CEPA/IMCAP/SLAAS

Poverty Issues in Sri Lanka

Towards New Empirical Insights

Centre for Poverty Analysis (CEPA)

Program for Improving Capacities for Poverty Research (IMCAP) at the University of Colombo

Sri Lanka Association for the Advancement of Science - Section F (SLAAS)

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Edited by

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Improving Capacities for Poverty Research (IMCAP) Program,
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The sincere commitment of the German Federal Ministry of Economic Cooperation and Development (BMZ) to support activities to increase the knowledge on causes and processes of poverty and to facilitate the identification of innovative and appropriate strategies to alleviate poverty, enabled the organizers to establish the poverty symposium as a regular and already well recognized international annual event, bringing in perspectives relevant to the Sri Lankan situation from South Asia and elsewhere.

The organizers wish to thank all contributors of the present volume for their efforts in revising their papers and incorporating comments and suggestions made by the participants at the symposium. The organizers are also grateful for the efforts of Ms. Gayathri Nanayakkara, Mr. Michael O'Leary and Ms. Dinusha Pathiraja in overlooking the editorial process and in preparing the final manuscript.

IMCAP
(on behalf of the organizing institutions)

Foreword

This volume contains edited versions of the papers presented at the Third Annual Poverty Symposium organized jointly by the Centre for Poverty Analysis, IMCAP and Section F of the Sri Lanka Association for the Advancement of Science. I am happy to note that the annual poverty symposium has become an important event where researchers and practitioners meet and exchange ideas about the latest poverty research in Sri Lanka and possible implications for policies, programmes and the next generation of poverty research.

It has increasingly become apparent that a robust and constantly self-reflective tradition of empirical research is necessary for supporting and guiding ongoing poverty reduction efforts in the country. In spite of much insightful research conducted by individual researchers and research organizations, a viable collective tradition of empirical research responsive to local needs is yet to be evolved.

It is our hope that the annual poverty symposium and publication of the key papers discussed in this forum will contribute to the goal of evolving such a collective enterprise among the local research community. As Sri Lanka is gradually recovering from nearly two decades of highly destructive civil war and related processes of political instability and social polarization, the potential contribution of applied social science research should not be underestimated.

As a convenor of this symposium and the Executive Director of the Centre for Poverty Analysis and the President of Section F of SLAAS at the time of organizing this symposium, I sincerely hope that this publication will be useful to all parties concerned.

Kalinga Tudor Silva
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Introduction

The New Poverty Agenda: A Framework for Research

Markus Mayer

The issue of poverty, and particularly that of poverty alleviation, is given much emphasis in various international and national arenas, since the declaration of the Millennium Goals by the United Nations in 2000[1]. The declaration focuses strongly on alleviating world poverty within the next decade. The World Bank has also supported this goal by taking up poverty as a key issue in their World Development Report 2000/2001, under the aggressive title of "Attacking Poverty". Indeed, the attack on the World Trade Center in 2001 has added yet another dimension to the issue of poverty, with some countries maintaining that sustainable and appropriate development could be a further strategy to prevent terrorism and violent conflict.

This increased emphasis on poverty alleviation calls for a careful reconsideration of existing poverty concepts and poverty alleviation strategies if one hopes to achieve the objectives spelt out in the Millennium Goals and those of the new agenda to promote political stability and social development through poverty alleviation. However, many of the practices and policies in place have not been adequately impacting on poverty. This means that how poverty is defined and understood is to be further debated. Additionally, increased understanding of the processes and dynamics of poverty will help to point the way for effective and meaningful policies for combating poverty.

There is, without doubt, an increased acceptance nowadays, that poverty is not solely about economics and that one has to go well beyond purely economic terms in order to understand the processes and causes of poverty. However, income and consumption based concepts are still widely used to identify the poor and to design poverty related project interventions. As Marcus and

[1] See UNDP website (www.undp.org/mdg/goalsandindicators.html).

Wilkinson (2002) point out, most countries still apply a rather static measurement of poverty: "While poverty statistics were sometimes disaggregated into poor and extremely poor (...), the distinction between chronic and transient poverty was never mentioned, nor was the meaning of vulnerability in a particular country, region or social context spelt out." This has meant that there has been little effort to translate the new insights on poverty concepts into applied measures of poverty. Researchers within the poverty sector have to investigate such distinctions of poverty if they are to help governments and other national and local agencies to identify and use innovative and effective poverty alleviation strategies based on real understandings of poverty processes and experiences.

Whereas the concept of poverty has been expanded in many ways beyond solely economic considerations, new elements have been recognized as being crucial to sustained poverty alleviation at national levels. This has also contributed to significant changes in the ways poverty has been conceptualized by major donor agencies over the last years. The discussion on 'new' poverty concepts by agencies such as the World Bank, Asian Development Banks and the UN circles more or less focus around three main key components (e.g. ADB 2001):

- Pro-poor growth, looking mainly into the creation of labour-intensive employment, infrastructure investment in poor regions and environmental sustainability;

- Good governance, focusing on accountability and transparency of state policies and actions, legal frameworks, public participation and anti-corruption initiatives;

- Social development, promoting human and social capital, ensuring social security for vulnerable groups and addressing forms of inequality (e.g. gender-based).

Although these components point towards many of the necessary factors for sustained poverty alleviation efforts, it is doubtful how far the above components actually improve the design and implementation of poverty alleviation strategies. There is not much emphasis on whether **'pro-poor growth'** addresses the aspirations of the poor or whether it should try and tap into new opportunities for regionally based development. As of now, pro-poor growth has often been implemented in the form of supporting labour-intensive sectors such as the garment factories that serve the global market (and may increase income-levels of marginalized communities). However, these sectors may not necessarily be in line with people's desires for respectable and dignified employment (although better alternatives have to be identified and promoted as well).

Given that many of these sectors target young persons newly entering the job markets, researchers and policy-makers need to understand how such poverty alleviation strategies provide economic opportunities and, perhaps equally if not more importantly, how they lead to better social integration of youth into existing society. As mentioned elsewhere, (Mayer/ Salih 2002) young people are themselves in a process of defining their identity and position in society and are therefore more open to internalizing the implications and outcomes of social change.

Young people are often envisaged as the productive and pioneering segment of society. Where pro-poor growth is uncritically promoted, there is a greater chance for young people to experience increasing and often unbridgeable gaps between individual potential and the societal opportunities. If young people perceive the lack of such opportunities as structured discrimination, they are more likely to be attracted to violent, anti-systemic movements if their aspirations are not met. It should be stressed that this does not make youth a problem category, nor should it be perceived so. Rather, young people need to be recognized as providing various indicators for specific socio-political problems that prevail in a society.

As such, any pro-poor growth strategy has to target specifically marginalized groups and needs to incorporate strategies to narrow the gap between aspirations and opportunities, e.g. by investing in market structures and employment sectors that better match people's aspirations for themselves and their communities, particularly perhaps those of young persons. On the other hand, there is a need to better qualify the younger generation for available economic opportunities. This is certainly not a question only of promoting knowledge and skills but also of promoting attitudes within local communities towards certain employment avenues. At a national level, this may also require policies that provide support for venturing into new employment structures, e.g. promoting self-employment ventures by increased insurance against failure.

The second identified key component, **'good governance'**, requires similar critical considerations. How far is good governance seen only as better accountability towards donor agencies or countries? Are there also efforts underway to empower people and institutions (legally and politically) on the local level in order to overcome patterns of discrimination and to get people more involved in planning and implementation of development interventions in a democratic manner?

Rights, especially human rights, are indeed increasingly discussed as a crucial element to ensure successful poverty alleviation. UNDP has dedicated the Human Development Report 2001 to the importance of human rights, drawing extensively on Amartya Sen's latest book *Development as Freedom* that relates individual human development with different types of rights and opportunities such as "political freedoms, economic facilities, social opportunities, transparency guarantees and protective security" (Sen 2000:10). This approach provides an excellent theoretical framework for the analysis of poverty, with a view to assess the available life chances of different social groups.

However, as Maxwell (2003) correctly warns, the notion of rights still receives lower attention when it comes to the actual implementation of policies: "... the achievement of income, health, or education is what matters, and action to secure achievement is merely the means to the end: citizen action over the right to jobs, health services or schools..." Rights have to be seen as part of a much larger picture of what SEN (2000) describes as strengthening people's "freedom" to choose between preferred lifestyles, to ensure participation, status and dignity and to increase the capacities of people to overcome traditional divisions of class, ethnicity and caste (Moser and Norton 2001, cited in Maxwell 2003).

Finally, the component of **'social development'** requires critical re-conceptualization as well. The discovery of *social* capital may translate into yet another attempt to subsume social aspects of life quality under the attempt to increase economic efficiency and to cut back on state-provided protection measures. It may do so by emphasizing the need to strengthen social networks and support mechanisms among the poor. This may ultimately serve as a justification for the state to withdraw from areas of responsibility in the field of social development.[2]

A rethinking of welfare state policies, with the intention to design them more effectively, is required. Rather than *safety-nets* in the form of small handouts, there is a need to redistribute assets that can actively support the increase of human capital through *social protection*, meaning "policies and practices intended to protect and promote the livelihoods and welfare of people who have lost out or stand to lose out in processes of economic and social change and development, people whom these processes bypass, or people who are vulnerable to the effects of disasters and shocks" (Marcus/ Wilkinson 2002:5).

[2] For a more substantial critique of the "social capital concept" see Stirrat in this volume.

Social protection would also point towards the need to rethink measures that actively involve the poor (such as micro-finance), and to structure the availability of grants or social security measures that support people's attempts to manage or overcome poverty (Devereux 2001).

All these considerations hold good for a country such as Sri Lanka that has long been regarded as a model for successful welfare policies and state-provided social security measures that have led to comparatively good social indicators of literacy, life expectancy, fertility decline and low infant mortality (e.g. Ahmad et al 1991, Jayasuriya 2000). However, the validity of the current measurement of these indicators is being increasingly questioned, considering the tumultuous political and socio-economic past of Sri Lanka over the last 2 decades.

The impact of globalization and the introduction of liberalization and open economy policies created new social and economic opportunities, but have had also various negative effects on local economies and the rural sector (e.g. Dunham/ Jayasuriya 1998, Hettige 1997; Kelegama 2000). An intensifying violent conflict with the Tamil separatist movement in the north and east as well as youth unrest in the Sinhalese south would most certainly have jeopardized developmental achievements of the past (e.g. Arunatilake et al 2000; Gunatilleka 2001). The lack of any comprehensive census based data since 1981 on these indicators means that Sri Lanka lacks an actual situational analysis of its poverty levels. Indeed, rethinking social development strategies in the light of these factors is crucial for Sri Lanka at the present time.

Paradoxically, some of the achievements of the Sri Lankan welfare model, such as access to education, may have led to different forms of relative deprivation, arising from the gap between the newly-formed aspirations of the well-educated and the existing limited economic and social opportunities. Education is certainly seen as the main avenue for upward social mobility in Sri Lanka, but with an education system that largely prepares people for clerical jobs within

government administrative structures (whose capacities to offer such jobs are indeed limited) many educated young people find themselves in the category of so-called 'unemployable youth' at the end of their educational efforts. In combination with the formation of new regional and ethnic identities this incompatibility with the existing job market (combined with increased restrictions and reluctance to stay in the agricultural sector) may have contributed towards various perceived or real forms of socio-economic discrimination among particular communities.

From the above it becomes clear that poverty (whether in Sri Lanka or elsewhere) has to be understood as a multidimensional concept going well beyond purely economic definitions. But to include social, political, cultural and psychological dimensions much more research is needed to understand underlying causes of poverty and to address its important interconnections to topics such as violent conflict, social exclusion, entitlement failures, and health and livelihood vulnerability.

A Framework for Research

Identification of new strategies for poverty alleviation and social policy reform is given strong political emphasis in Sri Lanka. However, the role of Sri Lankan academia in the policy cycle is insufficient and their advocacy role needs to be strengthened through reliable research data on poverty-related issues that is of relevance to policy formulation and project implementation.

The objective of the symposium was to provide a platform for an independent group of scholars who are involved in poverty-related research, particularly that which is of relevance to policy formulation and project implementation and to discuss new empirical research and theoretical concepts in an interdisciplinary and international environment. This was expected to stimulate further research and discussion on poverty in Sri Lanka and to identify innovative approaches for its alleviation.

To increase the knowledge about various dimensions of poverty, transient as well as chronic forms of it, any national research agenda needs to facilitate studies of a different nature. Within empirical investigation, firstly the characteristics of desired life chances for specific target groups have to be looked up in a gender-, caste/class- and age- specific differentiation. Secondly, for the evaluation of possible causes for an increase or decrease of marginalization of certain communities or individuals, the analysis has to focus on economic and social factors and risks that ensure or threaten an adequate and desired livelihood. As mentioned earlier, when focusing on social groups the analysis has to incorporate questions regarding identity building, social integration, and rights in regard to political and socio-cultural participation.

To capture the degree of deprivation of different social constituencies, six analytical dimensions could be put together to evaluate the availability of the 'space of life chances' and its scope for potential restriction/ enhancement (see Figure 1). The dimensions 'ecology', 'economy' and 'politics' mainly investigate **external** factors that influence the design of life chances positively or negatively. An important aspect of analysis is placed on the impact of structural processes and changes, such as – in the *ecological sphere* - pressure on environmental resources (due to climatic change, new forms of land use, overpopulation, lack of technical advice for sustainable agriculture etc.). In the *economic sphere*, problems and challenges emerging from the restructuring of national and regional economies under the impact of globalization, and existing mismatches between education and employment, are important dimensions to examine. In the *political sphere*, the differing structures of social dominance within different political orders have to be studied, e.g. by looking at institutional regulations for decision-making on different (national, regional, local) levels and the structures of local level authorities and civil society organizations.

On the **internal** side 'identity-formation', 'social integration' and 'recognition of human rights' are three dimensions mainly investigating the potential of groups or individuals to counter structural or external restrictions of their life chances through effective resistance and own action. Again, the aspect of change is an important component for analysis. Changes in local culture and regional *identities* form the degree of self-esteem for people to act. The level of *social integration* (in family, community or wider societal structures) constitutes the scope for individual initiatives. Both dimensions (identity formation and social integration) are closely linked to the capabilities of social groups for the formation of public action. These capabilities, built mainly on *recognition of human rights* of individuals - ultimately provide the prerequisites for empowerment.

It is important to keep in mind that the separation of different dimensions into 'external' and 'internal' sides serves only analytical purposes. In reality there is a close interaction between all described dimensions and any final conclusion has to put the different factors together into a coherent picture. Policy reforms that are aiming towards a reduction of structural constraints and projects that are trying to strengthen local capacities for constructive empowerment of marginalized communities can increase the availability of life chances. This ultimately has to improve the economic integration of the poor, but more importantly has to contribute to an improved status of psychosocial well-being.

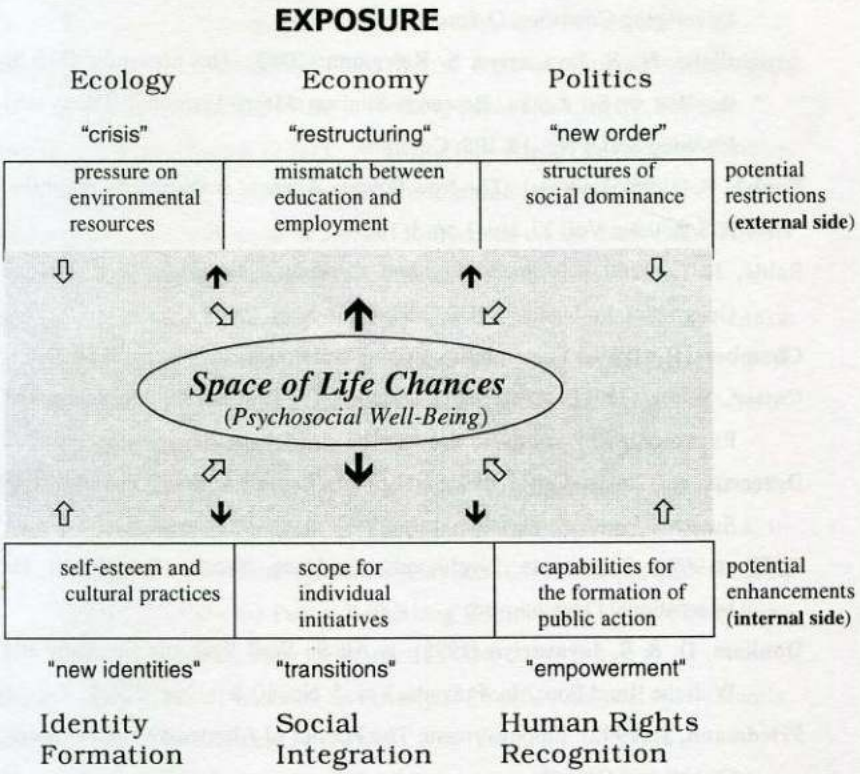
The contributions in this book, all based on empirical analysis, provides new insights in some of the above-identified dimensions. After a critique of the 'social capital' concept and some comparative perspectives on poverty in Kerala, the South Indian state that shares many socio-economic indicators with Sri Lanka (Mayer 2000), the book is divided into three main parts.

Firstly, the focus is on economic policy and rural development, looking specifically into the impact of macro-economic policies on the agricultural sector

in Sri Lanka. *Secondly*, issues of vulnerability, social exclusion and conflict are being investigated, in the conflict-affected Northeastern parts of the country as well as in the rural South. *Thirdly*, critical aspects in designing poverty alleviation strategies in Sri Lanka are discussed, such as gender, psychosocial well-being and health sector reform.

It is hoped that the analysis provided in the book will contribute towards re-orienting the conceptualization of poverty and towards broadening the current understandings of poverty. The organizing institutions of the Annual Poverty Symposium in Sri Lanka hope that the dissemination of the papers presented in the form of this publication will further stimulate applied research on poverty-related issues in the country.

Figure 1: Analytical Framework for the Assessment of Life Chances



Draft: Markus Mayer

based on concepts from:
Baulch 1996; Bohle 2001; Chambers 1989, Friedmann 1992; Johnston/Taylor/Watts 1995; Mayer 2000; Mayer/ Salih 2002; Sen 2000; UNDP 2000; Watts 2000

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New Concepts and Theories

The Concept of Social Capital[1]

R.L. Stirrat

Introduction

This paper bears only a tangential relationship to the one I presented at the Poverty Symposium in July 2002. The latter was concerned with the broad areas of research on poverty with are inspired by DFID's development agenda: the impact of globalization on poverty and the Sustainable Livelihood Approach as a means of both understanding poverty and attempting to eradicate it. I argued that there were problems in the way poverty was understood both at the macro level (in terms of globalization) and at the micro level (in terms of sustainable livelihoods). I argued that there was a "missing middle": that what happens between the global and the local levels tends to be ignored and that to understand poverty this middle area was crucial. I also argued, not surprisingly given my background as an anthropologist that social and cultural issues were not paid sufficient attention in these approaches to poverty and that more nuanced and culturally sophisticated understandings had to be developed.

Whatever the virtues of my argument in the original presentation, it appeared from comments made on my presentation and discussions afterwards that what interested (or annoyed) people much more were my critical remarks on sustainable livelihoods and, more particularly, on social capital. These concepts, especially the latter, appear to have gained something approaching sacred status in thinking about poverty in contemporary Sri Lanka and to criticise them is to risk criticising the whole poverty eradication industry. It seems that raising questions about such key concepts is essential if our efforts in development are to be successful. The history of development is a history of failed orthodoxies: community development; integrated rural development; structural adjustment and so on - so too with social capital and

[1] My thanks are due to all the participants at the Poverty Symposium for making me aware of the issues, which have to be addressed. I must also thank Elizabeth Harrison, Markus Mayer and Dinah Rajak for their often critical but always helpful comments. But of course the responsibility for the result remains mine.

sustainable livelihoods. Rather than accepting them as 'magic bullets' we should subject them to criticism in the hope that through such an examination we may produce better understandings and better instruments for alleviating poverty.

This paper looks at the ways in which the concept of social capital has risen to prominence over the last decade and how it has come to play a central role in thinking about poverty and development. I will look at the way it has been taken up by the World Bank and the role it plays in World Bank thinking today. It is a key component in concepts of sustainable livelihoods. In both contexts it is frequently asserted that 'social capital' is a means by which the social can be brought in to debates and strategies, which were previously the preserve of economics. There is an alternative argument, which sees the concept of social capital as theoretically banal and confused; that it falsely empiricises what are at best metaphors and that it leads to a misunderstanding of the nature of social and cultural life. Words are never neutral; they are value-laden. To use the term 'capital', even if it is modified by 'social', is to subscribe to a certain outlook on the world. If we are going to take social and cultural issues seriously, the way ahead is not through the sort of reductionism involved in the concept of social capital. It is through accepting the complexity of social and cultural issues and the existence of diverse ways of viewing reality.

The Rise of Social Capital

The idea of social capital has had a meteoric rise to fame throughout the social sciences.[2] Coming into the literature slightly later than its close relation, 'human capital', social capital is increasingly viewed as a means of understanding almost anything - from the economic success (or failure) of immigrants to the United States or Britain to differences in life expectancy or educational achievement in developing countries. In the world of development, Harris and De Renzio claim that social capital has become one of the key terms in the development lexicon since 1993 (Harriss and de Renzio 1997: 920) whilst Fine refers to its 'astonishing rise' within and around the

[2] See Baron, Field and Schuller (eds.) 2000 for a collection of articles on the use of social capital in various contexts as well as a general overview of the history of the concept.

World Bank since 1994 (Fine 1999:4). By 1997, the World Bank was claiming that social capital was the 'missing link' in understanding economic development (Grootaert 1997) and today there is a major set of web pages on the World Bank site dedicated to social capital.[3]

As far as the World Bank is concerned, social capital (according to their web site),

> refers to the institutions, relationships, and norms that shape the quality and quantity of a society's social interactions. Increasing evidence shows that social cohesion is critical for societies to prosper economically and for development to be sustainable. Social capital is not just the sum of the institutions, which underpin a society - it is the glue that holds them together.

Given such a wide definition (which I will return to later), it is not surprising that social capital is viewed by the World Bank as being relevant to almost all (if not all) aspects of its work. Thus we are told that,

> Conventional prescriptions for enhancing the economic prospects of communities and nations include improving education and health facilities, constructing competent and accountable political institutions, and facilitating the emergence of free markets able to compete in the global economy. Social capital speaks to each of these aspects.

To the World Bank, social capital is a means to an end, the end being economic development.[4] So social capital has to be identified and used as a means to development but also, where it does not exist, it has to be created.

Precisely how the World Bank version of social capital works out in practice is difficult to ascertain. The examples given in its web pages are little more than sketches. Charitably, one might argue that it is too early to expect anything more: after all, the adoption by the World Bank of social capital as the 'missing link' in development is relatively recent. As Fine points out, what is available elsewhere on

[3] This web page is at http://www.worldbank.org/poverty/scapital. But see Ben Fine's scathing comments (Fine 2001: 156-159) before taking it too seriously.

[4] More generally, one might note that health, education and accountable political institutions which one might consider to be ends in themselves are here reduced to means.

the web site is not all that impressive (Fine 2001: 164 passim). Perhaps, as I shall argue below, the concept of social capital is so vague as to be meaningless. Before leaving the World Bank, it's worth saying a little more about how it views social capital.

In World Bank literature there are effectively three types of social capital: 'bonding', 'bridging' and 'linking'. The former refers to 'horizontal associations', which hold groups together, for instance kinship, language or ethnic identity. Yet it is only too obvious that this can cause exclusion and so there is a second type which 'transcends various social divides': 'bridging social capital'. Finally, there is recognition that there are also divisions between rich and poor, the powerful and the weak, and this gives rise to the idea of 'linking social capital'. Further complications are at times brought in. For instance Uphoff and Wijayaratne (2000) introduce a distinction between 'structural social capital' and 'cognitive social capital' (see below). Finally, it recognises that not all social capital is 'good': it may involve the systematic exclusion of other groups (or it may lead to Mafia-like organisations) which is obviously a bad thing.

The World Bank is not alone in its interest in social capital. Other institutions, which use a sustainable livelihoods framework, are also interested. The version I will be looking at here is that employed by Department For International Development[5] Since the mid 1990s, the sustainable livelihoods approach has become a central component in DFID thinking about development with social capital playing a key role in the conceptualisation of sustainable livelihoods.

According to DFID,

> A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from

[5] Whilst the World Bank has its social capital web site, DFID supports a major set of web pages concerned with sustainable livelihoods hosted by the Institute of Development Studies, University of Sussex. The IDS is a major player in the elaboration of the sustainable livelihoods approach.

> stresses and shocks and maintains or enhances its capabilities and assets both now and in the future, while not undermining the natural resource base.

The sustainable livelihoods approach promises both a mode of analysis (How do households or communities earn a living? What are the sources of vulnerability? What is the context in which their actions take place?) and a platform for intervention (How can vulnerability be reduced? How can livelihoods be improved?). The sustainable livelihoods approach can be summed up in the oft-reproduced 'asset pentagon' or the five capitals. These are seen as the assets which a household has at its disposal and which it uses within the wider context in which it exists. Three of them (financial capital, physical capital and - perhaps - natural capital) are relatively unproblematic but the other two, human capital and social capital, are much more debatable. In the sustainable livelihoods framework, these five assets are seen as key to an understanding of how a household gains a living.

Social capital is defined by DFID as 'the social resources upon which people draw in pursuit of their livelihood objectives' (DFID nd: 2.3.2). Perhaps more subtly than the World Bank, DFID admit that what social capital actually means is open to debate but it sees three ways in which the social resources which make up social capital are developed: through networks and connectedness, through membership of groups and through relationships of trust, reciprocity and exchange.

Within the literature generated by DFID and its satellites, there are relatively few sources, which deal in any great detail with social capital. Instead, what exists in some profusion is a mass of literature and web-based resources concerned with sustainable livelihoods in general. Yet social capital is clearly one of the key elements in DFID's approach to development, the strengths (and there are many) of the sustainable livelihoods framework depending crucially on the viability of social capital as an analytical concept.

Social Capital in Practice

Those who have written about the history of social capital mention three main authors: Bourdieu, Putnam and Coleman with a fourth, Becker, sitting off stage but having a major intellectual influence. The problem is that these writers used the term social capital in several ways, and these differences explain confusions in how the concept is used today.[6]

It is unclear who first used the term. Many authors are mentioned in the literature. The first to have a significant influence on later thought is Pierre Bourdieu (1980; 1986; 1993) For Bourdieu, social capital is a matter of social linkages; of ways in which people can use social relations and social networks. Bourdieu thinks of what he calls social capital less as capital in the sense that economists use it and more as a matter of power. Furthermore, social capital is only one of a series of capitals (economic, cultural and symbolic) and as Fine points out (2001:62) these various forms of capital are not reducible to one another. In other words, Bourdieu's use of the term 'capital' is in many ways metaphorical.

Even though Bourdieu was probably the first significant writer who used the term, two later authors have been much more influential. The first of these was James Coleman (1988; 1990). For Coleman, social capital is a matter of social relations. Social capital is something, which accrues to individuals and derives from (or adheres to) individuals' relations with other individuals. In Coleman's model of the world, society consists of individuals exercising 'rational choice'. Here he links up with Becker and his approach to social life which again views society as consisting of no more than the outcomes of individual choice. In Coleman's approach to social capital there is no idea of metaphor or of the cultural complexities of situations which one finds in Bourdieu's work. Social capital becomes a 'thing' and is as real as physical or financial capital.

[6] This section is based on Fine 2001, Harriss and de Renzio 1997 and Schuller, Baron and Field 2000.I have found Fine's work particularly useful.

Robert Putnam in his work on, first Italy, and then the USA, is a recent contributor to the literature on social capital. Putnam's approach to social capital is rather different in that the focus is on groups and associations rather than on individuals. For Putnam, social capital is about associations, societies and voluntary organisations (Putnam 1993a; 1993b). The more there are, the more social capital there is because they encourage co-operation, trust, reciprocity and civil well-being. Putnam argues that northern Italy developed and southern Italy stagnated because the latter had less social capital. The problem facing the United States today is a decline in associational life.[7]

From the beginning the concept of social capital has been characterised by two features: first, disagreement as to what it might be on a conceptual level, and secondly what it might be on an empirical level. Taking the conceptual level first, what is striking in the literature on social capital is the vast number of different definitions of the term. Hulme (2000:5) lists six definitions but the list could be lengthened indefinitely. For some it is to do with social networks. For others such as Fukuyama (2001) it is simply a matter of trust. Whereas some see social capital as an asset for individuals, others view it as something, which accrues to society. For still others it appears to be almost anything social or cultural. The result, to quote Fine again, is that social capital 'becomes a sack of analytical potatoes. The concept is simply chaotic' (Fine 2001: 190).

What happens with social capital in practice is that far from being a means of analysing the social it becomes a portmanteau term to avoid any rigorous analysis of what is actually going on. This is partly because of a tendency to ignore political factors or questions relating to power. Relations between poor farmers and political patrons can be presented as 'social capital' rather than as relations of exploitation and dependency. At the same time relations between poor farmers and their patrons, can also be put in the same box marked 'social capital'.[8]

[7] This latter argument is presented in the famous'Bowling Alone' article which sees the decline of bowling clubs as symptomatic of a decline in social capital (Putnam 1995).

[8] This has led to a number of suggestions that 'political capital' be added to the list of livelihood assets. See for instance Baumann and Sinha 2001. But this could easily lead on to a plethora of assets. So

To illustrate these points, let us look at two examples of the use of social capital, both from Sri Lanka. These two examples are chosen at random: they happened to appear in my literature search. Both are in many senses interesting and valuable contributions, but in both cases one wonders why the authors felt constrained to use the concept of social capital.

The first of these is Goodhand, Hulme and Lewer's article on social capital and the political capital of violence (Goodhand et al.: 2000). This paper starts off with a discussion of social capital and offers a useful critique of the concept (391-2). Having done that, it then attempts to use the concept to understand the Sri Lankan conflict: 'Is social capital a concept that can contribute to the fine-grained, empirical analyses that are needed to understand specific conflicts?' (392-393). There follows an interesting discussion of a series of case studies of villages affected by violence before the authors turn to 'analyse the links between violent conflict, political economy and social capital' (401).

The authors argue that there are many ways in which social capital has been affected by the ongoing conflict. The first is that there 'appears to have been deepening and strengthening of bonding social capital' (401) - in other words caste and religious networks. What exactly this involves is not made clear, for instance in what sense a 'reassertion of religious ties' is a form of 'social capital'. At the same time the authors argue that new forms of social capital are created. 'Conflict entrepreneurs' have attempted to create new forms of social capital, which stress the difference and separation between Sinhala and Tamil people. This involves the destruction of 'bridging' social capital and the creation of 'bonding social capital' (which 'may represent a powerful social glue') (402). Furthermore, 'social capital depletion appeared to be greatest where communities were subjected to competing regimes of control and terror' (402).

Bebbington (n.d.: 32) verges on suggesting 'cultural capital' and others might well suggest the possibility of 'spiritual capital'.

Now, the story told by Goodhand and his colleagues is interesting and significant but I fail to see what 'social capital' adds to the analysis and would suggest that rather than assist analysis it impedes it. What it does is to put under the same label a host of features - caste, religion, ethnicity to mention but three. Social capital is not an analytical tool but a descriptive term. Rather than look at the various forms of identity and power that are manifest and the processes, which are taking place, we are left with a series of catch-all labels. The distinction they use between 'bonding' and 'bridging' social capital is simplistic in the extreme in that what is bonding for some is bridging for others. LTTE activists would presumably see what they are doing as increasing the 'bridging' social capital between various sorts of Tamils whereas Sinhala observers would interpret the same activities as dangerously exclusive and 'bonding'. Similarly, the complexities of identity and the multiple identities of various actors (people are not just Tamil or Sinhala: they are also male or female; old or young; rich and poor) are all ignored in an analytical framework, which uses 'bridging' and 'bonding' as its key terms.

In the end, social capital tells us little if anything about the things Goodhand and his colleagues are discussing that could not perfectly well be told using other more subtle and analytically useful tools. It hides the important issues which have to be addressed and makes things seem so simple: all that is needed is more 'bridging social capital' - if only that were true.

Turning to a second example, we can see how sophistication is systematically avoided through the use of the term social capital. This is Uphoff and Wijayaratna's discussion of social capital in the Gal Oya irrigation scheme (Uphoff and Wijayaratna 2000).

Uphoff and Wijayaratna are interested in the role of farmer organisations in irrigation management. They follow through the experience of an irrigation scheme and the way in which effective farmer organisations have successfully managed this irrigation scheme: a success, which can be measured in terms of productivity. It is an impressive

tale which, taken at face value, is an example of how effective water user organisations can be.

The problem is that in this paper, the success story of Gal Oya is dressed up in terms of social capital and the issue is whether this adds anything to their argument. They begin their paper with a discussion that seeks to understand 'social capital as an asset' - yet strangely fail to give a definition of what they mean by social capital. Instead they make a distinction between 'structural social capital' and 'cognitive social capital' (1876). The former includes '*roles, rules, procedures* and *precedents* as well as *social networks* that establish on-going patterns of social interaction' whilst the latter include '*norms, values, attitudes* and *beliefs* that predispose people to cooperate' (1876).

The paper then moves on to discuss and analyse the experience of the project with hardly a mention of social capital (of either sort) until the last section. Here they argue that much of the success of the scheme can be put down to both forms of social capital which although 'produced by the farmers themselves and maintained by them' had been encouraged by project staff (1885). They also stress the importance of what they call 'cognitive social capital' which they imply is often ignored. Finally, they argue that, 'All cultures have the basic elements of social capital within them'. What is needed to make these elements manifest is 'appropriate structural forms of social capital'. 'To be able to capitalize on cognitive social capital, it is essential to construct or install appropriate structural forms'.

Taking their analysis of the Gal Oya scheme first, it is unclear what the introduction of social capital has to offer. In effect their argument is that water user associations are good for productivity - but why this should be called social capital is to me unclear. Furthermore, it shifts the focus of analysis in a worrying way. Because social capital is such an all-embracing term we tend to forget that all the authors are really talking about are water user organisations. Thus we are told nothing about, for instance, how gender relations have been affected by the project. We are told nothing about how disparities between population and resources are dealt with. These (and there are

many others) are issues, which would remain on the agenda if we were truly dealing with the social and not with social capital defined in the narrow way employed by Uphoff and Wijayaratna.

To claim that values and beliefs are 'capital' is surely to carry the metaphor too far. Where the authors discuss such matters (labelled 'cognitive social capital') the discussion is distressingly naive. Values appear to consist of 'norms of equity, productivity and participation' (1885). It is difficult to argue against such a vague claim, but it wilfully ignores the vast literature, on rural Sri Lanka in general and those communities dependent on irrigation agriculture in particular, which paints a very different picture of rural society. If one of the characteristics of capital, as far as economists are concerned, is that one can measure it, beliefs or values are surely beyond the pale except at the most banal level. Such analyses disregard the way in which culture (which could be defined as 'norms, values, attitudes and beliefs') is created.

What we end up with is that social capital is anything one wants it to be: social relations, social groups, beliefs, values, and traditions. As Harriss and de Renzio (quoting Narayan and Pritchett) note, 'Social capital, whilst not all things to all people, is many things to many people' (1997:921). Attempts to split it up into for instance 'cognitive' and 'structural' social capital are little more than exercises in butterfly collecting.

Why Social Capital?

If social capital is really as confused a concept as I have made it out to be, why has it become so popular? Why do so many articles and reports start off with what amount to devastating critiques of the concept yet end up by employing it? There are many reasons, but perhaps the best place to start is by returning for a moment to Uphoff and Wijayaratna's discussion of Gal Oya.

Towards the end of their paper, Uphoff and Wijayaratna quote some figures on the overall rate of return in the Gal Oya project. These show, they claim, that about 50% of the returns were attributable to farmer organisations but that expenditure on these organisations was only between 5% and 10% of project expenditure. In other words, what they imply is that investment in 'social capital' leads to identifiable and quantifiable results.

Attempts to quantify social capital run through the literature, perhaps the most famous being Narayan and Pritchett's study of Tanzania (Narayan and Pritchett 1999). More recently, the World Bank has published a volume dedicated to the empirical assessment of social capital (Grootaert and van Basteler eds. 2002). The result is a series of papers, which purport to examine the significance of social capital in development. Yet the result is disappointing. One case study covered 850 traders in Madagascar and after a series of tables and analyses ends up with the unremarkable conclusion that,

> traders with better relationships with other traders, suppliers and customers earn higher margins.... [T]hree dimensions of social capital should be distinguished: relationships with other traders ... which help firms economise on transaction costs; relationships with individuals who can help in time of financial difficulties, which insure traders against liquidity risk; and family relationships which are found to reduce efficiency, possibly because of measurement error [sic] (Fafchamps and Minten 2002: 151-2)

Another case study, this time tracing the empirical relationship between ethnicity and violence (Bates and Yackovlev 2002), is equally unimpressive ignoring as it does the vast literature on ethnicity. It assumes in its statistical analyses that 'ethnicity' has the same meaning wherever it is invoked, a palpably ridiculous position.[9] Whilst the conclusions reached are unremarkable, the methods used display a remarkable example of blind empiricism

[9] For instance, I am a Scot living in England. But what this means is very different from being – say – a Palestinian living on the West Bank or a Tamil living in Colombo.

More generally, such exercises have been widely criticised (e.g. Fine 2001: 160-163). As Durlauf writes,

> the empirical social capital literature seems to be particularly plagued by vague definitions of concepts, poorly measured data, absence of appropriate exchangeability conditions, and lack of information necessary to make identification claims plausible. These problems are especially important for social capital contexts as social capital arguments depend on underlying psychological and sociological relations, which are difficult to quantify, let alone measure. (Durlauf 2001: 21)

Yet the urge to quantification is I think a clue to the reasons why social capital has become so popular amongst development agencies, particularly the World Bank. First, it is related to what Harriss (2002) (following Ferguson 1990) has referred to as a 'depoliticisation' of development, and secondly it is related to the hegemonic position of economics as a discipline within organisations such as the World Bank.

Harriss, faced with the problem of why social capital has become so popular over the last few years, argues that the idea of social capital has 'mystified rather than clarified' (Harriss 2002: 95). He claims it does this to good effect for what the concept of social capital does is to hide and disguise problems of class and power and their role in the reproduction of poverty and marginalisation. By turning social relationships into 'capital', social capital is a means by which development can be presented as a technical issue amenable to the technical apparatus of economics. Given that economics as a technique is based upon a set of empiricist assumptions and methods, which more or less demand quantification, then exercises like those presented in, Grootaert and van Basteler's volume are inevitable. Harriss persuasively argues, social capital is only the latest in a series of 'depoliticising' concepts, which hide the central issues in development.

Perhaps the most eloquent (and most polemical) statement of the relationship between economics and social capital is Ben Fine's. He argues that the growth in popularity of social capital has to be seen in terms of the colonisation of the social sciences by

economics (Fine and Francis 2000; Fine 1999, 2001).[10] Fine traces this process back to the work of Becker and his famous (or infamous) attempts to understand social phenomena (for instance the family, religious affiliation, divorce) in terms of methodological individualism and rational choice theory (Febrero and Schwartz 1995). Coleman in effect takes up a similar position and through his use of social capital opens the way for an increasingly ambitious attempt to view the social and the cultural through the tools developed by formal economic analysis.

What the concept of social capital offers is a means by which economists can extend their operations beyond the sphere traditionally seen as their own. They colonise areas of understanding, which have previously been seen as the preserve of other social scientists: political scientists, sociologists or whatever. What were previously treated as factors outside the remit of economists now fall within their purview. This is dangerous. As Carrier and Miller have argued, it involves 'economic virtualism': the treatment of models of the world (such as the neo-classical model of economics) as if they were identical with the worlds inhabited by people (Carrier and Miller eds. 1998).[11]

One of the criticisms social scientists by economists is that social scientists can't show causation in the same way as the rigorous statistical models of the economists. Through social capital and through quantification economists can make claims to objectivity and logical rigour that an anthropologist, for instance, could not make.

The rise of social capital is symptomatic of an increasing awareness of the importance of the social in development. Social capital becomes not a form of economic imperialism but a means by which the work of economists (and by extension the work

[10] For a fascinating discussion of the rise of economists in the latter half of the twentieth century see Markoff and Montecinos 1993.

[11] It is also worth noting that it can be argued that economic imperialism is in part an intellectual process building upon an increased interest in transaction costs, which makes what were previously seen as exogenous sources of market imperfections into endogenous economic forms. See Fine 1999; 2001.

of organisations such as the World Bank and DFID) become more amenable to inputs from other social scientists.

One of the more fascinating documents is a paper by Michael Edwards, unfortunately not published but available on the World Bank web site (Edwards n.d.). As the title of the paper indicates, he distinguishes between 'enthusiasts', 'tacticians' and 'sceptics'. To the first group, social capital is the 'missing ingredient', which integrates 'non-market rationality into economic models'. In general, claims Edwards, the enthusiasts are economists. Not surprising. Tacticians on the other hand are those who see social capital as a means to an end: 'The really interesting stuff lies in the interactions between social, economic and political processes, not in notions of social capital divorced from its wider context'. For them, the growing interest in social capital is a means of getting the non-economic on the development agenda. Finally, there are the sceptics who reject the whole idea of social capital as a dangerous blind alley.

I suspect that many analysts and observers who use the term 'social capital' would see themselves as fitting into Edwards's second category. They would argue that their use of the term is a means to an end; that if this is the language that institutions such as the World Bank or DFID wish to use then accommodations have to be made. This would in part explain the tendency for critiques of the concept of social development to be followed by its use. Goodhand et al.'s article discussed earlier is an example of this - even to the extent that they end up seeing themselves as 'sceptical tacticians' and seeing social capital as a means by which the 'overemphasis ... on the economic functions of violence at the expense of social analysis' can be counterbalanced' (Goodhand et al. 2000: 405).

Such a view could well be over-optimistic. Simply by adopting a particular sort of language one buys into a way of conceptualising the world. Words are not neutral but carry symbolic loads and 'capital' is a word with a very heavy set of baggage. Furthermore, words like social capital come as part of a particular way of seeing social phenomena. Rather than seeing behaviour as having complex sets of meanings,

an approach based on social capital reduces all meaning to self-interest and all forms of rationality to economic rationality. Without such a reductionist framework the use of the term social capital becomes meaningless. Finally, there is no evidence as yet that social capital does involve a greater recognition of the complexities of social life. All the evidence points the other way: that complexity is reduced to banal simplicity. To accept social capital is to accept the Trojan Horse of impoverished analysis and a one-dimensional view of humanity.

Conclusion: what is to be done?

Much of what economists do is of great value and cannot be dismissed out of hand. Economists and economics exist in a particular epistemological space, which demands certain assumptions to be true and demands that only certain forms of knowledge can be accepted as legitimate. Economics is a cultural product in the sense that it has developed within a particular historical space. [12] As such it creates the object of its analysis. When it is expanded - through concepts such as social capital - into other sorts of space it bowdlerises, simplifies and impoverishes all that it touches. The remark made of cynics that they know the price of everything and the value of nothing is unfortunately also true of some economists. Social capital in effect denies all value. It denies cultural difference. It denies the importance of gender relations, of power relations, of kinship relations, religion and culture because it reduces them all to one level: social capital. It reduces the irreducible and in effect denies humanity.

Over recent years, there has been a move away from narrow definitions of development, which see it only in economic terms - or more narrowly in narrow terms of output. Instead, we are exhorted to look at development as a holistic process; as a process, which 'values' cultural diversity, indigenous societies and so on. As a result there has been a remarkable growth of interest in those aspects of the development process, which involve these aspects of humanity, which are not narrowly economic. In part the sustainable livelihoods approach was one element of this process and, if

[12] On economics as a cultural construct see for instance the work of Steven Gudeman (1986; 1992) and Gudeman and Rivera (1990)

one is to believe some of the more grandiose statements of the World Bank, there too one will find an appreciation of this wider vision of the development process. Social capital denies such visions and thus must be rejected both as a supposedly analytical concept and as a tool for development.

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Comparisons from South Asia

Persistence of Deprivation in Kerala

D Narayana

Introduction

Kerala is well known the world over for achievements in the sphere of literacy and declining mortality rates. This small Indian State is often ranked with Sri Lanka, Costa Rica and Jamaica for high human development at low levels of per capita income. Although Kerala was as poor as many other Indian States of India, the decline in poverty since the late 1970s has been explained by public action. 'Public action promoting a range of social opportunities relating inter-alia to elementary education, land reforms, the role of women in society, and widespread and equitable provision of health care and other public services' (Dreze and Sen 1995: 52-3). Explanations of the Kerala phenomenon use phrases like, 'the removal of traditional inequalities'; 'equitable provision of health care and other public services', 'reduction in spatial and gender gaps' and so on.

This gives an impression that, irrespective of caste and creed, population groups have been able to participate in the development experience in Kerala.[1] It would be pertinent to analyse the poverty of scheduled castes (SC) and scheduled tribes (ST), two traditionally deprived groups. Poverty encompasses many factors: inability to satisfy basic needs, lack of control over resources, lack of education and skills, poor health, malnutrition, lack of shelter, poor access to water and sanitation, vulnerability to shocks, violence and crime, and lack of political freedom and voice (World Bank 1999: 1). This paper uses an extended set of material quality of life indicators to analyse deprivation among SCs and STs in terms of consumption poverty, lack of access to sanitation and electricity.

SCs and STs have not been able to benefit from the 'Kerala Model' of development to any great extent. These groups have been unable to convert their gains in literacy into

[1] The sole exception is Kurien (2000) pointing to the fisherfolk as 'outliers'.

economic opportunities largely because growth and diversification have been confined to a few districts of the state. Despite democratic governance and large public expenditure on social services many public interventions have not benefited SCs and STs.

The paper is divided into five sections. *Section 2* compares Kerala's achievements in poverty reduction, reduction of the infant mortality rate (IMR) and gains in literacy with other Indian states. Explanations of these achievements are presented. *Section 3* presents information on deprivation among SCs and STs in comparison with the general population in Kerala and the other Indian states. Kerala is shown to have a poorer record in relation to deprivation among SCs and STs. *Section 4* shows the relationship between urbanisation and diversification on the one hand and diversification and wage rates on the other. *Section 5* is the conclusion.

Positive Development in Kerala

Until the early 1980s (Table 1) consumption poverty was as serious in Kerala as other parts of India). In 1983, the incidence of poverty[2] in Kerala was as high as 40%, on a par with the levels prevailing in India as a whole, or in Karnataka, or in Maharastra, and higher than the levels prevalent in Andhra Pradesh or Gujarat. Kerala made remarkable progress in poverty reduction over the next ten years. By 1993/94, the incidence of poverty in Kerala fell to the level of Gujarat, which was well below the all-India level. The all-India level itself had fallen by about 6 percentage points The 1990s saw a further rapid decline in poverty in Kerala and by 1999/ 2000, the incidence of poverty in Kerala was only slightly over 10%.

