

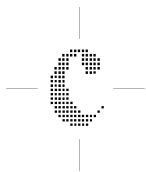
Working Paper Series

## **Working Paper 7**

Poverty and Entitlement Dimensions  
of Political Conflict in Sri Lanka:  
A Bibliographic Survey

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November 2001



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# 1 Scope and Definitions

This paper has been written in the framework of the research project entitled ‘Coping with Internal Conflict Project’ (CICP) executed by the Conflict Research Unit (CRU) of the Netherlands Institute of International relations ‘Clingendael’ for the Netherlands Ministry of Foreign Affairs. The CICP consists of four different components, namely ‘Power Sharing’, ‘Political Military Relations’, ‘Political Economy of Internal Conflict’ and ‘Resources, Entitlements and Poverty – related Conflict’.

This bibliographic survey extends over research writings on Sri Lanka that are of salience to an understanding of the causal connections between inter-group conflict, on the one hand, and impoverishment (adverse changes of income and consumption), resource curtailment (restriction of access to physical resources), and entitlement failures (denial of economic rights) among the participants in such conflict, on the other.

The ‘Conflict’ on which the survey is mainly focused is the secessionist war being waged by the Liberation Tigers of Tamil Eelam (LTTE) against the Sri Lankan state. The process of deteriorating ethnic relations<sup>1</sup> dating back to the immediate aftermath of independence (1948) which has been featured by spells of inter-ethnic mob violence – in most instances in the form of attacks on Tamils living in the predominantly Sinhalese areas of the country – is also regarded here as part and parcel of the evolution of the conflict to its present form. Certain other manifestations of unrest and instability endemic to the Sri Lankan polity over the recent decades, regardless of the varying intensity of the violence with which they have been associated, have also been placed within the purview of the survey definition of ‘conflict’ at its periphery.

In accordance of the lines of inquiry suggested in the Clingendael concept paper on ‘Sub-Project3’, the available documentary sources of information, comment and analysis providing insights into the extent to which impoverishment, exploitation, oppression, and/or alienation of any ethnolinguistic group in Sri Lanka which could be attributed to state policies are highlighted in this survey. The survey also attempts to identify in these sources the external influences which nurture (or, alternatively, cushion or prevent) such discriminatory policy impacts. Additionally, the bibliographic survey is intended to indicate the exiting research gaps in the field of the poverty-entitlement-conflict nexus, and thus point to future lines of inquiry which are likely to be of relevance to efforts at resolution of the conflict.

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<sup>1</sup> The ethnic composition of Sri Lanka’s population as enumerated in 1981 was: Sinhalese - 74.0%; Sri Lanka Tamils - 12.6%; Moors and Malays - 7.4%; Indian Tamils -5.6%; Others - 0.4%.

In the context of our earlier attempts to work towards definitional clarity in the application of the concept of ‘entitlement’ to this study<sup>2</sup>, and in order to avoid semantic confusion, it would be useful to preface this survey with clarifications on the connotations in which the key terms of the topics are used.

*Poverty:* This term is used here to denote “income poverty” (World Bank, 2000) - i.e. low levels of income (receipts in cash, goods, facilities and services) which is frequently identified as an economic phenomenon on the basis of measurements such as the ‘poverty headcount,’ and the ‘poverty gap’ (in its absolute levels), and the quintile or decile ratios or the Gini coefficients of income distribution (in relative levels). The other, more complex, holistic connotations in which it has been used in certain recent writings – for example, “poverty as curtailment of capabilities” (Dreze and Sen, 1995) – are avoided mainly because these are encompassed in the concept of ‘entitlement.’

*Resources:* The term ‘resources’ is confined in its meaning in the present survey to ‘physical resources’, and does not include its other applications such as ‘manpower resources’ and ‘financial resources’ etc. Command over elements of the physical environment such as land (or territory), water, coastal formations and the sea figures at varying degrees of prominence in the contentious issues of inter-group conflict in Sri Lanka, as it does in several conflict situations elsewhere in the world.

*Entitlement:* Since certain aspects of the concept of entitlement still remain hazy, this term is used here to refer to ‘economic rights.’ In specific terms, these rights relate to a wide variety of policy concerns such as access to resources, ownership of economic assets; fiscal and trade regulation, taxation and wages; the disbursement of development benefits; the provision of basic needs services such as those in education health care and public utilities; and opportunities for employment, and social and spatial mobility. Impoverishment itself, especially in relative terms, could be an outcome of ‘entitlement failure.’ Further, what an individual or a group is entitled to possess, receive or exercise by way of economic rights would depend largely on the prevailing paradigms of governance, for, rights cannot be defined in the abstract or in absolute terms. It also seems obvious that under the widely accepted contemporary norms of democratic governance, the crucial determinant of economic rights is the principle of equity and social justice.

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<sup>2</sup> See, G. H. Peiris (2000) ‘A Note on the Concept of Entitlement from the Perspective of Conflict Studies’, a communication submitted to the Clingendael Institute; Suzanne Versteegen (2000) ‘Poverty and Conflict: An Extended Entitlement Approach’, a communication from the Conflict Research Unit of the Clingendael Institute.

