri-business, hotel management, and information and communications technology (ICT). Vocational training programmes are also offered by a number of other ministries and the provincial councils.

Gaps and Weaknesses of Sri Lanka's Social Protection System

Despite the multitude of social protection programmes ranging from cash and in-kind transfers, insurance, old-age retirement benefits like pensions, education welfare programmes, nutrition programmes and livelihood development programmes, a number of gaps and weaknesses exist in Sri Lanka's social protection system.

Low coverage and **poor targeting** are the two most common weaknesses in many social protection programmes. With the exception of some welfare programmes for school children (the free school textbooks, free school uniform, and subsidised transportations programmes) that are almost universal in coverage, many programmes designed for the poor, the elderly, the disabled, and other vulnerable groups cover only a small share of eligible persons. Limited coverage is largely a result of budgetary constraints. Moreover, many programmes suffer from targeting problems. Tilakaratna *et al.* (2013b) find that less than half of households (47.4 per cent in 2009-10) in the poorest decile receive *Samurdhi* benefits, while 3-15 per cent of households in each of the top four deciles also receive these benefits. Targeting errors in other social protection programmes are difficult to measure owing to the lack of data. Many programmes also lack clearly defined eligibility criteria and entry and exit mechanisms that have contributed to targeting errors in some programmes.

The **inadequacy of benefits** is another limitation in many social protection programmes, particularly cash transfer programmes such as the *Samurdhi*, elderly assistance, and public assistance monthly allowance programmes. The PSPS is perhaps the only exception, given that benefit amounts are quite substantial in order to protect against old-age poverty. Under the *Samurdhi* subsidy programme, the maximum amount received by a family is Rs. 1,500 per month, which is far below the minimum requirement to meet a family's basic needs. According to the national poverty line, one person requires around Rs. 3,700 per month to cover his or her minimum consumption expenditure.³ Moreover, the net cash value received by a family is much lower than the aforementioned amount since there are deductions for compulsory savings, the social security fund, and the housing fund (see Table 1). The monthly allowances provided under the elderly assistance programme (Rs. 1,000) and the public assistance monthly allowance programme (between Rs. 250 and Rs. 500) are also far from adequate to cover basic expenses such as food and medical costs.

Lack of coordination among institutions involved in the provision of social protection and **duplication of programmes** targeted toward certain vulnerable groups are two gaps in Sri Lanka's social protection system. Currently there are several ministries, departments, and

³The official poverty line at the national level for August 2013 was Rs. 3,774 (DCS 2014).

provincial councils carrying out different social programmes for various vulnerable groups. Lack of coordination among institutions and programmes also leads to overlaps in beneficiaries served by programmes.

Many programmes suffer from **budgetary constraints**, which restrict the expansion of coverage and improvement of benefit amounts. For instance, the present number of beneficiaries of the disability assistance programme is far below the number of total eligible persons who have applied for this programme. Furthermore, the **unsustainability of programmes** such as the PSPS and the **inadequacy of pensions for informal sector workers** are issues of concern. The unsustainability of the PSPS is primarily due to its fully funded (non-contributory) nature, while the inadequacy of pensions in the informal sector is a result of small and irregular contributions from beneficiaries alongside inadequate funding from the government.

MDGs and Social Protection in Sri Lanka

Sri Lanka has made significant progress toward achieving the majority of the MDGs. It has already achieved the target of halving extreme poverty between 1990 and 2015. The poverty Headcount Ratio (HCR) declined from 26.1 per cent in 1990 to 8.9 per cent by 2009-10, as is shown in Table 3, indicating that the MDG poverty target at the national level had been met well before the target year.⁴ This MDG target has already been met in both rural and urban sectors of the country, while the estate sector (plantation sector) is “on track” to meet it by 2015 (UNDP Sri Lanka 2012). Sri Lanka has also already met the target of halving the proportion of the population without sustainable access to water and sanitation. Furthermore, the country is “on track” to meet many MDG targets such as achieving universal primary education, eliminating gender disparity in education at all levels, reducing under-5 mortality, reducing maternal mortality, and combating diseases including malaria (IPS 2010).