We provide here a brief account of the remarkable reduction in infant mortality and rise in literacy in Kerala in the recent past. Even by 1971 Kerala's IMR was better

[2] The Planning Commission, Government of India has been estimating the Head Count Ratio of the poor at the State level, separately for rural ad urban areas for over three decades. It currently uses a minimum consumption expenditure, anchored in an average (food) energy adequacy norm of 2400 and 2100 kilo calories per capita per day to define the Sate specific poverty lines, separately for rural and urban areas. These poverty lines are then applied on the National Sample Survey Organisation's NSSO's household consumer expenditure distributions to estimate the proportion and number of poor at State level (Government of India, 2002: 38).

than that which India, as a whole has reached today (Table 2). Over a period of 25 years the IMR in Kerala has fallen by 46 points from an already low level of 58 per 1000 live births in 1971. States such as Maharastra, Punjab, Karnataka and Andhra Pradesh, which report much higher economic growth, have not reported significantly greater declines in IMR during this period.

Kerala's literacy rate is far higher than India's. The literacy of males in Kerala is close to 100% and that for females a few points lower (Table 3). Such remarkable gains in mortality and literacy result in very high summary measures of human development, such as Human Development Index (HDI) and Gender Development Index (GDI), for Kerala (Table 1). That is why Kerala stands alongside Costa Rica, Sri Lanka and Jamaica on the human development front.

Differentials in literacy levels are shown in Table 3. The literacy level among ST women (which is lower than that for ST men) in Kerala is close to the literacy level for males in many Indian States and is over 10 percentage points higher than the literacy level for females at the all-India level. Literacy gains in Kerala have been exceptional. But literacy among ST women in Kerala is over 35 percentage points lower than that for women among the general population and around 20 percentage points lower than that for SC women. While the literacy levels are high the differentials are also very high. SCs' and STs' levels of literacy are significantly lower than the general population.

Various explanations have been given for the remarkable achievements of Kerala in the sphere of human development. According to Dreze and Sen (1995) the incidence of poverty was very similar in Uttar Pradesh and Kerala and was close to the all-India average in 1987-88. Child mortality in Uttar Pradesh was more than six times that in Kerala. These differences were explained by the 'important roles played by particular kinds of public action, e.g., those geared to the provision of social services, the removal of traditional inequalities, the promotion of literacy' (p. 51). 'The role of public action in promoting a range of social opportunities relating inter-alia to elementary education, land reforms, the role of women in society, and the widespread

and equitable provision of health care and other public services' (Dreze and Sen, 1995:51). In particular, '...political organisation has also been important in enabling disadvantaged groups to take an active part in the general process of economic development, public action and social change' (p. 54).

It has been argued that education contributed to raising the social and political consciousness of the people in general and that of the poorer sections in particular. This was instrumental in the successful mobilisation of the masses who in turn demanded state intervention in poverty alleviation. The Public Distribution System, free midday meals to primary school children, supplementary nutrition programmes for pregnant mothers and pre-school children from poorer households, the granting of old age pensions to rural workers in a number of occupations, and implementation of national poverty alleviation programmes played a crucial role in reducing poverty in the state (Kannan 2000: 63). The combined benefit of all these programmes amounted to around 21% of the annual expenditure of rural households in the 1980s (Kannan, 1995: 722).

Fishing Community

The marine fishing community, numbering 769,000 (in 1996) people living in 222 fishing villages, reports high child mortality, low literacy, low electrification of houses and poor sanitation. The persisting deprivation of this community in Kerala illustrates that, 'State-led public action guaranteeing widespread access to the basic facilities required to attain high quality of life is never adequate. Without genuine people's participation in the form of collaborative and /or adversarial collective action such well-intended actions serve little purpose' (Kurien 2000: 197).

The Material Quality of Life of SCs and STs

How do the SCs and STs fare in comparison to the general population in terms of quality of life? The consumption-poverty differentials between the general population and the SCs and STs at the all-India level are about 11 and 15 percentage points respectively (Table 4). The poverty differential between the general population and

the SCs is just about 5 percentage points in Assam, Madhya Pradesh, Orissa and West Bengal. In Uttar Pradesh, Karnataka, Gujarat, and Assam the poverty differentials between the general population and STs are lower than the all-India differentials. In Kerala the differential between the SCs/STs and the general population does not compare well with some other states.

In India as a whole, less than 10% of the rural population have access to toilets (Table 5). Among the SCs and STs the proportion with access to toilets is much lower. In Assam and Kerala there is a much higher level of access to toilets. The differences between these two states are also striking. In Assam, there is practically no difference between the general population and SCs in the proportion reporting access to toilets. The difference between the general population and STs is 21 percentage points.

In Kerala, the percentage of the population reporting access to toilets among the SCs and STs is lower by 18 and 32 percentage points respectively. Kerala's record in relation to access to toilets for SCs and STs looks much poorer. Reservations about Kerala's record are confirmed by an analysis of access to toilets in urban areas and access to electricity in rural and urban areas. Access to toilets in the urban areas of Kerala looks very similar to that in many other states and the differentials are also strikingly wide. Electricity connections in Kerala are significantly lower than those in many other Indian states and the differentials are also wide.

Kerala's achievements in levels of child mortality, literacy and poverty reduction compare very well with the other states of India. Differentials between male and female also showed Kerala in a good light. Comparison between the general population and SCs and STs in terms of differentials in poverty, access to toilets and access to electricity shows Kerala in a poorer light. Kerala looks worse than many other Indian states. Why is it that the gains in literacy of SCs and STs over the long period have not been converted into improvements in consumption, or access to toilets and electricity?

Urbanisation, Non-Farm Employment and Poverty Reduction

Researchers have been trying to discover why growth is more pro-poor in some economies than others. A number of factors have been considered. High initial inequality is a possible reason why the same rate of growth might be less effective in reducing poverty in one setting than in another (Ravallion 1997; Timmer 1997; World Bank 2000). Human resource development is another factor. Education will influence how well the poor are equipped to participate in non-farm growth requiring skills (Dreze and Sen 1995; World Bank 2000; Bruno et al 1998).

The poor are more constrained in their access to markets and infrastructure than the non-poor. The poor will tend to gain more from a relaxation of those constraints than the non-poor. Urbanisation of an area will reflect these differences and the poor are expected to gain when they live in a more urbanised area. Ravallion and Datt (2002) show that for Kerala the poverty-reducing elasticity of non-farm growth is one of the highest among the Indian states. How important is non-farm growth for poverty reduction? Ravallion and Datt (2002) show that higher farm yields, higher state development spending, higher non-farm output and lower inflation were all factors, which reduced poverty. Among them, non-farm output alone had differential elasticities across the states and the substantially higher initial literacy rate of Kerala had led to a higher elasticity.

We will look at two relationships across the districts of the state of Kerala, firstly, the proportion of main workers in non-primary sector in relation to urbanisation. Secondly, agricultural wage rates in relation to the proportion of main workers (In the Indian Census two categories of workers are distinguished: main workers and marginal workers, the difference is that a person, while reporting a main occupation could also be having a marginal occupation) in the non-primary sector. These relationships are analysed for the general population as well as the SCs and the STs. One might expect the proportion of main workers in the non-primary sector to increase with the level of urbanisation. An increase in the proportion of main workers in the non-primary sector will lead to higher agricultural wage rates, due to supply and

demand factors. Urbanisation should be leading to better living conditions by offering non-agricultural employment and higher wage rates in agriculture.

In no district of Kerala (except Wayanad with a proportion of 21.25%) do SCs and STs form more than 20% of the population (Table 6). The lowest proportion, 4.86%, is in Kannur. No spatial segregation of SCs and STs occurs in Kerala. Unlike many other states Kerala's SCs and STs are dispersed among the general population. There is some concentration of the total ST population of the state in Wayanad, Palakkad and Idukki. These districts account for almost two-thirds of the total ST population in Kerala. The SC population is not similarly concentrated.

Kerala is not one of the highly urbanised states of India. Over a period of 40 years the level of urbanisation has increased from 15% to 26%. The bulk of the increase took place during 1981-1991, the period which witnessed the sharpest reduction in poverty. Within Kerala the districts show highly divergent trends in urbanisation (Table 6). Two of the districts have almost 50% of the population in urban areas and another four have around 30% of the population in urban areas. Urban growth has been high in those districts where initial levels of urbanisation were high.

Table 4 shows that in Kerala, the dependence of SCs and STs on agriculture is much higher than in many other states. For the general population the dependence on agricultural labour is on par with the all-India average. For SCs and STs the dependence on agricultural labour is over 50% and is one of the highest among the Indian states. For the general population, the proportion of main workers in the non-primary sector increases with the level of urbanisation (Table 7). The most urbanised districts have over two-thirds of the main workers in the non-primary sector and the least urbanised districts have less than one fourth in the non-primary sector. The relationship is similar for the SC population. Overall, the proportion of main workers in the non-primary sector among the SCs is about 17% lower compared to the general population but the most urbanised districts report proportions close to 50%, which is the state average for all-population. The proportions overall become very low for the ST population and the relationship also becomes very weak with urbanisation. It is

evident that whereas the SCs population is able to take advantage of urbanisation to some extent, the STs population is not. The districts with large concentrations of STs are the least urbanised and have shown practically no growth in urbanisation over the last forty years.

It has been pointed out that wage rates are high in Kerala. Mobilisation of labour and public action have been put forward as possible reasons for high wages. The wage differential across the districts has received insufficient attention. The wage rates of skilled labour, such as carpenters and masons, have shown a tendency for convergence across the districts of the state but agricultural wages have tended to diverge. The wage rates of carpenters and masons vary within a narrow range, being 10% higher than the state average in the most urbanised districts and 10 to 15% lower than the state average in the least urbanised districts. In the case of paddy field labour the wages vary widely across the districts. In the most urbanised districts wages of male workers are over 20% higher than the state average and in the least urbanised districts wages are lower by over 30%. For female workers wages are 30% higher in the most urbanised district and 45% lower in the least urbanised district (Baby, 2000).

The lower diversification into non-primary sector activities and the lower agricultural wages do get translated into poorer material conditions of life for lower caste groups. This can be shown by using micro, *panchayat*[3] level data as well. Two *panchayats*, Pallasana from the less urbanised district of Palakkad reports lower non-primary sector employment and Madakkathara from the more urbanised Trissur district reports higher non-primary sector employment. A study of these confirms our findings from the macro district level data presented so far. As presented in Table 8, the differential in any of the basic amenities across the caste groups in Pallasana is striking. Among the SCs, almost 60% of the houses have soil as material for flooring, 44% have mud walls, 32% have electricity, and only 9% have access to toilets. At the other end, forward-caste households report only 14% using soil as floor material, 80% report electrification, 69% report own wells and 66% have access to toilets. These

[3] Panchayat is the lowest development administrative unit in India.

differentials come down drastically once we move to the other *panchayat*. The SC households report 69% electrification compared to 89% for the forward castes. Access to toilets varied from 77% for SCs to 84% for the forward castes. This clearly shows how powerful the forces of urbanisation and diversification are.

That the inability of SCs and STs population to diversify their occupations translates into poverty (defined in terms of consumption, asset holding and housing characteristics) is evident from the Census of the poor carried out by the Rural Development Department of the Government of Kerala in 1999. The last three columns of Table 6 present the information available from the Poverty Census for the rural areas of Kerala. While there can be some problems with the quality of the data in the Census, they do broadly suggest a significantly higher incidence of poverty among the SCs and STs population compared to the general population. The incidence of poverty is 30 to 40% higher for the SCs and STs population compared to the general population in many districts. The proportions of the SCs and STs population living in the urban areas are higher in the more urbanised districts compared to the less urbanised districts, and are significantly lower than the general level of urbanisation. These traditionally deprived population groups suffer the disadvantage of poor quality of life in the rural areas and inability to move into urban areas.

Conclusion

The main factor in poverty reduction and human development in Kerala is public action leading to equitable provision of social services. Public action has dissolved many traditional inequalities. Why have the SCs and STs not been able to cross the barriers, which other castes have crossed? We do not have an answer to that question in this paper but our findings raise some serious doubts about the many claims made about public action. One could be what Kurien (2000) raised in the specific context of marine fishing community, that is, 'without genuine people's participation public action serves little purpose'. This is true of other social groups as well as the SCs and STs. It could be that one of the effects of a democratic system is that dominant groups allow little opportunity to deprived sections to win resources.

The other important message of the paper is that economic growth is important for poverty reduction. More than the magnitude of growth what is important is the sectoral and spatial composition of it. Low diversification simply does not provide opportunities for the traditionally deprived groups even when they get educated. This has major policy implications in that a number of public schemes need to be sensitive to the spatial or geographical dimension of deprivation. If diversification is confined a few districts, which have better infrastructure then the state has a responsibility to extend the infrastructure facilities to other districts which are not so endowed.

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Table 1 - % age of Population below the Poverty Line in the Indian States, 1983 to 1999/ 00

State (Population 2001)	HDI 1991	GDI 1991	% Age of population below poverty line-1983			% Age of population below poverty line-1993/94			% of population below the poverty line -1999/00		
			rural	urban	all	rural	urban	all	rural	urban	all
Andhra Pradesh 75.73	.377	.801	26.53	36.3	28.91	15.92	38.33	22.19	11.05	26.63	15.77
Assam 26.64	.348	.575	42.60	21.73	40.47	45.01	7.73	40.86	40.04	7.47	36.09
Bihar 82.88	.308	.469	64.37	47.33	62.22	58.21	34.50	54.96	44.30	32.91	42.60
Gujarat 50.60	.431	.714	29.80	39.14	32.79	22.18	27.89	24.21	13.17	15.59	14.07
Haryana 21.08	.443	.714	20.56	24.15	21.37	28.02	16.38	25.05	8.27	9.99	8.74
Karnatak 52.73	.412	.753	36.33	42.82	38.24	29.88	40.14	33.16	17.38	25.25	20.04
Kerala 31.84	.591	.825	39.03	45.68	40.42	25.76	24.55	25.43	9.38	20.27	12.72
Madhya Pradesh 60.39	.328	.662	48.90	53.06	49.78	40.64	48.38	42.52	37.06	38.44	37.43
Maharast 96.75	.452	.793	45.23	40.26	43.44	37.93	35.15	36.86	23.72	26.81	25.02
Orissa 36.71	.345	.639	67.53	49.15	65.29	49.72	41.64	48.56	48.01	42.83	47.15
Punjab 24.29	.475	.710	13.20	23.79	16.18	11.95	11.35	11.77	6.35	5.75	6.16
Rajasthan 56.47	.347	.692	33.50	37.94	34.46	26.46	30.49	27.41	13.74	19.85	15.28
T. Nadu 62.11	.466	.813	53.99	46.96	51.66	32.48	39.77	35.03	20.55	22.11	21.12
Uttar Pradesh 166.05	.314	.520	46.45	49.82	47.07	42.28	35.39	40.85	31.22	30.89	31.15
West Bengal 80.22	.404	.631	63.05	32.32	54.85	40.80	22.41	35.66	31.85	14.86	27.02
India 1027.02	.381	.676	45.65	40.79	44.48	37.27	32.36	35.97	27.09	23.62	26.10

Note: Computed on the basis of the minimum consumption expenditure anchored in an average (food) energy adequacy norm of 2400 and 2100 kilo calories per capita per day to define state specific poverty lines. These poverty lines are then applied on the NSSO's household consumer expenditure distributions to estimate the proportion of poor at State level. The % population below the poverty line for 1999/00 is not strictly comparable to the figures for the earlier years.

HDI: Human Development Index; GDI: Gender Development Index

Source: GOI, **National Human Development Report 2001**, Planning Commission, March 2002.

Table 2 - Death Rates of the Young in the Indian States, 1971- 1997

State	Crude Death Rate		Infant Mortality Rate		Death Rate 0-4 Years		Death Rate 5-9 Years	
	1971	1997	1971	1997	1971	1996	1971	1996
All India	14.9	8.9	129	71	51.9	23.9	4.7	2.3
Andhra Pradesh	14.6	8.3	106	63	44.9	17.8	4.7	1.6
Assam	17.8	9.9	139	76	45.7	24.0	7.2	3.5
Bihar	13.9*	10.0	118*	71	42.5*	27.9	5.3*	3.9
Gujarat	16.4	7.6	144	62	64.9	23.3	4.1	1.3
Haryana	9.9	8.0	72	68	32.5	23.4	3.0	1.9
Karnataka	12.1	7.6	95	53	37.5	16.6	4.3	0.9
Kerala	9.0	6.2	58	12	24.5	3.8	2.3	0.9
Madhya Pradesh	15.6	11.0	135	94	49.8	33.5	5.0	3.0
Maharastra	12.3	7.3	105	47	44.6	13.1	3.2	1.0
Orissa	15.4	10.9	127	96	54.2	30.6	5.4	2.9
Punjab	10.4	7.4	102	51	38.9	15.2	1.6	1.2
Rajasthan	16.8	8.9	123	85	55.9	31.4	5.3	2.0
Tamilnadu	14.4	8.0	113	53	40.7	12.6	4.6	0.6
Uttar Pradesh	20.1	10.3	167	85	83.7	31.4	5.4	3.0
West Bengal	11.0*	7.7	91*	55	33.5*	18.1	2.6*	1.6

Note: * The figures are for the year 1981.

Source: Registrar General of India, *Compendium of India's Fertility and Mortality Indicators 1971-97*, New Delhi, 1999.

Table 3 - Literacy Among Population Groups by Sex in the Indian States, 1991

State	%Literate- All Population			%Literate-Scheduled Caste			%Literate-Scheduled Tribe		
	Male	Fem	all	Male	Fem	all	Male	Fem	all
A. Pradh	55.13	32.72	44.09	41.88	20.92	31.59	25.25	8.68	17.16
Assam	61.87	43.03	52.89	63.88	42.99	53.94	58.93	38.98	49.16
Bihar	52.49	22.89	38.48	30.64	7.07	19.49	38.40	14.75	26.78
Gujarat	73.13	48.64	61.29	75.47	45.54	61.07	48.25	24.20	36.45
Haryana	69.10	40.47	55.85	52.06	24.15	39.22			
Karnataka	67.26	44.34	56.04	49.69	25.95	38.06	47.95	23.57	36.01
Kerala	93.62	86.13	89.81	85.22	74.31	79.66	63.38	51.07	57.22
M. Pradh	58.42	28.85	44.20	50.51	18.11	35.08	32.16	10.73	21.54
Maharast	76.56	52.32	64.87	70.45	41.59	56.46	49.09	24.03	36.79
Orissa	63.09	34.68	49.09	52.42	20.74	36.78	34.44	10.21	22.31
Punjab	65.66	50.41	58.51	49.82	31.03	41.09			
Rajasthan	54.99	20.44	38.55	42.38	8.31	26.29	33.29	4.42	19.44
T. Nadu	73.75	51.33	62.66	58.36	34.89	46.74	35.25	20.23	27.89
U. Pradh	55.73	25.31	41.60	40.80	10.69	26.85	49.95	19.86	35.70
W. Bengal	67.81	46.56	57.70	54.55	28.87	42.21	40.07	14.98	27.78
India	64.13	39.29	52.21	49.91	23.76	37.41	40.65	18.10	29.60

Note: Literacy is for population 7+ years.

Source: GOI, *National Human Development Report 2001*, Planning Commission, March 2002.

Table 4 - Poverty among SCs and STs in the Indian States

State (Population 1991)	%SC in total pop.	%ST in total pop.	% Agricultural Labourers in the Population- 1991			% Population Below the Poverty Line (Rural)- 1993/94		
			Total	SC	ST	Total	SC	ST
Andhra Pradesh 66.51	15.9	6.31	40.9	72.1	46.6	15.92	26.02	25.66
Assam 22.41	7.4	12.8	12.1	13.4	10.3	45.01	45.38	41.44
Bihar 86.37	14.6	7.7	37.1	72.3	25.5	58.21	70.66	69.75
Gujarat 41.31	7.4	14.9	22.9	41.5	39.4	22.18	32.26	31.20
Haryana 16.46	19.7	-	19.0	55.1	--	28.02	46.56	--
Karnataka 44.98	16.4	4.3	28.9	49.9	42.9	29.88	46.36	37.33
Kerala 29.10	9.9	1.1	25.5	53.8	55.5	25.76	36.43	37.34
Madhya Pradesh 66.18	14.5	23.3	23.5	38.3	29.5	40.64	45.83	56.69
Maharastra 78.94	11.1	9.3	26.8	48.1	47.1	37.93	51.64	50.58
Orissa 31.66	16.2	22.2	28.7	46.4	38.3	49.72	48.95	71.26
Punjab 20.28	28.3	--	23.8	59.8	--	11.95	22.08	--
Rajasthan 44.01	17.3	12.4	10.5	21.5	13.5	26.46	38.38	46.23
Tamilnadu 55.86	19.2	1.0	34.6	64.3	43.8	32.48	44.05	44.37
Uttar Pradesh 139.11	21.0	0.2	18.9	38.8	13.0	42.28	58.99	37.11
West Bengal 68.08	23.6	5.6	24.6	41.1	50.7	40.80	45.29	61.95
India 846.3	16.5	8.1	26.1	49.1	32.7	37.27	48.11	51.94

Source: "Tribes in India" (A Data Sheet) Planning Commission, Government of India, 2000.
"SCs in India" (A Data Sheet) Planning Commission, Government of India, 2000

Table 5 - Development Indicators of SCs and STs in the Indian States

State (Pop. 1991)	%Households with Access to Toilets – Rural -1991			%Households with Access to Toilets – Urban- 1991			% Households with Electricity - Rural1991			% Households with Electricity -Urban1991		
	Total	SC	ST	Total	SC	ST	Total	SC	ST	Total	SC	ST
A. P. 66.51	6.62	2.95	1.49	54.60	28.17	24.32	37.50	19.85	10.59	73.31	49.2	37.9
Assam 22.41	30.5	27.1	9.83	86.06	78.09	73.26	12.44	10.91	5.63	63.21	51.9	50.6
Bihar 86.37	4.96	2.19	0.97	56.54	33.45	32.39	5.57	4.08	2.91	58.77	41.5	43.2
Gujarat 41.31	11.1	7.54	2.60	65.71	50.08	32.08	58.43	59.37	29.68	82.96	75.6	54.2
Haryan. 16.46	6.53	3.77	-	64.25	23.70		63.20	46.63		89.13	70.5	
Karnat. 44.98	6.85	2.59	2.71	62.52	34.78	40.53	43.75	28.23	26.75	76.27	54.0	55.2
Kerala 29.10	44.0	26.25	11.65	72.66	44.28	52.01	41.95	21.53	11.84	67.65	34.4	44.9
M. P. 66.18	3.64	1.91	1.14	53.00	23.40	21.25	34.49	47.16	27.51	72.52	54.9	45.9
Mahar. 78.94	6.64	4.40	2.25	64.45	43.62	39.12	53.45	51.53	43.21	86.07	74.13	69.62
Orissa 31.66	3.58	1.86	0.77	49.27	20.73	15.81	17.45	11.81	5.74	62.11	34.26	27.08
Punjab 20.28	15.79	8.31	-	73.23	44.37		76.98	63.03		94.60	86.74	
Rajasth 44.01	6.65	5.11	1.00	62.27	34.04	36.35	32.44	15.64	7.60	76.67	55.48	53.97
T. N. 55.86	7.17	5.10	4.02	57.47	28.96	45.89	44.49	27.48	24.54	76.80	44.76	57.43
U.P. 139.11	6.44	2.60	7.41	66.54	38.50	59.22	10.96	6.29	20.40	67.76	49.18	65.82
W.B. 68.08	12.31	8.44	4.18	78.75	56.75	51.63	17.75	12.87	8.73	70.19	47.63	51.09
India 846.3	9.48	5.15	4.10	63.85	38.28	40.68	30.54	21.84	19.70	75.78	56.32	55.93

Source: GOI, *National Human Development Report 2001*, Planning Commission, March 2002.

Table 6 - Distribution of SC/ST Population, Urbanisation and Workers in the Non - Primary Sector in the Districts of Kerala

						%Main Workers in non-Primary sector 1991			%Population below in poverty 1998-99		
District	% Share of SC/ST in District Pop	% Share of District in Total SC Pop	% Share of District in Total ST	%Urban population 2001	1961	All Pop	ST	SC	SC	ST	Overall
Thiruvan.	12.21	11.9	5.04	33.78	25.71	52.53	20.34	35.44	67.30	67.59	39.13
Kollam	12.86	10.59	1.26	18.03	9.87	53.12	19.67	33.03	69.44	$	39.32
Pathanam.	13.88	5.48	2.16	10.03	3.85	40.15	16.69	17.11	68.22	88.55	33.06
Alappuzha	9.65	6.59	0.87	29.36	19.67	59.42	66.05	27.52	67.78	$	45.95
Kottayam	8.41	4.71	5.61	15.35	12.59	49.8	25.8	28.73	31.30	28.19	18.10
Idukki	11.92	5.44	15.66	5.07		22.92	7.55	12.67	10.88	20.27	15.29
Ernakulam	8.76	8.37	1.54	47.65	23.27	66.84	71.8	40.92	60.98	$	26.56
Thrissur	12.37	11.59	1.26	28.21	11	60.82	15.16	38.78	75.52	$	33.54
Palakkad	17.38	13.11	11.05	13.62	10.87	39.59	5.47	21.14	73.47	32.22	52.13
Malapp.	8.6	8.86	3.29	9.81	5.48	45.49	7.33	26.22	69.82	90.68	41.18
Kozhikode	7.26	6.4	1.69	38.25	27.04	65.32	21.87	46.08	81.21	$	34.84
Wayanad	21.25	0.96	35.82	3.76		24.63	4.76	23.64	69.44	81.38	49.87
Kannur	4.86	3.16	5.68	50.46	17.93	57.54	10.73	46.23	$	87.62	38.85
Kasaragod	9.38	2.84	9.12	19.42	17.36	51.79	34.32	28.61	74.82	68.48	44.46
Kerala	11.02	100	100	25.97	15.11	51.98	12.07	30.37	65.60	66.64	36.58

Source: Government of Kerala, *Economic Review 2000*, State Planning Board,Thiruvananthapuram. Government of Kerala, *Statistics for Planning 1993*, Department of Economics and Statistics, Thiruvananthapuram.

The last three columns are obtained from the BPL Census carried out by the Rural Development Department. There are obviously some problems with the accuracy of the data. For some districts, the numbers of poor reported for SC/ST are greater than the total population in the respective category. For such districts $ is shown in the cell.

Table 7 Urbanisation and Proportion of Main Workers in Non-Primary Sector in Kerala

Urbani-zation in (%) 2001	%Main Workers in non-Primary Sector- All Population			%Main Workers in non-Primary Sector-Scheduled Caste			%Main Workers in non-Primary Sector- Scheduled Tribe			
	15-25	25-50	50+	<15	15-25	25-50	<15	15-25	25-50	50+
<10	Way, Idk	Mlpm		Idk	Way	Mlpm	Idk, Way, Mlpm			
10-15		Plkd Pta			Plkd Pta		Plkd	Pta		
15-25			Kas Ktym Klm			Kas Klm Ktym		Klm	Kas Ktym	
25+			Kan Kozh Tsr, Alpz Tvm Ekm			Kan Kozh Alpz Tvm Tsr Ekm	Kan	Kozh Tsr Tvm		Ekm Alpz

Source: Table 6.

Table 8 Material Quality of Life Across Caste Groups in Two Panchayats in Kerala

	%Households Reporting		
Amenities	Forward Caste	Other Backward Caste	Scheduled Caste
Pallasana- Palakkad			
Housing Condition			
Walls- Mud	0	33.6	43.5
Floor- Soil	13.8	29.2	58.8
Electrified	79.3	56.1	32.1
Source of Drinking Water			
--Own Well	69.0	18.7	3.1
--Public Well	3.4	39.5	28.2
Access to Toilets	65.5	18.1	9.2
Madakkathara- Thrissur			
Housing Condition			
Walls- Mud	32.6	63.3	50.0
Floor- Soil	8.6	21.9	19.2
Electrified	88.6	80.0	69.2
Source of Drinking Water			
--Own Well	73.1	65.9	38.5
--Public Well	4.0	8.1	19.2
Access to Toilets	84.0	72.6	76.9

Source: Baby, 2000.

Economic Policy and Rural Development

Poverty and Economic Policy in Sri Lanka: A Note

Muttukrishna Sarvananthan

Introduction

There are gainers and losers from every economic policy. However, policymakers tend to choose economic policies which result in more gainers than losers. Thus, every economic policy instrument may have implications for income inequality and poverty. The objective of this paper is:

- to investigate the relationship between economic growth, income inequality and poverty trends in Sri Lanka in the post-independence period;
- to highlight the relationship between macroeconomic indicators and poverty;
- to provide a critique of the proposed Poverty Reduction Strategy (PRS) of the Government of Sri Lanka (GOSL).

The overall argument of this paper is that higher economic growth has not resulted in greater income inequality or higher poverty levels in Sri Lanka, confounding expectations based on international experience. Economic reforms are necessary to accelerate economic growth and reduce poverty, but the type of growth strategy is of critical importance for poverty reduction.

Economic Growth and Income Inequality

According to an empirical study undertaken by Simon Kuznets, at the early stage of an acceleration of economic growth income inequality increases, then peaks, and finally it decreases at the later stage. This is called the 'Inverted-U' hypothesis (Kuznets, 1955&1963). This hypothesis has been validated by further empirical studies undertaken by Ahluwalia (1976), and Fields (1980). All these empirical studies incorporated both developed and developing countries in their analyses.

The experience of Sri Lanka in the post-1977 economic liberalisation period did not conform to this international experience. Sri Lanka started opening-up its economy in 1977 and economic growth began to accelerate. However, income inequality remained more or less the same, which is a positive feature of the economic liberalisation process in Sri Lanka.

Income inequality, or relative poverty, in Sri Lanka during the last half a century has remained more or less at the same level. The data available for 1953, 1963, 1973, 1979, 1982, 1987, and 1997 demonstrates that the lowest 40% of households received approximately 15% and the highest 20% received approximately 50% of the national income during the years mentioned above. The Gini coefficient[1] remained almost static, hovering around 0.45 during the years for which data are available (see Tab. 1).

In 1973 the income share of the lowest 40% of households increased considerably to 19.3% and the income share of the highest 20% of households decreased significantly to 43%. As a corollary, the Gini coefficient decreased remarkably to 0.35. The economic regime during 1970-77 was overly inward looking with stringent nationalisation, import-substitution, administered price, and exchange control policies. These 'socialist' policies while adversely affecting economic growth did impact positively on equity.

Table 1 - Income Inequality

	Income Received by Lowest 40% of Households	Income Received by Highest 20% of Households	Gini Coefficient
1953	14.5 %	53.8 %	0.46
1963	14.7 %	52.3 %	0.45
1973	19.3 %	43.0 %	0.35
1979	16.1 %	49.9 %	0.43
1982	15.3 %	52.0 %	0.45
1987	14.1 %	52.4 %	0.46
1997	15.7 %	49.4 %	0.43

Source: Central Bank of Sri Lanka, *Consumer Finances and Socio-Economic Survey*.

[1] Gini coefficient ranges from 0 to 1, where Gini Coefficient of 0 means equal distribution of the National Income to different income groups.

The foregoing data are at the national level, and therefore may hide variance in income inequality within rural, urban, and estate sectors. The urban sector had the worst income inequality with a Gini coefficient of 0.47 followed by the rural sector with a Gini coefficient of 0.46 in 1995/96. The plantation estate sector with a Gini coefficient of 0.34 had the least income inequality in 1995/96. Income inequality in the urban sector has decreased remarkably between 1990/1991 and 1995/1996[2]. The classification of rural and urban areas in Sri Lanka is rather dated because it does not take into account the graduation of rural areas into urban areas over time. Income inequality by province or district is not currently available.

Economic Growth and Poverty

Absolute poverty data in Sri Lanka are not very reliable, especially until the 1980s, because there was no targeted poverty alleviation programme until the 1980s. Until the late-1970s almost 90% of the total households in Sri Lanka received subsidised food rations from the state (Ratnayake, 1998: 583). There were no specific anti-poverty programmes and therefore no need for data on poverty. The existing data on poverty levels prior to economic liberalisation and during the liberalisation period reveal a declining trend of the incidence of consumption poverty in Sri Lanka since 1980.

The poverty incidence data in Table 2 are from different sources and therefore not strictly comparable. The first four columns are from different authors; next two are from the Census Department; and the last one from Central Bank. 1973 and 1978/79 figures are particularly suspect. All data refer to higher consumption poverty lines, which varied from year to year. What is clear is the declining trend of consumption poverty in Sri Lanka during the liberalisation period – from 50% in 1980 to 45% in 1985, to 33% in 1990, and to 31% in 1996.

[2] Department of Census and Statistics, *Household Income and Expenditure Survey*, 1990/91&1995/96

Table 2 – Poverty

	1969/70	1973	1978/79	1980/81	1985/86	1990/91	1996/97
Poverty Level	52%	28%	23%	50%	45%	33%	31%

Source: Columns 1-4 – Ratnayake (1998: 595), columns 5&6 – Department of Census and Statistics, Household Income and Expenditure Surveys, column 7 – Central Bank of Sri Lanka, Consumer Finances and Socio-Economic Survey.

A little more than 30% of the population of Sri Lanka lives below the official poverty line. Poverty in rural areas is the worst followed by plantation estate areas. During 1990/1991, the North Central, Uva, and Sabaragamuwa, Provinces experienced the highest incidence of consumption poverty, while the Western Province experienced the lowest. During 1995/1996, Sabaragamuwa, Central, Uva, and Southern Provinces experienced the highest incidence of consumption poverty while the Western Province experienced the lowest[3]

Absolute poverty levels in all provinces are lower than their respective consumption poverty levels[4]. This is an indication that Sri Lanka has more of a problem with consumption poverty than with absolute poverty. This result tallies with the impressive human development index of Sri Lanka, which, despite low income levels,[5].

Relative poverty has remained at around the same level and absolute poverty has declined during the liberalisation period. This is a positive outcome of the economic liberalisation process in Sri Lanka. However, there are regional and sectoral variations in trends in income inequality and poverty. Although overall trends in income inequality and poverty are positive, regional, local, and sectoral trends may be different.

[3] *ibid.*
[4] UNDP, National Human Development Report 1998.
[5] We have to be cautious about this data as it excludes the North-East Province.

The reason for declining poverty levels in spite of rising economic growth rates during the liberalisation period could be the development strategy pursued during the post-1977 period. The post-1977 development strategy has been a labour-intensive one. Three pillars of the post-1977 economic growth have been the export of garments & textiles, export of labour, particularly to the Middle East, and the defence sector. Contributions of these sectors to the Gross Domestic Product (GDP), which were minuscule in the late-1970s, rose enormously during the 1980s and the 1990s. In 2001, net exports (exports *minus* raw material imports) of garments & textiles (in LKR terms) were equivalent to 9%, remittances (in LKR terms) from labourers working abroad were equivalent to 8%, and the total military expenditure was equivalent to almost 6% of the nominal GDP[6]. Contribution of these three sectors together was equivalent to almost a quarter of the GDP of Sri Lanka in 2001.

Each of these sectors is labour-intensive. The export garments sector uses mainly female labour, which is drawn from rural areas. Most people going to the Middle East to work are females from rural areas. The armed forces personnel increased enormously during the past two decades of civil war. The bulk of armed forces personnel is men from rural areas. These three sectors contributed substantially to rural household incomes. This mitigated the negative impacts of economic liberalisation on rural areas. The paradox of rising military expenditures is that it is a bane at the macro-level, but a boon at the micro-level of the economy. That is, at the macro-level rising military expenditures cause cuts in social expenditure, but at the household level in rural areas it has contributed to rising household incomes.

Nexus between Macroeconomic Indicators and Poverty

The linkage between macroeconomic indicators and poverty can be illustrated by the budget deficit, which has multiplier effects. One of the disturbing trends of the post-1977 economic regime is the rising budget deficit, which impacts on the poor. The budget deficit as a proportion of the GDP had been consistently less than 10% since

[6] Central Bank of Sri Lanka, *Annual Report 2001*, statistical appendix tables 1, 55, 88, 89, & 98.

independence until 1977. During most years since 1977, the budget deficit as a proportion of the GDP has been more than 10%[7]. As a corollary, the annual inflation rate, which has been under10% until 1977, was more than 10% during most years since 1977[8]. The budget deficit is the main cause of inflation. The rise in the cost of living has a direct bearing on the level of poverty; the poor may become poorer and some non-poor may become poor.

Any government committed to reducing poverty has to cut down its budget deficit. Ever-increasing public expenditure (particularly public consumption expenditure) is the major cause of the budget deficit. In order to reduce public expenditure, the bloated and inefficient public sector has to be trimmed down. State ownership of unprofitable financial institutions must be abandoned. Loss making public enterprises must be privatised. Military expenditures must be slashed.

According to the 2002 Budget, total public debt (domestic *plus* external) of Sri Lanka was 103% of the GDP in 2001. Repayment of public debt is the largest single budgetary expenditure. Total government revenue is not even adequate to make public debt repayments. The government has to borrow even to make repayments on public debt. Total government revenue is not enough to meet the recurrent expenditures of the government. These are the results of fiscal profligacy of successive governments since independence.

Reduction of budget deficits and inflation requires reforms of the public sector, financial sector and defence sector. All these should be reformed both quantitatively and qualitatively. A reduction in the number of personnel should be accompanied by improvements in productivity and efficiency. In order to effect qualitative changes in the public, financial, and defence sectors, the education system has to be reformed and modernised to cater for the present and future needs of the country. The foregoing

[7] Central Bank of Sri Lanka, *Annual Report 2000, Special Statistical Appendix*, table 20
[8] Ibid, table 10

illustrates the need for reform of different sectors of the economy for poverty reduction.

A Critique of the Poverty Reduction Strategy of the GOSL (2001)

Most of the substance of the Poverty Reduction Strategy (PRS) of the Government of Sri Lanka (GOSL) is laudable, providing a candid assessment of and offering solutions to economic problems in general and the question of poverty in particular. The PRS states that 'Government is resolute in its determination to reduce macroeconomic instability by adopting a disciplined monetary and fiscal policy stance'[9].

Whether the proposed solutions will be implemented is debatable. During 2001 every single commitment and undertaking made to the International Monetary Fund (IMF) by the GOSL on fiscal consolidation has been breached. There is a huge gap between what the GOSL says and what it does (whichever political party is in power). We cannot believe in any of the commitments or forecasts contained in the PRS. One way of making the commitments and undertakings by the GOSL binding may be to promote a bipartisan approach to a policy document such as the PRS. The donor community should insist that the two major political parties that have ruled the country ever since independence should jointly prepare and agree on a policy document such as the PRS, because both these political parties are committed to poverty alleviation.

The macroeconomic forecasts in the PRS are too optimistic given the economic performance in 2001[10]. Several institutional and structural reforms are outlined in the PRS[11] but no deadline for implementation is given. There are contradictory

[9] GOSL, *Sri Lanka Poverty Reduction Strategy*, November 2001: 33.
[10] *ibid.*
[11] GOSL, *op cit*: 37-40.

commitments made in the PRS. One of these is the claim to move towards a single-band import duty regime[12], which is later mentioned as a two-band regime[13].

In the poverty reduction target figures outlined in Annex 9a, explicit commitment to reduce military expenditures should have been made, because in earlier chapters high military expenditure is identified as one of the major impediments to poverty alleviation in Sri Lanka. It follows that without cutback in military expenditures considerable progress in poverty alleviation cannot be achieved. The fact that no explicit commitment to scale back military expenditures is made throws the entire PRS into doubt.

The Hill-country Tamils are referred to as 'Indian Tamils' in the PRS. This is objectionable because it marginalises and alienates them. This will not help empower the poorest community in Sri Lanka, which the PRS claims to want to do.

Pro-poor Growth Model of the PRS

The major plank of the 'Creating Opportunities for Pro-poor Growth' by the PRS is the development of infrastructure facilities. According to the PRS, 'Linking poor regions to dynamic national markets will be accomplished by a spatial integration strategy that focuses on six main pro-poor transport and communication initiatives:

- Upgrading the port network.
- Building a national highway and integrated road network.
- Enhancing the performance of the bus system.
- Modernising the railways.
- Improving access to telecommunications facilities.
- Upgrading the commercial agricultural marketing infrastructure[14].

[12] GOSL, *op cit*: 34.
[13] GOSL, *op cit*: 37.

[14] GOSL, *op cit*: 50.

The PRS promises that these infrastructure development projects will be developed by public-private sector partnerships of BOO (Build-Operate-Own) and BOOT (Build-Operate-Own-Transfer) varieties.

All the six infrastructure development strategies identified above are going to be costly, and the government is determined not to subsidise these services once they are operating. Access to these services would be at market price. These ports, roads, buses, railways, telecommunications, and agricultural markets would provide access to national and international markets to the people living in the interior. However, whether they will be affordable to the poor is questionable.

It seems that the GOSL has planned these infrastructure and transport development projects as priority developmental activities, but they need to find the capital. The private sector (both local and international) will be very reluctant to invest in major infrastructure projects in a war-ravaged country. The only hope of getting financial backing for these proposed projects is through bilateral and multilateral donors. Bilateral and multilateral donors do not like investing in grandiose infrastructure projects. The only way to persuade bilateral and multilateral donors to finance these projects is to convince them that these are part of a pro-poor growth strategy. These transport and communication projects are presented as the major plank of the pro-poor growth strategy of the GOSL in the PRS because poverty alleviation is top priority for the international donor community.

During the 1980s also the government implemented a grandiose infrastructure project, namely the Accelerated Mahaweli Development project, with international donor support (especially from the British government). It was meant to increase hydroelectric generation and promote irrigated agriculture in the rain-starved dry-zones of the country. Uninterrupted power supply to the entire island and self-sufficiency in rice production were the twin goals of the project. The attainment of self-sufficiency in rice production was expected to wipe out poverty from Sri Lanka. These twin goals seem a distant dream for the masses experiencing a prolonged power

crisis and regular imports of rice. As shown in the table below, on average, 160,000 metric tons of rice have been imported annually during the past 10 years.

Table 3 – Rice Imports of Sri Lanka 1992 - 2001

Rice Imports	Metric Tons
1992	237,000
1993	209,000
1994	58,000
1995	9,000
1996	341,000
1997	306,000
1998	168,000
1999	214,000
2000	15,000
2001	52,000

Source: Central Bank of Sri Lanka, Annual Report 2001 - Statistical Appendix, table 90

Measurement of Poverty in Sri Lanka and the PRS

The Department of Census and Statistics (DCS) and the Central Bank of Sri Lanka (CBSL) derive poverty lines in terms of estimated per capita cost of a minimum bundle of food and non-food consumption goods. The incidence of poverty (headcount) is measured using a lower poverty line (LKR 791 by DCS, and LKR 860 by CBSL) and a higher poverty line (LKR 950 by DCS, and LKR 1,032 by CBSL). The latter is 20% higher than the former[15]. These poverty lines are revised every five years keeping in line with the rise in consumer price index.

Poverty measurement in Sri Lanka has not taken account of international developments. Unfortunately, the PRS has not proposed any new methods. Sri Lanka should evolve separate poverty lines for each province, and each area (rural, urban, estate, and war-torn areas). The blanket application of a common poverty line island-

[15] GOSL, *op cit*: 6.

wide has distorted poverty in Sri Lanka. Provincial and sectoral poverty lines would be better yardsticks to capture the extent and locality of poverty in Sri Lanka.

Samurdhi Poverty Alleviation Programme and the PRS

Successive governments in Sri Lanka have abandoned the anti-poverty policies pursued by their predecessors. The food-stamp scheme of the government from 1979-1988 was abandoned and the *Janasaviya* was introduced in 1989 by the same government under a new leadership. Later, the *Janasaviya* was abandoned and *Samurdhi* was introduced in 1994 with a change of government. However, the new government that came to power in December 2001 has decided to continue the *Samurdhi* programme with suitable reforms, which is a welcome deviation from the past practice.

There is no explicit mechanism proposed for the reform of the *Samurdhi* programme in the PRS. The PRS does confess the shortcomings of the *Samurdhi*, but no remedial measures are proposed. It is only vaguely mentioned that the *Samurdhi* will be reformed and targeted properly and efficiently[16]. There are no explicit targets outlined to reform *Samurdhi*. Therefore, the commitment of the GOSL to reform *Samurdhi* programme is suspect.

Using a higher poverty line, 31% of the population in 1996/97 was classified as poor[17], but almost 50% of the population receive *Samurdhi* benefits. These figures do not incorporate the North-East Province. Furthermore, *Samurdhi* does not assist 40% of the poorest income quintile[18]. These figures indisputably demonstrate the anomalies of the *Samurdhi* programme. According to the Commissioner of Poor Relief, during 2001 nearly LKR 12 billion was granted to nearly 2 million families. Further, almost 50,000 families who were fraudulent claimants of *Samurdhi* benefit

[16] GOSL, *op cit*: 79-80.
[17] GOSL, *op cit*: Annex 2, Table 1.
[18] Glinskaya, Elena, (2000), cited in GOSL, *op cit*: 79.

were taken off the list[19]. Almost 1% of the GDP has been spent on *Samurdhi* in recent years.

Explicit commitment to improved targeting of *Samurdhi* benefits and take-up by those entitled should be made; there should be an explicit timeframe for the implementation of this. The donor community should insist on de-politicisation and de-centralisation of anti-poverty policies. Anti-poverty policies should be implemented by local divisional administration (there are 290 Divisional Secretariats in Sri Lanka) and non-governmental organisations, and not by the central or provincial administrations. The top-down approach to poverty alleviation in Sri Lanka over the years has miserably failed.

Monitoring and Evaluation of the PRS

The emphasis on the role of the state in monitoring and evaluating the poverty reduction strategy[20] is a major drawback. The State cannot be the prosecutor and the jury. Although it is mentioned that the National Planning Department (NPD) - the government institution expected to co-ordinate monitoring and evaluation of the PRS - may engage a university or a non-governmental organisation to help the monitoring process[21] the State has been given a predominant role in monitoring and evaluating the PRS. According to the PRS, 'The poor will also be empowered to participate in the M&E process[22]. How this will be operated is not outlined.

The State could implement the poverty alleviation programme and let a non-state, independent institution carry out the monitoring and evaluation function. Alternatively, the implementation of the poverty alleviation programme could be entrusted to non-governmental institutions, and the State could monitor and evaluate. A monitoring and evaluation system cannot be credible and effective if both are in the hands of any one actor (State or non-State).

[19] *Ceylon Daily News*, January 08, 2002.
[20] GOSL, *op cit*: 94-98.
[21] GOSL, *op cit*: 96.
[22] *ibid*.

The proposal in the PRS to use trends in real wages as a proxy to monitor annual progress in poverty reduction by the NPD is far from satisfactory. It is stated that 'Given that progress in reducing consumption poverty can only be measured every few years, proxies will be employed to track reduction in poverty on a year-by-year basis. Since many poor households have few other assets than their labour, trends in real wages can be used to track short-term movements in welfare of the low-income groups. If the labour productivity of unskilled labour rises in line with expected economic growth, and if wages reflect rising labour productivity, then we would expect real wages in rural areas to rise in line with real growth in per capita incomes. Drawing on wage and price data reported regularly by the Central Bank, NPD will monitor and assess trends in average real wages of rural labourers and of estate workers'[23].

