

Table 6.5 : Gini coefficient of mean household expenditure and per capita expenditure by sector – 2006

Sector	Gini coefficient of	
	Mean household expenditure	Per capita expenditure
<b>Sri Lanka</b>	<b>0.42</b>	<b>0.41</b>
<b>Sector</b>		
Urban	0.45	0.46
Rural	0.40	0.39
Estate	0.25	0.23

Gini coefficient of household expenditure in Sri Lanka is reported as 0.42. When sectors are considered, the lowest Gini coefficient value of household expenditure is reported in estate sector (0.25) where homogeneous consumption patterns are exhibiting.

## 6.2 Food ratio

The proportion of expenditure on food and drink to total expenditure is called the food ratio and it is generally represented as a percentage.

$$\text{Food ratio} = \frac{\text{Household expenditure on food and drink}}{\text{Total household expenditure (food and drink and non food)}}$$

Food ratio indirectly indicates the development of the area with the better living conditions. It is also a very useful indicator, which uses to measure the poverty line in Sri Lanka.

The survey results reveal that the average monthly expenditure for both food and drink and non food is Rs. 22671 in Sri Lanka (Table 6.6). Of that value Rs. 8105 is spent on food and drink. Hence the computed food ratio is 35.8 percent for Sri Lanka in 2006. The computed food ratios for urban, rural and estate sectors are 27.9 percent 37.6 percent and 52.7 percent respectively. Therefore generally it can be expected that the living conditions for households in urban and rural sectors are better than that of households in estate sector.

Western province shows the lowest food ratio (29.7 percent) among provinces. Food ratio is reported as 45.6 percent for Sabaragamuwa province. So it is clear that those who live in Western province spend more on housing, education, transport, health, clothing, entertainments etc. compared with those who live in Sabaragamuwa province. This does not imply that the households in Western province spend fewer amounts on food than the households spend in Sabaragamuwa province. The absolute expenditure values for food and drink in Western and Sabaragamuwa provinces are Rs. 9750 and Rs. 6696 respectively (Table 6.6).