Despite these achievements, progress has been slow on a handful of MDGs and their targets. Sri Lanka brought down its infant mortality rate (IMR) from 17.7 infant deaths per 1,000 live births in 1990 to 9.4 infant deaths per 1,000 live births by 2009 – a rate that is much lower than those in many developing countries and comparable to those in countries with higher levels of per capita income. However, a further reduction from an already low level to around 6 infant deaths per 1,000 live births by 2015 to meet the MDG target is a great challenge for the country. Moreover, Sri Lanka’s progress on halving the proportion of the population below the minimum level of dietary energy consumption has been inadequate to meet the MDG target by 2015. Approximately 50 per cent of the population was recorded as below the minimum level of dietary energy consumption in 2006-07, a figure that has to be brought down to 25 per cent by 2015 if the country is to meet the target (IPS 2010).

Social protection policies, including the universal free education and healthcare policies, and various welfare programmes, particularly subsidy and food ration programmes, implemented by successive governments over many decades have contributed to the achievement of numerous MDGs and many targets being met.

The universal free education policy and the compulsory education policy that followed are two key government efforts that have contributed to Sri Lanka’s achievement of near universal primary school enrolment and primary completion ratios and near gender parity in education at all levels – primary, secondary and tertiary. The free school textbooks, free school uniform, mid-day meal, and subsidised transportation programmes for students have also helped improve school enrolment and attendance among children, particularly among those from remote areas and from low-income groups (Tilakaratna *et al.* 2008).

⁴As per the preliminary findings of the *Household Income and Expenditure Survey 2012-13*, the poverty HCR has declined further to 6.5 per cent (DCS 2013).

Table 3: Summary Statistics on Selected MDGs and Indicators

Goal 1: Eradicate Extreme Poverty and Hunger	1990	2002*	Latest	2015
Proportion of population below the national poverty line	26.1	22.7	8.9 (2009-10)	13.1
Poverty gap ratio	5.6	5.1	1.7 (2009-10)	2.8
Share of poorest quintile in the national consumption	8.9	7.0	7.8 (2009-10)	No target
Prevalence of underweight children under five years	38.0	29.0	21.6 (2006-07)	19.0
Proportion of population below the minimum level of dietary energy consumption	50.9	51.3	50.7 (2006-07)	25.0
Goal 2 : Achieve Universal Primary Education				
Net primary school enrolment ratio	88.0	96.3	97.5 (2006-07)	100.0
Proportion of children starting Grade 1 who reach Grade 5	64.1	95.6	99.6 (2006-07)	100.0
Literacy rate in the age group 15–24	92.7 (1994)	95.6 (2001)	97.8# (2012)	100.0
Goal 3: Promote Gender Equality and Empower Women				
Ratio of girls to boys enrolled in primary school	94.2 (1995-96)	94.6	99.0 (2006-07)	100.0
Ratio of girls to boys enrolled at lower secondary level	91.2 (1995-96)	94.8	105.7 (2006-07)	100.0
Ratio of girls to boys enrolled at upper secondary level	107.7 (1995-96)	101.8	n/a	100.0
Ratio of girls to boys enrolled at tertiary level	75.4 (1995-96)	113.8	n/a	100.0
Goal 4: Reduce Child Mortality				
Under-five mortality rate	22.2	13.5 (2003)	11.3 (2009)	8.0
Infant mortality rate	17.7	11.3 (2003)	8.5 (2007)	6.0
Proportion of one-year-old children immunised against measles	84.0	n/a	97.2 (2006-07)	100
Goal 5: Improve Maternal Health				
Maternal mortality ratio	42.0	14.0 (2003)	7.4 (2009)	10.6
Proportion of births attended by a skilled birth attendant	94.1 (1993)	n/a	98.6 (2006)	100.0

Source: IPS (2010); UNDP Sri Lanka (2012); DCS (2011).

Note: All figures are percentages.

*denotes that data in this column are for 2002 unless otherwise specified.

#is based on the Census of Population and Housing 2012 (DCS 2012a).

n/a indicates that data are not available.