Given the fact that most of the poor who seek relief are either unemployed or under-employed, it would be difficult to use real wages in rural and estate areas as a proxy to change poverty levels. The bulk of the poor would not be engaged in wage labour, and therefore would be outside the labour market. Besides, the rise in wages in rural and estate areas may not necessarily reflect labour productivity. For example, trade union agitation rather than rise in labour productivity largely spur wage increases in the tea plantations of the estate sector. Moreover, the consumer price indices in Sri Lanka are out of date and do not reflect the actual change in price levels.

Though the Department of Census and Statistics compiles district-wide consumer price indices on a monthly basis, their reliability is questionable. The basket of goods used to compute the consumer price indices does not represent the current consumption pattern of the masses, whether in estate, rural, or urban areas. Nominal wages adjusted for price increases (real wages) would not necessarily reflect the purchasing power of consumers. Moreover, official poverty lines are updated every five years. In order to monitor changes in poverty levels annually the official poverty lines would have to be updated annually as well. There is no explicit commitment to

[23] GOSL, *op cit*: 97.

do this in the PRS, which is disappointing. I earnestly request the PRS to reconsider proposing the use of movement in real wages as a proxy to measure change in poverty levels on an annual basis.

If a more realistic targeting of *Samurdhi* could be established the reduction in benefit recipients of *Samurdhi* could be used as a measure of reduction in poverty levels in Sri Lanka. The failure of the GOSL to propose using the annual change in the number of *Samurdhi* recipients as a measure of change in poverty levels once again casts doubt on its commitment to reform the *Samurdhi* programme.

Risks and Uncertainties of the PRS

The PRS identifies obstacles to the implementation of its proposals. One is that vested interests within the government and the opposition may sabotage the reform agenda; the other is a resumption and escalation of the civil war that would require diversion of public funds for defence. Poverty alleviation cannot be made a hostage to political rivalry or to civil war as it is a humanitarian issue. Poverty alleviation should be above political rivalry or civil war. As urged above the GOSL should evolve a bipartisan approach to poverty alleviation in order to have continuity of purpose and policies irrespective of periodical change in regimes.

Conclusion

A labour-intensive development strategy contributed to declining poverty levels in the post-1977 economic liberalisation period. However, what is proposed in the government's latest poverty reduction strategy is a capital-intensive development strategy. The 'pro-poor growth strategy' set out in the PRS mainly hinges on capital-intensive infrastructure development. The government's argument that these capital-intensive infrastructure developments would contribute to poverty reduction is not convincing.

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Inflation, Real Wages and Poverty: A Macroeconomic Perspective

S.S. Colombage

Introduction

Fostering economic growth by means of structural reforms and stabilisation policies has been a major objective of the development strategies adopted in Sri Lanka throughout the post-liberalisation period. Structural reforms were geared to remove the fundamental weaknesses of the economic structure. As macroeconomic stability is a prerequisite to achieve higher growth, fiscal consolidation and prudent monetary management were expected to play a critical role in containing high inflation and sustaining a viable balance of payments position. The poverty reduction strategy is based on this macroeconomic foundation. Although living conditions of the poor may not simply improve by a rise in per capita income levels, it is widely believed that faster economic growth is an essential precondition for poverty reduction.

In the current policy framework poverty reduction largely depends on the ability of the country to raise its economic growth. In this regard, the growth record is not very satisfactory in the liberalisation period. The GDP growth averaged only 4.6 % per year during 1978-2002, compared with 4.0 % during 1960-77. The sluggish economic growth is a major factor responsible for the acute poverty levels in the country. Excluding the north-east areas, between a fifth and a third of the population are poor (Ministry of Finance and Planning, 2000). Deprivation in the conflict affected north-east areas is more acute. Nearly 90 % of the poor live in rural areas and thus, poverty is predominantly a rural phenomenon in Sri Lanka.

Considering the severity of the poverty conditions prevailing in the country, it is time that we inquire why the economic reforms have failed to reduce poverty. Undoubtedly, the prolonged ethnic conflict has been a major negative factor. Apart from that, the emerging weaknesses within the macroeconomic reform process created

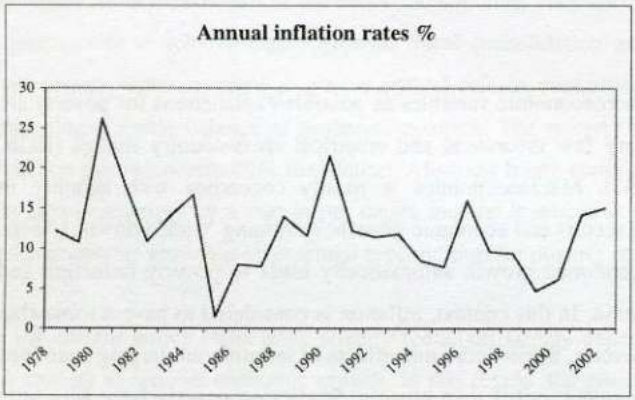
adverse consequences on the poor. In particular, the high inflation rate, averaging 12 percent during 1978-2002, has had a more negative impact on the poor than the rich. This is particularly evident in the case of un-indexed wage incomes, which means that incomes are not responsive to price increases. As high inflation causes a decline in the purchasing power of money, wage earners find that their real wages (money wages adjusted for the rise in the general price level) are lower, unless their money wages rise to compensate for inflation. This link between poverty and inflation is hardly considered in the theoretical and empirical literature. Instead, the focus is on the relationship between poverty and economic growth is focused (Fortman, 1999 and Powers, 1999).

Inflation and other macroeconomic variables as possible explanations for poverty are analysed only in a very few theoretical and empirical cross-country studies (Bulir, 2001 and Sarel, 1997). Macroeconomics is mostly concerned with stability in domestic and external sectors and economic growth. Assuming 'trickle down' effects, it is postulated that economic growth automatically leads to poverty reduction and better income distribution. In this context, inflation is considered to have a somewhat marginal impact on poverty. Socio-economic effects of inflation are largely examined in relation to unemployment, rather than poverty. Studies on poverty have very little emphasis on macroeconomic dimensions. Therefore, this gap between macroeconomic and poverty studies needs to be filled. The objective of my study is to examine how far inflation has led to the erosion of real wages and to the aggravation of poverty in Sri Lanka during the post-liberalisation period.

Inflation and Real Wages

During the post-liberalization period, annual inflation exceeded 10 % in most years. Average annual inflation for this period is as high as 12 %. Inflation accelerated in the second half of the 1980s and there was a long-term downward trend in the 1990s. But since mid-2000 inflation has accelerated again and now it is around 11 % per annum. Inflation has various adverse socio-economic effects. More importantly, it leads to

increases in the cost of living particularly affecting the poor. A major reason for the high inflation is 'too much money is chasing too few goods'. During 1978-2002, the money supply grew 18 % by per year, as against the GDP growth of 4 %. Much of this monetary expansion came from a substantial increase in bank lending to the government to finance its budget deficits over the years. The budget deficit averaged 12 % of GDP during the last twenty-five years. Exchange rate depreciation, upward adjustments of administered prices and wage increases contributed to accelerating inflation during this period.



(Source: Central Bank Annual Reports)

Wage earners account for about one half of the labour force in Sri Lanka. Therefore, movements in wage earnings have a considerable bearing on the overall income distribution and poverty profiles of the country. The persistent inflation has had adverse effects on real wages in many sectors. As nominal wages generally do not get adjusted spontaneously in response to inflation, the real value of wages tends to decline thereby causing hardships, mainly to wage earners. As a result, some wage earners who had stayed above the poverty line may shift to the poor category as a result of high inflation.

Considering the high inflation prevailing in Sri Lanka over a long period, it is important to consider the implications of inflation on real wages and poverty. As labour supply is inelastic, the brunt of the inflation burden is usually borne by wage earners, particularly those in low-income groups. A shift of income away from wage earners occurs during high inflation periods. Thus, inflation is a powerful determinant of income redistribution and poverty magnitudes.

This study analyses the behaviour of real wages in different sectors of the economy. The labour market is fragmented into a formal or highly regulated sector and an informal or unregulated sector. The formal sector, which is protected by labour laws, consists of the government sector, state-owned enterprises, plantations, and medium and large private enterprises. It accounts for about one third of the work force. In the government sector, wages are determined largely through policy directives. In the organised private sector, collective bargaining and agreements are used to determine wages. The remaining two thirds of the work force is in the informal or unorganised sector consisting of non-plantation agriculture, small-scale manufacturing, and services. This sector is not covered by any labour laws and most of these workers do not enjoy regular incomes. There is no mechanism for wage indexation in this sector. Thus, given the fragmented nature of the labour market in Sri Lanka, wages in each sector respond to inflation quite differently from other sectors. Therefore, inflation had different poverty implications for workers in each sector.

Organised Sector

In the post-liberalisation period, nominal wages of workers under the Wages Boards Trades rose at an annual rate of 10.5 %. As this was outstripped by inflation, which was running at 12 % per annum, real wages declined by 0.7 %. The scatter diagram shows a negative relationship between inflation and real wages[1].

[1] The Pearson correlation coefficient between real wages and inflation is 0.771.

Table 1- Organized Sector: Wage Indices, (1978=100)

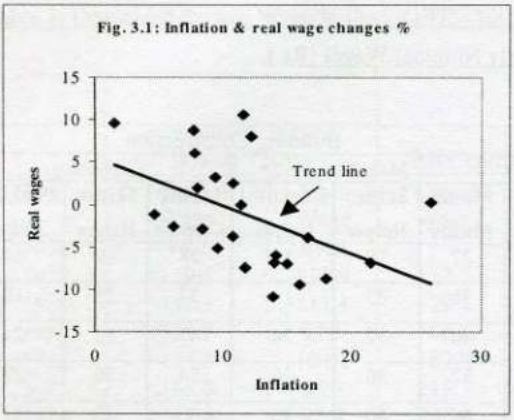
	Workers in Wages Boards Trades		All Central Government Employees	
Year	Nominal Wage	Real Wage	Nominal Wage	Real Wage
1978	94.7	99.3		105.2
1979	119.6	112.9	117.2	111.2
1980	147.3	111.1	129.1	97.2
1981	152.2	97.1	146.1	93.2
1982	175.8	101.1	187.8	108.0
1983	188.8	95.5	215.7	109.0
1984	228.8	98.8	246.6	106.6
1985	247.9	105.8	284.3	121.2
1986	261.3	103.2	297.4	117.5
1987	277.7	101.8	297.4	109.1
1988	335.8	107.9	390.0	125.4
1989	388.1	112.0	421.8	121.9
1990	453.5	107.6	476.8	113.2
1991	518.8	109.7	534.6	113.2
1992	590.0	112.0	557.6	106.0
1993	685.8	116.6	675.5	114.8
1994	712.4	111.7	735.5	115.4
1995	740.3	107.8	792.5	115.4
1996	801.7	100.7	818.2	103.0
1997	849.1	97.3	906.5	104.0
1998	953.3	99.9	1001.4	104.0
1999	977.6	97.8	1001.4	100.2
2000	1000.4	94.3	1084.7	102.1
2001	1057.8	87.3	1310.8	108.1

(Source: Central Bank Annual Reports)

Table 2 - Unorganized Sector: Daily Nominal Wages (Rs.)

Year	Paddy Farming				Building Construction					
	Harvesting		Transplant		Masonry			Carpentry		
	Male	Fem	M	F	Master Mason	Skilled Helper	Unskilled Helper	Master Carpent	Skilled Helper	Unskilled Helper
1979	15	11	16	13	27	19	14	28	19	14
1980	20	15	21	17	36	25	19	37	25	19
1981	25	19	27	21	46	32	24	47	32	24
1982	27	22	29	23	52	36	26	54	36	27
1983	34	26	35	28	58	40	30	60	42	31
1984	35	27	38	28	64	44	33	65	45	33
1985	37	28	39	30	68	47	35	70	48	36
1986	39	31	42	32	72	50	37	75	51	38
1987	42	33	44	33	78	54	40	80	55	41
1988	44	35	46	36	85	60	45	89	62	45
1989	50	40	51	41	97	69	52	103	72	53
1990	73	56	70	55	115	83	65	121	86	65
1991	83	66	85	69	138	102	77	144	103	77
1992	96	74	93	75	158	117	89	162	120	90
1993	104	82	104	84	179	133	103	183	136	105
1994	120	91	119	95	198	148	115	203	152	116
1995	136	104	133	103	227	168	131	234	169	132
1996	149	111	150	116	261	193	148	267	192	149
1997	163	134	164	131	290	211	166	296	214	167
1998	182	148	179	144	310	226	180	318	233	180
1999	194	167	195	160	335	249	196	342	254	197
2000	217	181	221	175	364	269	217	367	275	219
2001	241	205	239	199	397	297	245	402	303	246

(Source: Central Bank Annual Reports)



Thus, real wages have eroded in the formal sector despite wage indexation, partly due to the time lag in indexation. If nominal wages do not increase sufficiently to compensate for inflation, real wages tend to erode. This is why that the real wages in plantations, industry, commerce and services have fallen in recent years, in spite of the increases in their nominal wages. The GDP growth of 4.6 % during the post-liberalisation period was much higher than the real wage increases in the organised sector implying that non-wage earners have benefited from economic growth.

Table 3: Organised Sector: Annual compound growth rates of wage rate indices, (1978-2001)

Category	Nominal	Real
Workers in Wages Boards Trades		
Agriculture	11.60	-0.08
Industry & commerce	9.64	-1.30
Services	8.30	-3.07
Boards Trades	11.06	-0.56
Government employees		
All non-executive officers	11.51	-1.14
All minor employees	12.12	0.36
All central govt. employees	11.84	0.12
Govt. school teachers	10.66	-0.94

(Source: Central Bank Annual Reports)

Unorganised Sector

As mentioned earlier, the unorganised sector is the largest sector which employs around two thirds of the total labour force. Overall, real wages in this sector increased despite the fact that there is no formal mechanism to adjust wages in response to inflation. This would have been possible in occupations like carpentry and masonry as the workers have more bargaining power, given the speciality of their jobs and shortages of skilled workers. However, it should be noted here that these figures do not capture the seasonal variations of income, which is a common feature in the informal sector employment. If seasonal variations are taken into account, the implications of inflation for the informal sector may have been worse, compared with the formal sector workers, who enjoy regular income flows. As in the case of the organised sector, the real wage increases in paddy cultivation, masonry and carpentry fell short of the GDP growth during this period.

Table 4: Unorganised sector: Annual compound growth rates in wages in the, % (1978-2001)

Activity	Nominal	Real
Paddy cultivation		
Harvesting		
Male	12.95	1.57
Female	13.48	2.05
Transplanting		
Male	12.46	1.13
Female	12.45	1.12
Masonry		
Master mason	12.38	1.06
Skilled helper	12.68	1.33
Unskilled helper	13.18	1.78
Carpentry		
Master carpenter	12.37	1.05
Skilled helper	12.74	1.38
Unskilled helper	13.18	1.78

(Source: Central Bank Annual Reports)

Real Wages and Poverty Line

In this section real wage movements are compared against the poverty line. Taking 1991 as the base year, real wages were recomputed at 1991 prices. These real wage numbers were then compared against the poverty line for 1990/91. Family size is assumed to be 4 in this exercise. As can be seen from the following Figures, real wages in both organised and unorganised sectors have not improved much to reach the poverty line. In other words, real wages were not sufficient to buy the minimum basket of essential consumer goods that a family needs. Then the question is how do they survive? Different explanations can be given. For instance, there may be more than one income earner in a family. Also, there may be non-wage income like off-farm activities. Also, it should be noted here that there would have been computational deficiencies. In the case of the organised sector, for instance the data used are minimum wages. Actual wages for some workers may be higher. Given all these deficiencies, it can be concluded that the real wages of the majority of workers have been insufficient to maintain minimum living standards.

Conclusion

Sri Lanka has experienced an annual inflation rate of around 12 % during the post-liberalization period. High inflation, through its direct impact on the living conditions of wage earners, has aggravated poverty during the post-liberalization period. The growth in real wages was lower than the GDP growth indicating that wage earners failed to harness the benefits of economic progress. In most cases, real wages in both organised and unorganised sectors declined. As a result, low-wage earners were unable to sustain a minimum real income level that is sufficient to meet the basic human needs, as indicated by the poverty line.

This predicament of wage earners needs to be addressed prudently in policy formulation, as upward adjustments of wages to cover up inflation will have negative effects on export competitiveness and economic growth. Responding to the rising cost of living, workers in the organised sector demand wage increases from time to time.

Successive governments were compelled to raise public sector wages for political and other reasons. At present, salaries and wages of government employees are as high as 6 % of GDP. In the private sector, employers face difficulties in raising wages particularly due the challenges faced by them in the face of a free market world. With the opening up of the economy, entrepreneurs have been exposed to increased foreign competition. In the domestic market, they can sell their products, only if the prices and quality of their products have a competitive edge over imported goods. Similarly, the local exporting firms should have a comparative advantage over other suppliers in foreign markets. In sustaining competitiveness cost of production is crucial. If local production costs pertaining to labour and capital are higher, the prices of final products will also be higher and, consequently, local producers would lose their shares in the domestic and foreign markets and this would result in bankruptcies, plant closures and job retrenchment. Thus, domestic entrepreneurs are extremely vulnerable to foreign competition as a result of the trade liberalisation. They are no longer protected by import controls and high tariffs. Therefore, it has become important to safeguard business competitiveness. In this context, maintenance of stable production costs including wages is crucial.

Upward wage revisions effected to compensate for inflation generally disregard labour productivity and lead to wage-price spirals. The resulting macroeconomic disequilibrium retards export competitiveness and economic growth, which in turn hits the poor. With the pace of globalisation, labour relation mechanisms, which had been restricted conventionally to wage increases based on tripartite agreements, have to be shifted to broader perspectives. This has arisen from the need to accommodate wage increases to compensate workers adequately while sustaining business competitiveness. For this purpose, human resource management needs to be integrated into business strategies. In this process, wages can be linked to employee performance at the levels of individual, work group or firm. Productivity-linked incentives and profit sharing are found to be effective in achieving a compromise between wage demands and enterprise competitiveness. Sri Lanka has made very little progress in

integrating wage demands and business competitiveness, largely as a result of the weaknesses inherent in the labour market.

Apart from devising a new wage fixing mechanism for the organized sector on the lines described above, it is essential to address the root cause of the deterioration of real wages in both organized and unorganized sectors. The root cause is high inflation resulting from a number of factors including an excessive money growth, high fiscal deficits, rupee depreciation and high import prices. Increasing wages to compensate for inflation without paying attention to productivity changes is detrimental to economic growth. Therefore, price stability should be given high priority in the policy agenda. Fiscal consolidation and prudent monetary management are vital in this exercise.

Paddy and Poverty in Sri Lanka: An Analysis of the Impact of Technological Change

T. Jogaratnam and S.K.D.E.F. Niranjan

Introduction

Estimates of the extent of poverty in Sri Lanka vary, but there is a consensus that poverty is mainly rural. The rural sector is characterized by a heavy dependence on paddy cultivation, and paddy cultivation has benefited more than any other sector from technological advances in agriculture. A study of the relationship between paddy production and poverty therefore merits attention. The relationship between agricultural performance and poverty alleviation is however beset with controversy. Intuitively, it can be argued that increased production and lower prices would have beneficial impacts on the poor. Much, however, would depend on the net sales position of producers and the response of consumers.

It has also been argued that the very process of agricultural development could generate social changes that could work against the poor. Inadequate and unreliable data comes in the way of a rigorous analysis of the interrelationships. To quote Hazell and Haddad (2001), 'the net effect of agricultural growth is difficult to quantify and qualitative assessments very often provide a better understanding of the interrelationships.'

The objective of this paper is to sift through the available evidence from secondary sources to provide some such understanding. More specifically, it examines trends in paddy production, prices and incomes and their impact on levels of consumption of low- income groups, given that poverty is often defined in terms of food poverty or consumption poverty. The sections below present a brief review of the literature, before discussing the trends in poverty, paddy production and consumption and their relationship to incomes and prices.

Agricultural Performance and Poverty

The linkages between agricultural performance and poverty are not straightforward. Poverty itself is acknowledged to be a complex phenomenon, dynamic and varying over time and space. Productivity-increasing technological change reduces the cost of food production, lowers real food prices and increases the demand for labour. Such developments will be favourable to the poor. On the other hand, it is also argued that unequal access to land and other resources will bring about adverse consequences for the poor. Rapid increases in population and high rates of inflation compound the situation; and changes in weather conditions are also known to push or pull people into or out of poverty. The poor are part-farmers, part- labourers, part non-farmers, and all are consumers. The behaviour of households with respect to production, consumption, purchases and sales will determine the impact of changes in prices and incomes.

Kerr and Kolavalli (1999), in a comprehensive review of the literature, show the following linkages between agricultural performance and poverty. Technological change that is yield-increasing or cost-reducing can: 1) increase the incomes of farmers who adopt the technology, 2) reduce food prices and thereby increase real incomes of consumers, 3) change the demand for agricultural labour, and 4) stimulate economic growth, generate additional employment, and increase wages. The net effects of such changes are uncertain because the positive and negative effects could offset each other.

The relationship between agricultural growth and poverty has been most studied in India, principally because of the availability of data of acceptable quality. Ahluwalia (1978), in a pioneering study of rural poverty in India, sought to explain rural poverty in terms of agricultural performance and a time trend to capture all other factors thought to affect poverty. He concluded that 'there was strong evidence to suggest that agricultural growth, within the existing institutional system, tends to reduce the incidence of poverty.' Griffin and Ghose (1979) however argued that changes in the reference period in Ahluwalia's study indicated that there was no significant

relationship between the change in rural poverty and the rate of growth of agricultural production at regional levels. Saith (1981) argued that other unidentified factors could offset the impact of agricultural growth, thus refuting the trickle down effects implied in Ahluwalia's study. Dharm Narain expanded the Ahluwalia specification by including nominal prices of commodities consumed by the rural poor as an explanatory variable (Mellor and Desai 1985). Still others considered that investments in social and economic overheads, land reform and the development of the services sector were also important (Desai 1985). More recent studies by Datt and Ravallion (1998) using data over an extended period of time appear to confirm the Ahluwalia findings. An IFPRI study also suggests that investment on rural roads and research had significant impacts on poverty (Fan, Hazell and Thorat 1999). But the debate is far from over (Rao 1998; Ravallion 1998). The section below briefly summarizes recent poverty literature in Sri Lanka.

Trends in Poverty

Poverty is multifaceted and multidimensional and may be approached from many different angles. In the literature, major attention is focused on consumption poverty and the social or human development dimensions of poverty. Attempts to measure poverty in Sri Lanka have come up with different estimates (Alailima 2001). These have to be explained in terms of differences in definition, methodologies, cut-off points for poverty lines and concepts of minimum incomes. One estimate of poverty suggests that poverty increased sharply from a little under 20 % in the 1950s to about 35 % in the mid-1980s, before dropping down to the earlier levels by the mid-1990s (Alailima 2001).

A World Bank study (1995) indicates that there was little consumption poverty decline between 1950 and 1965 but a sharp decline between 1965 and 1985, and a continuing gradual decline thereafter. Such declines were associated with rapid growth of per capita incomes and consumption and improvements in income distribution (World Bank, 1995). One must however point out that the north and east were excluded from the late 1980s and such estimates are not representative of the

whole island. As has been pointed out (Hopkins and Jogaratnam, 1993), the ethnic conflicts would have exacerbated poverty. Dunham and Edwards (1997) in an exhaustive review of the available data conclude that the data do not provide evidence of any significant decline in poverty over the last decade or so. Both the World Bank (1985) and Gunawardena (2000), using the same database and the same methodology, find that poverty declined from 1985 to1990, but increased in 1995, mainly because a poor paddy harvest. By the same token, the paddy harvest registered a growth of more or less the same magnitude in 1990. What is important to note is that in the absence of any information on long- term movements in the incidence of poverty, point estimates are subject to the influence of so many factors that it is difficult to identify trends.

While a discussion of recent trends in poverty is beset with difficulties, Gunawardena (2000) has come up with a consistent set of estimates using the data from the Household Income and Expenditure Surveys (HIES) of 1985/86, 1990/1991, and 1995/1996, conducted by the Department of Census and Statistics. She has also used data from the Consumer Finance Survey 1996/1997 conducted by the Central Bank of Sri Lanka to extend the analysis. The methodology adopted is to construct a poverty line using the cost of basic needs approach. A food poverty line based on the cost of a food bundle meeting the recommended energy requirements is first constructed and adjusted to reflect the average non-food consumption needs of those who meet their energy needs. A poverty line 20 % higher is also used to overcome the arbitrary nature of such computations. As indicated by Gunawardena, the poverty line is anchored on a reference food poverty line of Rs.200 in 1985/86 based on a normative energy requirement of 2500 calories per male adult equivalent aged 20 to 39 years. A food price index was used to update the food poverty line to give a lower poverty line of Rs. 791.67 and a higher poverty line of Rs. 950 per person per month in 1995/1996 prices. Problems of comparability arise, but it is felt that they are indicative of rough orders of magnitude. The methodology is based on that of Foster, Greer and Thorbecke (1986). Apart from information on the magnitude, incidence and depth of poverty, the analysis is carried further to include information on poverty regionally

and by occupation. This makes it possible, although in a limited way, to relate rice production to poverty.

That poverty in Sri Lanka is a rural phenomenon is the general conclusion of all previous studies and is confirmed by Gunawardena (2000). It is confined largely to the landless agricultural laborers and operators of mini-holdings, operating extents under a hectare. Unfortunately data on the numbers of holdings involved goes back to 1981 when the last Census of Agriculture was carried out. Gunawardena (2000) concludes that the incidence of poverty moved from 25 % in 1985/86 to 19 % in 1990/91 to 30 % in 1995/96. It is estimated that over 88 % of the poor are in the rural sector. In regional terms, over 50 % of the poor are located in the four provinces, namely Uva, Sabragamuwa, North Central and North Western provinces. The distribution of the incidence of poverty by districts is shown in Table 1. Given that these four provinces are also the major producers of paddy, the relationship between paddy production and poverty merits attention. Overall, it is reported that 35 % of households whose principal income earner was a farmer were poor and accounted for 42 % of the poor. Gunawardena finds no relationship between size of land holding and poverty, except among paddy landowners. The size distribution of paddy holdings is shown in Table2. Nearly 80 % of the poor were landless in terms of paddy holdings and the balance accounting for almost 20 % operated paddy holdings below three acres in extent. The incidence of poverty averaged a little over 25 % amongst these groups.

Questions can be raised about the manner in which the poverty cut-off points themselves have been determined. As indicated earlier, most discussions start off by estimating the cut- off line for food poverty, defined as that level of consumption below which the body's energy requirements cannot be met. Poverty is thus defined in terms of the calorie equivalent of food consumption. It has been suggested that this makes sense for low- income countries like Bangladesh since low calorie intake is the main manifestation of poverty (Hossain and Sen 1992). Others argue human beings cannot live on food alone, but would require some minimum expenditure on clothing and shelter. Very often about 20 %, arbitrarily determined, is added to the expenditures

necessary to meet minimum calorie requirements. The definition of poverty then moves from food poverty to consumption poverty. Other indicators like the proportion spent on food have also been suggested (Rao 1981). What appears crucial in most poverty determinations is to estimate the level at which the energy (calorie) intake falls short of a predetermined adequacy level.

Minimum energy requirements depend on weight, height, age, sex, temperature or altitude and, importantly, activity levels. Because of a shortage of information on many of these parameters, many countries depend on determinations made by FAO/WHO, the latest of which was released in 1985. Wherever possible, these are adjusted to suit local conditions .In Sri Lanka the adjustments have been made by the Medical Research Institute (MRI). An energy requirement level of 2200 kcal has long been used, but it is not clear whether it has been updated on the basis of the 1985 FAO/WHO determinations. These are used in nationwide analyses and are not appropriate for regional or community specific comparisons, because they do not control for differences in activity and altitude. It has been suggested that for sectoral comparisons, activity levels should reflect low or inactive levels for the urban sector, and medium active and very active levels for the rural and estate sectors, respectively. A recent publication by the FAO (2002) suggests that in calculating food energy requirements, physical activity norms for adults be specified in terms of the following: light activity defined as activity associated with sitting at a desk or behind a counter with reliance on automated appliances; moderate activity defined as continual light physical activity such as in light industry or during off-season farm work; and heavy activity defined as heavy and occasionally strenuous work, as in agricultural production, mining or steel work. Approximate daily energy requirements for men of height 1.71m and with a lowest acceptable body weight of 54 kg are set at 2335 kcal for light activity, 2682 for moderate activity, and 3164 for heavy activity. Similar norms for women with heights of 1.59m and a lowest acceptable body weight of 47kg are 1846, 1941 and 2154 kcal respectively.

How the requirements are to be controlled for temperature variations is not clear. It is pointed out that if variations in activity levels are not controlled for, then energy levels will be mis-specified. Region specific or community specific norms in the assessment of energy adequacy are also said to be essential (Randolph et al 1991). Edmundson and Sukhatme (1991) conclude, after reviewing several studies, that the poor spend more time on economically productive work and are more likely to be engaged in heavy physical labor than are the wealthy. Higher earnings are associated with increased leisure. In the context of the foregoing, it would appear that in Sri Lanka the estimations of poverty that do not control for activity levels and variations in altitudes are likely to have underestimated the incidence and magnitude of poverty in the rural sector. Equally, the several conclusions that poverty in the estate sector is lower than normally perceived need further clarifications.

On the other hand, it should also be pointed out that the selection of the minimum physiological requirements as the cut-off point for food poverty is itself arbitrary. Some countries like Bangladesh consider 80 or 90 % of the minimum physiological requirement as the cut-off point for food poverty and do not adjust for other consumption needs (Hossain and Sen 1992). Others argue that the human body could adapt itself to lower energy intakes and set poverty levels at 1600 to 1700 kcal. No attempt however is made in this paper to arrive at an independent estimate of energy requirements. Given that poverty is largely a rural phenomenon, with the landless and operators of mini-holdings at risk, attention is focused on the trends in paddy production and consumption, the behavior of paddy prices and incomes, and the likely impact on the poor.

Trends in Paddy Production

Paddy is the single most important crop cultivated in the country. It occupies about 740,000 ha, and accounts for about 43 % of the total cultivated area and for over 70 % of the area under non-plantation agriculture. It is double cropped where availability of water permits it, and extents cultivated in a normal year could exceed 50 % of the total cultivated area. Based on water availabilities, extents cultivated are classified as

coming under major irrigation, minor irrigation and rain fed regimes. It is estimated that in recent years the extents cultivated under these regimes averaged about 51 %, 22 % and 27 % respectively. Policy emphasis on irrigation investment saw a near 100 % increase in the area under major schemes over the period 1950 to 1997, whereas the extents under minor schemes and rain-fed areas have declined after registering slight increases up to the 1980s (Jogaratnam 1999). It is also usual to distinguish between Dry and Wet zones in terms of rainfall, and Maha (major) and Yala (minor) cultivation in terms of seasons. The Wet Zone occupies the southwest quadrant of the island and receives a well-distributed pattern of rainfall under the influence of both the southwest monsoon (May to October) and the northeast monsoon (November to March). The rest of the island comes under the influence of the Northeast monsoon and has an extended dry period from May to September. About 30 % of the cultivated area under paddy falls within the Wet Zone. It is primarily rain-fed, and cropping intensity is relatively high.

Paddy production increased sharply in the post independence era, registering average annual rates of growth of about 4.0 % over a period of about 30 years, from the 1960s to the 1990s. Since then there appears to have been a period of relative stagnation. The *asweddumized* extent, that is the land prepared for paddy cultivation, increased from about 390,000 ha in the early 1950s to about 740,000 ha by 2000. Much of the increase occurred in the 1960s and 1970s, declining thereafter and showing little change in the 1990s. The cultivated extents, reflecting the area cultivated in the Maha and Yala seasons, increased proportionately from over 430,000ha to nearly 860,000 ha, but with variations in the annual extents cultivated. These variations were to a great extent weather induced and in turn were reflected in fluctuations in the cropping intensities, which increased from over 110 in the 1950s to about 130 in the 1970s and declined to below 120 in the 1990s.

Paddy yields, under the influence of the technological advances and their rapid adoption by farmers, increased by over 20 % and by nearly 40 % in the 1950s and 1960s, respectively. Thereafter, yield increases fell to a little over 10 % in the 1990s.

Overall, production increased by about 500 % over the period 1950 to 2000, with cultivated extents increasing by about 100 %, cropping intensity fluctuating around 125, and yields increasing by over 150 %.

Production increases in the early years were secured through increases in both area cultivated and yields. The implementation of the Accelerated Mahaweli River Development program in the eighties saw the land frontier being reached. Since then, production increases have come about primarily through increases in yields. However, there have been marked regional variations. While the area under major irrigation schemes expanded, the extents under minor tanks and rain fed areas declined, by about 15 and 30 % respectively. The major irrigation schemes are heavily concentrated in the Dry Zone districts of Polonnaruwa, Anuradhapura, Ampara, Hambantota and Kurunegala. These districts together account for about 60 % of the area under major schemes. Average yields increased from about 1.0 mt/ha to about 3.5 mt/ha. Yields ranged from over 3.7 mt/ha in the major irrigation schemes to under 2.5 mt/ha in the rain-fed areas. Also to be noted is that while over 70 % of all holdings are below one hectare in extent, holding sizes are larger in the major irrigation schemes. At the same time, these are also the areas with a high incidence of poverty.

Trends in Rice Consumption

Data on rice consumption in Sri Lanka are available through the food balance sheets (FBS) published by the Department of Census and Statistics (DCS) and the periodic consumer surveys carried out by the DCS and the Central bank of Sri Lanka (CB). The increase in paddy production appears to have replaced imports and helped contain the impact of increases in population. Per capita availability of rice over time has remained remarkably stable (Table 3). Data on rice consumption from cross-sectional surveys CB surveys are presented in Table 4. They tell a different story. They reflect steadily increasing levels of rice consumption. By way of comparison, per capita consumption of rice in Taiwan declined by about half over the period 1960 to 1980.This was however accompanied by much sharper increases in incomes. Rice consumption by income levels are shown in Table 4. Consumption increased across

all deciles to the ninth in 1981/82, to the eighth in 1986/87 and the seventh in 1996/97, and then declined. Interestingly, while per capita consumption in the urban sector has declined from 1981/82 onwards, and in the estate sector from 1986/87, consumption in the rural sector has increased over the same period.

Information in terms of own produced rice and open market purchases reflect a decline in the share of own produced rice in consumption, from 27 % in 1981/82 to 22 % in 1986/87 to 21 % in 1996/97. The share of own produced rice in consumption in 1996/97 ranged from 1.5 % in the estate sector to 2.9 in the urban sector to 21.4 percent in the rural sector. While no strong patterns can be discerned, there appears to be a tendency for consumption of own-produced rice to be higher at the higher income levels (Central Bank 1999).

Rice, as noted earlier, is the single most important source of energy accounting for 44 % of the daily total per capita calorie intake in 1996/97. But as incomes increased the share of rice decreased, from about 46 % in the lowest four deciles to about 35 % in the highest decile. Overall, per capita daily calorie intake declined from 2261 in 1981/82 to 2204 in 1986/87, but increased to 2337 in 1986/87. Given that the minimum required calorie intake is set at 2260 calories, it appears that on average there is calorie adequacy for the country as a whole.

However, as indicated in Table 5, calorie inadequacy ranges from about 70 % in the lowest income decile to about 30 % in the highest decile. This suggests that calorie inadequacy is more than poverty, in that some in the low income groups can meet their energy requirements while a similar proportion in the high income groups are unable to meet energy requirements. Calorie inadequacy is greatest in the urban sector and lowest in the estate sector. This again goes against the perception that since urban incomes are high, calorie inadequacy must be low, and that the estate sector is characterized by low incomes and considerable malnutrition. Apparently, aggregate data hide intra-regional variations.

Paddy Prices, Income and Employment

The stable level of per capita consumption in the context of rapid increases in production would have had impacts on paddy prices and paddy incomes. The picture however is clouded by the heavy involvement of the government in paddy procurement and distribution since World War 2. Because of food shortages experienced during the war, the government introduced a rice ration scheme in 1948. It had universal coverage and was operative till 1979 with modifications from time to time.

The scheme was implemented through a government monopoly on rice imports and rice procurement in the domestic sector at support prices above open market prices from about 1960 to 1967. During this period procurement averaged about 50 % of production. Thereafter procurement began to decline, with market prices rising above the guaranteed price. The government found the fiscal burden too heavy and the ration was replaced in 1979 by a scheme targeted at low- income groups. A study on the impact of the ration scheme on food consumption and welfare, using time series data from 1954 to 1979 and socio-economic data 1969/70, estimated that the ration contributed on average about 45 % to 65 % of daily per capita consumption of rice (Gavan and Chandrasekera 1979). Moreover, it was found that the ration mainly substituted for open market purchases and had only a small impact on calorie intake in 1969-70. Total calorie consumption increased by about 5 % of total requirements in the lowest decile of the population. The ration was insufficient to raise availabilities to the bottom four deciles to meet the average calorie requirements. While ration rice appeared to substitute for open market rice and other cereals, principally wheat, the substitution between cereals and other commodities appeared to be unimportant. The analysis of the time series data appeared to indicate that rice production changes had a greater impact on rice consumption than the indirect impact through price and income changes.

Budgetary problems forced the Sri Lankan Government to move from a food subsidy scheme with universal coverage to a direct income transfer scheme directed at a target population. The eligibility for food stamps was based on household income, household size, and household composition. But the value of the food stamps was not indexed to

changes in the cost of the foods that could be purchased. Consequently, inflation quickly eroded the value of the stamps. Edirisinghe (1987) estimated that the real value of the food stamps declined by a little over 50 % of the original value by 1981/82. In the comparative study of the ration and stamp schemes using data from the CB consumer finance surveys of 1978/79 and 1981/82, Edirisinghe (1987) estimated that the calorie intake of the bottom three deciles had deteriorated, by 12 %, 6 %, and 3 % in the bottom decile, the second decile and the third decile respectively.

However, the calorie intake of the other deciles, except the highest improved. The rural sector fared better, though still experiencing declines in calorie intakes in the bottom three deciles. The study also noted that paddy production grew at an annual rate of 7.9 % between 1976/78 and 1980/82, compared to a 1.4 % annual growth in the previous seven-year period. The GDP averaged over 6.0 % per annum over the period of study, but poorer agricultural households, defined by Edirisinghe in terms of the ultra-poor were worse off. Among agricultural workers, mainly in paddy, it was estimated that the proportion of ultra-poor households increased from 23.8 % to 36.7 %, and amongst all households from 10.8 % to 15.4 %. The food stamp scheme was subsequently modified to include an investment component and came to be called Janasaviya, and still later Samurdhi, which is still operative. Problems of targeting still remain and the general perception is that the schemes have had little impact on problems of poverty and malnutrition.

Research investments in paddy in Sri Lanka have had a high payoff and the new high yielding varieties found rapid acceptance among all sections of the farming community, irrespective of farm sizes and agro-climatic conditions (Niranjan et al, 1998). As shown in Table 6, the increases in paddy productivity were associated with a decline in real prices and real incomes, an increase in real wages and a decline in the man-days of labor engaged in paddy production. There also appears to be a substitution of family labor for hired labor (Table 7). On the other hand, there does not seem to be any significant increases in the use of machinery. Real gross margins too have declined, with real cash costs increasing (Department of Agriculture, various

years). This is part of the agrarian crisis that Dunham and Edwards (1997) refer to. But cross sectional data derived from the Central Bank Surveys of Consumer Finances of 1986/87 and 1996/97 indicate that real average per capita income from all sources increased by 17.8 % in the rural sector, but increased by nearly 30 % for farm workers, and declined by about 5 % for farmers and estate workers (Table 8). While the database is thin, there is a general perception that part-time farming has increased. While crop diversification is not considered important, income transfers by way of employment in the middle- east and in the armed forces may explain the increase in incomes, other than from paddy (Dunham and Edwards, 1997).

It is to be expected that declining rice prices will benefit urban dwellers and estate workers who are net purchasers of rice. The impact on farm operators and farm workers will depend on whether they are net purchasers or net sellers. The effect of price changes on households is given by the net benefit ratio (NBR), which reflects a household's net sales position. Unfortunately, data on production and sales of paddy by households is not available. Assumptions on yields, extents cultivated, production and marketable surpluses have to be made. Calculations, which should be regarded as tentative, suggest that on average a decrease in the price of paddy by 10 % will lead to an increase in real incomes of about 0.2 % in the urban sector, an increase of about 1.0 % in the estate sector, and a decline in rural incomes of about 2.0 %. Disaggregating the data for the rural sector by farmers, agricultural workers, and the bottom decile of the rural population indicates that farmers will suffer an income loss of more than 2.0 %, while workers and the bottom decile will benefit by about 1.5 and 2.0 %, respectively (Table 9). It must however be pointed out that while estate workers receive little or no income from paddy, farmers receive less than 50 % of their total income from paddy, and farm workers receive about 60 to 70 % of their total income from work in paddy cultivation (Central Bank 1999).

Conclusion

Paddy production in the post-war period increased at rates that can be considered as high by most standards. Yet, there has been no appreciable impact on consumption.

Time series data reflect more or less stagnant levels of per capita consumption, both of paddy and food in total. Cross-sectional studies show that a high proportion of the bottom three or four deciles are not able to meet their energy requirements. Since poverty measurements are in terms of energy adequacy, poverty remains high although there is no agreement on the actual numbers in poverty. Even government procurement and distribution policies and income transfer programs, which seek to subsidize the poor, do not appear to have had a major impact on consumption. The increases in production seem to have gone largely to replace imports and cushion the increases in population. Real prices have declined, reflecting in part the worldwide tendency for real prices of rice to fall. Lower paddy prices could be expected to benefit net purchasers of rice, that is the urban dwellers and estate workers. But the impact has been marginal and done little to improve energy adequacy. Lower food prices are expected to have a positive effect on employment, but labour use in paddy production appears to have declined. The elasticity of paddy income with respect to paddy price appears to be relatively low. But data problems prevent any firm conclusions being drawn. The linkages with the off-farm sector were not addressed in this study. The literature, largely drawn from India, documents that numerous factors, of which agricultural performance is one, influence poverty. This appears to be true of Sri Lanka too.

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Table 1 - Incidence of Poverty by Districts (%), 1995

Under 20	21-30		31-40	Over 40
Colombo	Gampaha	Kandy	Matale	
	Kalutara	Nuwara Eliya	Kurunegala	Moneragala
	Galle	Kegalle	Puttalam	
	Matara	Badulla	Anuradhapura	
	Hambantota	Polonnaruwa	Ratnapura	

Source: Gunawardena (2000)

Table 2 - Distribution of holdings reporting paddy, by districts, 1982 (%)

20-30	31-40	41-50	51-60	61-70
Colombo	Galle	Kandy	Matale	Anuradhapura
Gampaha	Matara	Nuwara Eliya	Badulla	Polonnaruwa
Jaffna	Kegalle	Ampara	Kurunegala	Trincomalee
	Ratnapura	Batticaloa	Mannar	Mannar
	Puttalam	Vavuniya	Mullaitivu	
	Hambantota			
	Moneragala			

Source: Dept. of Census and Statistics, Census of Agriculture 1982 (1987)

Table 3 - Labour use in paddy cultivation, by selected districts for selected years (md/ha)

District	Year	Family labour	Hired labour	Total labour
Polonnaruwa	1980	20	36	56
	2000	22	12	34
Kurunegala	1980	33	23	56
	2000	27	16	43
Kandy	1980	55	30	85
	2000	42	17	59
Anuradhapura	1980	21	18	39
	2000	19	17	36

Source: Dept. of Agriculture Cost of Production Reports (Various), Peradeniya
Note: Data are average of five seasons centered on the Maha of year shown

Table 4 - Paddy production, consumption, and net sales by household groups, 1996/97

Group	Paddy production as % of income	Paddy consumption as % of income	Net sales of paddy as % income
Sri Lanka	20.00	9.9	10.1
Sectors			
Urban	3.0	5.2	-2.2
Rural	30.0	10.9	19.1
Estate	2.0	14.4	-12.4
Occupation			
Farmers	42.0	20.0	22.0
Farm Workers	1.0	16.0	-15.0
Income Group			
Poorest decile	1.0	19.4	-18.4

Source: Calculated from data in Central Bank of Sri Lanka, 1999, Consumer Finance and Socio-Economic Survey, 1996/97, Colombo.

Table 5 - Paddy, average real gross earnings and real wage rates in 1980 prices, selected years

Year	Average paddy yield (mt/ha)	Average real farm gate price Rs/kg	Real earnings (Rs. 000/ha)	Real wage rate (male) (Rs/md)
1981	3.04	2.66	8.08	21.21
1990	3.41	2.17	6.78	21.00
2000	3.83	1.46	5.59	26.33

Source: Paddy yields, prices and wage rates from Department of Census and Statistics, Statistical Abstract (Various Issues) Real earning derived from yield and price.
Note: Data are 3 year averages centered on year shown.

Table 6 - Real average per capita income, by sectors and selected occupational groups,1986/87 and 1996/97 (Rupees)

Sector and group	1986/87	1996/97	% change
All sectors	577	631	9.4
Rural	493	581	17.8
Estate	370	343	-7.3
Farmers	664	630	-5.1
Farm workers	236	306	29.7
Estate workers	357	339	-5.0

Source: Calculated from data in Central Bank of Ceylon 1999. Consumer Finance and Socio-economic Survey 1996/97, Colombo.

Table 7 - Per Capita Availability of Calories 1970-1999

Year	Per Capita Availability of Calories (gms per day)
1970	2371
1975	2127
1980	2169
1985	2517
1990	2292
1995	2260
1999	2332

Source: Department of Census and Statistics, Food Balance Sheet (several issues)

Table 8 - Proportion of persons with daily energy consumption below 2,2260 calories

Income Decile of Spending Units	Urban	Rural	Estate	All Sectors
1	77.4	70.9	45.9	70.2
2	73.9	71.1	43.9	70.1
3	73.0	64.2	36.0	64.0
4	70.6	62.9	39.5	62.7
5	73.2	56.8	38.6	58.0
6	49.0	49.4	40.8	48.9
7	62.2	45.0	19.6	45.7
8	48.9	42.8	29.1	42.9
9	47.8	35.9	29.4	37.2
10	34.0	30.0	24.4	30.1

Source: Central Bank of Sri Lanka (1999), Consumer Finances and Socio Economic Survey 1996/97 (Part I)

Table 9 - Average quantities of rice consumed per person for one month, by income deciles of spending units, 1981/82, 1986/87 and 1996/97

Decile	1981/82	1986/87	1996/97
1	6647	7440	8096
2	6869	7799	8392
3	7423	8170	8803
4	7817	8680	9041
5	8025	8838	9177
6	8597	9032	9391
7	8857	9092	9209
8	9204	9340	9165
9	9721	8812	8833
10	9519	8435	8028

Source: Central Bank of Sri Lanka, Consumer Finance and Socio Economic Surveys 1981/82, 1986/87 and 1996/97

Vulnerability, Social Exclusion and Conflict

Perceptions of Vulnerability and Coping in Conflict-affected Populations: Interplay among Poverty, Ethnicity and Conflict in Dry Zone Sri Lanka[1]

Kalinga Tudor Silva

There are two contrasting views about the nature, and indeed the genesis, of the north-east conflict in Sri Lanka. The first view treats it as primarily an identity struggle between the Sri Lankan state, controlled by a Sinhala Buddhist majority that seeks to establish and retain its hegemony over the whole of Sri Lanka, and a section of the Sri Lanka Tamil minority, resisting this hegemonic campaign through an armed struggle. This view has taken many different forms. Some explore how religious ideologies and concepts of the past have shaped these antagonistic identity formations (Nissan & Stirrat 1990, Hellman-Rajanayagam 1990). Others deal with historical, political and cultural processes leading to the formation of militant and antagonistic identities (Seneviratne 1999, Tambiah 1992, Kapferer 1988).

The second view, in contrast, has paid closer attention to the intense competition for scarce resources like land, educational opportunities and employment within a developing country setting, where economic growth over the past several decades has been inconsistent if not altogether erratic and key socio-economic problems such as poverty, unemployment and environmental degradation have affected large sections of the population, irrespective of their ethnic background (Shastri 1990, Pieris n.d.).

The first view often permits the 'ideological pole' of the continuum to speak too loud whereas the second view typically bends too much towards the 'material pole'. The aim of this essay is simply to stress the need to understand the interaction between material and ideological dimensions of the north-east conflict by focusing on the dynamic interplay between poverty and ethnicity in certain conflict-affected areas in the dry zone of Sri Lanka.

[1] This paper draws partly from an earlier article titled "Armed Conflict, Displacement And Poverty Trends In Sri Lanka: Evidence From Selected Displaced Populations" by the author that appeared in *Building Local Capabilities for Peace: Rethinking Conflict and Development in Sri Lanka* (Mayer et al, India:Macmillan,2003)

Even though there are numerous fallouts of the war elsewhere in the country, the dry zone has been the main theatre of war in Sri Lanka for the past two decades. It must be noted here that certain underprivileged and remote dry zone districts such as Hambantota and Moneragala played a prominent role in Sinhala youth uprisings in the south led by the Janatha Vimukthi Peramuna in 1971 and 1987-89. Surprisingly, this itself has received only passing references in political and social analysis of armed conflict in Sri Lanka (Moore 1985). The geographical basis of the north-east armed conflict is typically understood in terms of ethnic population distribution in the country, various parts of Northern and Eastern Provinces being tenuously held by Sri Lanka armed forces and the LTTE, with the former determined to preserve the territorial integrity of the Sri Lankan nation and the latter fighting for an independent Tamil homeland (eelam).

The dry zone farmers on both sides of the ethnic divide have had to deal with a range of environmental problems, including frequent droughts, endemic malaria, crop damage by wild animals, the sheer geographical isolation of many of the areas. Efforts to (re)develop the dry zone since the last years of British rule involved rehabilitation of ancient irrigation work, development of new irrigation and hydropower systems and building of roads, schools and health facilities in many parts of the dry zone (Pieris 1981). While these development initiatives have contributed to a vast improvement in the quality of life in much of the dry zone, they have left relatively untouched vast areas in the north-east occupied mainly by the Sri Lanka Tamils and Muslims and Southern Districts of Hambantota and Monaragala with a predominant Sinhala presence.

State-controlled colonization programmes, in particular, have been heavily criticized and often targeted by the Tamil fighters, seeing them a part of an effort to expand the Sinhala frontier into the so-called 'Tamil homeland' (Shastri 1990). On the other hand, certain dry zone districts with a heavy Sinhala presence such as Monaragala, Badulla and Hambatota have reported a high incidence of poverty and associated

agrarian crisis throughout the post-independence period, warning us against a simplistic ethnically-biased analysis of dry zone socio-economic problems (Dunham and Edwards 1997, Moore 1985). Since 1983 the war has had a devastating effect on all ethnic groups in the affected areas, causing widespread misery, inclusive of displacement, loss of property, injury and death and break up of communities (Silva 2003).

Through an analysis of available secondary data on poverty and related issues in the north-east and employing primary data from a World Bank study on internally displayed people in conflict-affected areas in Sri Lanka and the World Food Programme's Community Food Security Profiling (CFSP) focusing on 'settled' communities in the conflict zone, this paper examines the ways in which poverty and ethnicity colour the perceptions of vulnerability and coping of conflict-affected populations. This essay covers all three ethnic groups in the conflict-affected areas, namely Sinhalese, Tamils and Muslims, in order to assess the experiences and perceptions of all three parties to the conflict in north-east Sri Lanka. The aim is to understand the interplay between poverty and ethnicity within a conflict setting in shaping perceptions of vulnerability and coping in ways that, feed into conflict dynamics. In other words, we examine the manner in which objective experiences of poverty and subjective perceptions of ethnicity interact and feed into each other in ways that produce violent conflict among the various parties involved. Finally, the implications of the findings for relief, rehabilitation and reconstruction are briefly assessed.

Theoretical Background

In trying to comprehend the interplay between poverty and social conflict within the Sri Lankan context, one needs to consider the role of an intervening variable, namely ethnicity. The ongoing civil war in Sri Lanka is typically understood as an 'ethnic war' signifying a divide between the majority Sinhala community and the largest ethnic minority in the country, namely Sri Lankan Tamils. Recent studies, however, have pointed to the need to consider poverty, not only as an outcome of the ongoing

civil war but also as one of the factors shaping the nature and participants of the conflict itself (Silva 2003). This makes it necessary for us to explore connections as well as analytical distinction between poverty and ethnicity.

As conceptual categories, poverty and ethnicity have evolved in different contexts and in response to different analytical questions. As a much older concept developed mainly by economists, the concept of poverty has always focused on the issue of material deprivation. On the other hand, the term 'ethnicity' evolved mainly by sociologists since the 1950s to signify culturally defined identities and social groupings primarily within immigrant societies (Hutchinson and Smith 1996). Hence these two terms have remained conceptually distinct and analytically separate. There are, however, emerging developments within each conceptual domain that makes it necessary to transcend the analytical dichotomy so far maintained and explore interconnections between material deprivations and identities of the people affected.

Recent developments in poverty research emphasize the need to go beyond income criteria in defining poverty and the importance of understanding the social and economic processes involved in the generation of deprivation. Apart from material deprivation per se, the capability of people to respond meaningfully and positively to given situations (Sen 2000) as well as people's perception of their condition of deprivation (World Bank 2000) have received much attention in recent research on poverty. In line with this approach, vulnerability is often seen as an important concomitant, if not an intrinsic attribute of poverty.

> Vulnerability.... refers to exposure to contingencies and stress, and difficulties in coping with them. Vulnerability has two sides: an external side of risks, shocks and stress to which a household or individual is subject: and an internal side which is defencelessness, meaning a lack of means to cope without damaging loss (Chambers 1989: 1).

Even though the concept of vulnerability often highlights exposure to stress such as natural disasters that are particularly harmful to the poor, as Mayer (2001) has rightly pointed out, this concept can be broadened to cover difficulties arising from crises of socio-economic origin as well. From this angle, a person's ethnic consciousness may

be seen as a lens through which, a person tries to comprehend his defenselessness within a given socio-economic environment and at the same time develop some coping mechanisms against perceived threats.

Methodology

Understanding the complex interplay among poverty, ethnicity and social conflict in north-east Sri Lanka giving sufficient attention to both material and ideological dimensions of the processes involved, calls for an appropriate mix of quantitative and qualitative data. This paper utilises available secondary data, which are largely of a quantitative nature, and qualitative primary data from two data sets relating to selected communities in the north-east.

The World Bank conducted a study on internally displaced people, aimed at understanding the impact of displacement processes on the nature and extent of poverty in the affected populations (Silva 2003). It covered a total of 5 IDP communities distributed in the districts of Vavuniya, Anuradhapura, Puttalam and Negombo (Table 1).

Table 1 - Basic information about Communities covered by the WB Study

Name	Type	Location	Ethnic Comp.	Total Pop.
Siddamparapuram	Refugee Camp	Vavuniya	Tamil	7341
Puthunkulam	Resettlement	Vavuniya	Tamil	650
Gajabapura	Refugee Camp	Padaviya	Sinhala	489
Erukkulampiddi	Relocation Scheme	Puttalam	Muslim	4000
North Pitipana	Voluntary settlement	Negombo	Sinhala (Catholic)	70

These communities were chosen with a view to representing all three ethnic groups directly affected by the war in north-east Sri Lanka. Information was collected through key informant interviews and focus group discussions from each of the study communities. The overall findings of this study have been analysed elsewhere (Silva 1999, 2001, 2003). Here we will mainly consider the implications of the poverty

profile in these communities for their concept of vulnerability, coping and identity formation.

The World Food Programme study involved a livelihood vulnerability assessment of a total of 29 communities distributed in the wet zone, dry zone and conflict zones in Sri Lanka (Silva, Weeratunga and Ibarguen 2002). A total of 13 communities studied had been directly or indirectly affected by the armed conflict in the north-east. While the World Bank study directly focused on the IDPs located in welfare centers or resettlements or new settlements of some kind, the WFP study focused on 'settled populations' many of who were or had been nevertheless directly or indirectly affected by the war.

Table 2 - Basic information about Communities covered by the WFP Study

Name	Type	Location	EthnicComp.	Total Population
Kerudevil South	Resettlement	Jaffna	Tamil	2097
Thenniyakulam	Resettlement	Mullativu	Tamil	1000
Nasevanthivu	Resettlement	Batticaloa	Tamil	760
Karuveppankeni	Disturbed village	Batticaloa	Tamil	680
MannarPier East	Relocation	Mannar	Tamil	1020
Kurumbapiti	Resettlement	Trincomalee	Tamil	236
Pottkeni	Resettlement	Mannar	Tamil	690
Poombuhar	Resettlement	Vavuniya	Tamil	850
Ganeshapuram	Resettlement	Vavuniya	Tamil	310
Pubudugama	Relocation	Puttalam	Muslim	220
Arachchikattuwa	Disturbed village	Puttalam	Sinhala	500
Athawatunuweva	Border village	Anuradhapura	Sinhala	450
Kandekaduwa	Border village	Polonnaruwa	Sinhala	400

It must be noted here that the various data sets reviewed in this essay are unrelated and that they had been collected for purposes different from the specific purpose of this essay. This may be seen as a key limitation of the data used in this essay. Moreover, the agencies and co-researchers involved in the relevant studies are in no way responsible for the analysis pursued here.

WAR-RELATED SOCIAL IMPACTS IN NORTH-EAST SRI LANKA

All the national surveys conducted in Sri Lanka since the outbreak of the civil war in 1983 excluded the north-east region due to logistic problems involved in covering the conflict-affected areas. Even the special surveys designed to assess socio-economic trends in the relevant areas, such as the World Bank's Sri Lanka Integrated Survey of 1999 failed to generate valid and reliable data in view of problems posed by constantly changing security environments. Available population estimates are sometimes hotly contested by parties in conflict in view of their strategic and military significance. As a result, there is considerable ambiguity about key issues such as poverty incidence and trends, socio-economic profiles, population composition and even the sheer size of the population (Shanmugaratnam 1998, World Bank 2002, DFID 2001).

Poverty is however known to be widespread throughout the conflict-affected areas. If one considers the number of displaced people who continue to stay in welfare centers as an index of acute poverty, an estimated 200,000, comprising roughly about 8 % of the total population in the north-east remained in welfare centers as of 2001 (GOSL 2002). The Commissioner General of Essential Services has estimated that the total number of internally displaced people inclusive of residents in welfare centers and those living outside the welfare centers to be 650,000, comprising roughly one-third of the population currently living in conflict affected areas (GOSL 2002). The proportion displaced is as high as 80% of the current population in Vanni, one of the key conflict affected areas that received a major influx of people from the adjoining Jaffna peninsula in 1995.

The term poverty, however broadly it is defined, can capture only some minute details of the total misery that nearly 20 years of war has caused to the lives of many people who are merely victims of the war. With each outbreak of war many people lost their loved ones as well as assets accumulated over many generations and have been displaced repeatedly often frustrating their sincere efforts to rebuild their lives. The two primary economic activities in the north-east, farming and fishing, being

paralyzed by a combination of factors, including economic embargoes, transport difficulties, security restrictions, breakdown of marketing systems and rent seeking by armed forces, there was a near total collapse of the rural economy in many areas in the north-east. The annihilation of much of the physical infrastructure, including roads, hospitals, school buildings, houses, electricity supply, irrigation systems, water and sanitation services and communication facilities due to aerial bombardment and artillery attacks have added to the misery of the people. The war-related displacements, population movements and violence have served to break up communities, family structures and the very foundation of civil society (DFID 2001, Silva 2001). Until the beginning of the ongoing peace process, many people had no hope of any lasting peace and some believed that they were condemned to live in welfare centers for the rest of their lives (Silva 2003).

The war presented only a limited number of options for people living in and around conflict areas. One could join the security forces, home guards, LTTE or one of the other armed groups depending on one's own ethnic identity, contacts and inclinations. On the other hand, provided one had the necessary resources and contacts, one could move out of the conflict area to greener pastures elsewhere including overseas destinations (Siddartan 2000). Either of these options was typically not available for certain categories of people such as elderly, physically handicapped and the like.

Even though war affected the lives of every one who lived in the north-east, irrespective of identity, status and income level, there are some reports that its devastating effects were more severe on the poorer and more marginalised sections of the population. Using their contacts, resources, an international amnesty granted to war refugees and the expanding networks of the Tamil diaspora, the richer people moved out to safer areas, including Colombo and foreign destinations (Siddartan 2000, Fugglerud 1999, Mcdowell 1996). There has been a selective outmigration of the rich, leaving behind the poor to fight it out with the security forces and liberate the so-called 'homeland'. This, in turn, explains the emphasis on 'reducing conflict-

induced poverty' in Sri Lanka's newly formulated poverty reduction strategy (GOSL 2002).

> The costs of the war have fallen disproportionately on the poor. Faced with fewer opportunities to earn a living, the rural poor serve in the armed forces on both sides. Expenditures on the war effort, which have accounted for about 5% of GDP in recent years, crowd out a vast range of pro-growth and pro-poor public expenditures. The instability brought about by the war also reduces investment and job creation (GOSL 2002: 20).

There is also evidence that the impact of the war has been more severe in the case of the poor. For instance, according to one estimate while one person in every 12 households in the general population in the north-east got killed due to the war, it rose to one in every 7 households among the poor (GOSL 2002). Many of the long-term residents in the welfare centres as well as those compelled to remain in 'uncleared areas' held by the LTTE and border areas control of which is contested by the LTTE and the security forces were poorer people with limited options (DFID 2001). The recruitment to the security forces has been most intense in the deep south of Sri Lanka characterized by widespread poverty (Goodhand, Hulme and Lewer 2000). Similarly, there is some evidence that in their recruitment drives the LTTE and other armed groups in the north-east have targeted the more deprived sections of the Tamil population in the north-east (Ofstad 2002, Oliphant 2000. These processes indicate that widespread poverty does contribute to perpetuation of war in one way or another.

It is, however, wrong to claim that the war has had a uniformly impoverishing impact on all segments of the population. Certain authors have pointed to the role of 'conflict entrepreneurs' within 'a war economy' (Korf et al. 2001, Goodhand, Hulme and Lewer 2000). Using the economic embargo imposed on the north-east and restrictions placed upon freedom of mobility of goods and people and 'the monopoly of violence' that certain parties enjoyed in given areas, a war economy that profits from rent-seeking behaviour, unlawful operations such as illicit felling of timber and illicit brewing of alcohol and various other opportunities presented by unfolding events such as the inability to sell farm produce or fish, and abandonment of land and property by

some people leaving the area, had gradually evolved in various parts of the north-east. In the increasingly volatile Eastern Province, the war as well as administrative, legal and political battles have given expression to rival claims for land and irrigation water among the precariously placed Sinhalese, Tamil and Muslim communities who are compelled to battle it out using whatever contacts and alliances they have with centres of power in Colombo, Vanni and other places. It must be emphasized here that the 'greed' aspect of the war represented by the war economy as well as the 'grievance' aspect closely tied in with poverty trends contributed to the perpetuation of war and escalation of armed conflict until the cessation of hostilities through third party mediation in 2002.

Even though the war in Sri Lanka has been often described as 'an ethnic war', the part played by ethnicity independently or in combination with other factors such as resource competition has not been fully elaborated. For instance, it is well known that war-related population movements have led to increased ethnic segregation, making much of the Northern Province ethnically homogeneous with the remaining Tamil population, development of a significant Muslim concentration in Puttalam and settlers in many of the Sinhala and Tamil border villages have been compelled to move into mainstream Sinhala or Tamil areas respectively (Hasbullah 1999).

The implications of these trends for ethnic relations, conflict dynamics and ongoing peace processes have not been fully explored. In one insightful study in selected conflict communities in Sri Lanka, the authors argued that the war had led to a strengthening of bonding social capital within each ethnic group, while undermining bridging social capital that unites people of different ethnic groups for common socio-economic goals (Goodhand, Hulme and Lewer 2000). This study pointed to significant interactions between ethnicity, violence and struggle for access to resources. According to the authors 'In Sri Lanka the 'loud discourse of grievance' tends to drown out 'the silent discourse of greed', however, it is clear that the conflict has created opportunities for gain for those who operate outside the law' (Goodhand, Hulme and Lewer 2000: 400). How ethno-nationalism serves as a medium for

articulating collective grievances and how far the relevant grievances are real in the sense of being driven by actual experiences of poverty, livelihood insecurity and threats as against purely imagined threats need further analysis and closer scrutiny.

NATIONALIST PROJECTS AND DIVERSION OF HOSTILITY TOWARDS THE 'ETHNIC OTHER'

The life experiences of the conflict-affected populations in the north-east reveal the interpenetration of nationalist rhetoric and the interests of the people directly or indirectly affected by and implicated in armed conflict. Most of the Sinhala settlers in the border villages come from highly impoverished backgrounds and have been encouraged to move to the frontier areas with the intervention of powerful and frequently maverick nationalist politicians who wanted to push the Sinhala frontier. The names chosen for the new settlements such as Singhalpura (city of lions), Gajabapura (settlement named after the heroic Sinhala king Gajaba) and Gamunupura (settlement named after the heroic Sinhala king Dutugamunu) signify the close affinity between the nationalist project and the settlement programmes. The LTTE, in turn, targeted these settlements and border villages for ruthless attacks on numerous occasions. This, in turn, has compelled the Sri Lankan security forces to enhance its efforts to protect these settlements against potential LTTE attacks. In some areas a system of cantonment has been developed for the purpose of providing enhanced security to the Sinhala settlers. This has created the unfortunate situation whereby security and the interests of the Sinhala settlements are fused with those of the Sri Lanka security forces and when the security forces are compelled to withdraw the Sinhala settlers too are often forced to move elsewhere for their own safety.

On the part of the LTTE there have been similar efforts to influence and indeed force where necessary the Tamil civilians (mostly people of poorer backgrounds) to move into and out of places for strategic and sometimes ideological purposes. The famous 'Long March' from Jaffna to Vanni in 1995 was a case in point (University Teachers for Human Rights 1996). The LTTE has often used the Tamil settlements as a human

shield often making them especially vulnerable to attacks by the Sri Lankan security forces. The LTTE also practiced ethnic cleansing against Muslim civilians in the north in 1990 and against Sinhala border villages on numerous occasions.

These examples show that parties to the conflict have often mobilized the poor not only as soldiers or fighters but also as innocent civilians compelled to take one side or the other in a brutal and senseless war. The impact of these processes on the poor themselves can be examined by considering the living conditions and perceptions of conflict-affected populations of diverse ethnic backgrounds.

An Overview of the Study Communities[2]

To varying degrees, all the study communities represent the devastating impact of the north-east war. Even though the degree and nature of devastation caused by the war has varied according to initial location of the relevant communities in relation to constantly shifting battle lines, the ethnic background of the inhabitants, the security environment and the nature of attack received and relief available, all populations directly affected by the war displayed some common responses and resorted to similar coping strategies. The refugees generally displayed a higher degree of destitution compared to the settlers, but settlers often found themselves more vulnerable to external pressures and insecurity. Whereas the refugees often received a regular supply of dry rations and considerable humanitarian attention, the settlers were expected to fend for themselves in an unpredictable security and socio-economic environment. Whereas the refugees had a degree of protection against sporadic attacks by warring parties, sometimes there was a tendency to use them as well as settlements as human shields by one or the other of the warring parties (Hollingworth 2002).

Demographic Profile

Each of the study communities was by and large ethnically homogeneous largely as an outcome of war-related population movements (See Table 1). Often the refugee camps

[2] For a detailed description of these communities, see publication of the 2nd Annual Symposium on Poverty Research in Sri Lanka (2001).

consisted of previously unrelated and unknown people of the same ethnic group simply unified by common displacement experiences and refugee status. For instance, the Sittamparapuram Camp (WB study) accommodated Tamils displaced from various parts of the Northern Province as well as some long-standing refugees who had returned from India. Due to LTTE action in 1990 the Muslim IDPs (Irukkulampiddi in the WB study and Mundal in WFP study) had moved into Muslim predominant areas in the Puttalam District, leaving behind the largely Tamil dominated multi-ethnic environments in which they lived in the Northern Province. A similar pattern of movement from a border village to an area in which Sinhalese predominated was evident in the case of North Pitipana (WB study). On the whole the study communities illustrated a pattern of increased ethnic segregation set in motion by the war.

In their search for peace, stability and livelihood security many inhabitants in camps and settlements had suffered repeated displacements. Some had been displaced for over 10 years, the number displacements often exceeding 5 times. The typical pattern of movement is from village to a secure place (usually a kovil in the case of Tamil refugees), from such a place to a camp and from a camp to the original village or a settlement and back to a camp in some instances, depending on the unfolding security situation. The distance travelled and the difficulties encountered en route had been enormous. Many Tamils in camps and settlements had also spent some time in refugee camps in India. Some residents of Kerudevil South in the Jaffna Peninsula had returned to the village after nearly 5 years stay in Vanni characterized by LTTE oppression, frequent morbidity and starvation. The Sinhala refugee community in Negombo had moved from the east coast to the west coast, having made several unsuccessful attempts to return to the east coast where the male members of the families were engaged in fishing. The Muslim IDPs in Puttalam too had traveled a long distance and stayed in several camps on the way to their final destination. The common displacement experience and common suffering of IDPs within each group, in turn, had created a sense of unity and identity among people of diverse backgrounds.

Due to selective outmigration of the more affluent members of the relevant communities, the resident population in camps and settlements largely consisted of poorer and more marginalized sections of the population. Among refugees, women, children and elderly often outnumbered adult males due to a combination of factors due to selective outmigration of adult males, war-related casualties and perhaps due to their enrollment in armed groups. The refugee and settler families often sent out male children to safer areas for schooling and work or simply as a preventive measure against possible harassment by armed forces or forced recruitment by the LTTE. This enhanced the dependency ratio in IDP households. In a classic example of the resulting distortions in the demographic profile, the North Pitipana Sinhala refugee community consisted entirely of women and children, all the adult males staying back in Kokilai in the east coast in order to continue their occupation of fishing.

Economic Profile

The rural economy in the war zone has been more or less completely disrupted. Tamil and Muslim inhabitants in various parts of the north-east as well as the Sinhala pioneer settlers in border villages have had to abandon their crops, livestock, fishing gear, enterprises and whatever property they had gradually and arduously built as they escaped for their lives. In the camps they were largely dependent on dry rations issued by the government, any remittances they received from their relatives outside the conflict zone and any wage labour opportunities they managed to access given the restrictions imposed by the security forces upon their mobility and lack of employment opportunities in the war zone in general. A one-month's supply of dry ration was typically sufficient to meet up to two week's consumption needs of a refugee household, compelling them to turn to other sources of livelihoods as well. Complaints about quality of food items received as dry rations and delays in delivery of dry rations were quite common as of the early part of 2000.

As the settlers tried to rebuild their lives, they too often relied on a combination of livelihood strategies, including dry rations and assistance towards settlement provided

by various government and non-government agencies, casual wage labour, farming and/or fishing. The dry ration was only available for a period of six months from the beginning of settlement. The reestablishment of farming as a livelihood was a slow process due to a combination of factors, including efforts needed to redevelop farmland and irrigation systems, diverse and often conflicting claims about land, landmines and continuing problems about farm inputs in spite of the removal of the economic embargo on the north-east, following the beginning of the peace process in January 2002. In many areas commercial farming has given way to subsistence agriculture due to marketing problems, insufficiency of capital, infrastructural difficulties and possible looting by armed groups. In the village of Kumburupity in Trincomalee District, however, farmers had shifted from paddy to onion cultivation as the former called for a longer cultivation period that was considered inappropriate in view of the constantly changing security environment. As a key economic activity all around the north-east coastline, fishing was likely to recover more quickly even though the ban on deep-sea fishing was yet to be removed as of January 2002.

Wage labour employment was increasingly important for many of the IDPs irrespective of ethnic background, prior economic activity and place of residence. As a permanent impact of the war, many had been compelled to shift from being owner operators in farming or fishing to working as hired hands sometimes on their own land or their own fishing grounds. This is due to lack of access to capital and unwillingness to take risks in farming or fishing in view of their highly vulnerable situation. In some of the settlements wage labour has become the main source of livelihood replacing farming or fishing. In some communities both men and women sought work as wage labourers, in spite of customary view that such work is inappropriate for women. Casual wage labour opportunities, however, were extremely limited due to war-related economic disruptions and limited flow of investments into the conflict zone in general. Due to transport difficulties and continuing restrictions on mobility of residents in the camps in particular, it was difficult to commute to far away places in search of work. IDPs of outside origin often experienced difficulty in accessing employment because of lack of contacts and in some instances open discrimination

against them in the restricted labour market. Most of the wage labour opportunities available in the farm sector were seasonal in character. Because of the increased supply of wage labour with no corresponding increase in demand, wage levels remained low.

One aspect of the war economy that played an important role in Sinhala border villages and some Muslim villages was that employment as home guards was available for certain adult males. In the village of Kandekaduwa (Welikanda) in the Polonnaruwa District 30 out of 88 households had at least one person employed as a home guard. Many opted to abandon farming in favour of home guard employment in view of the regular income, greater influence and higher status associated with this new source of employment.

Social Profile

The damage caused by war, however, is not confined to the loss of livelihoods of important economic actors and damage to physical infrastructure. The damages to community organisations and family units, the key bases of social capital in the affected populations, is equally if not more devastating. Some families have lost their loved ones, often the chief breadwinner in a household, due to LTTE or army attacks. In many instances the families of IDPs are not intact, not only due to deaths and disappearances but also due to repeated displacements and a livelihood strategy whereby female members, children and the elderly remain in refugee camps while the adult males opt to go back to their respective livelihoods in spite of obvious security risks.

As a result of these varied circumstances, family units may be split between such far away places as Puttalam and Mannar in the case of Muslim refugees, between Negombo and Kokilai in the case of Sinhala Catholic refugees and between Vanni, Jaffna and Colombo or even between Vanni and India in the case of some Tamil refugees. This has led to a great deal of family disruption as evident in the case of an abandoned Sinhala girl who remained in the Pitipana settlement having lost both her

parents (father taken away by the LTTE and mother who later eloped with another man) and her brothers opting to go back to Kokilai for fishing. The case of an Indian Tamil in Puthunkulam resettlement in Vavuniya District was equally pathetic with him having lost contact with his wife and children who went as refugees to India. In effect, many of the refugees have not only lost their valuable properties and livelihoods but also their loved ones and any social support mechanisms that helped them sustain their lives.

There is some evidence that the caste system among the Sri Lankan Tamils has also suffered heavily due to shared displacement experience among all IDPs irrespective of their caste background, exodus of more conservative higher caste people and above all the disapproval of the caste system by the LTTE.

In the context of an overall breakdown of social networks, certain new institutional arrangements have evolved in the affected populations. In the uncleared areas in Vanni Tamil Rehabilitation Organizations (TROs) known to be affiliated with the LLTE have emerged as an important organisation catering to the needs of the civilian population. As was evident in one settler community (Thenniyakulam in Mullathiv) visited during the WFP study, TROs invariably intervened in any visits to the communities by outsiders and reportedly in programs designed to improve the living standards of the relevant populations.

Similarly, the mosques and various Muslim organisations including Muslim political parties were directly or indirectly involved in organising activities among Muslim refugees in Puttalam. Such organisations have been involved in various activities among the displaced, including settlement programs and representing their interests at higher-level bodies. Certain religious organisations such as the local Buddhist clergy and the Catholic Church in some instances and certain political and social movements played a role in organising relief among the Sinhala IDPs. These support mechanisms however were not always well co-ordinated or persistent.

In brief, while primary bases of social organization such as family, kinship and caste have often disintegrated, ethnicity as a higher order organising principle with a greater political potential in the competitive struggle for access to resources has become far more significant in the conflict-affected populations.

Vulnerability

The WFP study identified three types of risks and vulnerabilities affecting various study communities in the conflict zone, namely environment-related risks and vulnerabilities, market-related risks and vulnerabilities, and conflict-related risks and vulnerabilities. A brief account of each type of vulnerability follows.

Environmental Vulnerabilities

Various communities in the dry zone, including conflict-affected ones encountered several environmental vulnerabilities. First, weather and climate related vulnerabilities and risks affecting the study communities included frequent droughts, floods and cyclones that frequently occurred in parts of north-eastern Sri Lanka. They often led to the loss of crops, damage to housing and at times periodic displacement.

Second, crop damage by pests and wild animals (elephants, wild boar and monkeys) was reported in selected study communities particularly in border areas. In some communities farmers had completely abandoned farming due to this menace. This was attributed to increased deforestation, extending farming into forest reserves and inability of farmers to protect themselves against wild animals due to the lack of effective means (e.g. guns) to keep them at bay.

Third, more serious environmental hazards in the form of environmental degradation, including deforestation, soil erosion, and scarcity of water resources affected farming and food production in certain study areas. This was noted in areas such as Vanni, Puttalam and Anuradhapura.

Market-related risks and vulnerabilities

Having been largely cut-off from outside markets, the communities in the conflict zone have experienced certain market-related vulnerabilities.

First, a sharp rise in food prices was noted in all study communities. The prices of essential food items such as rice, floor, sugar and coconuts reportedly increased sharply. A black market situation has developed in regard to some essential food items in certain areas, including most of the conflict zone and more remote areas in the Dry Zone. Erratic fluctuations in food prices were more of a problem in communities heavily dependent on wage incomes such as those in conflict zones.

Second, food and other commodities produced in the study communities received low prices in the market, particularly in comparison to prices of commodities purchased from outside, including the price of purchased inputs. Food producers in study communities, including fishermen, noted numerous problems facing their livelihoods, including the exploitative role of middlemen to whom they are compelled to sell their produce at terms dictated by these traders due to lack of alternatives and indebtedness to them in the case of some producers. The market shocks were such that in some cases the producers had to sell their produce at prices below cost, even when their labour costs were not included in the calculation of production costs. It must be noted here, however, that the transaction costs of middlemen can be quite high in several of the study areas due to poor road and transport networks as well due to arbitrary taxes imposed by local power holders.

Third, in almost all the communities studied, insufficient earning opportunities especially for casual wage labour was mentioned as a key factor affecting food insecurity. Seasonal fluctuation in demand for wage labour and stagnation of wage levels, especially for women in farm and non-farm sectors, seriously affected food security of the most vulnerable households in many of the study communities.

Conflict-related risks and vulnerabilities

The war served to intensify and expand greatly the threshold of vulnerabilities routinely associated with agricultural, fishing and other livelihoods in the unfriendly Dry Zone physical environment that constitutes the conflict zone.

In the relevant study communities, the nature of conflict-related risks had changed from the period of active conflict to those related to peace and reconciliation at the time of the WFP study. At the time of active conflict, the key problems experienced related to displacement; disruption of livelihoods, assets and infrastructure; injury, ill-health and death caused by war; taxes and restrictions on movement of goods and people imposed by the security forces and the LTTE, and the development of a war economy in the conflict zone and adjacent areas (Kodituwakku, Dharmasena & Perera 2001, CARE 2000, Reinhard & Kraemer 1999).

Vulnerabilities associated with active armed conflict had declined at the time of the study, but they were replaced by other vulnerabilities related to the peace process. They included the fear of renewed conflict in some areas, fear of forced recruitment and increased tax burden particularly in LTTE-held areas, fear of losing dry rations once peace is restored, and the fear of losing jobs on the part of home guards and other security forces personnel.

Ethnicity as a Framework for Assessing Vulnerability and Coping

For those who believe in ethnicity it provides a framework for understanding both vulnerability and coping. From the point of view of one's own ethnic group the 'ethnic other' is often perceived as a primary source of vulnerability, while identifying one's own ethnic group as an important means of coping. This, in effect, leads to enhancing intra-group solidarity on the one hand and escalating inter-group hostilities on the other. This is often the basis of escalation of conflict dynamics.

Interestingly the IDPs of each ethnic group often use the ethnicity framework not only to understand conflict related vulnerabilities but also market and even environment related vulnerabilities.

Sinhala IDPs

For the Sinhala IDPs, most of whom were either Sinhala fishermen from the east coast or farmers from the border villages, potential attacks from the LTTE had largely enhanced the vulnerabilities of their livelihoods already made highly vulnerable by potential natural hazards (e.g. storms in the case of fishing and droughts in the case of Dry Zone farmers) and marked fluctuations in market prices for their produce. Apart from brutal massacres and occasional abductions committed by suspected LTTE attackers, fear of such attacks often compelled entire villages, including men, women and children, to spend the nights in hiding in nearby jungles. Many had lost all the assets they had accumulated over the years, due to the manner in which they were displaced.

As a result the, Sinhala IDPs tended to perceive the LTTE and by implication all Tamils who are sympathetic to the cause of the LTTE as the primary cause of their impoverishment, suffering and vulnerability. On top of hazards and vulnerabilities typically associated with harsh physical environments in frontier areas of the Dry Zone, such as repeated droughts, crop damage by pests and wild elephants, outbreak of disease, periodic LTTE attacks giving rise to repeated displacements have served to multiply the livelihood insecurities among the affected populations. While often noting the good relations they had with Tamil neighbours at times of peace, the Sinhala IDPs noted the gradual deterioration of relations with their Tamil neighbours since 1983. When referring to the LTTE, they used terms such as "*unn tirisannu*" (mindless animals), "*un maha yakku*" (those marauding devils), "*koti*" (tigers), terms typically reserved for animals or malevolent spirits harmful to humans. In describing their situation prior to displacement, Sinhala IDPs often used the phrase "*koti kate inna minissu*" (literally, innocent victims hovering about the mouth of the tigers), capturing the multiple vulnerabilities and uncertainties in life they faced due to

possible attacks by the LTTE. The term "elephant and tiger menace" *(ali-koti prashna)* was used by Sinhala border villages to characterise their enhanced vulnerabilities resulting from the deadly combination of marauding wild elephants on the one hand and ruthless LTTE attackers on the other. It must be noted, here, however, that with the exception of a few Sinhala IDPs interviewed, including those whose family members had been brutally killed or abducted by suspected LTTE activists, did not display a generalized hatred towards the Tamils.

In some instances the vulnerability notion was also extended to the relations that the Sinhala farmers had with Muslim traders who purchased their farm produce. For instance, in Welikanda in Polonnaruwa District the Sinhala farmers often complained that they did not get a good price for their farm produce because of exploitation by Muslim traders. This can be seen as an instance where market-related risks and vulnerabilities were interpreted in ethnic terms.

While often attributing their vulnerable position to 'the ethnic other' the Sinhala IDPs tended to view their Sinhala Buddhist identity as an essential means of coping. This perception in turn had several empirical referents. Once displaced the Sinhala IDPs often returned to their villages of origin and joined relatives in these villages in search of refuge, support and peace. Many Sinhala IDPs have been fully or partially absorbed by their kinfolk, sometimes stretching the kinship networks and obligations way beyond the levels normally found in contemporary Sri Lanka. Some Sinhala organizations took the lead in providing relief to Sinhala IDPs, mobilising voluntary philanthropic contributions from private individuals and agencies in the south. Each wave of Sinhala displacement from the border villages led to an upsurge in Sinhala sentiments and a stream of philanthropic activity from within the community. While we should not over-emphasise the role of intra-ethnic support mechanisms in addressing the humanitarian needs arising from displacement and also take into consideration possible strains that will inevitably develop within such support mechanisms, its overall impact on evolving ethnic sentiments must be recognised. Thus the coping strategies of the Sinhala IDPs often reaffirmed their Sinhala identity.

This is particularly significant in view of the fact that some of the so-called Sinhala IDPs have had a rather porous and fluid ethnic identity in the past, because of their religion (Catholicism) and the tendency to speak Tamil as the mother tongue, a tendency well entrenched in certain Catholic fishing communities in Negombo.

The Sinhala border villages have been increasingly dependent on the Sri Lankan security forces, largely Sinhala in composition and loyalties, for their continued survival in the border areas. The interests and survival of Sinhala civilians in the border areas are so closely identified with the security forces that once the army decides to withdraw from a particular area it is common for the Sinhala civilians to either look for cover or move to safer areas themselves. Apart from providing security and warding off potential LTTE attacks, the Sri Lankan security forces, including home guards, have been a rather lucrative source of employment for impoverished Sinhala inhabitants in the border areas, adding to their overall significance as a coping mechanism. A further dimension of coping strategies is that soldiers have been sought after as marriage partners by local Sinhala women of marriageable age. As a result of all these tendencies and convergence of interests, Sinhala ethnicity has taken a new lease of life in the border areas.

In sum, while viewing 'the ethnic other' as a primary source of their vulnerabilities, the Sinhala IDPs also tend to rely on their network of kin and fellow members of the ethnic group in general as an important means of coping with their day-to-day problems.

Tamil IDPs

The interviews with Sri Lankan Tamil IDPs in both camps and settlements revealed that, in contrast to Sinhala IDPs, the Tamil IDPs often perceive the Sri Lanka army and sometimes actions by the Sri Lankan government as a primary cause of their problems. When the army moves in, the Tamil civilians either look for cover in the nearby jungles or move to safer locations, including welfare centres. They fear arbitrary arrests by the army, looting, arson, rape and possible retaliations against

Tamil civilians by the army in case they are suddenly confronted by the LTTE guerrillas. While the vulnerability of their typically unstable livelihoods has been greatly enhanced by years of war in the north-east, multiple displacements, loss of assets, economic embargoes introduced by the Sri Lankan state, break up of families and loss of social capital, and military actions by the army was seen as the immediate cause of their misery and suffering. Many Tamil civilians felt that the high security zones in Jaffna deprived them of some of the most fertile red soil lands they used for farming. The waves of Tamil displacements\migrations were often called by names given by the army for their large operations (e.g. Operation Jayasikuru), indicating the associations deeply rooted in the Tamil psyche (Siddhartan 2000). The pass systems introduced by the security forces and restrictions imposed upon the mobility of Tamil civilians were also seen as factors enhancing their overall vulnerability.

There was one instance where Tamil fishermen in Navasi in Batticoloa District complained about Muslim traders to whom they sold their produce. 'Muslim mudalali's come and buy our catch. They fix the price. We cannot go out and look for alternative market outlets because of security checkpoints and harassments by the army'. This reflected the tendency among IDPs to ethnicize market-related vulnerabilities.

Much of the humanitarian assistance by donor agencies has been targeted on Tamil IDPs. This is understandable given the large- scale and repeated displacement of Tamil civilians as a result of the war. In addition, the Tamil IDPs relied heavily on their own social and family networks in coping with multiple problems resulting from the war. As is already well known, the Tamil diaspora has evolved as a means of assisting Tamil victims of the war to escape to safe havens in western countries as refugees, illegal immigrants, students or marriage partners of those already migrated (Fuglerud 1999, Mcdowell 1999). Kinship and wider social networks within the country also serve to facilitate the move from the conflict zone to ethnic enclaves in Colombo, and where necessary start a fresh life in Colombo or migrate overseas (Siddhartan 2000). Remittances from relatives abroad or outside the conflict zone to

those living in the conflict zone comprise an important aspect of livelihood strategies of Tamil civilians in cleared and uncleared areas in the north and the east (Korf 2001a, 2001b, 2001c, Silva 2000). As already noted, IDP families resort to a range of coping mechanisms, including sending male children to safer areas outside the conflict zone for education and employment and as a means to protect them against security forces and potential recruitment by LTTE or other armed groups operating in the conflict areas.

Among other things, common security threats and shared displacement experiences served to foster a strong ethnic bond within the fractured Tamil society. The development of certain Tamil ghettos in Colombo, instant collective mobilisation of Tamils in detention or welfare centres in response to perceived injustices or potential dangers, and a degree of relaxation of caste and gender disparities firmly entrenched in Tamil society are all manifestations of increased significance of ethnicity as a means of coping with armed conflict.

Muslim IDPs

Apart from fishing and farming, trade (especially long-distance trade) has been an important economic activity among the Muslims in the north and the east. The war has created some opportunities for profit, but on the whole it has led to additional risks in trade, in view of restriction of mobility in and out of the conflict areas and pay-offs to the LTTE and, in some instances, the army. The expulsion of Muslims from the north in 1990 by the LTTE led to the immediate displacement of nearly 100,000 Muslims and loss of their livelihoods. As a result, the Muslims have a more generalised sense of vulnerability compared to Sinhalese and Tamils. Like the Sinhala IDPs, Muslim IDPs consider the LTTE the primary cause of their displacement and related agonies in life. However, the Muslims do not have the same sympathy towards the Sri Lankan security forces that the Sinhala civilians have. Nor do the Muslims see security forces as part of their coping mechanisms, themselves being victims of security forces from time to time, as was evident in ethnic riots in Mawanella in May 2001.

In coping with displacement, Muslims have relied primarily on support mechanisms within the Muslim community. Most of the Muslims displaced from various places in the north in 1990 gradually moved to Welfare Centres established in Puttalam, a significant Muslim area, displaying a heavy reliance on Muslim support mechanisms, including existing kinship networks, Islamic organisations, mosques and the newly formed Muslim political party, the Sri Lanka Muslim Congress. As the leader of this Muslim political party later became the minister of rehabilitation, the rehabilitation of Muslim IDPs in Puttalam received considerable priority under this ministry. On the whole, the coping strategies pursued by the Muslim IDPs have involved a reaffirmation of Muslim identity, increased politicisation of Muslim interests and a spatial rearrangement of Muslim populations from a pattern of dispersed Muslim communities distributed throughout the Northern Province to a geographical concentration in the Puttalam District.

Conclusion

This paper highlighted the manner in which perceptions of vulnerability, risk and coping among the conflict-affected populations are shaped by actual poverty experiences on the one hand and ethnic consciousness and notions of identity on the other. It shows the complex manner in which notions of ethnic grievances are fuelled by actual experiences of displacement, victimisation, and impoverishment caused by armed conflict. While ethnicity may be 'imagined' in the sense of being an important basis of self-consciousness that often simplifies and, at the same time, exaggerates the issues involved, it is 'real' in the sense of guiding thinking and action of the people concerned and it is somehow rooted in the real problems faced by conflict-affected populations in the Dry Zone.

Ethnicity may be seen as an intervening variable that amplifies the interaction between poverty and conflict. Ethnicity is the lens through which the affected populations understand their overall suffering, articulate collective grievances and work out their individual and collective responses and coping strategies. While the 'greed' of warlords may play a role in perpetuation of war, it is 'collective grievances'

articulated in ethnic or other forms that typically dri0ve the war (cf Collier & Hoeffler 2001). There may be certain positive functions of ethnicity within a conflict situation in so far as ethnic networks serve to assist the IDPs and, thereby, help them cope with adverse consequences of armed conflict, including disintegration of many of the pre-existing social institutions and mutual support mechanisms. However, articulation of collective grievances around ethnicity can lead to an escalation of conflict and a never-ending spiral of violence as already evident in Sri Lanka. Moreover, as elaborated elsewhere (Silva n.d.) ethnic perspectives tend to gloss over or even conceal the complex web of root causes associated with poverty, underdevelopment, social upheavals and suffering at the edges of human survival. Another drawback of the ethnically framed vulnerability framework is that it invariably shifts the blame on 'the ethnic other', denying one's own agency and complicity in conflict dynamics.

As regards social policy implications for a post-conflict situation, the development practice cannot simply concentrate on humanitarian assistance and poverty alleviation totally ignoring ethnicity as something extraneous to relief and development. While community support for the displaced must be certainly encouraged, steps must be taken to arrest any resulting impact on ethnic polarisation that may directly or indirectly contribute to the perpetuation of conflict. Building a dynamic civil society, not easily vulnerable to divisive tendencies associated with ethnic and other parochial loyalties, while being responsive to the needs of various groups in society must proceed hand in hand with peace building and relief, rehabilitation and reconstruction (RRR) efforts. This study also points to the potential significance of participatory vulnerability assessment as a means to overcome any ethnic biases in popular notions about vulnerability, risk and danger. Perceived potential danger from 'the ethnic other' is often at the heart of mutual mistrust and hostility between groups.

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Livelihoods, Food Security and Conflict in Trincomalee

Benedikt Korf

1. Introduction:

The civil war in Sri Lanka is an expression of existing social, political, economic and cultural structures. It is not a temporary but a long-enduring crisis. In the language of the humanitarian assistance world, the Sri Lankan conflict is a 'complex political emergency' (CPE). Emergencies of this kind arise out of competition over resources. They are often ethnic or ethno-nationalist in nature, characterised by conflicting loyalties of communal groups. There is often strong antipathy between communal groups living within the same state. In the Sri Lankan case, the conflict is multi-dimensional. The fundamental issue of the macro-conflict is the grievance between the Tamil minority and the Sinhalese-Buddhist majority. The grievance has escalated into a war between the Liberation Tigers of Tamil Eelam (LTTE) and the largely Sinhalese dominated armed forces. In addition to this major line of dissent, there are other social, political and ethnic cleavages between the three main communal groups: Muslims, Sinhalese and Tamils.

At times of conflict, households have to adapt to gradually deteriorating economic conditions and to cope with sudden political shocks in the form of violence. Rural societies in war-affected areas have experienced a dramatic increase in risk and uncertainty. This paper is based on empirical studies in the eastern part of Sri Lanka. It seeks to examine the way people secure their livelihoods under extreme conditions. The east has been particularly affected by warfare and inter-ethnic troubles. Livelihood strategies adopted in extreme circumstances must be examined in order to design more appropriate humanitarian and development assistance for times of emergency. Poverty alleviation programmes should stabilise existing livelihood strategies and widen opportunities for people to survive instead of reducing people to simple recipients of welfare and relief.

The first part of the paper provides an outline of conceptual approaches related to food security, livelihoods and vulnerability and examines how these can be applied to CPEs. The second part of the paper discusses the empirical results of case studies in the Trincomalee district in the east of Sri Lanka. The empirical findings come from investigations made before the recent ceasefire agreement between the Sri Lankan government and the LTTE. The findings thus reflect wartime survival strategies used during the conflict and not after the ceasefire.

2. Livelihoods, War and Vulnerabilities:

Food Security and Conflict

Food insecurity is a key problem in CPEs. Structural causes of food insecurity are often at the root of conflict. However, to view food insecurity as a trigger of conflict will be to underestimate the complexity of protracted social conflicts. On the other hand, the impact of a conflict on food security is often striking. When violence escalates, food insecurity becomes acute for a large part of the population.