It is noteworthy that many of the policies and programmes that have been instrumental in Sri Lanka's progress on MDGs 2 and 3 were initiated well before the declaration of the MDGs in 2000 and even before the 1990 base year, as is demonstrated in Table 4. Efforts by successive governments have helped the country to achieve high levels of school enrolment and high literacy rates at a relatively early stage. By 1990, Sri Lanka had already achieved a net primary school enrolment ratio of 88 per cent, with over 64 per cent of those who start Grade 1 reaching Grade 5. By the mid-1990s, the country had a net primary school enrolment ratio of over 95 per cent, youth literacy rate of 92.7 per cent, and girls to boys ratios of over 90 at both the primary and secondary levels. Various policies and programmes in the post-1990 period, such as the compulsory education

policy, have helped accelerate progress on MDGs 2 and 3. By 2006-07, the net primary school enrolment ratio had increased to 97.5 per cent, with almost 100 per cent of those who start Grade 1 reaching Grade 5, while the ratio of girls to boys was almost 100 per cent at the primary level and 105.7 per cent at the secondary level. The youth literacy rate had increased to 97.8 per cent by 2012, with a higher level of literacy among female youth.

Table 4: MDGs and Social Protection Programmes and Policies

MDG	Key Social Protection Programmes and Policies	Year(s)
Goal 1: Eradicate extreme poverty and hunger	<ul style="list-style-type: none"> • Food subsidy schemes (universal programme) • Food stamp programme (targeted) • <i>Janasaviya</i> Poverty Alleviation Programme • <i>Samurdhi</i> programme • Monthly assistance for disabled persons and elders • National supplementary food programme (<i>Thriposha</i>) • Mother and Child Health Nutrition • Nutrition programme for pregnant and lactating mothers 	1948-77 1977-94 1989-94 1994-present Post-2000 1973 Post-2000 Post-2000
Goal 2: Achieve universal primary education	<ul style="list-style-type: none"> • Universal free education policy • Compulsory education for all aged 5-14 years • Free school textbooks programme for students • Free school uniform programme • Mid-day meal programme for students • Grade 5 scholarship programme • Subsidised transport (bus season tickets) for students 	1945 1998 1980 1993 1989 Pre-1990 Pre-1990
Goal 3: Promote gender equality and empower women	<ul style="list-style-type: none"> • Universal free education policy • Compulsory education for all between aged 5-14 • Free school textbooks programme for students • Free school uniform programme • Mid-day meal programme for students • Grade 5 scholarship programme • Subsidised transport (bus season tickets) for students 	1945 1998 1980 1993 1989 Pre-1990 Pre-1990
Goal 4: Reduce child mortality	<ul style="list-style-type: none"> • Universal free health policy • National supplementary food programme (<i>Thriposha</i>) • Mother and Child Health Nutrition • Nutrition programme for pregnant and lactating mothers 	1940s 1973 Post-2000 Post-2000

Source: Compiled by the author.

Sri Lanka's progress on MDGs 4 and 5 can be to a large extent attributed to the universal 'free' health policy that was introduced over six decades ago, under which public healthcare and services are provided free-of-charge through government hospitals and dispensaries to all citizens throughout the country. Alongside free healthcare provision and improvement in the coverage of health services, the universal free education policy that resulted in higher literacy rates and educational attainment in the country, particularly among women, has also contributed to the significant reduction in infant, under-5, and maternal mortality rates since the 1950s. By 1990, the IMR had fallen to 17.7 per 1,000 live births from a rate of around 141 per 1,000 live births in 1946, while the under-5 mortality rate had declined to 22.2 per 1,000 live births. The under-5 mortality rate declined further to 13.5 per 1,000 live births by 2003 and the IMR declined to 8.5 per 1,000 live births by 2007 (UNDP Sri Lanka 2012; IPS 2010). The maternal mortality rate also saw a remarkable decline over many decades – by 1990, it was 42 per 100,000 live births, a rate much lower than those in many developing countries, and it declined further to 14 per 100,000 live births by 2003, indicating that the country is well “on track” to achieve MDG 5 by 2015. Meeting the MDG target of reducing the IMR by two-thirds from 17.7 per 1,000 live births in 1990 to around 6 per 1,000 live births by 2015 is a challenge for Sri Lanka. It requires interventions beyond social protection measures to reduce neonatal mortality along with the provision of services related to perinatal risks, acute respiratory diseases, congenital heart abnormalities, and certain vaccine-preventable infections (IPS 2010).