Food security is often reduced to a problem of production and national self-sufficiency. However, food security at macro-level still does not guarantee food security for all at household or at individual level (Kelegama 2000). Amartya Sen (1981) postulated the entitlement thesis of famines, which argues that people may be starving even though sufficient food is available locally or regionally. Often, malnutrition and starvation are more a problem of purchasing power or other entitlements to food than one of availability. The concept of integrated food and nutrition security (FNS) therefore distinguishes three dimensions of food security (BMZ 1997, 1998):

(i) Availability of food - is sufficient food available at local markets?

(ii) Access to food - do households have the resources to buy food?

(iii) Utilisation of food according to dietary standards - do people prepare nutritious food and are they healthy enough to absorb it?

Chronic food insecurity is rooted in poverty, when the nutritional status of a household is persistently inadequate. In complex emergencies, transitory food insecurity affects both households with and without chronic food insecurity. Transitory food insecurity is a temporary decline in a household's access to food. This can be caused by sudden, unpredictable shocks such as natural disasters like the cyclone in Trincomalee in December 2001. Food can also become scarce at particular times of the year (seasonal food insecurity). Generally, the households and individuals most vulnerable to chronic food insecurity are also those who are hit hardest by sudden shocks (cf. Thomson & Metz, 1997).

The Sustainable Rural Livelihoods Frame

The livelihoods approach is a generalisation of the more established literature on food security (Alwang et al., 2001) and provides a way of thinking about the scope, objectives and priorities of development. The approach is promoted by the Department of International Development of the British Government (DFID 2000) and was inspired by the work of Amartya Sen (Sen 1981, 1999). A strength of the livelihoods frame compared to earlier development frameworks is that it emphasises people's potential in a holistic way rather than concentrating their problems, constraints and needs. It takes account of the fact that the factors that influence and shape livelihoods are dynamic. The sustainable rural livelihoods framework is a qualitative approach, which seeks to understand relationships rather than producing quantitative results.

Box 1: Definition of Livelihood

A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base.

Source: Carney 1998

While DFID (2000) employs the sustainable rural livelihoods framework to derive appropriate means of fighting rural poverty in an environmentally sustainable way (Box 1), the present study uses the livelihood systems frame as an analytical tool to observe, analyse and understand behavioural patterns of communities living in CPEs.

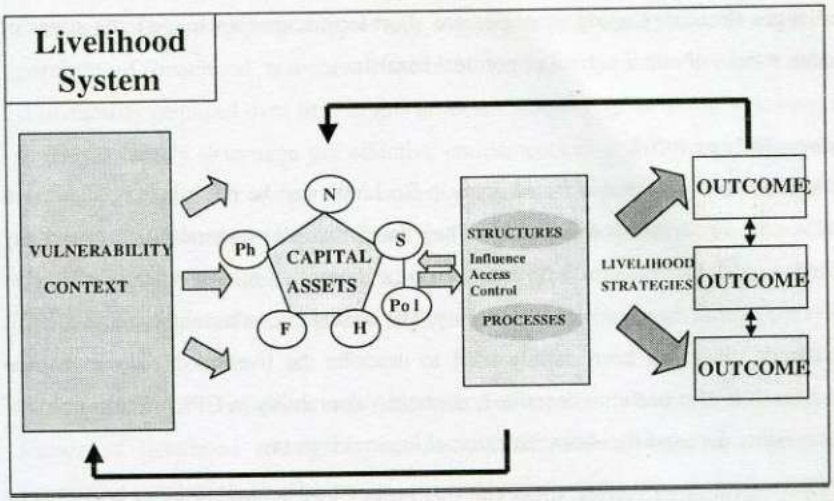


Figure 1: The Sustainable Rural Livelihoods Frame (DFID 2000, modified)

The livelihood systems frame (Figure 1) is a way of looking at and analysing the system of a household's internal and external features that affect its socio-economic survival.[1] It looks into livelihood strategies of people in a given vulnerability context (the frame conditions). People have access to six forms of capital assets: natural, physical, human, social, political, and financial. These are the resources, which people can combine in order to carry out livelihood strategies and achieve certain outcomes. These outcomes have positive as well as negative impacts on their livelihood. Structures and processes (institutions) are critical in determining who gains access to which assets and in defining the value of certain assets. Markets and legal restrictions have a profound influence on the extent to which one capital asset can be converted into other types of capital assets.

Livelihood strategies will differ depending on whether people have to deal with gradual trends or sudden shocks: Adaptive strategies denote processes of change

[1] The specific vulnerability of individuals within a household and intra-household dynamics might in fact be very critical to understanding household behaviour and thus analysing household livelihoods.

which are more or less conscious ways of adjusting to long term changes and challenges (trends). Coping strategies are short-term responses to periodic stress or sudden shocks of either natural or political hazards.

Vulnerability and Risk

Rural societies in the war-affected areas in Sri Lanka can be described as 'distressed livelihoods' or 'livelihoods at risk': They face multiple vulnerabilities caused by environmental hazards, market-related risks and conflict-related uncertainties that affect the overall threshold of vulnerability. The concept of vulnerability (Bohle 1993; Chambers 1989) has been mainly used to describe the livelihood risks in natural disasters. It is also useful to describe household vulnerability in CPEs. The concept of vulnerability distinguishes between external internal factors:

(i) Exposure to crises, stress and shocks: In CPEs, political shocks are the most prominent feature but we can also observe long-term declining trends such as dilapidation of infrastructure, decline of agricultural production and disruption of market networks.

(ii) Inadequate coping strategies: Civilians have very limited ability to cope with severe consequences of violence and fighting. Those who have the means to do so leave the arena of struggle and migrate to Colombo or abroad.

(iii) Severe consequences: The shocks and crises, households experience in CPEs, seriously undermine the capacity to prevent a deterioration of their productive potential and a mentally, socially and economically degraded situation becomes a 'normal' state of existence.

In complex emergencies, vulnerability is higher than in peaceful areas because of the increased level of security and economic risk and declining economic opportunities. Short-term shocks such as natural disasters, political shocks and violence suddenly upset the precarious equilibrium and increase vulnerability. People adopt coping strategies in response to these livelihood crises.

Slowly, the system recovers and households employ a new adapting strategy composed of elements from the previous adapting coping strategies to develop a new portfolio of livelihood activities. Structures and processes are dynamic and are continuously reshaped over time in this process (Scoones 1998). These structures and processes largely determine the effective entitlements to resources and to services, such as markets. They are part of a social and political negotiation process. In CPEs the power relationships favour militant actors including both military and rebels, to the detriment of 'civilised' actors and institutions. The 'rule of violence', threat and fear are superimposed upon political and social institutions.

In such distressed conditions, managing risk and uncertainty becomes a predominant feature of livelihood strategies. Vaulmaus (2001) differentiates between income smoothing strategies to reduce as risk reduction strategies, and consumption-smoothing strategies as response strategies. Risk reduction strategies mainly focus on income diversification, developing insurance mechanisms, and risk sharing strategies. Response strategies seek to stabilise consumption and place a heavy burden on household assets. In emergency situations, households will make use of their savings, liquidate their assets, and reduce consumption and food intake temporarily. In cases of destitution households might migrate, dispose of their key livelihood assets and create a dependence on charity and relief. In many cases the post-crisis level of vulnerability will exceed the pre-crisis level because household capital assets have been used up. (Bohle 1993) calls this 'expanded vulnerability'. In CPEs, shocks occur frequently and gradually exhaust the recovery potential and the absorption capacity of households. A point will be reached when a new crisis will exceed the absorption capacity of households to respond to the shock, and the household becomes dependent on outside assistance. Households in complex emergencies face a continuous downward spiral through depletion of household capital assets and an increasing level of vulnerability.

3. Perceptions and Impact of War in Trincomalee[2]

Trincomalee is a multi-ethnic district positioned at a strategic location between the north and the east of Sri Lanka. Trincomalee has a big natural harbour and is the proclaimed capital of a Tamil Eelam (the independent Tamil homeland demanded by the LTTE). The population ratio between the three ethnic groups is a politically contentious issue with currently roughly one third of the district population belonging to each of the three main ethnic communities (Tamil, Muslims, Sinhalese). The Sinhalese largely live in the cultivation and colonisation areas close to the interior of the country, while Tamil and Muslim villages are in close proximity to each other mainly at the coastal strips. Warfare in the district has been extremely divisive with both conflict parties, the Sri Lankan armed forces and the LTTE pitting the communities living there against each other (O'Sullivan 1997). Violence in the east was not limited to fighting between the government and the LTTE, but also included sporadic clashes with other communal groups, especially between the Tamil and Muslim populations in the early 1990s. Though the civil war worsened in the other districts of the north-east from 1990, Trincomalee district had already experienced many sporadic clashes between Tamil and Sinhala communities since the 1980s.

Disruption of economic activity is estimated to have decreased the contribution of the North-eastern Province (NEP) to national GDP from 15% in the 1980s to 4% in 1997 (DER 2000). UNDP (1998) calculates a negative average growth rate of 6.2% per year in 1990-95. The east was not as badly affected as the north until 1995. However, since the late 1990s, military operations and the general climate of violence and insecurity had an adverse impact on the regional economy. Ethnic trading networks were disrupted, and the checkpoint and pass system restricted the mobility of people and goods and access to markets (PIMU 2001). Eighteen years of conflict and civil war have resulted in the loss of lives, homes, land, the destruction of infrastructure and the production base of livelihoods. Basic facilities such as health services and education are inadequate. Furthermore, the breakdown of public and private sector support

[2] Generally, all figures about economic development in the northeast of Sri Lanka must be read with caution, since most numbers are crude estimations or speculative than based on sound data.

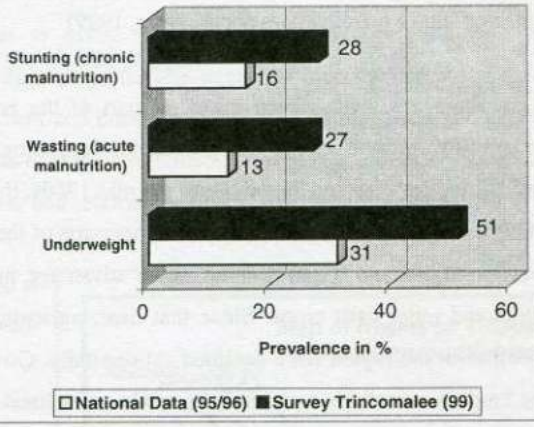
services, reduced access to farm inputs and credit, deterioration of rural roads, and the disruption of distribution and marketing systems constrain agricultural activities. The severely restricted local economy also prevents the individual from exploring opportunities.

Comments:
Malnutrition of children under 5 years, <-2 SD, NCHS

National data exclude the Northern and Eastern Province (NEP), Source: Department of Census & Statistics: Demographic and Health Survey 1995/96.

Source:
Reinhard & Krämer 1999

Figure 2: Nutritional Status in Trincomalee and Sri Lanka



Poverty in the north-east has worsened with the escalation of the war. About 80% of all the population in this region is estimated to live under the poverty line.[3] About 90% of the population in the Trincomalee district depends on state support through food stamps, dry rations and social transfers.[4] Poverty and deprivation is unevenly distributed within the district with some marginalised pockets of poverty found in remote areas or in highly disputed locations along the borderline between the fighting parties.

Household food insecurity as a result of conflict and war has reached alarming levels in terms of both acute and chronic malnutrition. A recent survey of the Integrated

[3] Cf. IFSP 2000; DER 2000, World Bank 2000.
[4] Cf. DPS. 2000. Action Plan for Rehabilitation. Trincomalee: District Planning Secretariat.

Food Security Programme Trincomalee (IFSP) revealed substantially higher levels of malnutrition amongst children compared to what national data would lead one to expect (Figure 2). The highest prevalence of malnutrition was found amongst Tamil children in uncleared areas[5]. This is a clear sign of the detrimental impacts of the war on household income and life opportunities in Trincomalee. Particularly affected are households that depend on fishing, small-scale farming and daily wage labour. The vulnerability of female-headed households is especially striking. In addition to the difficulty of the overall situation, cultural factors prevent women receiving adequate nutrition intake (cf. Reinhard and Krämer, 1999).

Agriculture has always been a central part of the economy in the north-east with nearly two thirds of its pre-war population depending on farming, livestock rearing, and fishing for their livelihood. Until the mid 1980s, the region enjoyed a higher level of agricultural development than most other parts of the country. Its production of rice was in surplus and it had a comparative advantage in the production of vegetables, fruits and other cash crops. Since that time, agricultural production and household incomes in the region have declined substantially. Government sources estimate that the land area used for agriculture as a whole declined from 44% to 36% of the total land area, and the area of land used for paddy cultivation decreased from 17% to 9%, in the period from 1983-1999. The main reasons for this decline are: the degradation of irrigation facilities, the high risk associated with agriculture because of the war, displacement of a large number of farmers and the fact that a large area of agricultural land is in uncleared areas (NEIAP 2000).

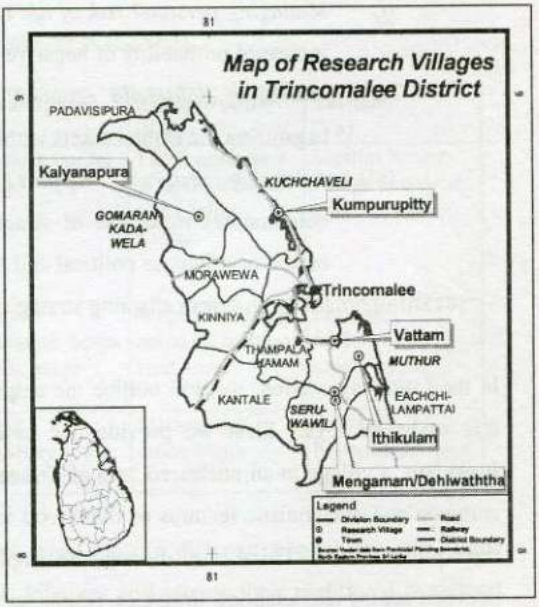
[5] Uncleared' area denotes those territories under the control of the LTTE. Entrance to these areas was until the recent ceasefire agreement subject to approval from the Ministry of Defence. In Trincomalee, however, many areas were 'grey' or 'semi-cleared' areas of disputed territory subject to constant instability and sporadic violence.

4. Case Studies: Livelihoods, Vulnerability and Coping in Trincomalee

Material and Methods:

In summer 2001, an interdisciplinary German-Sri Lankan research team investigated socio-economic livelihood strategies in four locations in Trincomalee district. The study was commissioned by the Integrated Food Security Programme Trincomalee (IFSP) and conducted in collaboration with the Centre for Advanced Training in Agricultural and Rural Development (CATAD) of the Humboldt University of Berlin. The objective of this research study was to identify livelihood strategies of war-affected communities in order to advise the IFSP on how it could improve the targeting and impact of its village projects. The empirical investigation was carried out before the ceasefire agreement and does not address the current transition period. The study concentrates on socio-economic livelihood strategies and does not look into the psychological impacts of war and related psychosocial coping strategies.

All four research areas are situated at the borderline, either between uncleared and cleared areas or between the settlements of different ethnic groups. Uncleared areas are those under the control of the LTTE. Entrance to these areas was until very recently subject to approval by the Ministry of Defence (MOD). The borderline areas are characterised by a high occurrence of fighting, violence, the presence of both armed parties, and intimidation.



Source: Korf et al., 2001;

Layout: Christine Schenk

The locations were selected according to different poverty levels, agro-ecological clusters, and ethnicity in close consultation with the IFSP, and included villages where IFSP had already been working as well as new villages. The study predominantly used qualitative research methods based on rapid rural appraisal techniques (RRA). The teams conducted semi-structured interviews with individuals, focus-group discussions, transect walks, and employed other RRA tools where appropriate. The modified DFID livelihood systems approach outlined above provided the framework.

This qualitative dataset allowed the research team to:

(1) Develop livelihood system models for each research location and for different households.

(2) Derive common and antagonistic patterns of livelihood strategies in the four case studies,

(3) Categorise the livelihood strategies according to a model of three pillars:

(i) *Managing personal risk of life* looks into how people cope with the increased probability of negative consequences for personal lives.

(ii) *Managing household economics* identifies different strategies of organising the capital assets within a household.

(iii) *Accessing external support* discusses how individuals or communities make use of structures and processes, i.e., how they access or influence political and military actors.

(4) Differentiate coping from adapting strategies

In the following section, we will outline the empirical results of the study following this analytical logic: **First** we provide one case study of a livelihood system in Ithikulam, a village in an uncleared area of Trincomalee district. **Second**, we identify common and antagonistic features of livelihood strategies and categorise them in the three-pillar model. **Third**, we discuss the implications of trying to differentiate between coping and adapting strategies, responses to poverty and conflict, and the role of social and political capital in livelihood strategies. This analysis will also allow us

to hypothesise about the striking differences in livelihood strategies and resilience in the four research locations.

Four Case Studies: Diversity and Commonalities

The four locations reflect the diversity of the district in agro-ecological, economic, social and cultural terms (see Table 1), but the lack of stability is a common factor. All four locations are situated at or close to the borderline between uncleared and cleared areas. This implies an increased vulnerability due to the frequent incidents of fighting, violence, intimidation and the presence of both armed groups. Households have to cope with and adapt to a high-risk level, which decreases economic opportunities and influences investment choices. The psychological effects are striking: a lack of self-confidence, a tendency to keep a low profile, frustration in view of limited life opportunities, fear, and desperation are widespread in these areas of increased vulnerability.

Table 1: Village Sketches (compiled from Korf et al., 2001)

	Ithikulam [I]	**Kalyanapura [Ka]**	**Kumpurupitty [Ku]**	**Vattam [Va]**
Vulnerability Context	Tamil community in uncleared area; dilapidated public infrastructure	Sinhalese border village	Tamil settlement in 'semi-cleared' area; onion boom.	Muslim border village at coastal strip
Main income sources	Highland cultivation, wage labouring	Paddy cultivation, home guards, wage labour	Wage labouring, onion cultivation, land lease	Fishing, Middle east employment
Key trend	Converting threats into opportunities	Fragile prosperity at the fringe of power	Missing the onion boom	Squeezed between the lines

Conflict, war and risk, nevertheless, have quite a different impact on each of the locations (Table 1). In some places, villagers still pursue their traditional livelihood activities and farming systems, even under constraining conditions. In other locations, the conflict has forced villagers to leave traditional resources behind and to look for

alternative livelihood options. In Ithikulam, a Tamil village in the rebel controlled area, farmers converted the security threat into new opportunities by giving up traditional paddy cultivation and they now earn considerable cash income from highland cultivation of vegetables and wage labouring. This has given them a comparative economic advantage over traditional tenant paddy cultivators in the uncleared area who suffer from high costs of inputs. Villagers in Kalyanapura, a Sinhalese village at the borderline subject to frequent attacks from the rebels, are able to secure a fragile prosperity because of the support given to them by the army, police and the central government. In Kumpurupitty, a Tamil village which is in a disputed area officially classified as 'cleared', farmers are reluctant to engage in the highly profitable onion cultivation because it is risky and their capital was lost through displacement. In Vattam, a Muslim fishing village, people prefer to keep a low profile between the two fighting parties – the Navy and the rebels. These four examples show that the variety of contexts and responses make a generalisation of findings very difficult. Nonetheless, there are certain livelihood strategies, which are common to all four locations, while others are typical for a particular community only.

This diversity of livelihood strategies and outcomes demonstrates the complexity of the vulnerability context and shows that it was not caused solely by the war. The vulnerability context is the outcome of an interplay of different factors. Its impact differs according to the capital assets of a community and of a household. The case of Ithikulam, a village in the uncleared area, illustrates how the community's livelihood strategy fits into the framework outlined above.

Case Study: Ithikulam – Village in Uncleared Area:[6]

Ithikulam village was formed by displaced villagers from an ancient village, Sreenivasapuram, which is three kilometres from Ithikulam and situated at the border of the uncleared area. Before 1985, when the villagers lived in their original village, they cultivated paddy as tenant farmers on lands that are situated in the cleared area. In 1985, the army established a military camp close to Sreenivasapuram and fighting

[6] For more detail refer to Ziebell and Ziegler 2001; Korf et al. 2001.

between the army and LTTE occurred frequently. During each attack, villagers were temporarily displaced and then returned to the village in a few days. The situation became even more difficult when villagers had to pass an army checkpoint to cultivate their fields in the cleared area. In response to the insecure living conditions, most villagers moved to Ithikulam and engaged in highland cultivation and other income earning activities. Although the army requested villagers to return to Sreenivasapuram to occupy the deserted houses, only those who owned a permanent house returned while the poorer people of the community remained in Ithikulam.

The vulnerability context of the village is shaped by the following factors: dependence on external economic actors, in particular Muslim traders and the presence of both conflict parties that restricts the mobility of people and goods and has created fear and desperation. On the positive aspect, the irrigation schemes in the surrounding areas provide opportunities for wage labouring in paddy fields. How can people combine their household resources to carry out livelihood strategies? We can associate adaptive strategies with long-term trends and coping strategies dealing with the sudden deterioration of the security situation.

As an important agricultural activity and income source, farm families cultivate diversified highland crops, which have several advantages in this context. Highland cultivation demands lower investment and thus reduces the dependence on loans, which have the disadvantage of coming with high interest rates or dependence on traders. Cultivation of highland crops provides a household with sufficient food and reliable, if modest income during the cultivation period of five months. Furthermore, households can supplement their cash and paddy income by engaging in alternative income-earning activities, particularly wage labouring in paddy fields in neighbouring villages in cleared areas. Highland cultivation allows sufficient flexibility in household labour allocation since women and children also work in the fields, an uncommon feature in paddy cultivation.

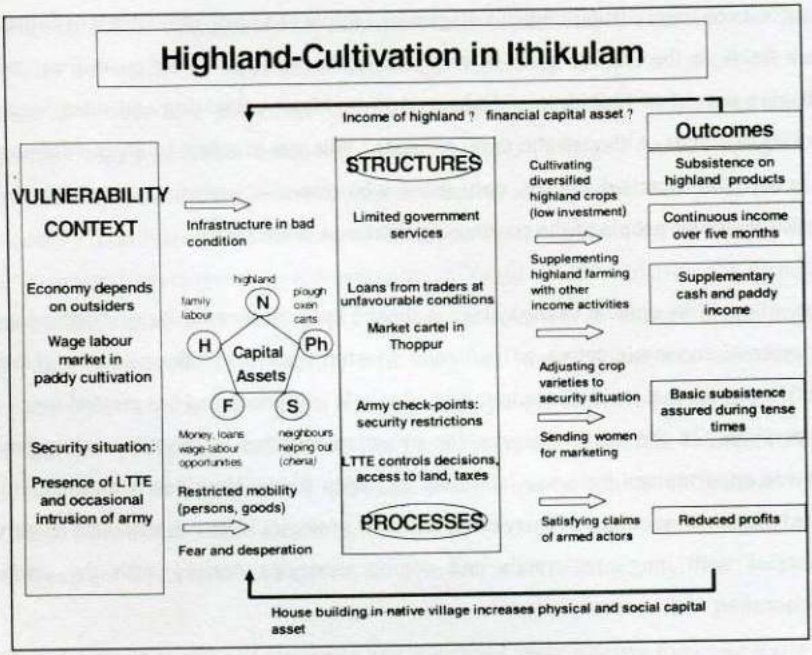


Figure 3: The Livelihood System of Ithikulam village (Source: Korf et al. 2001)

How do villagers cope with a deterioration of the security situation or with sudden shocks? Some households change their cropping pattern and cultivate corn in tense times. They can store this crop more easily and can assure themselves of sufficient food throughout the year, even though at a low subsistence level, when they cannot access outside markets. Another coping strategy is to send women to the market, which is on the other side of the borderline in cleared areas, since men are afraid of harassment by the armed forces when passing checkpoints. These coping strategies appear to allow households to secure a basic subsistence even during tense periods.

Villagers often have to pay taxes or bribes in order to carry out their livelihood activities. Satisfying these claims reduces profits for people in Ithikulam. Social and political capital in Ithikulam is limited. In the village, there is no community-based

organisation to help villagers to access external funds and agencies. There does not appear to be any established social or religious body to provide a base for a social network in the community. People in Ithikulam have no access to politicians and other powerholders. This might be because Ithikulam was only founded recently as a response to the war.

Box 2: The Role of LTTE

The LTTE has developed its own rules and regulations to compensate for the destabilisation of civil law and order. Problems between the villagers are not brought to the Sri Lankan police but to the LTTE and their court. Inquiry, arrest, judgment, imprisonment etc, are carried out by LTTE according to their rules of law in addition to restrictions on the exploitation of natural resources like jungle, wood, sand, and land, as well as rubble.

The LTTE has introduced a permit system for exploitation of natural resources where payments have to be made to the LTTE to make use of these resources. In addition taxes are imposed on cart owners, large-scale cattle keepers, paddy farmers, government staff and wealthy people.

Only a few farmers hold legal documents to support ownership of their land. Nevertheless, people have an informal system of assurance, which makes them feel their land is secure. Villagers know from each other who cleared which land and neighbours can therefore stand as witnesses in case of disputes. Land holdings are fragmented because they are informally split up for dowries. However, informants clearly pointed out that the LTTE controls the clearing of land for cultivation and enforces rules on the use of jungle resources such firewood collection. Villagers also approach the cultivation officer of the responsible government department in order to apply for permits – and subsequently gain titles for their land. It appears that farmers seek title documents from both parties as insurance against uncertainty about who will control the area in the future.

In Ithikulam, villagers were able to convert an externally imposed threat into a new economic opportunity. Highland cultivation ensures a reliable, though moderate income and has enabled some of the villagers to re-establish their physical and social

capital by investing in house building in their village of origin. Tenant paddy cultivators in the surrounding traditional villages, on the other hand, reported that they cultivated at very low profits. Reasons for this were: the high cultivation costs imposed on them, such as transport to uncleared areas, and unfavourable loans and marketing constraints arising from the power of the traders' cartel in Thoppur. In most years, yields from paddy cultivation are only sufficient for subsistence and do not provide additional cash income for tenant households.

Three Pillars of Livelihood Strategies

Table 2 outlines the different livelihood strategies in the four case studies categorised according to the three-pillar model. Livelihood strategies of households in Trincomalee comprise a portfolio of short-term coping and long-term adapting strategies. The study shows that people adjust to risk by moving[7]. They show a remarkable flexibility in migrating to more secure places, and in temporarily breaking up their family by sending their children to relatives for security and education. Many of these *coping* strategies place heavy demands on the extended family network and lead to a gradual depletion of household assets. This is one reason, for example, why many farmers in Kalyanapura, even though they might reside outside the village, return during the cultivation season. They are forced to give up their traditional means of living, and face serious hardships to engage in alternative livelihood activities.

Many *adapting* strategies deal with declining income-earning opportunities and the risk of investment. Households gradually deplete their capital stock after each political crisis. Cash income can be acquired through state payments for home guards, welfare or overseas employment. State interventions cause further distortions of the local economy. The government offers stable monthly incomes to large numbers of Sinhalese farmers by employing them as home guards in border villages. This inflow of direct income further increases local and regional disparities (IFSP 2000) and does not help to develop sustainable livelihood activities.

[7] This confirms findings of a study in the neighbouring district of Batticaloa (cf. Goodhand et al., 2000).

Managing personal risk	Managing household economy	Accessing external support
Minimising risk • Leaving places of residence or cultivation permanently or temporarily [all]. • Fleeing to the jungle during sudden eruption of fighting [I, Ka]. • Residing with relatives in the peaceful areas of Sri Lanka and returning for cultivation only [Ka]. • Sending children to relatives in more secure places for schooling and safety [all]. • Sending women and elderly persons through checkpoints for marketing, because young men are more likely to become harrassed [I]. • Working in fields in groups and seeking protection by the army [Ka]. *Risk taking (for economic survival):* • Collecting firewood in the jungle even though this is a very risky place • Trespassing in the restricted fishing areas imposed by the navy, when fishermen expect a big catch of fish	*Securing income:* • Migrating for income opportunities to Middle East [all, Va]. • Confing to key income sources due to reduced life choices [Ka, Ku, Va]. • Seeking home guard employment for Singhalese farmers [Ka]. *Organising the family:* • Handling traditional gender roles and tasks more flexibly: women take a more active role in marketing, trading and cultivation [I]. • Re-sizing and re-uniting the family according to security and economic needs, e.g. sending vulnerable family members to more secure places [all]. *Managing expenditure and investment:* • Avoiding investment in tangible assets (e.g. boats, houses) [Ku], even though in two locations, people started building new houses [Va, I]. • Reducing expenses for entertainment and consumption patterns [all]. This is often coupled with a partial degrading social status. • Using informal food markets (incl. Smuggling and illegal liquor production).	*Alliancing with power holders (active):* • Establishing good relationships with local government officers [Ka, Ku, Va]. • Seeking alliances with armed actors to get personal advantages (e.g. for trading) [Ka]. • Keeping a low profile in order not to cause trouble [I, Va] *Satisfying claims of armed actors (passive):* • Giving the necessary as bribe (in avoidance of being forced to give) [I, Ku]. • By-passing taxation and bribery wherever possible with tricks etc. [I, Ku] *Qualifying for state and NGO support:* • Forming community-based organisations to access NGO support [Ka]. However, many local institutions are falling apart due to the reluctance of local leaders to become too noticable [I, Ku]. • Concealing economic facts in order to qualify for state welfare [Va, Ku]. *Accessing formal and informal economic institutions:* • Pawning jewellery to receive credit from banks, money lenders or mudalali (traders), relatives. • Practicing traditional group savings (seetu) for small-scale expenses [Va, Ka].

Table 2: Three Pillars of Livelihood Strategies: Examples from Trincomalee (Source: Korf et al. 2001)

Comments: I = Ithikulam; Ka = Kalyanapura; Ku = Kumpurupitty; Va = Vattam

Choice of livelihood options has been restricted by disrupted access to land, water and jungle resources and adapting strategies have reflected this. Investment in sustainable land management is not feasible for farm households that are uncertain about future developments affecting the fundamentals of their lives. Households therefore employ risk minimisation strategies to reduce possible losses and focus on cash earning and state welfare for survival.

5. Coping with or Adapting to - Conflict or Poverty?

Has the conflict increased poverty and affected livelihood strategies? How different are the villages in conflict areas from those in peaceful areas of Sri Lanka? Coping strategies are not the outcome of a single factor, such as conflict but of an interplay of various factors and impacts on the different elements of livelihoods. It is difficult to make a firm distinction between coping with poverty and coping with conflict. However, the first pillar in our model – managing personal risk of life – is clearly linked to the conflict and the increased personal risk related to war. Apart from that, uncertainty and insecurity also increase the economic risk of investment. This factor is mirrored in various coping strategies of the second and third pillar. Increased economic risk can also be caused by macro-economic conditions, for example, through national open-market policies and related price fluctuations. Coping with and adapting to such risks might be similar to coping with economic risks caused by the security situation. Some argue that state welfare and relief could prevent a large-scale decline of the population into deep poverty (O'Sullivan 1997). In the research locations, government welfare in the form of Samurdhi food stamps, dry rations, and resettlement aid, is an important food and income source and people have adapted strategies for tapping these resources. This could also be a sign of the depletion of household capital assets because of the protracted duration of the war: households gradually deplete their capital stock after each shock and thus increase their dependency on outside assistance.

People make more and more use of political networks of support to stabilise their livelihood opportunities (third pillar of livelihood strategies: accessing external

support). We can observe ethnicised interactions in political and economic terms. Entitlements to agricultural resources and markets are unequally distributed among the three ethnic groups. The Tamil population suffers from a particular disadvantage, since the armed forces suspect them of collaboration with the rebels. Sinhalese and Muslims largely dominate trade networks, since they can form alliances with the military and more easily pass through military checkpoints. Tamil traders, on the other hand, face a lot of trouble in transporting their goods. The central government provides generous assistance to Sinhalese farmers in the border villages to encourage them to remain living in these areas. The government also employs a large number of young Sinhalese in these villages as home guards to protect their community. This provides a considerable and stable income, which would otherwise not be available in these villages. On the other hand, the rebels expropriate part of Muslim traders' profits by imposing taxes on them.

Such interactions develop into a form of 'war economy' where economic interactions involve military power holders. In the long term, this has serious consequences. Support through community networks is gradually eroded by the dominance of political capital and patronage. Those with stronger links to political and military power holders make more gains than those without such links. The problem with such political practice is that it follows largely ethnic lines and thus reinforces those grievances among the ethnic groups, which originally fuelled the civil war (Korf, 2002).

Epilogue: Post-emergency Livelihoods

In February 2002, the LTTE and the Sri Lankan government signed a ceasefire agreement. Most people in the war-affected areas remain prudent about the future of the fragile peace process. Nevertheless, life opportunities have substantially improved for them. The biggest changes are that people are now allowed to move more freely, the fishing ban is lifted in some though not all areas, and new traders come to the areas offering market opportunities to farmers and fishermen. However, many farmers

are still not able to access their agricultural resources. They may still be afraid to go to remote places. Some fields are full of mines. Some land is still occupied by the army.

Further investigation is needed to assess how livelihood strategies have changed in the current transition process. In particular the investigation should focus on three research questions:

- What new coping strategies will people develop to respond to the new freedom of movement, while the long-term prospects of peace remains fragile?
- Which adaptive strategies will prevail during the change process and which will be abandoned or re-shaped subsequently?
- How will the peace process affect the balance between the different power holders such as the army, the LTTE and the civil administration at local level and how will this affect the ethnic biases in entitlements to agricultural resources?

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Sri Lanka's 'Many-Headed Hydra'[1]: The JVP, Nationalism and the Politics of Poverty:

David Rampton

Relative Poverty and the Political Field

This paper will seek an understanding of what I shall define as 'relative poverty' in relation to the historical background, emergence and development of the political struggles of the Janatha Vimukthi Peramuna (JVP) , in both their insurrectionary and parliamentary political phases. However, as my research is still at the stage of fieldwork and data collection, reference to the rural discontents expressed by the JVP will at this stage be tentatively explored and presented more in the style of a series of tableaux or sketches of JVP grievances and perceptions relevant to social, political and economic exclusion rather than a systematically organised set of data. I have referred to a definition relying on 'relative poverty' rather than 'poverty' *per se* for a number of different reasons.

Firstly, it is my contention that an understanding of the JVP cannot be restricted solely to their mobilisations of the rural or urban poor any more than it can be understood in purely conventional categories of class analysis. The JVP has historically expressed a powerful connection with rural upheaval and the regional power bases of the JVP today indicate that this is still the case, despite the recent rise in a semi-urbanised constituency. However, within this rural sphere the JVP have, at different times and for different reasons, been capable of mobilising from a wide stratum of social groups: casual labourers, smallholder and tenant cultivators, landless agrarian workers, the unemployed, educated but unemployed youth, university and school students, and from the ranks of the middle classes amongst teachers, state sector officials and

[1] I have unashamedly borrowed the term 'many-headed hydra' from P Linebaugh and M Rediker (2002) as it aptly describes the JVP's incredible capacity for consistent re-emergence despite brutal counter-insurgencies and a high generational turnover of membership and support.

workers, and *mudalalis*[2] .So, it is my contention that the JVP must be understood against a background of 'relative poverty' or exclusions that exist in the vast disparity perceived between elites and masses, the capital and the provinces, the urban and the rural, centre and periphery. This postcolonial disarticulation is at the core of problems of rural poverty and underdevelopment in Sri Lanka and forms the basis of my understanding of the JVP's capacity for mobilisations grounded in the conjoined dynamics of nationalism and Marxism.

Secondly, this paper will also seek to challenge views of poverty as an overly economically determined object of study. Institutions like the World Bank often identify a poverty sector in terms of universally applicable measurements or socio-economic indicators such as, for example, access to or consumption of, food, shelter, clothing and health. Whereas these remain both severe hardships suffered by the poor and significant indices of poverty, discussion of the long-term factors underlying the persistence of poverty are often neglected in such reports. Additionally, the role of the non-poor in the reproduction of poverty is also frequently neglected. My contention is that long-term poverty is produced from multiple sites, which are not necessarily conveyed in reports that identify poverty through such supposedly 'value-free' indices.[3]

Poverty has social, political, cultural, technological and, of course, economic dimensions of national and global scope that remain just as significant for our ability to understand the reasons for its persistence. To simply identify such indices often acts to obscure The wider political and historical factors that are at work in the reproduction of poverty in Sri Lanka. Poverty can not be simply understood as a problem sector on its own but must be seen as a form of relative deprivation which can encompass social exclusion in a wider set of fields than purely through the delineation of a 'poverty line'; such approaches can act to deny the problem a full political perspective which this paper will attempt to explore. The politics of poverty,

[2] Meaning 'merchants'
[3] On this point see also Lakshman Yapa (1996).

then, becomes not just an assessment of economic and income disparities: a narrow 'politics of the belly', as it were, but can also encompass a conception of the struggle against poverty as a struggle for political agency in a field of relative deprivation in a number of significant contested sites.[4] My argument in this paper shall be that we must be wary of depoliticising the reproduction of poverty, social exclusion and under-development by constructing a 'poverty sphere' out of abstract measurements of poverty that effectively decontextualise this object from the socio-cultural and political contexts that provide the basis for the perpetuation of poverty. The 'poverty sector' can often become a self-contained site and, through this, the source of its own discontents, which must be acted upon by élites perceived as somehow divorced from the problem. My own view is that we should try to comprehend the problem of poverty and social exclusion and, for that matter, the JVP, as resulting from the context of a historical alienation which has effectively, although unintentionally denied agency to a persistently underdeveloped subaltern strata.

Nationalism, Elites and Masses

Consequently, I will also attempt a brief outline of the historical formation of what I would call a potent disarticulation between the élite and subaltern spheres in Sri Lankan society and the state, which has had an important impact on now familiar patterns of rural discontent in Sri Lanka. In the Sri Lankan context, in contrast to India, for example, the imagination of an 'All-Ceylon' nationalist struggle for Independence was comparatively weak due to sectarian and sectoral fragmentation amongst reformist élites who were content, for the most part, to demand the greater ceylonisation of the colonial state apparatus without engaging in more radical nationalist mass-mobilisations against colonial rule. Some studies have argued that the nature of the agro-export economy precluded the development of any significant rivalry between national and metropolitan capital (Jayawardena, 1985) and that this impacted in turn upon the relative failure of an All-Ceylon nationalist mobilisation. The result was an obvious paucity in a counter-colonial critique that could go beyond

[4] For critiques of the depoliticisation inherent in the approach of some international development agencies, see James Ferguson (1990) and Lakshman Yapa (1996).

the politically salient and exclusionary colonial constructions of ethnic identity, or the overall elitism of the political system. As such, the ability to cement centre-periphery, urban-rural and elite-mass ties suffered severe constraints. This not only left a lack of ties between the elite and subaltern strata in terms of individual party organisation but also resulted in a certain lack of state legitimacy at the level of the periphery. No party structure had created centre-periphery ties that could transcend the consistent re-emergence of patron-client networks which persevered into the postcolonial period, the limitations of which were to prove so decisive in the formation of the JVP (Jayanatha, 1992). This also left the infrastructural and ideological reality of the state within the parameters of its colonial conditions. That is, it remained over-centralised and weak at the periphery not only in infrastructural terms but also in terms of its ideological complicity with colonial rule, which had never really been subject to a stringent critique by the reformist elites that took power at independence.[5] Nevertheless, as a compensation for a distinct lack of hegemony in the rural and peripheral context, the élites had already begun articulating rhetorical strategies to legitimate their rule in the form of a paternalistic idealisation of the peasant smallholder and an at least rhetorical critique of the plantation economy at the expense of the Tamil Estate Proletariat. Both Vijaya Samaraweera and Mick Moore have explored the way in which the nationalist elite, which lacked a legitimacy that might have otherwise been born of a stronger struggle against colonial rule, began to articulate a nationalist ideology that prioritised the image of an undifferentiated Sinhala 'peasant' over and against that of the Tamil Estate workers who were disenfranchised of Citizenship in the immediate aftermath of Independence (Moore 1989; Samaraweera 1981; Abeysekara 1985).

Whereas this formed the embryonic thrust of an emerging Sinhalisation that reached a watershed in the stirrings of 1956, the Marxist parties of Sri Lanka, as the self-declared representatives of the battle against colonialism and towards the proclaimed eradication of poverty, also suffered from an at least perceived lack in spanning this

[5] For the problems arising from a postcolonial and over-centralised state see H Alavi (1983); N Ayubi (1985).

élite/ mass disarticulation. For, although the Lanka Sama Samaja Party (LSSP) , for example, had initially remained at the forefront of the nationalist anti-colonial struggles and attempted to combat aspects of rural and urban deprivation[6] while also stressing the need to mobilise amongst the Plantation Sector workers,[7] this party also suffered from the élitist label in the eyes of elements of the rural populace. Indeed, the LSSP's leadership has also been described as highly élitist (more so than the Sri Lanka Freedom Party [SLFP]) and drawn mainly from the Western-educated, Western-oriented professional classes.[8]

In this respect also, the LSSP's understanding of the rural peasantry did not vary greatly from that of the mainstream parties in as far as it supported, for the most part, their the land reform and colonization plans.[9] Moreover, the LSSP also shared, but this time through the Marxist lens, the same view of the 'peasantry' as isolated and backward and in need of protection from the capitalist plantation industry, a paternalistic, idealised and widely held elite view of the agrarian sector that effectively denied the rural sector anything other than a subsidiary or dependent political agency. Part of the problem, of course, has remained the privileging of the 'urban proletariat' in the revolutionary strategy of Marxist parties in which the tendency is to talk in terms, for instance, of the 'isolation, lack of cohesion, and political backwardness' of the Sri Lankan peasantry.[10] So, despite the creation of the All-Ceylon Peasant Congress and, later in 1949, the Youth Leagues, the LSSP's (and the CP's) capacity to mobilise in the rural sphere has been markedly unsuccessful, a factor that has also been communicated to me by disillusioned ex-LSSP and ex-CP

[6] E.g. through the Suriya Mal campaigns for the relief of the effects of Malaria epidemics and the provision of food relief and sanitation and through the '21 demands'.

[7] An area of agitation that was for instance completely neglected, after some initial collaboration with Natesa Iyer, by AE Goonesinha's chauvinist and populist Ceylon Labour Party.

[8] See for instance J Jupp (1974) or S Asaratnam (1972).

[9] On the whole, the LSSP has historically supported colonisation schemes although Edmund Samarakkody's more radical demands for nationalisation into cooperative farms should not be overlooked. See Y Ranjit Amarasinghe (1998).

[10] LSSP - 'Road to Freedom for Ceylon' in *Fourth International* New York April 1942 p.118, cf. Y Ranjit Amarasinghe (2000).

members from an older generation of Left struggle;[11] essentially leaving a political void that would be filled by the JVP.

In this way the perceived aspects of rural deprivation and inequality that developed in the programmes of both the two mass-based parties and the LSSP and the CP were based upon the same view of a helpless and backward (and often undifferentiated) peasantry whose moral and economic uplift was to become the province of élite-led state intervention through welfare provision, piece–meal land reform and the colonisation projects, a development that was itself viewed through the nationalist lens of *wewa, chaitiya* and *yaya*.[12] What this amounted to was a denial of agency to rural groups whether plantation labour, educated rural youth, the smallholder peasantry, tenant farmers and the landless, despite the mobilisations of 1956. The élite may have discovered the power of the rural masses but this was confined to the rural éilte and to the mediated representations of the 'peasantry' that underscored élite discourse. It still remained for the voice of the generationally and socially dispossessed to find a voice of their own.

The JVP and the Politics of Poverty

So it was into this vacuum that the tremendous and rapid growth of the JVP, out of a plethora of predominantly Maoist breakaway groups from the CP, occurred in the 1960s as a new politics aiming to speak for the rural dispossessed, for youth and the socially excluded. Whilst it is certainly true that this movement emerged out of the traditional regional power bases of the Marxist CP (Peking), the LSSP, and the SLFP, along the south-western littoral (and additionally in Kegalle District),[13] the JVP also gave a new voice to a politics of poverty, which sought, through generational revolt,

[11] One repondent, a *Veda Mahatmaya* (a local medical practioner) had been a prominent local member for both the LSSP and CP at different times whilst his son had secretly joined the JVP in 1987, after the signing of the Indo-Lanka Accord. The household thus neatly encapsulated the main trajectory of Left politics in Sri Lanka and the way disillusionemt with the Old Left's stance on rural issues has contributed to the rise of the JVP.

[12] See M Moore (1989). A direct translation of this phrase would be 'tank, dagoba and paddy lands.'

[13] The LSSP, for instance, had concentrated its power in the Districts of Colombo, Kalutara, Galle and Kegalle where, (excluding Kegalle), urbanisation, the rates of literacy, educational attainment and exposure to mass media were amongst the highest in the island. See Y Ranjith Amarasinghe (1998).

to challenge the mainstream parties in the Dry Zones of Anuradhapura, Hambantota, Kurunegala and Polonaruwa Districts. These newer sites of Left struggle, often areas of more recent agrarian colonisation, also provided effective channels for the articulation of rural discontents that no longer relied upon the anglicised and Colombo-centric elites and the existing rural patronage networks for political expression.[14] The JVP represented the birth of a politics that granted political agency to rural elements suffering from diverse economic, social and cultural aspects of exclusion albeit that this politics would undermine its own emancipatory claims through its cultural immersion in Sinhala nationalism.

Accordingly, the major part of this paper will focus on such aspects of exclusion that have fuelled the rural discontents channelled through the historical and contemporary politics of the JVP. In this paper poverty must be understood in a wider context, not simply of abstract socio-economic indices but must also be perceived in wider inequalities of a political, social and cultural aspect. Our definition of poverty must go beyond an economically determined definition towards the full range of disparities that themselves combine to reproduce uneven development in the Sri Lankan context. Only with this in mind can we understand the consistent re-emergence of a movement that has instigated two insurrections and suffered two brutal counter-insurgencies despite the often violent and tragic but nonetheless massive turnover of personnel involved.

The Emergence of the JVP

Before elucidating the common sources of discontent that act as dynamics towards the reproduction of the JVP, some discussion of the historical emergence of the JVP and the ideology of the movement will reveal the overall tensions between élite and mass, centre and periphery and the urban and rural spheres which are significant to our

[14] It should, of course, come as no surprise that Rohana Wijeweera, founder of the JVP, hailed from Tangalla in the Hambantota District. That the first wider organisational recruitment into the movement that was to be called the JVP, occurred under the supervision of 'Sanath' in the Anuradhapura District is not so well known. Both these Districts are of course still major support bases for the JVP.

understanding of the relation between the politics of poverty and the phenomenon of the JVP. What is immediately clear is that the *panthi paha* ('five classes'), which have served as the recruitment system of the movement, reveal all of the aforementioned political and socio-cultural tensions and the manner in which 'nationalist authenticity' is inserted into a field of relative deprivation. These 'five classes': 'Economic Crisis', 'False Independence', 'Indian Expansionism', 'the Old Left' and 'the Path of the Ceylonese Revolution', taken as a whole, demonstrate the way in which nationalist ideas, decontextualised Marxist doctrine and Maoist and Guevarist elements of revolutionary practice were all absorbed into the awkward revolutionary vehicle of JVP ideology. An ideology, furthermore, which emerged as the product of generational and rural discontent, dispelling, despite the internationalist flavour of its revolutionary fervour, the more cosmopolitan aspects of Marxist struggle in favour of a nationalist understanding of the route to the overthrow of the state.

For, whilst the LSSP and the CP had maintained its opposition to the increasing chauvinism of language policies and stressed the significance of the Hill Country workers in revolutionary praxis, the JVP's educational classes appeared to have absorbed ideology of the idealised Sinhala Peasant, conceiving, at the same time, of the 'Indian Tamils' as a 'fifth column' and the plantation sector as a pernicious form of neo-colonial capitalism[15] destructive of the traditional agricultural practices and ecological landscape of Sri Lanka.Accordingly, the JVP represented, beyond the *pancha maha balavagaya*[16] of 1956, the ultimate quest for nationalist authenticity, challenging the actions of political élites, perceived as compromised in their legitimacy to claim their place as representatives of the Sri Lankan developmental state through their connection to a neo-colonial state and neo-colonial economic and socio-cultural forms. This development clearly demonstrates the way in which rural, peripheral and generational discontents were translated into Sinhala nationalist and

[15] And in this the JVP, as Mick Moore has also noted of the national elite, inherited the same latent but operative distinction between the tea and coconut and rubber sectors, the former having been, it was claimed, the main area of for the production of rural landlessness and also the major sector for foreign capital, and therefore the sector most open to nationalist censure.

[16] This political term utilized by the JVP can be translated directly as 'five great powers.'

quasi-Marxist ideological forms which had for the most part abandoned, at this stage of JVP history, the project of proletarian focus and working class unity in favour of a predominantly nationalist mobilisation in which the main targets of 'othering' were the anglicised postcolonial elites and 'Indian' capitalists and workers.

The dynamics of this incredibly rapid mobilisation of youth into the JVP that took place in the latter part of the 1960s can be found in the cadres' shared inculcation in the values and frustrated ambitions born of free and vernacular state education, combined with the failure of a state, constrained by the strictures of the agro-export economy, to provide employment to increasing numbers of educated youth, well versed in the language of state-sponsored socialism. Indeed, the crisis, in the 1960s, of unemployment amidst a rapid increase in graduates, especially those from rural backgrounds, was exacerbated by the state's increasing reliance on hardening systems of patronage for the distribution of resources such as state employment. These vertical ties that emanated from the capital to the rural periphery acted to reinforce the potent critique of the 'Colombocentricity' of the centralised political apparatus and of elite social status inherent in the minds of JVP cadres. In this regard, Somachandra Wijesuriya, in a notably uncompromising literary work, reconstructed the pilgrimages of despair to the Labour Departments and Educational Ministry in Colombo undertaken by rural youth in the 1960s and early 1970s in their consistently vain search for employment (Wijesuriya, 2001); moments of frustration that are more than familiar to both the 1971 and succeeding generations of the JVP, in which the search for advancement and employment opportunities has been afflicted by persistent patronage and politicisation operative through the mainstream party machines.

So, the discontent of youth had found a strong voice but one that was thoroughly circumscribed by the nationalist values of the Sinhala Peasant mythology. Accordingly, the JVP mobilisation was incapable of challenging the colonial constructions of ethnicity towards a Marxist praxis that could overcome the sectoral and ethnic fragmentation encouraged by the state's developmental policy which still focused on a predominantly agro-export economy accompanied by the colonisation of

the rural landless. Indeed, the JVP's articulation of a politics of poverty was itself undermined by its own recourse to mobilisations on the basis of nationalist authenticity in which the centralised state apparatus, the question of land reform and the wide-ranging features of social exclusion inherent in the postcolonial state were rarely challenged in any systematic way.[17] This has led to a situation in which the JVP is fed from the dynamics of relative deprivation and social exclusion but says little about these dynamics; a nationalist politics of authenticity focused on the capture of the centralised state which is fiercely antagonistic to the political élites, yet which often fails to articulate clearly the elements of 'relative deprivation' that are the consistent grounds for its re-emergence.

The Elements of 'Relative Poverty'

Specific aspects of rural suffering are evident in the infastructural disparities that have existed between the rural and urban spheres in terms of access to decent transport, health facilities, water supplies, electricity etc. Whereas, in any developing environment a measure of inequality between the capital and the periphery infrastructurally is to be expected, the disparities in such developments are starkly visible in the Sri Lankan context in which peripheral development is often discussed on the level of grand projects but seldom realised. These are of course inequalities that have become worse in the wake of an economic liberalisation that has benefited the immediate environs of Colombo District and the Western and parts of the Southern Province Provinces in which free trade zones, the garment industry and the Colombo Port are concentrated. As such, the fact that the regional power bases of the JVP have remained constant in the Dry Zones, for example, but almost entirely absent within the

[17] Indeed both interviews and archival material gathered from interrogations during the Criminal Justice Commission suggests that previous scholarship has underestimated the extent to which the JVP's ideology may have been infused with a nationalist glorification of ancient Sinhalese society. It has been variously claimed by at least one 'state witness' and many ex-JVP informants, that Wijeweera had envisaged that post-revolutionary Sri Lanka would be first celebrated at Anuradhapura, the plantations were to be destroyed, the universities closed, the counter-revolutionary elites were to be killed and officials were to become workers on canals and tanks, presumably of a reinvigorated hydraulic society whilst entry into the Sangha would be restricted and cleansed of its impure and unproductive elements; echoes of a Khmer Rouge, 'Year Zero' ideology even before the Khmer Rouge ascent to power!

city (as opposed to District) of Colombo should not be dismissed lightly – it is a potent indication of the relevance of uneven and unequal development in the context of the JVP.[18] The JVP has often found its support amidst the instabilities of those areas of agriculture where small-holders have become indebted to *mudalalis* and traders who monopolise, for example, paddy marketing, in an economic context in which production costs, with the added susceptibility to drought, are often higher than the marketed price. That a succession of governments has refused to confront but has utiliseds the allied rural power of such traders also ensures that rural poverty often finds its only outlet beyond the political power of such forces, through the channels of the JVP, a trend that escalated with the dismantling of welfare and state interventions after 1977, which formed a key part of the background to the intense political violence of the 1980s and the second JVP insurrection.

Language, Education and Unemployment

The JVP has also remained constant in its appeal amongst both educated and unemployed youth. Yet, the whole question of education and that of unemployment as sociological features of temporary and prolonged exclusion cannot be understood without a reference to the politics of nationalism and language. This must itself lie in the history and process of 'Sinhalisation' itself. In this regard 1956 has been correctly declared a landmark in Sri Lanka's political history in as far as it mobilised Sinhala nationalist identity. However a note of caution should be sounded when assessing the significance of this event.

It is quite clear that, even if judged in the terms of their own exclusivist and chauvinistic nationalist intentions, many of the Sinhalisation proposals, whilst at the same time undeniably alienating the Tamil community, have not even been effectively implemented to have worked to the benefit of the less privileged sections of the Sinhalese community.[19] For instance, as HL Seneviratne in *The Work of Kings* has

[18] The potent relevance of the phrase *Colombata Kiri Apata Kekiri* (Milk for Colombo, Cucumber for us) in this regard cannot be gainsaid.
[19] See for example P Gunasekara (1998) and KM De Silva (1997).

argued, where the 'Sinhala Only' language policy has been effective, it has actually worked against the interests of the rural and disenfranchised youth of the island as 'the change to Sinhala as the medium of instruction closed the only door they had to English and further increased the advantages of upper class children who had access to English.' That this occurs in an environment where 'the Sinhala language carries very little modern knowledge when compared to the nearly unlimited sources of knowledge available to the users of English', it has resulted in the Sinhala speaking peripheral strata of Sri Lankan society being systematically disadvantaged in terms of education and employment (Seneviratne, 1992). The issue of English education remains a core one in the socio-cultural distancing between the rural Sinhala underprivileged and the urbanised political élites who have access to the benefits of English education at élite schools, the expanding international school sector and abroad.

This has had two interrelated consequences for Sri Lanka's political trajectory. Firstly, it has actually served to further entrench the distancing of the two spheres of the anglicised or bilingual élites on the one hand and the monolingual, predominantly rural Sinhala-educated and Tamil-educated strata of society on the other. This has not only served to de-legitimise the state but has also inhibited the emergence of a unified 'civil society' and/or a 'public sphere.' In the context of the JVP this has expressed itself in the inability of disenfranchised and underprivileged sections of the Sinhala community to find any state-responsive forum to express their discontents. Accordingly, respondents from the districts of Kegalle, Kurunegala, Hambantota and Anuradhapura, areas of JVP strength, have often revealed specific events or motivations relevant to the question of language and education which led to their joining or supporting the JVP, including the clearly understood disparity between urban and rural schools and moments of blocked social mobility (often due to lack of access to English language training) in which possibilities of entry into elite educational institutions or employment became the focal points for the development of understandable local resentments which came to be channelled through the political auspices of the JVP.

Many of these problems have been catalogued in the *Report of the Presidential Commission on Youth* but little has been done to implement the wide series of recommendations suggested. The *Report* emphasises the 'magnitude of disparities between Colombo and the outstations', and the need to grade schools effectively both as a means of identifying areas of deprivation in terms of resources and also to facilitate the reform of a University Quota system which had been perceived to benefit the sons and daughters of the district élites and not the 'rural student' from a deprived area (GOSL, 1990). My own fieldwork has revealed the scope for such disparities in both interviews with student respondents from rural backgrounds and locals in areas of deprivation where meagre resources and a lack of staff obviously inhibit the range of curricula available to the rural student and hence the potential for his or her advancement and the potential for uplift for the area as a whole. This scarcity of resources and curricula also impacts upon the oft-cited arts stream bias that prevails in further education, as students, rather than 'opting' for arts courses, often have no other choice but to enter through the arts channel because of the limited range of staff and hence subjects available to some rural schools; this reveals the cyclical nature of an educational system lacking sufficient resources for the teaching of the sciences. Uneven and unequal access to resources also frequently reveals persisting caste and group identity discrimination and deprivation. For instance, on visiting one very poorly equipped rural school, straddling the height of a *kande*(mountain) in Kurunegala District, I was informed that the 'library' there had a grand total of only 20 books and no suitable building for the principal and this was alluded to not only in the context of locals present who had a past of JVP activity (and a measure of present sympathy) but also in their reference to the discrimination suffered by '*kande minissu*'('people who live on a mountain'), with underlying allusions to the regional factor of caste oppression.

Additionally, in the context of both schooling and university education the *kaduwa* (the sword) of English language still cuts down relentlessly and is conjoined in the minds of many rural communities with interrelated urban/rural, centre/periphery, capital/province and elite/mass disparities. A number of JVPers have cited language

exclusion as a determining factor in their decision to join the JVP. Respondents have frequently cited lack of access to English as, on the one hand, a bar to elite schooling and the social advancement that may have accrued or, on the other, as a specific obstacle to attaining state employment. These discontents reveal not only the significance of the language factor as a source of social exclusion but also indicate the way the history of recruitment into the JVP is littered with individual frustrations and discontents that are quite consciously identified by informants angrily aware of the sources of their social marginalisation.

But at the same time the reaction of many ex-JVP and current JVPers reveals not so much an antipathy towards the language itself but a resentment against those that prevent its wider dissemination in the state educational system and in so doing, continue to wield language as a weapon of socio-cultural exclusion; an élite enforced postcolonial poverty. For most of the respondents I have interviewed, it was felt that a broader access to English would open doors to wider sources of knowledge as well as education and employment opportunities, allowing a more even social mobility for a greater number, including those from rural and poorer backgrounds. This might also break down the disarticulation that prevents the poor or those from a background of poverty from playing a greater role in their development, a disarticulation that has been instrumental in the failure of élite-controlled projects of poverty relief that have either denied the poor a role in their own development or politicised poverty relief. In the field of language 'Sinhala Only' has revealed itself as the ultimate symbol of an almost instrumental politics of poverty from above whereas the current demand for a more egalitarian access to English language schooling reveals a consciousness of the real sources of operative socio-cultural marginalisation amongst those excluded.

Whilst I state that most respondents have expressed no direct antipathy for English, my own understanding is that this kind of direct resentment has gradually decreased from the days of the CJC investigations when suspects' statements were always concluded with the phrase 'read-over and explained in Sinhalese', revealing the extent to which the language divide was inscribed into the very practices of state.

Nevertheless, the antagonism of this divide is still apparent in many quarters, from contemporary JVP members and sympathisers who constantly condemn the increasing pervasiveness of the English language in contexts where the majority remain uneducated in the tongue, to those who argue that knowledge of English would not in itself solve unemployment and the structure of economic inequalities, to the views of an ex-JVP cadre from the 1971 insurgency, with a deeply cosmopolitan outlook, who revealed the way in which the snobbery of elite English speakers in Colombo still left him with a deep sense of inferiority, frustration and bitterness despite his excellent mastery of the language.

So, it remains clear that the language divide has been and will continue to be a source not only of the structural inequalities in terms of access to education and employment that continue to affect rural youth but also of cultural conflicts and discontents that have the potential to be appropriated by the dynamics of nationalism. This was perfectly captured in the words of a long-term and highly educated JVP sympathiser from the Hambantota District, who felt, echoing the Sinhala nationalism of Nalin de Silva, that there were 3 main advantages accruing to the English speaker in Sri Lanka: firstly, better education, secondly, better employment and lastly, the ability to scold those who have no command over the English language, revealing once again the way in which the language exclusion is constantly translated into a nationalism in which the anglicised élites are the central target and the way in which language still operates as one of the most significant cultural markers of distinction between the haves and have-nots, between élites and the mass of the population, and between the capital and the periphery - a distinction that continues to feed into the nationalist dynamics of the JVP.

Many student respondents also expressed a disillusionment with a university system that has resulted in thousands of graduates waiting in line for employment. The mismatch between education and employment and the prolonged periods of unemployment and family dependence that result are central problems for youth in Sri Lanka. The high proportion of young people that enter university through the arts

stream in the context of a highly agrarian economy has meant that at least several years of unemployment for those graduates without the right connections are the rule rather than the exception. Many university students from rural backgrounds bear the weight of family investment and expectation on their shoulders as well as an elevated status of respect in the village, often resulting in profound feelings of shame, anger and frustrated aspirations, all of which can contribute to the potential for political violence should the historical context demand it. Many young people also claim that access to resources such as employment are deeply politicised and that this pattern recurs in the political affiliations evident in university campuses themselves as well as in poverty relief projects encompassing youth unemployment in the rural sphere. This results in disenchantment with the mainstream political system, government projects for rural welfare and also the whole process of a recruitment system that has abandoned, in their eyes, all principles of meritocratic advancement. Some rural youth without the perceived connections feel increasingly locked out from both employment and their capacity to contribute to society through established channels, exclusions from social and political agency, which often find alternative expression through the JVP. Moreover, the very pilgrimage of underprivileged rural youth to the university often becomes the point at which the extent of relative disparity between the urban/rural and elite/mass is recognised, leading to what has been described by some respondents as an almost spiritual awakening to the message of the JVP.

Caste Exclusion and the JVP

Caste is another aspect of social exclusion that has been noted in relation to the past and present JVP, which remains a matter of some controversy.[20] Part of the problem in

[20] Whilst some scholars have argued that the role of the lower castes was not noteworthy in, for example, the 1971 insurgency, (e.g. Gananath Obeyesekere (1974), James Jupp (1974), has argued that lower caste mobilisation was significant. Additionally Kearney and Jiggins (1971) have argued that the reported caste figures 'should be treated with caution' as suspected insurgents, in fear of the real brutality that was meted out to whole communities of the lower castes in the counter-insurgency, may have changed their caste identification when interviewed by the judicial authorities. Jayanatha has also argued that the 1971 insurgency was strongest in those areas where lower caste groups were concentrated and where patronage systems were more oppressive - D Jayanatha (1992). In Sri Lanka there is also something of a social science myth that has developed to the effect that due to the prevalence of Buddhist egalitarianism, caste has 'assumed a mild form.'

identifying the relation between caste and politics in Sri Lanka is that caste remains very much a hidden entity in political expression and in the battle against social injustice and exclusion (Uyangoda, 2000). As Uyangoda argues, demands for social justice in Sri Lanka have often relied on undifferentiated discursive categories of the 'rural poor' which are not only a result of the ideological legacy of 'socialism, social welfarism and Buddhism'[21], but are also implicit in the nationalist ideological representations of the peasantry I mentioned at the start of the paper which consistently fail to differentiate between the constant reproduction of a smallholder sector and the increasing proletarianisation of this rural sector (Moore, 1989). Consequently, caste remains a disqualified sociological entity before one even begins to discuss issues of social oppression and this is as apparent in the discourse of the JVP as in that of the Marxist political elites, who in 1971 dubbed the insurgency as a reactionary, low-caste movement; reactionary, no doubt, because of the pejorative and disqualified nature of caste as a social representation. Attempts made to discuss issues of caste directly with contemporary JVP members have usually produced similar reactions in which even so much as discussing the topic is seen as contrary to an authentic socialist world view. In this way the JVP have, on the whole, inherited some of the tendency to flatten out differences in rural society as are implicit in the discourse of twentieth century nationalists and the Marxist parties of the 'Old Left'.

However, a number of respondents including many ex-JVPers and JVP members from the 1971 and 1980s generation and, more rarely, some contemporary members have asserted the significance of regional caste inequalities and oppression in the emergence and development of the movement, especially with regard to recruitment and mobilisation in the pre-1971 period. Respondents from Kegalle and Kurunegala emphasised how caste was operative as a kinship structure through which cadres were

That this argument has appeared in a very recent work on Buddhism in Sri Lanka is testament to the strength of this myth – see HL Seneviratne (1992). This myth has also been strengthened by the criticisms of the 'Old Left' parties who have tended to view politically charged manifestations of caste as reactionary. Indeed when the insurgency first began, government spokesmen feared that it was a low caste movement and immediately dubbed it as 'reactionary' (see Obeyesekere 1974). Michael Roberts (1997) has also attested to the fact that such a taboo has endured 'within the circles of the radical intelligentsia in Sri Lanka.'

[21] Ibid.

inducted into the *panti paha;* in other words that the process of recruitment frequently operated through ties of caste albeit that caste oppression was not consciously articulated as a motivation for joining the JVP. During fieldwork I also conducted interviews in one caste-homogeneous *Wahumpura* village in Kegalle, which into the 1960s had a strong historical affiliation to the LSSP, but which at the end of the decade, transferred its loyalties *en masse,* young and old, to the JVP and became a crucial 'liberated zone' of resistance for some weeks during the 1971 insurgency. The higher caste ex-members of the 1971 JVP also cited knowledge of caste prejudice among their families vis-à-vis lower caste neighbours as motivations towards joining the JVP. For them, the JVP became a site free of the dominant forms of social hierarchy they found at the family level. On the other hand, members of the rural élite have also offered caste explanations as to why, for example, their own Goyigama dominated village was free of JVP activity while neighbouring villages with a notable low-caste youth presence became centres of prolific JVP activity. What this shows is the residual power of caste prejudice that automatically associates lower caste status with political volatility without a consciousness of the other inequalities that are reinforced through such prejudices.

However, while the caste factor appears to have been more potent in 1971, with many claiming that caste inequalities have lessened in the considerable lapse of time, a number of ex-JVPers from the 1980s period have also stressed the continuing role of caste ties and caste oppression in the 1980s, a tendency that has also been confirmed in the *Report of the Presidential Commission on Youth* (GOSL, 1990). Long-standing sources of inequality and poverty are often slow to disappear; so whereas such inequalities as caste may be gradually breaking down in a more mobile society as many respondents claim (although such processes are by no means inevitable) their persistence in the form of regional enclaves of underdevelopment and poverty is a continuing basis for marginalisation and blocked social mobility.

Caste inequality has therefore been an important, although often disqualified or unacknowledged factor in both the political appeal and denunciation of the JVP. At

the level of discourse, caste has formed a central site of contestation for 'authentic' representations of the socialist and cultural values of egalitarianism. Whereas we can safely say that caste inequalities have acted as a potent dynamic to the movement, especially in the 1971 period, the whole issue of caste is obscured by the frequent denials and pejorative attributions that are exchanged between the mainstream parties and the JVP. The JVP, then, while remaining a magnet for these inequalities, refuses to mobilise overtly upon such issues fearing the taint of reactionary politics that follows doggedly on the heels of the caste phenomenon in Sri Lanka. Accordingly the JVP's capacity for creating political agency for oppressed castes is itself unable to transcend its own structuring in the interstices between the values of Buddhism, Nationalism and Marxism: all of which in this context conjoin to disqualify a discourse of caste emancipation.

Politicisation and Patronage

Nevertheless, one of the JVP's most overt and consistent critiques has been ranged against the persistence of patronage networks in the economic, social and political fields and the related endemic politicisation of access to resources that results. This was one of the central grievances that many 1971 JVP cadres articulated against the introduction of the chit system for state employment and appointment transfers in the context of the huge rise in unemployment that occurred in the 1960s. This was perpetuated in the job banks of the 1980s and is still conceived to be prevalent in the securing of employment, appointments, promotions, transfers etc. and is also reputed, according to many respondents, to have pervaded the awarding of *Janasaviya* and *Samurdhi* assistance[22], attesting to the profound politicisation of so many aspects of Sri Lankan society. The politicisation of poverty relief is of course a grave matter but once again, its perseverance should also be understood as being in part due to the anti-politics inherent in a great deal of development discourse, a tendency in the construction of the poverty object towards a decontextualisation of the 'poverty

[22] These assertions were made by respondents from both rural and deprived urban 'encroached' shanty areas.

sector' from the intense politicisation that often accompanies its implementation.[23] As a result, and sometimes despite the best intentions of the actors involved, reports on poverty and poverty interventions from international and state actors frequently falter in their efforts due to their own blind spot on the political dimensions that infect, for example, poverty relief programmes introduced by parties which eventually come to serve the interests of the party machine. Subsequently, there is often an overriding tendency for the social science of poverty and more widely, development, to engage in a sleight of hand, a de-politicisation that fails to take account of the often overwhelming politicisation that is at work in the implementation and functioning of such programmes. The full reasons behind such de-politicisation are too great to analyse in this paper but institutional and disciplinary constraints, methodological abstraction and decontextualisation (all of which are also implicit in the failure to question official statistical representations or to engage in a meaningful political anthropology) all play their part (Yapa, 1996).

Many respondents in rural and, for that matter, urban contexts, because of this profound politicisation, also feel polarised between, on the one hand, a wilful and often conscious complicity with the ruling parties in order to attain some measure of social mobility and access to employment or, on the other, an often violent reaction against a mainstream political system that often locks them out of access to political and economic goods altogether. So, the JVP often acts as a hotbed of simmering discontents that are channelled into an alternative system of support, which claims to challenge the cronyism, corruption and nepotism perceived in the politics of the mainstream. This polarisation has been attested to, in my fieldwork, by both JVP members and even PA members who recognise the perpetuation of patronage but feel powerless to act otherwise, conveying a deep ambivalence and perhaps guilt about the state of the political system. This state of polarisation also infects the JVP's own perception of the other parties and of ex-cadres. Amongst the JVP, there is a whole

[23] See, for example, United Nations Economic and Social Commission for Asia and the Pacific (1997) and Datt & Gunewardena (1995). These reports seldom, if ever, deal with the political aspects of poverty and the politicisation that often accompanies poverty relief programmes.

discourse of betrayal that brooks no in-betweens in their confrontations with what has become the 'business', the professionalisation, of mainstream politics. Both mainstream politicians and ex-JVP cadres are both dubbed traitors to the nation and to the 'people' in a way that reinforces this sense of political polarisation and also makes it very difficult for all those engaged in active politics to distance themselves from the re-enactment of the political violence of the past. In this respect, the history of the *bishane* period becomes a site of contestation and appropriation in the struggle for political legitimacy, a pattern that could potentially lead to a dangerous recurrence of similar configurations of political violence.[24] Evidently, none of this actually helps to bridge the social and cultural disarticulation that reinforces and is reinforced by the tendency to play out history in this way.

Relative Poverty and Cultural 'Authenticity'

So, how does the JVP depart from the practices of mainstream politics and in what way might it tell us something about a very real relationship between the JVP and the politics of poverty, which effectively transcends the politics of the 'Old Left' as well. The JVP has always had an almost puritanical reputation for abstinence, commitment and self-sacrifice in the pursuit of its goals. This tradition of self-denial, I believe, has in part emerged from nationalist representations of, as Mick Moore has put it, 'the malign economic and cultural influences' that have degraded the idealised Sinhala peasant including commercialisation, alcohol, Christianity, western and/or urban values and consumerism (Moore, 1989); a view which also has its cultural reference points in the precepts of Buddhism. So, regardless of the weight or even veracity of such claims, the JVP has striven to win the high ground in their quest for moral and cultural authenticity, projecting representations of the JVP cadres as committed, self-denying and self-sacrificing adherents to rural ideals counterposed to the politically, socio-economically, morally and culturally decadent elites.

[24] For example, JR Jayawardena's UNP government of the 1980s used the JVP as a completely unjustified scapegoat for the horrific anti-Tamil pogroms of Black July, 1983 and subsequently proscribed the party, setting in train the potential for underground insurgent activity which erupted in the 1986 to 1987 period.

So, the JVP today still pursues this tradition and, at the local and national level, MPs and Pradeshiya Sabha officers claim to forego their salaries for the sake of a common fund placed at the disposal of the 'party' and the 'community'. Such sacrifices symbolise the JVP's self-professed commitment to the rural and urban poor in the context of the perceived degrading influences of the growth of politics as a means of livelihood rather than as an end for the nation. They also emerge from idealisations of the moral integrity of 'traditional' and rural values against the backdrop of globalising consumer capitalism. This is not to say that younger cadres shun fashion, absorb new global influences, that the hybrid forms of globalisation are not present unconsciously, or that all foreign or urban values are considered malign in their eyes but rather that the selective division between the rural on the one hand and the urban, global and western on the other, as well as the spirit of self-sacrifice are still very operative ideologically and this tendency has a historical genealogy which may reveal more cultural affinities with such figures as Anagarika Dharmapala than the JVP itself might care to admit to.

Consequently, the JVP is often seen, and many respondents have affirmed this, as the protector of these rural or 'village' values over and against the oft-perceived dangerous and pernicious influence of urban and western values brought in through electronic and print media, consumerism, the influence of tourism, of drugs and alcohol etc. One JVP supporter in the Anuradhapura District, a teacher in his forties, stressed that he was not against change, (this was inevitable, he felt), but added that rural values differed considerably because of both language and the stark disparity in development which make rural existence almost incompatible with the cultural cosmopolitanism professed by Colombo-centric postcolonial elites. His view was that villagers could literally not afford the cosmopolitanism of such elites, throwing into stark relief the evident correlation between globalisation and uneven and unequal development on the one hand and the differently perceived configurations of cultural values and identity across postcolonial space on the other. Human beings have a potent tendency of trying to turn weaknesses into strengths and there is little doubt that the recognition of the relative poverty of the periphery by those that inhabit it and

the exaltation of 'village values' as something very different to the cosmopolitanism of the elites epitomises this tendency. I dwell on these aspects of the JVP, not because I'm sceptical of the philosophical project of 'hybridity' or that I don't recognise the proliferating aspects of hybridity, ever-present in the increasingly globalised space of Sri Lanka,[25] as elsewhere. It is precisely because I do embrace this concept and acknowledge it as a project that we must, nevertheless scrutinise aspects of nationalist and cultural friction apparent in JVP responses. What is clear is that perceptions of cosmopolitanism are contested at sites where marginalisation and inequality are at work. The project of hybridity gives us the tools, on the one hand to deconstruct notions of cultural and nationalist 'authenticity' but, on the other hand it allows us to identify the unevenness in development and unequal access to the full range of socio-economic, political and cultural resources that inhibits a collective and more even expansion in hybrid consciousness and the local and global resources that ensue, for example, through wider access to English language education. The turn to vernacular education has been widely recognised as failing, for example, students at the university level because of the way in which it has closed the doors on access to wider learning and cultural resources as well as to further educational and employment opportunities.

'Clean' Politics and Discipline

So, the JVP, despite its history of violent protest and insurrection, currently attempts, despite the representations of the State-allied media to contest such representations, to project an image of selflessness and dedication in the context of widely perceived political corruption, thuggery, and patronage. This tendency was as apparent in the context of the 1980s when violent punitive action taken against social and political gangsterism, gained the JVP a measure of tacit public support, as it is today in the party's proclaimed pursuit of a 'clean' politics, absolved of the violence associated with the electoral activities of elite politics where almost every mainstream politician, in the popular imagination at least, is represented as surrounded by a coterie of

[25] See for example Yolanda Foster (2001) and Neluka Silva (2002).

bodyguards and thugs. That the Police themselves have at times commended the JVP on their discipline and restraint shows the extent to which the JVP is rehabilitating its own image for violence in public perceptions. Whilst this may indeed be seen as a move to attract support amongst the middle classes, it can also serve to mobilise many of those disillusioned and divorced from mainstream politics including the weakest and most oppressed sections of society. That the movement and its supporters and sympathisers have also taken to employing *satyagraha*-style protest epitomises the JVP's novel recourse to the weapons of the weak and the voiceless. A Gandhian tactic designed to expose the naked coercion and illegitimacy of the state, *satyagraha* seeks to propel the JVP into the disciplined space, the moral high ground in, for example, protests against graduate unemployment and the rising cost of living. Perceptions of violent space have become the contested terrain in which the JVP have engaged in a classic role reversal wherein the JVP is to be viewed as the victim and the élite political parties as the aggressor.

Regardless of the overall veracity of the JVP's claims or our propensity to turn to the memory of insurgency, it is clear that the party's historical periods of relatively peaceful, electoral political engagement in the 1970s and early 1980s and again in the contemporary period of electoral politics since 1994, have strengthened their claim to be a body of discipline and constraint in the context of often undeniable violence on the part of elements of the mainstream parties or state actors. However, while I am not for an instant swallowing the more extreme claims of the 'repression hypothesis' that always belie the official JVP denials of instigating violence in 1971 and again in the late 1980s, there is little doubt that part of the connection between the JVP and extreme violence relates to organisational issues. Numerous JVP and ex-JVP cadres at local levels, including some cadres who joined the JVP at this time, have asserted that a major reason for the extreme JVP violence of the *bishane* period was due to an uncontrollable recruitment of a second stream of undisciplined and often very young cadres around the nationalist, emotive and politically polarising issue of the Indo-

Lanka Accord.[26] Yet, aside from the question of the JVP's discipline and/or anti-discipline, the relationship between the Left movement as a whole and the potential for subaltern violence that overspills party controls has a deeper ancestry than 1971 and can be seen in the shock of the LSSP and CP leaderships who called off the 1953 *hartal*(a form of protest) after the rapid spread of violence and destruction through the countryside. Events that reveal the potential for uncontrollable violence against the forces and symbols of the state and the disproportionate response between the political élites and the politically dispossessed subaltern strata who appropriated the *hartal* towards more destructive action;[27] a factor that demonstrates the intimate relationship between potential violence and the politics of poverty.

Relative Poverty and the Fetishization of the Centralised State

The JVP is frequently described as an 'anti-systemic' party in both academic and media portrayals. However a note of caution should be sounded here, as it is clear that the JVP, in both insurgent and electoral strategies, has sought, as Jagath Senaratne has aptly put it, a 'remorseless, obsessive and self-destructive pursuit of state power' (Senaratne, 1997). One of the primary criticisms that can be made of the movement's obsession with state power is its incapacity to critically transcend the contours of the centralised state and its politically charged ethnic constructions. It is widely recognised that the colonial legacy of the centralised state has been both a major dynamic towards the reproduction of ethnic violence and a central obstacle preventing this reproduction, and the failure to confront this legacy hangs long over the JVP like an evening shadow, but one which the JVP seems powerless or, at times, unwilling to shake off.

[26] That this is also relevant, to some degree, to the extremely rapid mobilisation of cadres prior to the 1971 insurgency, despite the fact that the JVP violence was on the whole less brutal, is undeniable. Part of Viraj Fernando's and Susil Siriwardena's main objections to the JVP, after their initial enthusiasm had waned, was to the extremely rapid and uncontrollable mobilisation through posters, sloganeering and the *panti paha* recruitment method which went against the Leninist principles of building a disciplined revolutionary vanguard, cf. Viraj Fernando's correspondence with Senaka Bandaranaike - *Alles Archive* 25.53.17D4 - Sri Lanka Govt Dept of National Archives, Colombo. See also extracts in *The Judgement of the Criminal Justice Commission* (GOSL, 1976), pp.370-371.

[27] See Y Ranjith Amarasinghe (1998) and AI Richardson (ed.) (1997) pp.145-152.

During the 1971 insurgency, aside from the now famous case of Deniyaya, the JVP failed, at a local level, to transform, overcome or even appropriate the local administrative systems in any meaningful sense. Ex-JVP insurgents from the 1971 period have, by and large, testified to their own naivety and lack of vision in this regard and often reminisce on these failings either as a sign of that insurgency's inevitable failure or more pessimistically, as to the potential dangers of a Khmer Rouge style outcome under the direction of Wijeweera, had the insurgency proved more successful. Moreover, apart from a brief moment of a more inclusive and radical Leninist-inspired, federalist line on both constitutional change and on ethnic and religious questions under the influence of Lionel Bopage in the 1970s and early 1980s (and it should be noted that the class on Indian Expansionism was dropped from the educational programme after 1971 but returned in 1987),[28] the JVP have relentlessly pursued policies that seek to preserve the unity of Sri Lanka under the auspices of the centralised state. This is justified by cadres as a Marxian line on the necessity of preserving the unity of the working class and resisting 'divide and rule' policies. However, it can also be read as expressive of deeply embedded Sinhala Buddhist nationalist practices that seek to preserve the centralised unity of a state in which minorities must be encompassed in a hierarchical relation of majoritarian domination,[29] and there is no reason to suppose that the Marxian line does not emerge out of such deeply embedded nationalist dynamics. In other words, the Marxist and nationalist discourse of the JVP emerges out of a reciprocal interaction and mutual constitution of these two scriptural economies. It often becomes meaningless, considering the wide interpretations of Marxism available, to talk of nationalism as leading to the betrayal of Marxism. This is not to deny that more progressive lines have not been attempted, as Bopage has demonstrated, but this in itself has emerged

[28] See *'The Constitution of the Democratic Socialist Republic of Sri Lanka and the Tamil Speaking People of this Country'* in Red Power Vol.1, nos. 9-11, 1978-1979. It should also be noted that Lionel Bopage resigned from the party, primarily due to conflict over the national question, although internal part democracy and leadership issues were also significant - cf. Lionel Bopage in personal communication.

[29] Although there are obvious differences between the individual approaches, the works of Michael Roberts, Stanley Tambiah and Bruce Kapferer, amongst others, all delimit this relation between the modern centralised state and Sinhala nationalism.

out of a dialogue between a more inclusive nationalism and the Marxist-Leninist tradition.

Nevertheless, the central point remains, that there is an implicit fear and assumption in JVP ideology, that the centralised state is an essential vehicle for the overcoming of the relative poverty and disparities I have previously identified as operative in the consistent re-emergence of the JVP. In other words, that the centralised state is viewed as a crucial developmental and distributive instrument in the disbursement of access to socio-economic (and cultural) goods, in terms of, for example, employment, welfare, production, distribution, infrastructural development, land policy, colonisation, security etc., to the extent that the devolution or fragmentation of such a structure ultimately signifies for many JVP cadres the abandonment of 'socialist' redistribution and development policies altogether, and an outcome that will lead to worsening disparities between centre and periphery, the urban and the rural and the elites and masses. The tendency of many youth, for example, to seek the security of state as opposed to private sector employment feeds from the same ideology of state, tied to the persistence of relative poverty. Consequently, the JVP's rejection of devolution or of any measures that threaten the unity of the state, including their persistent and damaging opposition to the peace process is both an outcome of relative poverty and the Sinhala nationalism that this feeds into.

Conclusion

To conclude, it is almost impossible to conceive of the JVP through an orthodox class analysis. The JVP has mobilised a wide swathe of social strata, of those excluded and alienated from established channels of access to economic, social and political resources, especially amongst rural youth.[30] Whilst the JVP have also historically increased their role in the union politics of the industrial and state sectors and in urban and, most significantly of late, in the semi-urbanised areas in the Colombo and

[30] As Uyangoda has argued, this is also reflected in the tendency of the JVP to apply the generic term *nirdhana panthiya* or 'propertyless class' as a vernacular transformation of the Marxian 'proletariat' in the Sri Lankan context,: the term can be stretched to 'include all those social classes and strata that had felt grievances against the dominant order' - cf., J Uyangoda (2001).

Gampaha Districts, the movement's regional power base has historically been located in the some of the more peripheral, rural and disadvantaged areas of the country and notably in a number of the Dry Zone Districts. Consequently we must explain the JVP's dynamics as more broadly lying in the realm of uneven development albeit that it encompasses the discontents of the alienated rural, urban and semi-urbanised poor in its support base. The JVP itself appears to have all but abandoned any attempt to mobilise on the basis of a theoretically class-aligned Marxism in its Manifesto pronouncements, a tendency that has remained a historical constant in the movement. To quote:

> "The JVP which is our and your party is keen on making Sri Lanka an economically, politically and culturally developed country. As such it is the fervent wish of the JVP to do justice to all the citizens of Sri Lanka – to the labour class in Sri Lanka, all-honest, talented, efficient and enthusiastic entrepreneurs, farmers, labourers in industry, landowners who love the country and all citizens irrespective of their class, ethnicity, religion, language, caste, age, gender or physical handicaps. To achieve these ends by pooling all the energies, capabilities, knowledge and experience of the entire Sri Lankans living here or abroad for the benefit of all, the JVP is asking for power."(JVP, 2001)

What is also to be noted in this pronouncement is that the JVP's main discontent, main practice of othering, remains focused on the political élite; I quote: 'a handful of wretched and self-seeking people' whose main desire, the text goes on to state, 'is to continue to live their despicable life of luxury and frivolity, selling the motherland and plundering public property and money.'(Ibid) What is also striking in this passage and in the manifesto, as a whole is the potent articulation of nationalism side by side with the sanctioning of thrift, through which the élite is depicted as the 'traitor' to the 'motherland'. It is my contention that the JVP's main mode of mobilisation has always been through nationalism, latent and overt, that projects the economic and socio-cultural authenticity of the movement over and against the purportedly compromised identity and aims of the elite. But before you think that I'm digressing somewhat from a discussion of poverty and the JVP, my understanding of nationalism in a colonial or postcolonial context (after Tom Nairn) is that nationalism is commonly the site of a politics of relative deprivation at global, national and local levels. Nairn's main point is that the global force of nationalism is ignited in the

peripheral zones of capitalist development in as far as it is the late developers, 'the marchlands and the countryside' (Nairn, 1981) that try to propel themselves on the route to modernity '*by a certain sort of regression* – by looking inwards, drawing more deeply upon their indigenous resources, resurrecting past folk-heroes and myths...'(Ibid). Nationalism, then, is inherently related to uneven development and the JVP's quest for cultural and moral authenticity, which effectively fractures but ultimately sustains the hegemony of Sinhala nationalism from within, is no different. In a way then, the nationalism of the JVP can be captured in the microcosm of the protection and sanctity of 'traditional' or 'rural' values as defined by, for example, rural teachers, cultivators or students from such backgrounds, who elevate these values as a means of coping with the relative deprivation around them and also as a mobilisational strategy translated into the macrocosm of a JVP nationalism which targets the socio-cultural dislocation of the elites. It is for this reason, as Uyangoda has noted that the JVP frames its anti-imperialism as 'a belated attempt to settle accounts with European colonialism' (Uyangoda, 2000) and its perceived effects and influences including articulation of a more cosmopolitan politics, which is often disqualified through its associations with the elite.

So, my intention has been to demonstrate the way in which poverty and deprivation in Sri Lanka have turned not just upon economic disparities (although these are, of course, significant), but also the socio-cultural and political exclusions that have underpinned the disarticulation between the élite and subaltern, the rural and urban and the capital/centre and periphery. These exclusions have formed the battlefield of representation that underpins the politics of poverty in Sri Lanka and there is little doubt that the JVP has played a significant role in providing a channel for marginalised and excluded groups. For, whereas élite representations focused upon a paternalist welfare state that at the same time provided little room for rural and urban marginalised groups to voice their own discontents, the JVP has managed to mobilise amid the vacuum of those who suffer from continued exclusion and are prepared to risk existence outside mainstream political affiliations. At the same time, the JVP's own recourse to a politics of majoritarian nationalism (which has also served to

fetishise the centralised state) and to violent politics in the past, has also acted as a constraint on its ability to mobilise amongst the minorities and to articulate a powerful critique of the very system it challenges.

That the JVP is increasingly attempting to appeal to a wider stratum for electoral support in this way could potentially undermine its own position as a party speaking for the dispossessed. That the PA and the UNP continue to be plagued by the spectre of political thuggery and corruption and have so far been unable to produce significant plans for solutions to the many difficulties faced by those inhabiting the Dry Zones, for instance, indicates that the JVP will continue to have its regional power bases for some time to come. The real test of the new JVP, I feel, will come on the questions of firstly, their support in the semi-urbanised areas of the Colombo, Gampaha and Kalutara Districts where new JVP support bases are emergent, a subject that is beyond the scope of this paper; secondly, whether the JVP can remain aloof from, or will eventually, through coalition politics for example, be sucked into the violence and corruption endemic to so much of Sri Lanka's mainstream electoral politics; and thirdly whether we have seen the last of the JVP's insurrectionary phases considering the persistence of the longstanding problems of 'relative poverty identified and the JVP's capacity to consistently re-emerge, hydra-like, on the foundations of these disparities, whether in electoral or insurgent modes.

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Rethinking Poverty Alleviation Interventions

Interventions in Poverty Alleviation: Women Recovering from Poverty or Women Recovering the Family from Poverty?

Sepali Kottegoda

1. Introduction

The consistent attention that has been paid to the issue of poverty over the last several decades clearly indicates that poverty is an issue that refuses to disappear despite different experiments of 'development'. At the same time, the analysis of poverty, its meanings, causes and consequence has thrown up more complex aspects of the issue.[1] That the concept of poverty must incorporate the element of entitlements and capabilities was best articulated by Amartya Sen over a decade ago. This conceptual elaboration widened the analysis of poverty from one based on access to goods and services through the market to study of a broader set of relationships within society and within households, which enable people to meet their basic needs. Through a discussion and analysis based on the notion of entitlements, it is possible, as Kabeer points out,

> '...to include social-ascribed definitions of who is entitled to what, the 'rules' (legal, contractual, customary or normative) as well as the actual practices which govern how successfully these entitlements are realised (Kabeer and Subramanian 2000).

Given that the parameters for the analysis of poverty have been thus widened while also continuing to be the subject of much debate, it is possible to examine interventions in relation to the empowerment of women that have been and are being made in the context of poverty alleviation programmes in Sri Lanka both through State and non-State actors.

[1] Estimates of the level of poverty generally defined as the inability to obtain a minimum standard of living is made on the basis of a defined 'poverty line', which is pegged to current costs of a bundle of goods needed to assure that basic consumption needs, are met. In Sri Lanka, the most important component of a basic needs poverty line is usually the food expenditure necessary to attain some recommended food energy intake, incorporating a modest allowance for non-food goods. Ministry of Finance and Planning (1997): *Poverty Indicators of Sri Lanka*, Dept. of Census and Statistics: Colombo

The issue is important because this paper, very much exploratory in nature, is a consequence of the examination of the focus on gender as a critical factor of a number of such interventions that have been made over the last decade in poverty alleviation. The examination of both State and NGO interventions and target groups indicate that women form the major proportion of those utilising programmes aimed at poverty alleviation. Although at the international level discussions on poverty included the aspects of the feminisation of poverty almost a decade ago, in Sri Lanka this has largely been unaddressed except for a few studies (Jayaweera 2000; Kottegoda 2000; Wennerholm 2001).

This paper first examines briefly mainstream approaches that incorporate concepts of poverty alleviation, participation and empowerment in relation to development. It then looks at the positioning of the household within the community as the focus of development. In the third section, it draws out the main parameters of poverty alleviation programmes in Sri Lanka focussing on 6 major programmes and policy approaches that have been in place over the last 2 ½ decades.

The paper then examines the conceptual differences between the family and the household as the locus of power relations within which women are placed. It argues that the overwhelming involvement of women in all these programmes must necessarily give rise to an examination of the nature of gender integration into development policy. The issue of empowerment is then looked at within the 6 poverty alleviation programmes and approaches that have been selected.

The paper concludes by raising questions regarding these programmes, which, under the aegis of poverty alleviation, utilise a primarily 'woman-focused' agenda that, in fact, reinforce the expected gender roles of women and men and leave the issue of asymmetrical power relations within the family based households untouched.

2. Underpinnings of Poverty Alleviation Approaches – Development, Participation and Empowerment

Interventions by the State as well as by NGOs under the rubric of poverty alleviation aimed at the poor are framed within the international debates and understanding of the importance of incorporating the community and the social relationships and environment in which the population in poverty live in efforts to facilitate macro level economic development. These efforts and methodologies have come about through several different schools of thought regarding efficiency and outcomes in reaching the goal of sustainable development.

For example, in the mid 1970s, the concept of 'popular participation' was recognised as an essential part of discussions and policy formulation with regard to poverty alleviation. The 1980s witnessed experimentation and inquiry into the diverse aspects of concepts such as popular participation, community participation, participation for development and 'people's self-development' (Cornwall 2000). Among the primary issues that became central to the incorporation of this perspective was whether people are situated as 'beneficiaries' whose path to a position of 'non-poor' is decided on by others according to pre-defined parameters of development, or, whether the people in poverty understand for themselves the causes for their situation of poverty and decide on the process and involvement necessary to pull themselves out of this situation (Ibid).

The latter philosophy was most clearly articulated through the work of Paulo Freire (1972) and gave rise to major intellectual and activist approaches such as liberation theology in the arena of mobilising people including the poor to critique oppressive political, economic and social controls as well as to develop methodologies, such as Participatory Action Research (PAR) for the poor to overcome their conditions of poverty (Ibid). As pointed out by Cornwall, while these 'alternative' approaches to development and to poverty alleviation were popular during this period, the late 1980s and the 1990s saw the incorporation of some of these concepts into elaborations on the

meaning of development as well as to the methodologies that developed into poverty alleviation approaches (Cornwall 2000; Catagay 2001).

'Empowerment' through participation became a key concept in the methodologies that emerged during this period in reference to people's engagement with development and poverty alleviation programmes. For, by this time, it had become clear that poverty and development would be linked for the foreseeable future. The concept of 'empowerment' itself, as reflected in the focus of PAR, is rooted in the basic goal of social progress. As pointed out by Batliwala (1993)

> .. the most conspicuous feature of the term empowerment is that it contains within it the word POWER. Empowerment is about power and about changing the balance of power.
> In every society, there are powerful and powerless groups. Power is exercised in social, economic and political relations between individuals and groups." (Batliwala 1993)

To be 'empowered' is to be able to exert control over one's life both materially as well as ideologically. It means individuals or communities would exercise power in given networks or sets of relations of power. The concept of gender and the perspectives of Gender and Development (GAD) began gaining ground during this period as there was recognition that at the macro level, social norms regarding the roles and capabilities of women and men were based on asymmetrical power relations and which are reflected in their unequal access to resources, decision-making processes as well as institutional processes.