Despite the significant reduction in the poverty HCR and improved child and maternal health, undernutrition remains an issue of great concern. About 50 per cent of the population was below the minimum level of dietary energy consumption in 2006-07, and figures have shown only marginal improvement since 1990. Moreover, around one-fifth of children under the age of 5 were underweight in 2006-07. The share of underweight (low weight for age) and stunted (low height for age) children is particularly higher in the estate sector and among low-income groups (IPS 2010). Successive governments have attempted to improve nutritional levels among low-income groups, children, and mothers through the *Thripasha* programme, mid-day meal programme, Mother and Child Health Nutrition programme, and *Samurdhi* subsidy and nutrition programmes. These programmes seem to have been inadequate to make substantial progress on meeting the MDG target on nutrition. As discussed in the previous section, some programmes like the *Samurdhi* subsidy programme suffer from weaknesses such as poor targeting, inadequacy of benefits, lack of clearly defined eligibility criteria, and lack of entry and exit mechanisms.

Conclusions, Emerging Issues, and Implications for the Post-2015 Agenda

Sri Lanka has made substantial progress on many MDGs and targets that include achieving universal primary education, promoting gender parity in education, reducing extreme poverty, and reducing child and maternal mortality. Various social protection policies and programmes carried out by successive governments over the past six decades, such as the universal free education and health policies and food subsidy and cash transfer programmes, have immensely contributed to this progress. Investments in the social sector – specifically education and health – since the 1940s has helped the country to make remarkable progress on literacy rates, school enrolment, and reducing mortality rates at a much earlier stage than many other developing countries.

Despite this progress, further efforts are required to reduce hunger – improve nutritional status – and reduce the IMR in order to achieve the MDGs by 2015. Although significant progress has been made on the MDGs at the national level, further measures are needed to reduce existing disparities across regions and among income groups. Alongside universal measures, there is a need for more targeted programmes and policies focusing on vulnerable groups and lagging regions. The gaps and weaknesses in the current social protection system and existing programmes, such as low coverage, targeting errors, inadequate benefits, and lack of coordination among institutions and programmes must be addressed.

There are a number of emerging issues beyond the MDGs and their associated targets that stress the need for a more comprehensive social protection system in Sri Lanka. Despite the steady decline in the poverty HCR over the past decade and the attainment of the MDG target on poverty at the national level, a significant share of the population is clustered just above the official poverty line, facing the risk of slipping into poverty due to various shocks like economic stresses, vagaries of weather, and life cycle events. The country's estate sector, where the poverty head count ratio is the highest, has the largest proportion of this vulnerable population (Tilakaratna and Galappattige 2013a). Furthermore, over 60 per cent of employed persons are in the informal sector with little or no social security benefits (retirement and maternity benefits, sick leave, and so on). The share of informal sector workers is particularly high in the agriculture sector – 85 per cent – the construction, mining and quarrying sectors – about 79 per cent – and the manufacturing sector – about 47 per cent (DCS 2012b). Increasing informalisation of work is being seen in many formal sectors primarily due to the weaknesses of current regulations governing the labour market. The continuing low female labour force participation rate, currently 30-35 per cent, and high youth unemployment rate are other issues in the labour market that highlight the need to strengthen the social protection system.

Population ageing is another emerging issue that challenges Sri Lanka's social protection system. By 2041, the share of the population over the age of 60 will double, meaning that around one-fourth of the population will be above 60 years of age (De Silva 2012). Population ageing raises concerns about the ability of the social protection system to cater to the needs of the growing number of elderly persons. Moreover, since the longevity of women is expected to increase further

relative to that of men, there will be a larger share of women in the 60 years and above age group. This adds to the concerns because many women are less likely to have adequate social protection, specifically old-age retirement benefits, due to the continuing low female labour force participation rate in the country. In addition, old-age retirement benefit schemes are at present largely confined to the formal sector. Only a small share of informal sector workers have access to pension schemes. Many of these emerging issues are not unique to Sri Lanka but are currently faced by many developing countries.

The role of social protection in achieving the MDGs has been widely recognised (UNDP Sri Lanka 2012; UNICEF 2010). The Sri Lankan experience demonstrates that a variety of social protection policies and programmes carried out by successive governments over decades can help a country make substantial progress on many development goals and targets. Nevertheless, the importance of social protection goes beyond the current MDGs. Social protection can also play an important role in reducing inequality, reducing social exclusion, and building resilience against risks and vulnerabilities. Emerging issues – vulnerabilities to various shocks, the increasing informalisation of work, continuing low female labour force participation, and population aging – that are faced by many developing countries stress the need for more comprehensive social protection systems to ensure at least a minimum level of social protection for all. Thus, social protection has to be a key element of the post-2015 development agenda – either as a goal with an associated target or targets, or as an instrument to achieve several goals.

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