By the 1990s, in the arena of the fashioning of methodologies for institutionalising predominant notions of development, community or people's participation became incorporated into the discourse of mainstream development and poverty alleviation. The emphasis in the formulation and implementation of programmes moved away from people's *ownership* and *control* over their own agency to utilising this agency to continued efforts to establish and strengthen capitalist development.

Many of these perspectives of poverty and of interventions in relation to poverty alleviation have been primarily moved by developed countries and the donor agencies funded by them to establish stable social institutions in promoting a vision of development and 'modernisation' based fundamentally on expansion of markets globally.

There was recognition that the process of mainstream development required the incorporation of the direct involvement of NGOs in the implementation of programmes devised by the global trading partners and the State. This new approach also aimed at ensuring that donor agencies and the State channel funds to and/or facilitate those NGOs which are recognised, at the national level, as having the capacities to carry through activities that would spearhead the stability required at the popular level for economic 'development' at the macro level. In Sri Lanka, this was reflected in a number of leading NGOs, such as SANASA and SEEDS and programmes such as the Change Agents Programme (CAP) with a focus on community based programmes, being able to access donor funding on the one hand and the facilitation by the State of an environment conducive to implementing income-generating programmes and savings and credit schemes at the village level.

3. Household as the Basic Unit of the Community

Many of the programmes for development and poverty alleviation encompass a focus on community involvement articulated through the targeting of households – specifically family-based households.

While communities for the large part are seen to be characterised by notions of shared understanding of common interests and aspirations (to become economically secure, to have geographical boundaries, a common history/social identity, access to resources), the household is supposed to be firmly rooted in a shared vision of social interactions between its members based on equity and harmony (Agrawal 1994). The focus on the family-based household in the macro level of State interventions and the micro level of NGO poverty alleviation and income generation/ self-employment

projects, reflects the critical role it plays in social theory that views the family as being the central unit that holds society together. A basic assumption in this approach is that the family is fundamentally the unit through which benefits would be channelled equitably. In this worldview, the family is clearly defined to include members who are largely assumed to play the socially defined roles of parents, (father/mother) and (dependent) children.

The focus on the community and the family-based household also carries the added value as the potential tool for delivery of welfare services and for strengthening the basis for democratic values. Cornwall points out, the 'New Policy Agenda' of the 1980s,

> ...highlighted the efficiency of markets and private initiatives for service provision and economic growth. Within this, NGOs had a role to play not only in achieving cost-effective delivery of social services, but also in providing welfare to those outside the reach of markets. Democratisation and a vibrant civil society were seen as essential to these economic goals. (Cornwall 2000)

The concerns highlighted above are operationalised through the formation of programmes/projects which draw on concepts of group activities and involvement, commonly identified criteria for membership, savings and credit schemes with specific criteria for entitlements and, 'rules of engagement'. Theoretically, such membership is largely open, in most instances, to both women and men. Some interventions specifically target children although the focus here tends to be more on inculcating a 'savings habit' and encouragement to engage in educational pursuits (Hospes et al 2001). In line with the recognition that women were important 'potential' contributors to the successful implementation of development policies, there has been a push to integrate and involve women in market oriented activities such as micro enterprise development.

At the international level, there has been much debate on the need to recognise that, in fact, there is power imbalance and consequent inequality among household members

based on factors such as gender and age (Sen 1990). The theoretical and policy debates that are on now have, through a range of 'experimentations' under the overall framework of development through trade and markets, come to rest on the understanding that the delivery mechanisms of development must take cognisance of the fact that benefits have to be felt/enjoyed by the community. The understanding of the concept and the reality of poverty, it is argued, must take into consideration that it should include aspects such as lack of and right to well-being, realisation of one's human potential, and freedom from poverty (Catagay 2001). At the national level in Sri Lanka, these concerns appear to have made some inroads in to the major programmes that are implemented by the State and NGOs in the field of poverty alleviation.

4. Parameters of Implementation of Poverty Alleviation Programmes in Sri Lanka

The Sri Lanka experience with poverty alleviation came into its own with the move out of a system of universal delivery of 'rations', set in place in the immediate post second world war era, to a system of food stamps for a targeted population assessed to be in poverty in the late 1970s. The vision of economic development was firmly associated with the policies advocated by the global financial institutions and markets; there was urgent need to curtail what was clearly seen as an unacceptable flow of State resources to a population most of whom were not in need of such support.

The food stamp scheme gave way in the early 1980s to the Janasaviya Poverty Alleviation Programme, the largest nation-wide targeted programme of delivery of goods and services to a population identified as being in poverty. Reflecting the shift of focus and approach in the international focus on poverty alleviation measures, the programme went through the motions of identifying different criteria to measure those in poverty, the inclusion of national NGOs as partners in the implementation of programmes and the narrowing down eligibility criteria of recipients/beneficiaries.

In the post 1994 period, the programme, basically unchanged, was renamed the Samurdhi Poverty Alleviation programme. Changes in the political leadership over the last two decades (the election of different governments in 1994, 2001), a bitter ethnic war mainly in the north and east of the country (1980 - 2002) saw political alliances of those persons in poverty become an important consideration for rewards and, a drastic reduction in the implementation of the programme in the areas which were subject to war.

The poverty alleviation and income generation programmes in Sri Lanka by the State as well as by the leading NGOs in the field show that overwhelmingly the target/focus of much of these interventions has been on the family based households that are deemed to be poor. Some of these programmes explicitly declared this while in others it was the individual in the family-based household who was targeted and drawn in to participate in its activities. The major poverty alleviation programmes that have been implemented in Sri Lanka are examined below from this point of view.

(i) Janasaviya Poverty Alleviation Programme and Samurdhi Scheme.

Both the Janasaviya and the Samurdhi programmes identify the household as the unit through which benefits should be channelled. The household eligible for benefits under this scheme comprised parents and dependent children (Kottegoda 1992). The Janasaviya programme was one of the first nationwide attempts to incorporate some of the principles of the Change Agents programme (CAP) methodology such as group formation and participation (see below); however, in overall practice, it did not incorporate in its implementation, the political vision of challenging existing power relations as a strategy in empowering the poor of the original CAP programme.

The Samurdhi programme, which essentially continues the outlook of the Janasaviya programme, has an extensive range of activities in its outreach programmes (Ministry of Samurdhi 2001) [2]. It is estimated currently to have approximately 1.8 million

[2] Progress Report, 2001, Programmes 2002. The Samurdhi programmes encompasses activities aimed at savings (compulsory and voluntary), Nutritional allowance scheme, rural development,

households 'in poverty' (Hospes et al 2001). The 'Samurdhi Niyamaka' has a role similar to that played by the catalyst in the CAP programme and is required to work closely with the members of those households who are Samurdhi recipients. While the overall bias in selection of primary member continues to be the male 'head' of households, there is wide acceptance that women are the actual primary *participants* in most of the activities of this programme, such as the weekly/ monthly compulsory meetings are held for the beneficiaries.

(ii) Sanasa Thrift and Credit Cooperative Society

Sanasa is the oldest formally constituted Thrift and Credit Society that was set up in 1906. It successfully expanded its membership rapidly during the 1970s; both men and women are invited to join the organisation. Groups are formed at the village level under the guidance of the District Office of Sanasa and, training in savings and credit is given at the primary level along with other skills development programmes such as in self-employment and in financial management.

Group consensus is required for the individual member to access credit and, in case of bigger loans, the group members may be required to act as guarantors for the individual asking for the loan. While women and men both participate in Sanasa groups and societies - current estimated membership of over 780,000 and spread across many areas of the country (except in the north and east during the period of the ethnic war) - the gender breakdown in membership at the village level indicates that women are the majority. Recognition of more efficient participation of women members at the village level led to the formation of 'women-only' primary societies and banks (Hospes et. al 2001; Kottegoda S. and Wijesiriwardena 1994)

agricultural development, animal husbandry and fisheries, marketing development, industrial development, human resources and institutional development, Samurdhi development loan programme, Social development programme, communication programme and monitoring and evaluation programmes.

(iii) Sarvodaya Economic Enterprise Development Services (Gte) Limited (SEEDS)

The economic enterprise arm of the Sarvodaya Movement, SEEDS was set up in 1987 to formally enter the field of savings and credit and micro enterprise development among its members. Arising out of the 'awakening of all' vision of the Sarvodaya Shramadana Movement, SEEDS seeks to provide financial services as well as business development and management training services. Its declared mission is 'to help eradicate poverty by promoting the economic empowerment of rural people and working with them towards creating a sustainable livelihood.

The focus of this mission is not 'the poor' but the *entrepreneurial poor*. Its clients are primarily drawn from the group membership of the Sarvodaya 'mother' organisation, which has extensive programmes in identifying and organising groups at the village level through promoting a sense of community and shared responsibilities and duties of citizens to each other and to a peaceful and unified society. Currently, it is estimated to have over 2200 societies reaching over 6400 villages involving approximately 300,000 people. Women make up almost 60% of its clientele; 75% of participants in its self-employment and group training programmes are women (SEEDS 2000).

(iv) Arthacharya Foundation

The Arthacharya Foundation was set up in 1992. It works in 7 districts with approximately 50,000 families; it estimates that 95% of participants in its programmes are women (Arthacharya Foundation 2002). It is one NGO that has attempted to recognise the role that women play in mobilisation work and as 'efficient' managers of credit and savings efforts within a framework of incorporating the concept of strategic gender needs in some of its organisation activities in selected areas in Sri Lanka. The Foundation mobilises and organises its membership into Small Groups through the employment of Human Resource Developers (HRDs) who work at the village level. Using a methodology similar to the role played by the catalyst in the CAP programme, these HRDs are the means through which the AF promotes its own

vision of empowerment of the poor through inculcating sound savings and credit habits and engagement in self-employment projects.

The AF uses the language of gender empowerment in some of its programme objectives. It places much importance on its organisational activities in setting up small groups, such as in the Kurunegala district, where only women were given the opportunities to hold office at the village level (Kottegoda 2000).

(v) Change Agents Programme (CAP)

The Change Agents Programme (CAP) initiated in 1978 as an action-research experimentation reflected much of the early people's participation approach to development. The CAP at the initial stage had a distinctive agenda of involving catalysts to empower the poor through guiding them to understand the causes for their situation in poverty and through this experience, to evolve strategies to challenge and change oppressive economic structures (Gunatilaka 2000). It is the CAP approach that influenced the methodologies and approaches of the major Poverty Alleviation Programmes described above. While the CAP focus shifted in later years to one that promoted empowerment within existing socio-economic and political structures, the unit of implementation remained individuals coming from family-based households. In effect, it has been found that there is a larger proportion of women compared to men who are members in the core village level groups (Silva et al 2002).

(vi) Poverty Reduction Strategy (PRS)

The Sri Lanka government launched, in 2002, its Draft of the Poverty Reduction Strategy (PRS), an extensive policy framework outline extensive measures to deal with the issue of poverty. The document is not concerned so much with defining who or what actually constitutes the poor, (except for the use of the poverty line definition) as elaborating on the macro reforms that will be initiated to bring about economic growth. There is a focus on human development indicators such as employment and

education with an underlying emphasis on the need for fundamental legal reforms to create an environment conducive to rapid economic growth.

The gender dimension of poverty is confined to less than 2 pages in the 200 page document and includes a declaration of recognition that women have become the mainstay of Sri Lanka's economy. Reference is made to women's wage earning activities in the garment industry, in the plantation sector and as housemaids in West Asia. The remaining discussion on gender is confined to a handful of issues focussing only on *women*, such as maternal malnutrition, the consequences of women working in the free trade zones, alcoholism and domestic violence which are, the document declares 'social problems specific to particular sub-groups of the poor' (Government of Sri Lanka 2002a).

5. Women as the 'Object' of Poverty Alleviation Programmes: Household Member vs Woman Participant

> The main obstacle we faced in our work was the level of ignorance in poor families, in addition to an inherent disorganization, laziness, and drunkenness amongst the men. About 30% of these families are affected by alcohol abuse, and they are difficult to rescue. The rest are ignorant, careless, lazy, and have outmoded beliefs. It was easier for us to work with the women of these families, and there are social reasons for this. Women are affected by these problems to a greater extent than men, and are more sensitive to their situation. For example, women are more concerned with the welfare of their children, their wants and nourishment. Thus, they feel a need to lift themselves out of this situation (Minister of Samurdhi, Mr. S.B. Dissnayake, 2001). [3]

The focus of the basic unit of intervention in all the above programmes raises critical questions regarding the perceived notions that frame the formulation/implementation of poverty related interventions in relation to the roles and responsibilities of women and men within the family. On the few occasions when these interventions use the terminology of gender, the focus is almost completely on women. This raises the issue

[3] Speech given at a Workshop on Gender and Poverty Reduction organized by the Ministry of Women's Affairs in collaboration with UNICEF. February 2001. Colombo.

of the expectations of such agencies of the extent and level of participation of women and men in measures that ostensibly are designed to include both women *and* men. It is this focus on women in what is purported to be a 'gender-based' approach that is significant. Clearly, this approach fails to address or actively ignores the gendered relations of *power* both in the family-household as well in the community. Rather, in focusing on the woman, these programmes are merely targeting the already *gendered* subject, i.e. woman, who remains located within the existing gendered power hierarchy. The programmes, therefore, on the one hand, incorporate the prevailing social/gender power hierarchy, and on the other hand, ignore the potential for changing power relations.

This examination also questions the ideology behind the defined role of women and men within the family and their participation in strategies aimed at the economic betterment of family based households.

While debate and discussion on the conceptual construction of the household and that of the family is on-going, definitions that are used in mainstream development policy in Sri Lanka has largely overlooked different forms of family (e.g one-parent families, female-headed families, extended families), in the defining of eligibility criteria for participation in such programmes. Instead there is a clear focus and recognition at policy level, of the construction of the nuclear family as the primary family form in development. The Sri Lanka quest for conformity with the project of 'modernisation' has, in effect, institutionalised the concept of the nuclear family overlooking other equally important and functioning family forms and structures. Built into this vision of the 'small', 'compact' nuclear family are notions of altruism along with notions of reciprocity that women are expected to fulfil. The central aspect of asymmetrical power relations within the household or differentials in access to resources that women and men have in relation to each other which may affect members of the household remain outside the realm of policy considerations (Chakraborthy 2002; Kottegoda 1991; Kottegoda 1995).

Whereas the family-based (nuclear) household is the central unit from which participants in the programmes and strategies outlined above are drawn in most instances the majority of women participants are 'housewives' or, at the very least, older and 'more responsible' women, thus exhibiting a reliance on roles within the existing gendered framework.

In the Sanasa women's only group/bank, almost 60% of members were between the ages 26-35; most were married. Similarly, 62% of women members of village level groups in the Arthacharya Foundation programme are between the ages 26-40. Seeds membership also strongly reflects this trend; 68% of members at village level groups were found to be in the 21-40 age group. The typical successful participant in small group activities, as found in the Sanasa study, was found to have the following characteristics: (Kottegoda and Wijesiriwardana 1994)

- she is female
- has dependents such as young children
- has at least a secondary education
- has good relations with the community
- if spouse is present, does not have opposition from him for her participation in Samithi (groups) activities
- is engaged in her own income earning activity
- makes regular repayments of loans obtained and increases her loan entitlement gradually
- is careful to put aside a little money regularly in her savings book
- discusses issues of concern/interest with others in the Samithiya.

The indication is that, at the grassroots level, the participants in these programmes aimed at poverty alleviation, through savings credit and, engagement in self-employment activities as a means to overcome their situation of poverty, reflect the programme bias. This incorporates the ideology that women through their gendered roles within the household are the most effective means through which programme objectives can be met. Women are more likely to be home-based, more careful with

managing household expenses, more responsible in management of credit and savings and more likely to invest their energies to better the living standards of the members of their households/families.

6. The Issue of Empowerment: of whom?

The declared intentions of all the programmes on empowerment of the poor in the process of poverty alleviation must necessarily be examined in relation to the greater proportion of women who visibly are the overwhelming majority of direct/regular participants. As has been pointed out, this role of women is of course mediated by social expectations of women as the primary agent who is 'most concerned' about household welfare.

Once more, the role that men are expected to play as the 'primary' breadwinner, assumes that they are more likely to be looking for work or engaged in wage work outside the house while women are expected to be based in or around the home. Hence, the more regular attendance and participation of women at the meetings and activities of the Samurdhi programme, irrespective of whether women are also wage workers or not.

The discussion here on empowerment will look at specific aspects of the lives of participants in these programmes. These related to women's perceptions of themselves as members and participants in some of these programmes. The perceptions relate to their views as economic contributors to their households. It is also necessary to examine how far this is manifested in their perceptions of how other household members include them in decision-making processes, how they feel they are regarded in the community in relation to involvement in decision-making processes and bodies, and incidents of domestic violence. These perceptions can then be points of reference in the overall discussion on poverty alleviation through participation of the household member, economic strengthening of the household.

Samurdhi

The Samurdhi Scheme, which took over the Janasaviya Programme, continues to target 'poor' (primarily male-headed) households as beneficiaries. The savings and membership of the scheme lists the male 'head' of the household while the woman (spouse) is confined to membership of the 'women's samithi'. The entitlement card is given by the Samurdhi only to the chief member (the male) to make any claims every 6 months. If the card is not collected by him, the household is not able to make any claims. Most importantly, the male is able to claim the entitlement card only if the woman has been regularly attending the women's samithi meetings every fortnight.[4] Women's participation at the ground level, then, is a condition for the household to claim entitlement to the benefits of the programme. The male does not have any such requirement (except perhaps to ensure that the spouse attends the compulsory meetings).

Although there are undisputed records that 80% or more of the participants in the Samurdhi schemes at the household level are women, the official policy reference is to the household unit. Women are the overt, official 'focus' on events such as International Women's Day and the nutritional allowance scheme. Such programmes emphasise the 'traditional' roles of women. They do not highlight those elements of empowerment through increased participation in decision-making processes throughout the structure of the programme or the recognition of *women's agency* in household welfare for its own merits rather than tagging it to notions of male authority (Ministry of Samurdhi 2001).

Sanasa

A significant aspect of women's participation in the savings and credit society has been a sense of gradual empowerment of most of its membership. Their ability to obtain quick loans as well as larger loans for specific economic activities has

[4] Each member of the women's samithi has to contribute Rs.5 per week for 7 months in order to become a member of the Samurdhi women's bank. On membership, women are entitled obtain an initial loan of Rs.250 upto Rs. 100,000 for housing and/or enterprise development.

enhanced their position in the household as well as amongst the village community. The village community shared the commonly held view in Sri Lanka (as has been found elsewhere) that women were better financial managers than men as is shown by their performance in the domestic field. Through membership and participation in small group activities, women themselves have been able to exercise successfully more control over accessing and utilising funds for themselves and their households (Kottegoda and Wijesiriwardana 1994). The assumption that women are supposedly 'better' financial managers is based on the role that women, in fact, are *compelled* to play in activities such as managing the household 'efficiently'.

The examination of the role of women in the decision-making bodies of SANASA finds that there is little reflection of the critical role that women play in its activities at the grassroots level, the foundation of the main body of the organisation. These structures remain largely dominated by men and the focus of the organisation is on developing as a major financial player in the Sri Lanka banking sector.

SEEDS

The SEEDS programmes of savings and credit and micro-enterprise development reflects a similar trend. At the household level, women find the role they play in the small groups as 'more responsible' participants in the credit and savings schemes makes them eligible to obtain loans on a graduation basis. This leads to a sense of empowerment and the perception that other household members as well as the community now look upon them with greater respect. As reflected in other programmes as well, this role also enables their spouses to obtain loans through them for economic or other activities; hence, women are seen as a viable 'route' through which money can be obtained by men to further their economic ventures.

In many cases, repayment is made by the women, irrespective of whether their spouse gives them the required amount on a regular basis. It has to be noted, however, that the women who are involved and participate in the SEEDS small groups claim that this has increased their sense of self-worth and their confidence in community and

organisational recognition of their role as economic contributors to their households. The type of training that is offered to women small group members range from cookery lessons, artificial flower making, sewing, leadership, home gardening, poultry farming, beauty culture and mushroom cultivation. SEEDS claims that 70% of officials of societies (at village level) are women. This is, however, not clearly reflected in the decision-making processes within the overall structure of the SEEDS organisation.

Arthacharya Foundation

The Arthacharya Foundation has a clear focus that women are the mainstay of its programmes at the village level. With the claim of 95% of its membership to comprise women, the foundation is confident that there is a 100% record of repayment on loans taken for the range of needs it has identified. Training is to given to women by AF for enterprise development for activities such as food preparation, gender sensitisation, children's social development, artificial flower making, poultry farming, bridal dressing sewing and credit management.

There is evidence that the small group participation by women is consistent and is based on notions of solidarity and an understanding that this was a means to better their lives through access to credit and savings. Many feel that their own sense of self worth and social recognition in the family and the community has improved through involvement in the AF projects. One significant reason was the also that they had been able to achieve this as women who have continued also to fulfil the social roles expected from them. One of the indications of this social recognition was the acceptance that women can be invited to hold office at decision-making level in village funeral societies, which have traditionally been dominated and controlled by the men in the village. Overall, however, there is little discussion or focus on the role of men's involvement in small groups or credit and savings in the empowerment of women. In the AF gender focused programmes, there was no direct link made between women's role as contributors to the household and issues related to family disputes such as domestic violence.

Change Agents Programme (CAP)

The CAP programme has clearly indicated that the majority of its participants are women who are members of male-headed households. The involvement of women as participants is an important and integral part of the success and/or continuation of the programme, for over two decades since it was initiated. It is clear that some of the methodology of the programme, such as built up funds by small group members to purchase goods (consumption or for sale) at wholesale prices enabled women to make significant savings on household expenditure while also raised the family living standards, albeit for a limited period of time (Gunatilaka 2000).

It is also noteworthy, that women continue to be overwhelmingly placed at the lowest level of the programme which has now become institutionalised into Prajashakthi Organisations. There are independent NGOs, which are primarily financial institutions utilising funds raised from small group member savings, membership fees and funds obtained by from donors for lending to the rural poor. The apex body is the Praja Shakthi Federation (Silva et al 2002). Men are in the majority of decision-making positions, some having been Change Agents/catalysts at earlier stages of groups' formation/social animation, or by virtue of women 'not being visible'. There is little or no discussion of the fact that although women are the majority of participants, the needs and perceptions of these women should be integrated into the NGOs or to the Federation structures of programmes.

The CAP programmes appear to have imparted perceptions of an enhancement of the women members' own capabilities in the small groups. They articulate their own sense of solidarity and support and also the need for a commitment to engaging in economic activities for the betterment of their lives and those in their households. However, this sense of empowerment has not been drawn upon at the decision-making levels of the higher ranks of the Prajashakthi organisations as is exemplified in the absence of any significant cadre of women at the decision making level as chairpersons, treasurers, secretaries of these organisations.

The non-visibility of women and their absence in the decision-making bodies raises the question whether this is also a reflection of their gendered roles within their own households which may prevent or limit women from taking up administrative positions outside the home. The same gendered roles of men, enable them to put in less time towards running their households and focus, instead on running public and visible enterprises. Hence, in the public realm, men have ample space to prove themselves as decision makers.

Poverty Reduction Strategy (PRS)

The issue of poverty and the poor is presented in most recent government documents to be largely gender neutral. Hence, the constituency called the poor are expected to pull themselves out of poverty by engaging in the activities and programmes that the government has laid out in the PRS. As was pointed out above, where gender is mentioned the discussion is around women.

As part of the new thinking on poverty reduction and economic development the government prepared the Draft National Employment Policy. This draft policy which was submitted to the Donor Forum at the same time as the PRS in 2002, interestingly dedicates a major part of a chapter on social obligations to the importance of recognising the role that women play in the field of employment. However, the entire focus of this discussion is premised around the assumption that women's primary role in society is that of fulfilling their maternal responsibilities.

> Women's employability is perceived to be seriously constrained by existing gender-based attitudes and stereotypes in society.....Whilst improving women's employability in the labout market, adequate attention would also be paid to their commitment to fulfil their maternal responsibilities. (GOSL 2002b)

At the level of policy formulation, and implementation, emphasis of poverty alleviation through strategies addressing the different sectors of the economy assumes that poverty can be addressed only through the incorporation of women (albeit within

the social roles assigned to them) rather than through mobilisation of both women and men.

7. Conclusion: Poverty Alleviation that Underpins Gendered Roles

> The 'poor' are constructed as the legitimate object of development attention, an almost residual category into which a multiplicity of different kinds of people can be conveniently shunted (Cornwall 2001).

The discourse of poverty alleviation programmes discussed above does in various ways, incorporate visions and concepts such as 'empowerment of the poor', 'focus on the entrepreneurial poor', 'gender equality', 'creating the opportunities for pro-poor growth'. The overall methodologies used are strikingly similar to each other – formation of small groups at the village level, setting up structures for formal access to credit and savings etc. Skills training in financial management and entrepreneurial development are provided by the formal body in line with the prevailing economic, social and political environment in the country.

The target of these programmes is the household and the majority of participants from these households are women. As can be seen from the discussion above, there is at the level of the individual and the small group, an understanding that women members/participants do feel a sense of empowerment within their households (Gunatilaka 2000). It also is apparent that women's incorporation into these activities is primarily based on the understanding of what can be expected of them in their capacities as mothers, wives and daughters of these households. This has several important implications both at the level of incorporation of gender ideology as well as the incorporation of mainstream poverty alleviation perspectives. Women's social roles and position within the household and in the community become central considerations in the methodologies utilised to implement programmes for poverty alleviation integrating the principles of 'community participation/people's participation'. At the level of policy it is the household that is the target of the benefits and activities of these programmes; at the level of implementation, there is a clear

selection or a bias based on 'common sense' understanding of how women and men bear household responsibilities.

In effect, in all the programmes discussed above, while the target of disbursement and/or participation remains primarily the unit of the male head of households, programme implementation reinforces prevailing gender ideology and takes it for granted that men are less responsible/dependable as actual participants compared with women. This reality has been subject to criticism on the grounds that the weakness of poverty alleviation programmes is their dependence on housewives who can typically devote only part of their time towards the programme and thus relegate such projects to secondary income-earning activity.[5]

This approach, however, does not ask why it is the women (housewife or not) and not the men who are the backbone of every major poverty alleviation programme that has been implemented in Sri Lanka.

The examination of these programmes strongly suggests that poverty alleviation strategies utilise a highly gendered conceptualising of the unit of the family/household as the means of targeting its flow of funds. The demarcations of the responsibilities and participation of women *and* men remain largely un-discussed; men appear to be framed outside the family unit in terms of its immediate welfare/needs. At the same time, women are seen to be more 'responsible', 'accountable' and hence 'better' clients of poverty alleviation schemes. This perception is guided by the gendered roles women and men play.

The gendered identities, in effect, demarcate lines of responsibility for household survival to the extent that women are compelled to learn the skills of 'being more responsible' and 'better' managers. The State and prevailing development ideology does not appear to see any necessity to question or challenge these gendered constructions. Instead, as it cuts down its direct interventions in welfare schemes, the

[5] Gunatilake, R. op.cit.p. 9 cites observations made in study carried out by Lakshman, W.D (1994).

State appears to be taking refuge in the argument that, *women* will ensure that these 'families in poverty' will survive.

The powerful implication here is that recovery from poverty for the family is more directly dependent on women than on men. It can also be argued that the very critical role that women play in all the poverty alleviation programmes examined above, does in fact lend credence to the concept of *feminisation of poverty* in Sri Lanka. Clearly, it is the women in the households identified as being in poverty and hence eligible for benefits under these programmes that are most suitable candidates and who do in fact deliver on the requirements such as loan repayments and savings.

The gender imbalance in poverty alleviation approaches neglects the effective role men can play while at the same time perpetuating the role that women are compelled to play. The efficacy of the whole approach to poverty then comes into question. In the arena of discussions related to participation and empowerment at the global level of the early period, exemplified in Sri Lanka through the initial phases of the CAP programme, there is a clear demonstration of the urgency to move away from experimentation of empowerment to mainstreaming economic development along existing social and political relationships.

The focus of policy continues to be on an entity called the 'household', assumed to be male-headed. The massive demonstration of women's interests in these programmes and the clear targeting of women within their gendered role as participants and implementers, is devoid of any direction towards the actual 'empowerment' of women. The underlying concern of poverty alleviation seems, rather, to support existing power relations underpinning the gendered roles of women and men.

These programmes of poverty alleviation through the involvement of women, can only be truly effective if they seriously address the discriminatory gendered structures that demarcate women's and men's role within the family-based households and in the community. Only a level of implementation that holds all actors accountable in

changing asymmetrical relations of power between women and men would facilitate the possibility of enabling both household management and entrepreneurship in a manner that would alleviate poverty.

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Integrating Poverty-Reduction and Psychosocial Interventions in Conflict Zones

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This paper is a response to the growing interest, within the humanitarian sector in Sri Lanka, in combining the objectives of poverty reduction and psychosocial support provision. It locates this development within broader trends within the psychosocial field globally and locally, using data from Sri Lanka to illustrate the interaction between psychosocial suffering and poverty in conflict zones. The paper describes a new generation of interventions, implemented as combined psychosocial and poverty reduction projects, and critically evaluates the rationales and practices associated with them. Finally, it suggests ways in which the twin objectives of psychosocial support and poverty reduction may be effectively and ethically integrated.

Introduction

This paper deals with the convergence of what are often thought of as quite separate lines of humanitarian programming in conflict zones – poverty reduction and psychosocial support. Over the past year or two, however, we have noted a number of conventional poverty reduction programmes in Sri Lanka attempting to include psychosocial support provision within the scope of their activities. We feel that this trend has gone largely unnoticed in Sri Lanka – and perhaps elsewhere - and certainly has not yet received the level of scrutiny that should be afforded to the merging of traditionally distinct fields of intervention.

We will attempt to locate this new development within the broader trends of the psychosocial field globally and locally, using data from Sri Lanka to illustrate the interaction between psychosocial suffering and poverty in conflict zones. Then we would like to describe some of the interventions implemented as combined psychosocial and poverty reduction projects, and examine the rationales and practices associated with them. Finally, we will suggest some ways in which these twin objectives of psychosocial support and poverty reduction may be effectively and ethically integrated.

Developments in Psychosocial Perspectives

It may be instructive to begin with a brief overview of how the psychosocial sector has evolved in Sri Lanka. The earliest programmes in Sri Lanka, in mid 1980s, focused directly on providing services of a purely psychological nature – mainly through activities such as client-centred counselling, which had previously been taking place more on an *ad hoc* basis. As the profile of psychosocial impacts of war gained prominence both globally (Ager 1999; Pupavac 2001) and locally in Sri Lanka (Psychosocial Working Group 2001; Samarasinghe 2002; Galappatti 1999) over the past decade, increasing numbers of organisations have chosen to develop programmes to respond to these problems. Whereas some have continued to focus solely on psychological dimensions of people's experiences of the conflict, there has also been a growing awareness of the interaction of these internal psychological processes with the social and material realities of people's lives in times of conflict. This latter understanding has been articulated in the form of a *psychosocial* perspective.

A commonly accepted definition of the term 'psychosocial', originating from a conference in Cape Town, 30 April 1997 (UNICEF, 1997)

The term 'psycho-social' underlines the close relationship between the psychological and social effects of armed conflict, the one type of effect continually influencing the other.

By 'psychological effects' is meant those experiences, which affect emotions, behaviour, thoughts, memory and learning ability and how a situation may be perceived and understood. By 'social effects' is meant how the diverse experiences of war alter people's relationships to each other, in that such experiences change people, but also through death, separation, estrangement and other losses. ***'Social' may be extended to include an economic dimension, many individuals and families becoming destitute through the material and economic devastation of war, thus losing their social status and place in their familiar social network.*** (Emphasis added)

Note: More recently, the understanding of social effects is often further expanded to include the disruption or alteration of cultural values, customary practices and social institutions.

It is important for us to note the definition's grudging extension of social effects to include economic impacts. However, we would argue that, on the basis of experience

in the field, UNICEF's definition does not go far enough – and fails to describe material deprivation as being an actual threat to survival and a serious stressor *in addition* to impacting on status and place within social networks.

Research carried out in Sri Lanka has demonstrated the significance of poverty in mediating and sometimes framing the psychosocial suffering of men, women and children in conflict zones. Studies carried out in Jaffna amongst communities affected by war emphasise the role of poverty or economic difficulties as a major stressor associated with war – with a prevalence rate often far higher than stressors such as detention, assault, torture or experiences of bombing, shelling or gunfire. In one such study, by Somasundaram & Sivayokan in 1994 (reported in Somasundaram, 2000), participants from the general population reported economic difficulties as the most common stressor (77.6%), with displacement (70.4%), lack of food (56.1%), loss to property (45.9%) and unemployment (44.9%) following close behind. Violence to individuals was reported as a far less common source of stress. This same population was seen to be suffering from a significant incidence of psychosocial problems.

In studies carried out within internally displaced populations, by Reppesgard in 1993 and Sivashanmugarajah et al in 1994, the debilitating effect of stresses like poverty, unemployment and lack of food is clearly noted. Sivashanmugarajah and colleagues also found that displacement (39.3%) and economic problems (33.9%) were the most reported sources of stress for adolescents (n=613), followed then by the experiences of death of a relation (31.8%) and witnessing violence (25.4%). (Reported in Somasundaram, 2000)

Whilst these studies emphasise the prevalence of economic stressors in the war-affected population of the Jaffna peninsula, research with women heads of households affected by the "Southern" violence of the late 1980s and early 1990s has demonstrated the potential of poverty to militate against psychosocial well-being. Gameela Samarasinghe's mid-1990s work on the coping strategies of women in Moneragala and Hambantota suggests that in the aftermath of violence, their primary

concerns revolved around financial difficulties, (emotional dimensions of) the loss of their spouses and struggles to 'bring up their children well' (Samarasinghe, 1999a). Over 80 of the 100 women interviewed said that they currently had financial difficulties, and roughly half of them stated that their economic situation made raising and educating their children difficult. Two of the women interviewed disclosed that they had ongoing difficulties of feeding their families daily. These material hardships persisted although many of the women had been employing a range of approaches to cope with these, from daily labouring, to applying for compensation from the state, to taking their children out of school, to remarriage for financial security (Samarasinghe, 1999b). Seventy-six of the women showed visible distress whilst being interviewed, and many used words such as 'hopelessness', 'despair' and 'sorrowfulness' to describe how they felt generally. Samarasinghe noted that there was a 'striking lack of optimism about the future', with only two women clearly indicating that they retained hopes for the future. However, it was also apparent that among the few women who had better financial positions, often linked with receipt of their spouses' salaries or support from relatives, there was a higher number who were more positive about their futures and challenges in their lives (Samarasinghe datasets).

Analysis of narratives from a psychosocial survey carried out in Vavuniya and Moneragala also provides support to the idea that persons experiencing distress do not necessarily view this in psychological terms, but rather through notions of socio-economic deprivation (Samarasinghe & Galappatti datasets). Within the narratives are accounts such as the following:

> *I suffered greatly...I get up very early with sunrise, wash my face and go to the chilli garden. If I come in the evening with money only will the children have some kanji [Porridge]. Till then they watch the path I come on. Then I distribute the kanji and after some time, water to drink. I have for 3 days with a burning stomach. I go to do cooli work and brought up the children. Undergoing untold difficulties all the time. There isn't a trouble I haven't undergone... Why did God make me so?*

or

> *The whole time the same worry, mental worry ... there's no clothes for this child, no means for this child to go to school. The other child will say I have no clothes...*

Respondents often characterised their difficulties in terms of the lack of stability in their basic income, sometimes due to security restrictions or few venues of employment or livelihood. However, some of the informants in this survey did have greater insight into the connection between their material and psychological well-being. One displaced woman in Vavuniya made the following statement:

> *By now we have consoled ourselves thinking of the situation. Because all of us can't afford to become mentally sick. We tell mother 'if you mention our house and cry, could you have borne the loss if you had lost one of us? Lands and houses you can earn if you are alive'. We scold her saying this and try to quiet her even though deep inside we also feel the loss. We try to show as if we are not interested in these things now. But we are also in pain when we think that we will have to get clothes from others.*

And another informant in Moneragala put it more pithily,

> *The financial needs are many. Receiving financial aid brings about a certain amount of mental relief.*

The work done by Deepa Narayan and her colleagues (2000) in the study 'Voices of the Poor: Can Anyone Hear Us?' demonstrates similar sentiments from other parts of the world about the impacts of material deprivation on psychosocial well being. Analysis of the respondents' accounts revealed that for many people, material deprivation is associated with feelings of hopelessness, powerlessness, dependency, shame and humiliation. The study also notes the sense of social isolation and marginalisation that many people experience as a result of poverty.

> *When I don't have (any food to bring my family), I borrow, mainly from neighbours and friends. I feel ashamed standing before my children when I have nothing to feed the family. I'm not well when I am unemployed. It's terrible (Informant from Guinea-Bissau, 1994).*

> *Poverty is lack of freedom, enslaved by crushing daily burden, by depression, and fear of what the future will bring (Informant from Georgia, 1997).*

When one is poor, she has no say in public and feels inferior. (Informant from Uganda, 1998)

I wish I had died rather than become an IDP. (Informant from Azerbaijan, 1997)

During the past two years we have not celebrated any holidays with others. We cannot afford to invite anyone to our house and we feel uncomfortable visiting others without bringing a present. The lack of contact leaves one feeling depressed, creates a constant feeling of unhappiness and a sense of low self-esteem. (Informant from Latvia, 1998)

On the strength of evidence such as this from around the world, there has had to be an acknowledgement that poverty, material and economic hardships in some cases can maintain or even play a primary role in the psychosocial suffering of persons living in conflict zones.

Programme Responses to Psychosocial Distress

Psychosocial programmes have been slow to acknowledge and incorporate responses to the material factors mediating psychological suffering. The traditional approach within the psychosocial sector in Sri Lanka was to claim that people didn't understand their own psychosocial problems (and were in need of edification), but now it appears that there is a greater acceptance that perhaps they do understand what they are going through. For example, people may not recognise sleeplessness or intrusive thoughts as *psychological* problems, but they do usually have some knowledge of what issues are of greatest concern to them and that are causing distress - such as whether they will find work tomorrow, or how they are going to provide their child with an adequate education when they can't afford the books required. Within the earlier more proselytising approach, programmes may have been too pre-occupied with their own frameworks of psychological symptoms and emotions, and were unable to see how these were mediated by a client's material concerns.

Now, after years of field experience, many psychosocial support providers are willing to acknowledge that their clients often seek psychosocial support in relation to economic issues. A number of clients seek support to cope with psychosocial

problems that have been precipitated by or linked with financial difficulties. In one case, a young man who had been detained by the state armed forces lost complete touch with his family and community at large as a result of displacements that had occurred during his detention. On release, he was without any financial and social support and was also unable to undertake heavy manual labour as a result of the torture he had experienced in prison. Despite his distressing experiences and social isolation, his immediate concern and source of distress was his lack of financial security. He was heavily dependent on his relatives and friends for the fulfilment of even his basic needs and could not see how he could rebuild an independent and fulfilling life for himself and his future family. His main request to the psychosocial worker was to be given a loan for an income-generating activity that would provide him with a sense of hope for the achievement of his ambitions.

In another case, an older woman who was completely financially dependent on her second son-in-law despaired when he discontinued his financial support after moving to another part of the country. The lack of communication and help from her family led to intense feelings of isolation and abandonment, and subsequently to suicidal behaviour. In discussing her situation with the psychosocial worker, she stressed the need to find a way of helping her gain financial independence whilst re-establishing contact with her family. She mainly wanted the psychosocial worker to help her in to become skilled in an activity that would enable her to maintain herself in the future. As a result of many such cases, psychosocial support personnel have been compelled to liaise with other organisations that have programmes with intended socio-economic benefits so that these clients can then be directed towards these opportunities. Others, in a more cynical bid to woo clients unsatisfied with 'talking-treatments' for what they perceive as material problems, have added on financial assistance to their counselling activities.

Apart from such *ad hoc* measures, as a result of insights and experiences derived from local field experience and a growing international literature, psychological programming has broadened its scope from conventional client-centred counselling to

more community-based interventions that recognise and respond to the social aspects of suffering. Some programmes were prompted to include provision for financial or material assistance within their projects by their field experiences. For instance, financial assistance was offered either directly or through other interventions such as organising income-generating activities, providing technical skills training, or setting up credit and savings schemes in conjunction with support services. Some recent examples of such initiatives are as follows:

- A project to support to disadvantaged women, which provided Socio-Economic & Emotional Support in the form of Befriending (ventilation of emotions & and sharing of thoughts), skills development, establishment of social support networks, referral to medical services and counselling services
- A state programme for families of servicemen that explicitly acknowledges the contribution that facilitating socio-economic support will make to the psychological well-being of these families. It works to mobilise existing resources to solve socio-economic problems.
- A project to support separated children in foster-care arrangements within their original communities, where relationship-building and problem-solving activities for caregivers and children are further supported by revolving loans offered to groups of caregivers.

The Rationale for Combining Psychosocial and Poverty Interventions

Whilst psychosocial programmes like those referred to above have, for some time, attempted to address issues of poverty through inclusion of activities such as vocational training and loan-provision, it is only recently that poverty reduction initiatives have sought to include psychosocial support provision within the scope of their work. However, it seems that the stated rationales for combining these two strands of humanitarian work within the poverty interventions are very different from those espoused by psychosocial projects. Psychosocial projects, engage in socio-economic support to promote psychosocial well-being. However, those with a primary focus on poverty tend to see provision of psychosocial support as a means to

improving the effectiveness of poverty reduction strategies such as credit and savings programmes, since psychosocial impacts of conflict are perceived to be responsible for the poor achievements of poverty reduction or economic 'empowerment' targets.

Recently, a project proposal to include psychosocial support within a rehabilitation and social and economic mobilisation programme claimed that:

The level of mental distress among conflict-affected persons varies from mild to severely traumatised levels. This distress or the traumatised condition negatively affects the mental and physical growth of children, economic output of individual families and collective action within villages. (SEWALANKA, 2001)

It also argued that, *'frustration and loss of confidence of... economically active categories can become a serious threat to economic rehabilitation programmes.'*

Such projects are often quite frank about their reasons for taking on the psychosocial support provision – to improve relatively unsuccessful poverty-reduction programmes. However, it is certainly not clear how the relationship between the identified 'traumatic condition' of the population and poor economic outputs were determined. Indeed, given the lack of research evidence or even a plausible theoretical explanation, it seems that the link is made more artificially or intuitively. An anecdote related by someone working in one of the new poverty-plus psychosocial projects tells of the organisational head being suddenly struck by the insight that trauma was responsible for poor economic activity in a project while he was in mid-conversation at a cocktail party. The next day, he started the process of adding a psychosocial component to the project.

The claims of a link between psychosocial suffering and poor quality participation in poverty reduction schemes appear to be tenuous, with no substantiating evidence on record. The weakness of the justifications offered may signal that it is appropriate to understand this new development as driven by recent trends in the humanitarian field, and the heightened recognition of psychosocial problems in conflict-affected communities. Perhaps, as Vanessa Pupavac (2001) has suggested, 'trauma is

displacing hunger in the West's conceptualisation of the impact of the wars and disasters in the South', drawing attention to the 'psychological suffering of victims, their emotional scars and sense of despair' – and knowingly or unwittingly, institutions are just following the money.

Whilst there could be some worry about the lack of a theoretical basis for these new interventions, far greater concerns should exist regarding the ethicality of how they may be put into practice. As suggested by field experiences in Vavuniya and elsewhere, the interests of economic empowerment activities may clash with those of good psychosocial practice. This may be due to disjunctions in the philosophies that underlie the two lines of activities, but more often is a result of incompatibility of methodologies or value systems being employed in the field.

Integration of Psychosocial and Poverty Programming in Practice

Poverty reduction interventions have combined psychosocial support provision mainly in two ways; firstly, by employing a person or persons trained in psychosocial work, usually with a heavy emphasis on counselling, to provide psychosocial support services should someone be identified to be in need of it. Secondly, psychosocial support provision has been built by training field workers already employed in the organisation, through skills- building in counselling and supportive listening. These workers are then expected to provide support services whilst in the field.

Like most other programmes, even those that are psychosocial in nature, adequate supervision is rarely provided for the field workers. Many of the management personnel who are the decision-makers do not gain an understanding of the nature of psychosocial support provision. Sometimes, very few additional changes are made in the programme, to accommodate the nature of the new responsibilities assigned to the workers providing support services. All these factors compromise the quality of support provided, and often result in the bending or violation of the ethics of care.

We shall try to outline some of the ways in which the objectives of psychosocial and poverty-reduction may clash in the field.

In one instance, a client confided in a psychosocial worker that she was planning to use a loan from the support organisation to perform a ritual for her daughter, rather than for the income-generating purpose she was going to state officially. This situation caused a great degree of difficulty for the worker, since she was torn between protecting her client's confidence and also was expected to protect her organisation from making 'bad' loans. The lack of a sympathetic understanding of the ethics of the relationship between the client and the psychosocial worker meant that the management required the worker to choose between loyalty to the organisation and his/her privileged relationship with the client. The psychosocial support worker was threatened with discontinuation of employment for not reporting that the client had used the finances given for an income-generating project for a non-approved use (e.g. having the rituals associated with attaining age for her child), although the performance of these rituals would almost certainly be significant for the psychosocial well being of the client and her daughter.

For field staff who are expected to combine both the roles of support personnel and monitors of loan-repayment or income-generation often face ethical difficulties. Sadly, few even recognise the nature of the conflict between their roles, since they have often been inadequately trained to function as support personnel.

Even where the burden of regulating or determining suitability for economic support is taken away from the psychosocial worker, the procedures can often work counter to psychosocial objectives. At one organisation, the process of scrutiny by administrative staff was conducted in such a demeaning and suspicious manner that it is possible that it was, in itself, a distressing experience for the client. Claims such as 'it is difficult to know whether people come with complaints to receive counselling support or whether it is to receive the material benefits', pave the way for clients having to prove they

have been violated in order to secure socio-economic support (Psychosocial Policy Project Material, C63)

Problems with Common Poverty Reduction Strategies

There are also elements of poverty-reduction strategies that are – in their own right – potential sources of stress for beneficiaries. Perhaps the most common method of measuring success of two particular poverty reduction interventions, revolving loan fund schemes and micro-finance projects, is repayment of loans. Organisational personnel whilst describing the success of their work often quote the figures of the percentage of loans fully recovered. This practice in some cases is also endorsed by most funding agencies, which assess the success of these projects in much the same manner. Organisations inadvertently transfer the pressure of ensuring repayment to their beneficiaries, often by having strict regulations where clients default on loan repayments or by having strict policing of repayment.

Psychosocial support personnel have reported that some of their clients who are beneficiaries of such schemes have chosen to repay the loan when pressed by the organisation's regulations to do so, by pawning their material assets such as jewellery, household items, etc., or by loaning money from a third party. This in some cases have placed the client in more distressing circumstances (e.g. not having recourse to the assets previously owned/ having pawned jewellery with sentimental or symbolic value) or even in more difficult circumstances (where the money borrowed from a third party may have a higher interest rate).

Extreme cases of organisational representatives breaking into a beneficiary's house to reclaim a savings book, or promptly taking loan defaulters to courts help underline the general levels of pressure and enforcement involved in many loan schemes. Another problematic condition comes from the heavy emphasis of such projects on the poverty of women. Much evidence and literature are available on the disparities of socio-economic sufficiency between men and women. When it comes to grass-roots level

poverty reduction projects, it is far more 'donor-savvy' to target women as the main beneficiaries of the loan schemes, the vocational training courses, and the micro-finance projects. Donor organisations have been known to reward organisations having high percentage of women beneficiaries as this is seen to be an especially vulnerable group. When queried, organisations often yield figures between 75% and 98% of women beneficiaries, citing the reason that women are 'poorer' and that they are more likely to pay back loans than men.

Given the gender roles in local rural communities, it is easy to recognise that women who take on the responsibility of managing an income generating activity project or repaying a loan are most often doubly burdened. Very often, the woman continues her role as caregiver and household manager as well as taking on the responsibilities of loan repayment and the management of the economic venture she has undertaken – though often failing to have real control over the money she has borrowed in her name (Kottegoda, 1999).

The 'blind' targeting of women as beneficiaries can also have the result of further alienating the men from the traditional role they have played in the household without providing them with a satisfactory alternative. Since many men derive a sense of identity from their job and role as provider, the loss of employment has caused men to experience distress (manifested sometimes in anti-social behaviour such as alcoholism). The practice of giving loans exclusively to women may have the consequence of further alienating the men from meaningful and accepted social activity that may have the potential of contributing to their psychosocial well being and more productive role within the family.

A third aspect of poverty reduction interventions is the greater emphasis on narrow socio-economic indicators of poverty rather than an assessment of the general circumstances of people's lives. The definition of poverty used by many of these poverty reduction interventions is still linked to conventional measures such as income and material assets. Apart from such measures many poverty-reduction

interventions do not assess significant psychosocial factors associated with material deprivation that may mediate the experience of poverty as well as the effectiveness of poverty-reduction interventions. Factors such as the level of vulnerability and the density of social networks and relationships are rarely taken into consideration. This singular perspective of poverty at grassroots level poverty reduction interventions can mean that the impact of these projects on the quality of life of the person is rarely measured / assessed. Additionally, this approach commonly limits the scope of intervention to that of raising income levels alone and as a result often fails to address poverty in more meaningful and transformative ways.

Closely related to this is the practice of targeting and selection of beneficiaries. The targeting process lends itself to severe criticism by the very people who such interventions purport to help who complain that the process of targeting is unclear as it is externally determined by the workers, often with no proper explanation about why people were excluded or included. Since narrow socio-economic indicators determine many of the criteria for selection, the actual vulnerability of beneficiaries is not assessed, causing many to feel distressed that their very real experiences of poverty have been unrecognised and rendered invalid. Even more than interventions in other areas of people's lives, poverty reduction interventions have been noted to be particularly led by the emphasis on achieving predetermined targets rather than performance or quality-outcomes (Narayan 2000). Poverty reduction interventions may also be insensitive to adverse impacts of the project on other dimensions. Prolonged debt or struggles to repay loans may tend to increase stress on persons and in situations of vulnerability may overwhelm their coping mechanisms as well.

Recommendations for Combining the Psychosocial and Poverty Interventions

Despite the concerns that we have raised, we do support the notion of integrating psychosocial and poverty-reduction interventions. However, we feel that this should only take place in a context of a strong institutional culture or overall intervention methodology that is compatible with basic ethical requirements for psychosocial

support provision. It is only this that will allow for a healthy negotiation of the inevitable tensions between the two parallel strands of activities without doing harm.

If there is to be a shift of psychosocial support into mainstream poverty-reduction initiatives, there must be a transformation of the management strategies used to administer these projects.

Project management strategies need to be sensitive to the constraints limiting the performance of participants in programmes of development, and must also make efforts to encourage them and foster their self-monitoring skills. Workers certainly should not censure, reject, attack or sue individuals who are unable to meet externally determined deadlines and goals for legitimate psychosocial reasons. While management strategies must avoid being patronising, overly-cosseting or open to abuse, they still should not be damaging to potentially distressed persons.[1] It is recommended that where projects combine psychosocial care with poverty-reduction strategies, the links between the different sets of services are clearly articulated and shown to be conceptually and practically coherent as well as ethically sound. This can be a starting step towards ensuring that personnel both at management and administration and at service provision understand the rationale for the integration of these services and have guidance in adhering to consistent practice in delivering and monitoring their services.

It is necessary that services involving psychosocially vulnerable populations should reform many of the psychosocially detrimental practices being used today. Despite improvements in project implementation methodologies and theory, there has not yet been adequate movement beyond cosmetic paeans to community participation dogma. Despite effective use of terminology, administrative concerns and achievement of end outcomes are still prioritised over process. Reorienting project focus on achieving broader transformations in people's lives rather than on the narrow dimensions of

[1] Often the decisions and procedures engaged in by the support organisation for the withdrawal of support and assistance do not take into account the psychosocial vulnerability of people.

income and repayment rate will offer a far more meaningful understanding of the real impact of poverty-reduction activities.

In the case of one psychosocial project with a revolving loan scheme, it was noticeable that project staff hardly even mentioned 'repayment rate', leaving the question of regulation up to the groups of women holding the funds whilst providing support when requested. A number of members of the group had significantly benefited from the financial support, and even looked forward to their group meetings as an opportunity to meet friends and chat. Perhaps it is significant to note that the donor to the project, while requiring monthly reports for monitoring purposes on the credit process, did not set explicit repayment targets. In another resettlement village project, the staff workers helped persons from that village to meet a set of basic criteria, which enabled them to become eligible for a credit scheme, which was managed and regulated by a group of which the persons would become part. This also helped to ensure that the beneficiaries understood and retained control over the selection process. Staff workers then continued to support the individual persons and families in their attempts to repay the loan rather than being a part of the group actively responsible for the monitoring of the loans.

The intentional fostering of supportive networks amongst the women in this project contributes towards and enhances the psychosocial well being of the women, by impacting almost directly on their own feelings of competence, their sense of being supported and the development of their skills in problem-solving and management. Sadly in many poverty-reduction projects, the main links for the beneficiaries is with project personnel who also have almost exclusively a monitoring role. Although the supportive function of groups is often recognised, staff often lack the training to manage the process adequately and to foster the necessary conditions for mutual support and caring within the group. Consequently, such groups within poverty-reduction projects tend to function mainly as monitoring or controlling forces that have in some cases isolated and further distressed persons.

Psychosocial support personnel who were integrated in one such poverty-reduction project reported being horrified by the generally unsupportive and sometimes downright hostile climate in which the group members carried out their meetings. Many of the issues that were brought up regarding repayment of loans and the use of resources in the project spilled out of the meeting into the everyday context of village life, resulting in the ostracisation and vilification of some members. The staff members who facilitated the meetings were often unable to contain and mediate conflicts within the meetings. Individual members privately confessed that they were finding the meetings in some instances unbearably stressful and distressing but that regular attendance at these meetings was a compulsory condition of the loan scheme. One member stated that she dreaded going to the next meeting because 'they are going to scold me about my brother staying with me' as his stay with her was seen by the group to be detrimental to regular loan repayment as he had a greater control over the way the income from her income-generating activity was spent.

In the process of integrating psychosocial work within the project, the psychosocial personnel were required to train staff members in managing group processes and dynamics within the beneficiary groups, helping the group members develop skills in problem-solving, helping them to identify the sorts of problems which they as a group were equipped to handle and to identify alternate resources for managing the ones they were unable to handle, helping the members and the staff of the project to re-negotiate the functions of the group, and helping the group to establish group rules / norms that helped the meeting to take place in a more supportive environment. These interventions took place in conjunction with services / activities that helped individual members of the groups to strengthen their sources of support within the village, to articulate their problems and to describe the sorts of solutions and support they were expecting from the group.

Conventional training of persons to do entrepreneurial initiatives does not cover development of personal resources that help people to continue despite setbacks nor is the development / strengthening of problem solving skills covered. There is also often

a lack of ongoing organisational support and trouble-shooting advice for persons who engage in such initiatives after short training programmes. While development practice has to change structurally for greater responsibility and discretionary power to be permitted to its beneficiaries, these reforms must ensure that excessive burdens are not imposed upon them. A process of transition towards increased involvement and responsibility must take into account the long-standing disempowerment and often beleaguered psychosocial status of people who have endured the violence of conflict. It may be that some persons who have been subjected to cumulative and chronic conditions of stress and uncertainty need additional support in utilising available resources to fulfil their own requirements.[2] It is, therefore, important that development initiatives acknowledge this factor as a condition of implementation, rather than a constraint to their work.

Interpersonal Skills and Sensitivity

A crucial dimension to the provision of psychosocial support through poverty-reduction activities is clearly that of communication and interpersonal relations between field workers and beneficiaries. Despite the utilisation of community consultations and actual community involvement in activities, hierarchical underpinnings to relationships between development workers and 'their people' often divest apparently supportive activities of any empowering potential. The power differentials of these relationships hinge upon individuals' perceived social status and, in particular, the very real differences in their ability to control resources. These are factors that greatly affect the potential of development as a means of empowerment, but are often under-acknowledged, and sometimes ignored. These must be offset through the training of workers, especially those in positions of authority, to reflect on interpersonal interactions and develop sensitivity in communication. An enhanced awareness of the implications of interpersonal contact may help them transform the restrictions that procedural structures place upon their relationships with others.

[2] Development and humanitarian workers have often noted, with exasperation, that persons affected by conflict are inconsistent in their capacity to keep appointments or access services, even when these fulfil their personally defined needs.

There may have to be choices made about strategies for service delivery. Rather than leaving the tension between ethics of psychosocial care and financial regulation to be negotiated by individual workers, it may make sense to separate the processes within institutions while building in adequate checks and balances to ensure good practice. It may be necessary to review practices related to poverty reduction interventions for compatibility with psychosocial support and alter / abandon those that do not fit. It may also be necessary to develop new ways of understanding and monitoring the impact of poverty-intervention strategies – moving away from loan repayment rates to measures of improvements in quality of life for beneficiaries. At any rate, the integration of psychosocial and poverty-reduction work cannot be a quick fix. A substantial amount of research and thinking will have to be done to understand how these processes may best fit together. This seems little to ask for the benefits that integration could provide. However, in the interim, we would caution against blindly following this emerging trend – and advocate greater scrutiny of the projects already underway.

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Poverty and Health: Vulnerability of the Plantation Community[1]

Nimal Attanayake

Poor nutrition, poor sanitation, and crowded living conditions combine with a lack of access to care to make the poor peculiarly susceptible to all sorts of disease.

Improving health outcomes of the poor
Commission on Macroeconomics and Health, WHO (2002)

1. Background

1.1 Introduction

The plantation (estate) sector is one of the three distinct sectors in the Sri Lankan economy: urban, rural and estate. The plantation sector mainly consists of tea, rubber and coconut estates. The sole focus of this paper is on tea plantation estates. It is based on a study undertaken in the tea plantation sector in late 2000[2]. The tea plantation sector is divided into two sub-sectors: the organised sector and small holdings. The organized sector consists of tea estates over 50 acres, which are managed by private companies; smallholdings are largely owned and managed by individuals, and this sector is out of the scope of this study. At present, the total labour force in the tea estates managed by private companies stands at 259,149 with a total resident population of.867,084 (Plantation Housing and Social Welfare Trust -PHSWT) and an average household size of 4.74, which is slightly higher than the national average of 4.61 (Central Bank of Sri Lanka 1999). Hinduism is the main religion of this Tamil speaking community and these are the descendants of labourers who migrated from South India during the past two centuries.

[1] The author wishes to thank Dr. Steven Russell of the University of East Anglia and Dr. Amala de Silva of the Department of Economics, University of Colombo, for their valuable comments on an earlier draft of this paper.

[2] This paper is an output of this study, which addressed a wide range of issues related to the health system in the plantation sector. This paper brings out only a few of those issues and the complete analysis will be forthcoming.

Even though the country has a well-established public health system, the tea plantation sector had been kept aside from the main stream for over a century: it was a closed community with its own health system, which was initially set up and maintained by the plantation companies during the British colonial period. Provision and utilisation of health care services in this sector is still far behind the rest of the country. In 1995 on average an estate spent between Rs. 108.50 and Rs. 139.40 per resident per year for health care (Vidyasagara and Wijesekera 1995). In the same year, the government allocated an average amount of Rs.7 per resident in the estate sector for drugs (Hettiarachchi 2001). In the corresponding year per capita health expenditure of the Government stood at Rs. 582 (Ministry of Health (MoH) 2000), which is almost four times that of the estate sector.

Whereas the rate of all types of medical officers per 100,000 at the national level (i.e., from Specialists to Registered/Assistant Medical Officers (RMO/AMO)) was 35.5 in 1996, for the estate sector this rate was reported as 19.8. But only a RMO, AMO or an Estate Medical Assistant (EMA) served the estate population. In the same year, at the national level, the rate of female public health workers (i.e., Public Health Nursing Sisters and Public/Hospital Midwives) per 100,000 was reported as 37.9, but it was 31 for the estate sector (MoH 1996).

Along with this marginalisation of the estate population in the provision of health services, their socio-economic conditions as well as health status appear to be far behind the rest of the country. Until the latter part of 2002, a worker in this sector earned about Rs.121 as daily wage[3]. As Table 1 shows health indicators of this sector are poorer than the rest of the country with a substantially high infant mortality rate and a maternal mortality rate along with an extremely high stunting rate of children between 3-59 months. Educational

[3] Very recently the management of plantation companies came to an agreement with the respective trade unions to increase the daily wage upto Rs. 146.

attainment indicators, too, are far below the other sectors with a remarkably low literacy rate and an educational attainment index. The poor living conditions of this community is indicated by the fact that electricity is available for only 12.3% of households: kerosene is the source for lighting of almost 87.3% of households (Central Bank of Sri Lanka 1999). Televisions and sewing machines are luxury items to this community.

Table 1: Some Indicators of Socio-economic Status of the Estate Sector

Indicator	Sri Lanka	Estate sector	Rural sector	Urban sector
Maternal mortality rate per 1000 live births	0.23 (1996)	0.9 (1997)		
Infant mortality rate per 1000 live births (1997)	16.3	24.0		
Stunting rate of children between 3-59 months (2000)	13.5%	33.8%	12.8%	7.8%
Literacy rate (1996/97)	91.8%	76.9%	92.3%	94.5%
Educational attainment index (1996/97)	5.98	3.14	6.03	6.91
Availability of electricity (1996/97)	57.1%	12.3%	55.5%	87.8%
Availability of a TV (1996/97)	50.6%	22.5%	49.2%	72.4%
Availability of a sawing machine (1996/97)	41.5%	11.3%	41.3%	56.5%

Source: Department of Census & Statistics and Ministry of Finance & Planning (2001), Central Bank of Sri Lanka (1999) PHSWT

This sector endures extremely poor health as well as living conditions. This paper makes an attempt to provide some evidence about this community's vulnerability with respect to access to and use of health care services. The presentation of this evidence is a preliminary step towards an in-depth understanding of these issues. The intention is to provide necessary information for the formulation of alternative policy measures. After a brief examination of the health policy development in the estate sector, this paper first brings out

some aspects of health-seeking behaviour of this community with particular emphasis on informal care. Secondly it explores the vulnerability of this community in receiving care from formal sources of treatment in the context of responsiveness. The examination of responsiveness will be largely focused on issues such as prompt attention, being treated with dignity, choice of health care provider and communication with the provider (WHO 2000).

1.2 Health Policy Development in the Estate Sector

The roots of the health system in the plantation sector go back to the latter part of the 19th century. Some of the hospitals in this sector have a history of over 100 years. From the colonial period upto the time of nationalization of estates in early 1970s, plantation companies appeared to have treated the provision of health services to their residential population as an investment. A fairly well organised health service network, which was largely cure-oriented, had been established with a chain of hospitals, dispensaries and maternity homes. However, nationalisation had led to direct intervention by the state, with the assistance of donor agencies such as UNFPA and UNICEF, to improve both curative and preventive health services in this sector (Hettiarachchi 2001). Throughout the 1980s, ownership as well as management was in the hands of two public corporations, but in 1992 moving along the path of economic liberalisation, the government took steps to hand over the management of these estates to the private sector. Twenty three government owned Regional Plantation Companies (RPCs) were formed each with a cluster of 12-29 estates, and their management was entrusted to private companies for a period of 5 years (Hettiarachchi 2001). All the health and welfare staff of the estates became employees of these RPCs. In 1997, a lease contract for a period of 50 years was agreed upon between the government and the plantation companies, which resulted in transferring the ownership of the estates to the private sector.

The private companies, which took over estate management were obliged to continue the health and social welfare programmes and were responsible for

the provision of basic health care services, employment of health and welfare staff, and maintenance of health and welfare infrastructure and vehicles. Under the Medical Wants Ordinance of 1912, individual estate management had the sole responsibility of managing and delivering health care for its resident population. But no such legislative measure was linked with the transferring of 'ownership' of the estates to the private sector in 1997 and the responsibilities of the new 'ownership' were included in the leasing agreement signed between the government and the respective plantation companies. Meanwhile with the assistance of the government and donor agencies, the PHSWT, which was set up in 1992, has been playing a leading role in the provision of preventive health care services for the resident population in this sector. PHSWT is funded by some donor agencies and it supports most of the public health services such as maternal and child health, nutrition etc. in the plantation sector. With the changing of the 'ownership' and management of the plantation sector, the Ministry of Health expressed its concern over the provision of services in the plantation sector within the context of the overall national health care system. Guidelines were provided by the MoH for the plantation companies with respect to the management of health services. At the same time, various pressure groups, particularly trade unions, demanded greater state involvement in the estate health sector. Meanwhile largely as a response to the requests from trade unions of the plantation sector the National Health Council took a decision to take over 50 estate hospitals during the next five years. In this context, in 1992, MoH decided to develop a strategy to takeover 50 estate hospitals with a phased implementation process during the next five years and in 1993, one estate hospital in the Badulla district, Spring Valley, was takeover. The Presidential Task Force on the Formulation of a National Health Policy for Sri Lanka recommended the continuation of taking over policy (MoH 1997). However, only 12 such hospitals had been taken over at the time of initiating this study.

As a final note, a brief description of the administrative structure and service provision procedure of public and private hospitals is given below. A taken over hospital is run by a government Medical Officer (MO) with a combination of supporting staff in the categories of Midwives, Attendants, Dispenser and Labourers equivalent to a Rural Hospital of the public sector. The MO is directly responsible to the Divisional Director of Health Services (DDHS) of the respective health division.

The DDHS comes under the direct supervision of the respective Deputy Provincial Director of Health Services (DPDHS) of the respective district and the Provincial Director of Health Services (PDHS) looks after the health system of the whole province. In this way, taken over hospitals are functioning within the well established government regulatory and administrative set up. The fixed service hours of the public sector hospitals have to be followed by the taken over hospitals as well. Visiting inpatients has also been confined to a well-specified time period as in the case of other public hospitals. No services are available on holidays. An ambulance is used only for the transferring of referral cases. Just like the other hospitals in the public sector, the MOs of the taken over hospitals can also undertake private practice after working hours.

Meanwhile the estate hospitals, which are still under the management of private companies, are run by RMO, AMO or an EMA. They also have a supporting staff, which is also a combination of the categories of staff available at a taken over public hospital, but the number of workers in each category could be different from one private hospital to another. These non-taken over hospitals could be called private hospitals because they are owned and managed by the respective private plantation companies. Services are supposed to be provided without any payment at these hospitals. But because of shortages of drugs the medical staff of some of these hospitals provide some drugs to patients for payment. However, unlike the taken over hospitals, these hospitals do not come

under a national or regional level administrative framework. They are largely managed at the individual level by the respective estate management.

In practice these hospitals are open for patients the whole day. After routine working hours, even though a patient seeks treatment from the relevant medical person at his residence, unlike the taken over hospitals, it is not necessarily considered as a treatment for payment. On most occasions, the RMO, AMO or EMA is available when patients make visits to the hospital after day's work, normally after 5 pm. In general, there are no restrictions or fixed hours for visiting inpatients. Further, if an ambulance is available, it is not restricted to referrals alone: with the permission of the respective officer, it could be used to bring severely ill patients from their residence to the hospital as well.

2. Methodology

2.1 Aims and objectives

The aim of this study is to undertake an investigation of the vulnerability of the plantation community in seeking care for illness. The first objective of the study is to explore the treatment-seeking behaviour of this community with particular emphasis on informal sources of treatment. Secondly, it examines the responsiveness of the formal sources and the problems encountered by this community in seeking care from formal sources.

2.2 Study design

The main study, on which this paper is based was designed to carry out with a sample of hospitals from over 50 hospitals[4] in 463 estates in the organized

[4] With the announcement of the taking over policy, the service conditions of some of the estate hospitals, which were still managed by the plantation companies, began deteriorating. Some hospitals were closed down and of some hospital services were limited. Some hospitals were about to be closed down at the time of the study. Therefore it is not possible to estimate an exact figure of the number of hospitals.

sector in Galle, Ratnapura, Badulla, Kegalle, Kandy and Nuwara Eliya districts. Preliminary meetings were held with relevant MoH officials, PDHSs, DPDHSs, DDHSs, PHSWT Officials (including Regional Staff), plantation company management, and medical persons in charge of certain estate hospitals (both public and private) such as MOs and EMAs. After these discussions, the sample included all districts except Galle. The reason for this omission was the non-functioning of any of the estate hospitals in this district (Personal communication with Regional Manager of the PHSWT). It was decided to select one taken over hospital and one non-taken over hospital from each district[5].

However, due to non-availability of a taken over hospital in the Kandy district its sample had to be confined to one hospital, which was still run by the private estate company. Thus, nine hospitals were selected for the study. This selection was based on the types and levels of services available at and accessibility to the hospital, the time at which the hospital was taken over, the way the estate management had responded to the announcement of the taking over policy (in the case of non-taken over hospitals) etc.

Basic characteristics related to the provision of services at the nine hospitals are given in Table 2. An MO was available at all the four public hospitals and he/she was residing in the estate in all except T3 due to non-availability of quarters. At this hospital the AMO had occupied the existing quarters and the MO used to travel a distance of over 50 kms. Similarly, inpatient care was available at all hospitals except T3. Even after the take over, the estate management ran a dispensary in two of these estates, T1 and T2. At T1, it is far away from the taken over hospital in the upper part of the estate and the patients of this locality have less access to the taken over hospital: this is the main reason for the continuation of this dispensary even after the take over.

[5] Since the prime objective of the main study was to make a comparison between the taken over and non-taken over hospitals, such a sample was selected.

Table 2: The Sample: Service Provision and Facilities by Hospital

Type of service /facility	Districts and hospitals*				
	District 1	District 2	District 3	District 4	District 5
Estates with taken over hospitals	**T1**	**T2**	**T3**	**T4**	-------
Inpatient care at public hospital	Yes	Yes	No	Yes	-------
Outpatient care at public hospital	Yes	Yes	Yes	Yes	-------
Maternity care at public hospital	Yes	Yes	No	No	-------
Outpatient care at a private estate dispensary	Yes	Yes	NA	NA	-------
Private clinic of the public medical officer	Yes	Yes	Yes	Yes	-------
Telephone	Yes	No	No	Yes	-------
Ambulance	Yes	No	**	Yes	-------
Estates with private hospitals	**P1**	**P2**	**P3**	**P4**	**P5**
Inpatient care at public hospital	No	Yes	No	Yes	No
Outpatient care at public hospital	Yes	Yes	Yes?	Yes	No
Maternity care at public hospital	No	Yes	No	Yes	Yes
Outpatient care at a private estate dispensary	Yes	Yes	NA	NA	NA
Private clinic of the RMO/AMO/EMA	Yes	Yes	Yes?	No	Yes
Telephone	No	Yes	No	Yes	No
Ambulance	Yes	Yes	No	Yes	No

* T1 to T4 are taken over hospitals and P1 to P5 are private estate hospitals
** Provided by the estate management

However, the dispensary of the other estate is near the taken over hospital. The management indicated that it was willing to maintain this dispensary because it was popular among the workers. After taking over, there was a substantial increase in the attendance of patients from the surrounding villages at T1. Although there was a similar increase at T4, it was largely from the patients of the surrounding estates. An ambulance was available at only two public hospitals, T1 and T4. Whilst at T3 ambulance facilities were still provided by the estate management; neither an ambulance nor telephone facilities were

available at T2. The MO of each of these hospitals, except T3, and the AMO of T3 had the practice of conducting a private clinic at his/her residence for payment.

Out of the 5 non-taken over hospitals, inpatient care was available at only P1 and P3. But the male ward of the P3 had been closed down and the utilisation of its female ward was extremely low with only about 3 patients per day. At P5 only the maternity ward was functioning but its utilisation was very low with only one delivery per month. A few years ago, inpatient facilities at P2 and P4 were terminated and only the Out Patient Department (OPD) was functioning at both of these hospitals but in a haphazard manner. At the time of the study the AMO at P4, who had been absorbed to the government health service very recently, was on leave for over a month. The midwife treated the outpatients for a short while, and later a doctor from a near-by estate used to conduct an outpatient clinic once a week. At P2 in addition to the outpatient clinic in a small room of the closed down hospital, a dispensary was run in the upper part of the estate by the estate management. At the time of the visit of the research team, a medical orderly was engaged in treating a patient at this dispensary. P1, too, had another dispensary at the other end of the estate, which was manned by a Junior Estate Medical Assistant (JEMA).

2.2 Data collection

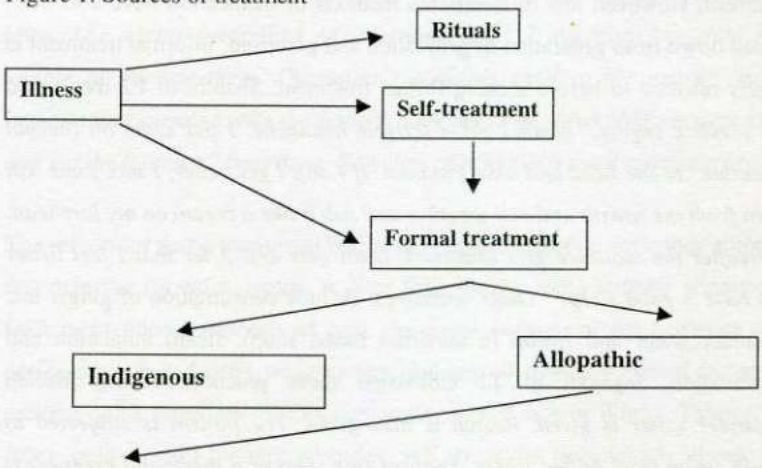
As the main source of data collection, two focus group discussions (FGDs) were conducted in each estate, one for male and the other for female workers. But in the estate where T1 is located, another set of FGDs was conducted for those who live near the dispensary, which was run by the estate management. Similarly, in the case of P2, one set of FGDs was conducted for the workers living around the closed down hospital at which only the OPD was functioning and another set of FGDs for the workers living in the upper part of the estate where the other dispensary was. On average 7 workers attended each FGD with a total participation of 146. The research team spent about 5 days in the estate

and had discussions with randomly selected workers from different parts of the estate: these discussions were mainly focused on the nature and objectives of the study. Based on these discussions, a set of workers with different socio-economic and cultural characteristics was selected for the FGD. Whenever possible home visits were made to see the prospective participants of the FGD. In addition to FGDs, interviews and discussions were held with the health staff of the estates and estate hospitals, and the management of estate companies. Further, necessary data was collected from reports and records of estate hospitals, the respective PDHS/ DPDHS offices and PHSWT.

3. A Brief Look at Health Seeking Behaviour

As in many other communities in Sri Lanka, informal treatment including home/self treatment and ritual treatment (Attanayake and de Silva 1987 and Attanayake, Fox-Rushby and Mills 2000) is the first source of treatment for almost all illnesses in the plantation community.

Figure 1: Sources of treatment



Sources of treatment

- Private estate hospital/dispensary
- Public estate hospital
- Private clinic of the medical officer of the public estate hospital

- Private treatment from the EMA/AMO of the private estate hospital/dispensary
- Private doctor outside the estate
- Private treatment by a public medical officer outside the estate
- Public hospital outside the estate

Medical pluralism is also common in the informal treatment regimes. Allopathic and indigenous methods appear to have merged with each other. It is common practice to combine the use of Panadol (i.e., paracetamol) and boiled coriander water for recovery from a cold. Indigenous therapy ranges from certain self-determined treatment procedures to Ayurvedic treatment, which will be examined below. Figure 1 displays the sources of treatment available for the plantation community after the announcement of the taking over policy.

Since a variety of analgesics such as Panadol, Disprin and Panadine are easily available even in retail shops, the very first step taken in any illness, ranging from a headache to heart ailments, is to obtain one of them as the initial treatment. However, lots of traditional methods of medication have also been passed down from generation to generation and practised. Informal treatment is largely resorted to before seeking formal treatment. Shanthi of P2 mentioned this practice saying, *'When I get a terrible headache, I put some oil (herbal decoction) to the head and take Panadol. If I don't get better, I mix some ash taken from the hearth and salt together and rub it like a cream on my forehead. Thereafter the moisture gets absorbed. It all gets dry. After that I feel better and have a good sleep.'* Other 'curatives' include consumption of ginger tea, coriander water and *rasam* (a tamarind based soup), steam inhalation and fermentation. Jegajodi of T1 elucidated these practices saying *'Boiled coriander water is given. Rasam is also given. The patient is subjected to inhale steam from boiled water. Veniwal (the stem of a medicinal creeper) is also given...'* Mayajothi of T2, too, had a similar view: *'In case of shivering a "rasam" is prepared with all condiments and given to the patient. Then the patient gets cured. I also had the same problem and once my mother prepared*

and gave it to me. I recovered. After the birth of my second child, I was unable to walk, lost my eyesight and was unable even to talk. But after drinking rasam my condition improved.'

Rituals and other faith healing procedures are more common in the plantation community and most of them are connected with religion. On certain occasions the *Pusari* (temple priest) plays a multiple role as a consultant and curer by advising the patients and conducting various ceremonies. The gods are entreated to, and vows are made in exchange for a cure. Certain communicable diseases such as chicken pox and measles thought to be caused by the wrath of the gods. Certain illnesses are deemed to be caused by the deity in charge of it. Healing and cures are ascribed to the favour and benevolence of a pantheon of deities. A special meal called, *deva dana* is prepared and devoted to the god. Lighting of lamps is performed as fulfilment of promises made at the time of entreaty. Shanthi of P2 explained how she received a god's blessings in receiving treatment saying, *'My eldest child is now 16 years. She had a problem with phlegm and I took her to ..... (a private clinic in the nearest town. The doctor prescribed 14 injections. After 7 injections my child was unable to tolerate them. Thereafter I took my child to the nearby 'kovil' (temple) and pleaded with the gods to save my child. After that we went back and got the balance 7 injections. Now both of my children are completely well.'*

The reason for using traditional herbal or religious remedies for minor ailments and delaying formal treatment is three-fold. Firstly, there remains widespread faith in traditional methods of cure. Secondly, because of the existence of a performance based daily wage system, the cost of time is a critical factor for seeking quick remedies for this community in the case of illness. Thirdly, for many mild or self-limiting illnesses, self or home treatment is cheap and effective. However, as it was revealed at FGDs, there is an increased awareness within this community about the causes of illnesses and also an appreciable improvement in health-seeking behaviour compared to a few decades ago.

Parkiam of P4 in answering the question of whether they were used to home remedies stated that, *'We did such things during those days. Now we don't. We recover only when we take treatment from the doctor.. ...We use Panadol or Siddhalepa (Ayurvedic balm) for a headache or slight fever.'* This indicates that severity of illness is an important factor in determining whether home remedies are used first. She answered to the question of whether they were seeking god's blessings in illness saying, *'It was those days when a parson was touched by a ghost drums were played. Now the pusari is not here. He is also sick. Now if you want a priest to see the patient, you have to go to some other estate. But some people still go to see the priest.'*

Just like many other communities in the country (Caldwell et al 1989) this community has the belief that indigenous treatment would be most appropriate for certain illnesses. In some of these illnesses, without depending on any type of informal treatment they seek treatment directly from an indigenous healer. Subramaniam of T2 had the view that *'In.....(the nearest town) there is one Ayurvedic dispensary as well. We take treatment from there for diseases such as jaundice.'* Meanwhile both Kamachchi of T1 and Indrani of P2 pointed out their inclination towards indigenous medicine for snakebites saying, *'In the case of a snake bite, we have some indigenous doctors; so we take treatment from them'* and *'You will find reptiles everywhere in these estates..... In case of bites and stings we have an indigenous doctor. So we go exclusively to him for treatment.'* Dharmaraja of T1 brought out the tendency towards visiting indigenous healers for fractures saying, *'For any disorder in legs or fractures we get treatment from the indigenous doctor. Lots of people have recovered through such treatment.'* Meanwhile Mary Amma of T2 stated that, *'There is no indigenous doctor close by but there is one a bit far away from here. If one gets infected with jaundice, we take treatment from this indigenous doctor and recover.'*

Dependence on informal treatment as well as indigenous treatment is indeed a deeply rooted practice of this community. Among the other sources of treatment, either the estate hospital or the dispensary was the prime source of formal treatment in this closed community until recently. Before the announcement of the taking over policy, the estate hospital/dispensary was the first point of treatment outside the home and the estate management had the responsibility of maintaining a referral system through the provision of transport facilities. However, at least 5 more sources of treatment are now opened up for the patients in this sector. Thus with the building up of linkages with the providers outside the sector, as Figure 1 shows, the traditional service provision system of the plantation sector has been going through a transformation process. But how this community adjusts to these new developments depends on many factors. Affordability has become a critical factor particularly in selecting the source of treatment (Attanayake forthcoming). Since examination of this issue is beyond the scope of this paper, only one aspect related to health seeking behaviour, namely responsiveness, will be examined in the following section.

4. Responsiveness

The World Health Report of 2000 (WHO 2000) has emphasised the importance of responsiveness of health providers. It indicates that the role of the doctor goes beyond responding to health needs. The doctor should also meet the expectations of the patient. In this context, the term responsiveness encompasses several aspects related to the treatment procedure under two broad categories: respect for patients and client orientation. The former includes being treated with dignity, maintenance of confidentiality and autonomy to participate in choice. The latter includes of prompt attention, availability of amenities of adequate quality, access to social support-networks, choice of health care provider and good communication. In this section, some observations related to responsiveness are presented firstly for the taken over hospitals and then for the non-taken over hospitals.

Thirumagel of T2 stated that, *'There are delays in receiving treatment. The doctor always comes late by an hour. When we are waiting, even the Missees (female staff such as attendants) don't care us. If we just make an enquiry, we are asked to wait until the doctor comes to take treatment.'* Perumal of T1 brought up different aspects of this issue saying, *'Now when we go there, we have to wait in a queue. Even in the case of severe illness we have to do the same. We are not examined well. Before we tell the symptoms of illness, the prescription is written out.'* Negligence in care could be observed in the provision of other services as well. Referring to the same hospital, Wasanthakumari brought up her experience saying, *'The labour room is down the hill and the workers stay up. They come at 8.00 p.m. and give meals and a water kettle. Thereafter no one is coming to that side.'* Shivasubramaniam of T1 also had a similar view about 'prompt treatment': *'The moment we go to take treatment the doctor quickly looks at our face and writes something because he/she doesn't understand Tamil.'* In this statement he brought up another issue relating to responsiveness: i.e., communication. Mayajothi of T2, too, highlighted the issue of the communication gap saying, *'Some people are afraid of seeing this doctor because the estate workers don't understand Sinhala and the doctor doesn't know Tamil. Therefore they are afraid that they will not be able to get treatment by explaining their illness properly.'* She further stated that, *'The dispenser is a Sinhalese person. Instructions are also written in Sinhala. Some people in this estate can't understand Sinhala. If you are asked to take a half of a sleeping tablet, you might have taken a full tablet. If you are asked to take one tablet in the night, you might have taken three tablets three times a day.'* Maheswari of T1 described her experience in this manner: *'I came to take treatment for a chest pain. But I had been given drugs for stomachache. They don't understand what we say in Tamil. Otherwise this could not have happened.'* With such miserable experiences after the take over, Illengium of T3 made a comparison between present and past praising the old system:

None of the facilities we had at that time are now here. If you come at 3.30 you can get treatment from the hospital. If you come after that, only private treatment is available. You have to make a payment. ..... Those days there was a lady doctor. She used to treat us from 8 to11.30 a.m free of charge. If you go 'up' (residence of the doctor) after that you could take treatment for payment. Again you can take treatment from 1.30 to 3.30 p.m. free of charge. Now you can't get treatment on Saturdays and Sundays. Even if you have a minor injury, you are asked to come tomorrow.

The disappointment over the treatment procedures at public hospitals has led patients in T1 and T2 seek treatment from the EMA at the dispensary run by the management of the same estate. Vijayakumari of T2 highlighted this tendency saying, *'The old doctor at the estate dispensary knows the prevailing illnesses of each and every person of the estate at an individual level. He knows our names, age and other particulars as well. So he treats us very well.'* Shivalingam of T1 also had a similar view: *'The estate doctor treats us with much love and kindness. It is not essential to make a payment for treatment. We are allowed to make a payment even on the next day. He has a gift of healing, so his treatment is very effective.'*

A new development has taken place as a result of the take over: i.e., inflow of patients from the surrounding Sinhala speaking villages to the Sinhala speaking doctor at the taken over hospital. Ganesheker of T1 raised this issue saying, *'When the village people go to the doctor they are examined for about five minutes and prescribed drugs. But when our people go there the doctor just scribbles something.'* In this regard, Dharmaraja of the same estate stated, *'When the workers are in the queue, the village people come, ask us to wait for a while and get treatment before us. Our people are waiting in the queue from morning but they come last and get treatment first.'* Similar observation was made at T2 as well, in which, as Mayajothi stated, *'The villagers now largely come to this place. Those days they used to take private treatment from ..... (a*

nearby town).' This tendency was, however, not observed at the other two public hospitals, T3 and T4. At T3, as Subramaniam stated, *'When the hospital belonged to the estate there was no discrimination. The villagers were also treated. Now after the take over, there is a sharp drop in their attendance; they say that this is a useless place.'* What he was referring to was the lack of certain facilities, including drugs, at this hospital after the take over, which has resulted in a decline of patients from surrounding villages. In the case of T4, which is not located close to Sinhala villages, patients in the surrounding estates used to bypass the dispensaries in their own estates, which were still run by the estate management, and take treatment from the medically qualified doctor at T4.

With these new developments, this community was gradually being forced to lose out on their right to choose their health care provider. Dharmaraja of T1 highlighted this development: *'In the evening he/she is there for about an hour. In the morning he/she comes at about 9. If he/she comes at about 3.00 p.m. he/she leaves at about 3.30 p.m. We come here to take treatment after finishing our day's work. But at that time he/she is not here. Thereafter we are forced to go and take private treatment from him/her.'* Punyamurthi of T1 explained his experience of getting private treatment from the public doctor saying, *'The present doctor doesn't look after and treat patients well. We collect drugs from here for the slip given by the doctor. When we go to his/her residence with those drugs (to take private treatment - author) in the evening he/she throws away those drugs and gives us some other drugs.'*

In the case of non-taken over hospitals, one major development occurred after the announcement of the taking over policy is the escalation of private practice by medical personnel at almost all of those hospitals and other estate dispensaries. Poor attention given by the management to the hospitals after the announcement of this policy forced the workers to seek treatment from the same RMO, AMO or EMA for payment as there was a severe drug shortage as

well as termination of certain services at the estate hospital. Shivanathan of P4 explained his experience saying, *'Patients are treated from 9 am to 12 noon. Sometimes the doctor is not there even during those hours. He/She comes again in the evening at 3 p.m. to see patients but vanishes soon. If we go there at 3.30, we have to go to the bungalow at which he/she asks whether we are getting private treatment or hospital treatment. If we say 'private' he/she gives the drugs then and there. If we say 'hospital', a 'chit' is given (prescription to collect drugs from the hospital). Those drugs look like water.'* Kamala of the same estate elaborated what Shivanathan was saying: *'The doctor is there from 9 am to 12 noon. He/She does not come in the evening, so we have to go to the bungalow. The door is opened only after we knock for half an hour. The first question is 'paid treatment or a prescription' (to obtain drugs form the dispensary). If it's paid treatment the doctor provides the necessary drugs, otherwise Kusuma (the girl at the dispensary of the hospital). The correct drugs can be obtained only when we attend the doctor's private clinic. When we don't have money, we ask for a prescription and go to the dispensary. Panadol is given for every illness. We normally take treatment from this place but for children we go to the town and get paid treatment.'* At P1 private practice takes a different form, which is somewhat similar to the public hospital T2. As Selvarani stated *'The doctor gives us the prescription and tells us to get the drugs from the bungalow. We go to the bungalow and obtain the drugs and injections from his/her spouse.'*

The closed community in the plantation sector is shattering after the announcement and partial implementation of the take over policy. They are gradually getting deprived of the services that they received at least with some dignity and promptness before these new developments. They are being dragged towards an indirect fee levying system. Muthulechchimi of P3 described her dismal experience:

One night both the doctor and attendant were missing. The next day all my co-workers came thinking that I had died. I was sent to Nuwara Eliya where I was asked to buy 10 tablets. The cost of each one was Rs 46/-. We are poor people. From where are we to find money? My husband is unemployed. My brother spoke to some charity organisation and got the money. I am very scared to come to this hospital.

On the one hand, the patients of the taken over hospitals face the problem of encroachment of their traditional health centre by the villagers of the surrounding villages. On the other hand, the patients of the non-taken over hospitals, in particular, are forced to seek treatment from sources outside the estate, mainly due to the deterioration of the service conditions of those hospitals after the announcement of taking over policy, and when they seek treatment especially from public hospitals outside the estate they are discriminated against. In this regard Gowriamma of P1 explained her experience: *'I can't work properly. Difficult to breathe. I can't walk long distances. Difficult to do heavy work. I took treatment from here as well. Thereafter I was warded at the ..... general hospital. We are not treated well there. Even if we are very sick we are not given proper drugs. They favour their crowd (Sinhala speaking patients – author). Even if we are seriously ill, we have to stay on the floor. They are the people who use beds. If someone of theirs comes and there is no bed, we are moved down to the floor and the bed is given. If we are asleep, drugs are not given in time. They scold us and find fault with us. Because of this we don't like to go to that hospital. That is why we take treatment from private places.'*

Finally, the story of Saroja of P2 is presented below to indicate the vulnerability as well as lack of responsiveness of this community in seeking treatment of illnesses:

The death of my niece (a summary)

My niece was 8 years old when she died. On that day she came back home from school saying she was having a headache. So we applied some heated oil on her head. The next morning we took her to the doctor. The doctor accused the child of lying and said that she didn't have any headache.... We came back home with the drugs given to us by him. She was still very sick so we took her to one of our close relatives house.... Gopalan (one assistant of the estate hospital) was also there. He said that the child should be given a good thrashing as she was only pretending. ..... Our neighbours asked us to take her to the temple and plead with the god. We did everything what they said. The priest of the temple said that he would give his verdict on whether the child should be taken to the hospital at 12.45 p.m. The child had a seizure at 11.45 a.m. and started foaming at the mouth. We took her to the doctor again. The doctor said she must have eaten something poisonous. Then we took her to the ..... hospital (the nearest secondary level public hospital) in the ambulance... She turned blue at about 12.45 p.m. and died in the hospital. The doctor was waiting in the ambulance..."

"The doctor had reported to the ..... hospital (the public hospital to which the child was admitted) that the child had been bitten by a dog and we had neglected it... But one nurse told us that the child seemed to have epilepsy. The background of the story is this. Sometimes ago my mother and myself were bitten by a dog and at that time Dr Nithyanadan was in the estate hospital and on his advice we were given a round of injections. Then we were asked to watch the dog. The dog died after three days. This child came here long after that incident. As the doctor says could she have come in contact with the dog's spittle at his cage? Another one of my nieces who was bitten by the same dog was completely cured. The doctor at the government hospital said that the child could have been saved if she was brought two hours earlier. This is nothing but sheer negligence of the doctor at the estate hospital. Even though we met him twice, he insisted that nothing was wrong. If he was unable to diagnose the illness of the child, he could have told us. If so we could have easily saved the life of our child. What is wrong with us? What are we to do? We lost our child. Not only that, initially we were refused the body of the child and only later the corpse was released. It was wrapped in polythene and we were asked to bury it on the same day.'

5. Concluding Remarks

In this paper an attempt was made to elucidate some features related to the vulnerability of the plantation community in seeking treatment for illness. Firstly, a comparison was made with the rest of the country in relation to some socio-economic indicators bringing out the fact that, although this community is not below the conventional 'poverty line' with respect to their income levels,

it is indeed far behind the rest of the country with respect to their living and health conditions. With this background, their relatively high dependence on informal sources of treatment was highlighted, which is not merely due to their adherence to traditional beliefs, but also due to their inability to afford the time and resources for seeking treatment from formal sources. An assessment of the time cost of illness in this community is in fact an area for further research to explore how they are coping with illnesses by way of minimizing the loss of time in seeking treatment for illness. Finally, the way they are treated by both public and private providers was examined in relation to some aspects of responsiveness. It is clear that the announcement and partial implementation of the taking over policy has indeed alienated this community further from the rest of the country by increasing their vulnerability.

As mentioned at the outset, there was no intention of making a comparison between taken over and other hospitals with respect to the issues looked at in this paper. However, obviously, an unintentional comparison between these two types of hospital has emerged in the analysis along with the bringing out of certain repercussions of the taking over policy. Therefore it is worth paying some attention on the implications came up from this analysis for policy making as well as for policy implementation. The policy of taking over the estate hospitals does come clearly within the framework of health sector reforms as one way of providing safety nets for vulnerable groups (World Bank, 1993). Further, it serves the objective of providing an essential clinical package for the poor. To make health sector reforms effective and efficient, they should lead towards fundamental and purposive changes in the provision and financing of health care services (Cassels, 1995). Has this been fulfilled in implementing the take over policy in the plantation sector in Sri Lanka? Firstly, it was largely a political manoeuvre under pressure from certain political elements. Secondly, it raises the issue of capacity of the public sector in introducing reforms amongst such vulnerable groups. Through the taking over of these hospitals a highly bureaucratic public administration system was

imposed on the closed community in the plantation sector without looking into its specific social, economic and cultural characteristics, behavioural patterns. The fixed service hours observed in the public sector hospitals were imposed on the taken over hospitals as well disregarding the working pattern and hours of the plantation sector. Before the take over, outpatient care was available at those hospitals virtually for the whole day and visiting inpatients was also not restricted to a particular time period. When a patient is admitted to the estate hospital, the patient's family members, relatives and friends have a practice of visiting the patient with some foods, drinks after working hours. If they come during the daytime, they have been used to spending a long time with the patient. The communication gap, encroachment of villagers, inaccessibility to limited services. have forced the patients seek care from alternative sources for payment. In this way with the take over, user-oriented health care system in the plantation sector, which existed for nearly a century, was brought under a rigid public administrative system. All these developments bring out the inappropriateness of the implementation of reforms within the speedily deteriorating traditional administration system of the public sector. Instead of meeting the objective of providing safety nets for a highly vulnerable community, the poor implementation of the taking over policy has resulted in increasing in the vulnerability of this community.

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