## 2 Entitlement Configurations

The application of the concept of ‘entitlement’ to the study of conflict unavoidably entails the premise that for any society there is an ideal entitlement (i.e. economic rights) configuration - one which facilitates political stability and harmony - and that deviations from that ideal cause (or, have the potential of causing) instability and conflict. However, such a premise, though theoretically sound, reduces the usefulness of the entitlement concept in its application to specific conflicts such as those encountered in many ex-colonial Third World situations in which entitlement delineations that ensure both political equilibrium as well as equity and social justice to all segments of society are unlikely to have ever existed at any point of time in the past.

This is probably why the existing studies on grievances of one or another ethnic group of Sri Lanka concerning its economic rights have hardly ever been looked at explicitly from an entitlement perspective. In fact, there is only one work of research (O’Sullivan, 1998) where the term ‘entitlement’ has been used in a way that borders on its conceptual connotations implicit in the works of Amartya Sen. O’Sullivan has attributed the persistence of a trend of increase of household expenditure up to the early 1990s in the context of the increasing burden of military expenditure to the maintenance of a high level of social welfare entitlements outside the venues of the ethnic war.

Grievances concerning economic rights, both genuine and objective as well as imagined and subjective, figure prominently in Sri Lanka’s political conflicts. Certain deprivations of economic rights – entitlement failures – in relation to a segment of society with a distinct identity (primordial or ascriptive) have, in fact, been widely recognised as causes for the anti-systemic and inter-group conflicts such as the radical ‘youth insurrections’ of 1971 and 1986-90, the periodic outbursts of ethnic violence, typically, in the form of attacks on unarmed civilians of an ethnic group, and the prolonged military confrontations between the government and the Liberation Tigers of Tamil Eelam (LTTE), a militant group espousing separatism. This segment of our bibliographic survey extends over the writings that deal with changes in entitlement configurations and their possible impact by way of creating alienation of ethnic and other social groups from the political mainstreams and/or mutual hostility in inter-group relations. Both forms of impact not only produce the potential for conflict, but also trigger off and sustain conflicts in their more violent forms.

### 2.1 The Economy at Independence

An appropriate starting point for this literature survey are the writings that deal with entitlement delineations that existed in Sri Lanka at independence in 1948 after nearly one-hundred and fifty years of British rule. Summarised below are some of the main conclusions directly relevant to the central

theme of the present survey which could be extracted from these writings (Jennings, 1948; Das Gupta, 1950; Weerawardena, 1952; Oliver, 1957; Snodgrass, 1966; Wickremeratne, 1973; Wilson, 1981; de Silva, 1981, Peiris, 1993 & 1996). The extracts are supplemented with our own observations based on certain sets of information which, though available, have not been commented upon in the writings referred to.

- (a) The economy had retained the basic features of structural duality ('traditional-modern dichotomy') which developed with the expansion of plantation enterprise in the 19th century. It was also featured by excessive dependence on foreign trade – the use of earnings derived almost entirely from a few staple exports for the import of a large share of consumer goods and all capital goods.
- (b) With the foundations laid during the two decades leading up to independence for government-sponsored programmes of 'basic needs' services in education, health care, food supply, and for the distribution of arable land among the landless, Sri Lanka, by the late 1940s "...was well on the way to becoming a welfare state" (Wilson, 1981:103). In fact, these services had already raised literacy, health and nutrition to levels higher than those encountered in other "backward" countries.
- (c) Yet, the majority of the people were living in conditions of dire poverty. The monthly average of income per capita in 1953 was Rs 35.40. "Involuntary unemployment" was high (17% of the labour force in 1953).
- (d) Though there was hardly any correspondence between economic stratifications and ethnic differentiations, the inter-ethnic divergences in respect of average incomes were not entirely insignificant. The Kandyan Sinhalese reporting (by 1953) a mean monthly income of Rs 26.00 was at the bottom of the income range. The average incomes of the other groups, in ascending order, were: Low-Country Sinhalese, Rs 34.20; Indian Tamils, Rs 35.30; Sri Lanka Tamils, Rs 42.20; and Muslims, Rs 59.50 (person/month). The highest rate of unemployment was also reported, among the Low-Country Sinhalese.
- (e) What was genuinely important from an entitlement perspective (but had not received due attention in the writings on newly independent Sri Lanka's economy) was not so much the differences reflected in the average values referred to above, but the fact that, where there was daily contact between people of different ethnic groups, it was seldom interaction among equals, except within elite levels and in segments of the city working class. The large majority of the poor of any ethnic group, of course, had hardly any direct contact with the poor of other groups, being kept apart by barriers of geography, language and culture. Thus, for example, in most of the Sinhalese-majority areas, Sri Lankan Tamils and Muslims with whom the poor among the Sinhalese came into routine contact were usually of higher social strata – state sector employees, professionals, traders etc. The mirror image of this phenomenon, though far less distinct in the main Tamil and Muslim population concentrations at the time of independence, came to be replicated in at least some of those areas, with the steady increase of the Sinhalese proportion in the upper and middle grades of the state sector workforce. And then, from about the mid-1970s, as the police and the armed forces



gradually became almost exclusive Sinhalese domains, it assumed even greater prominence. Thus, regardless of the fact that poverty has always been a phenomenon shared almost equally by all ethnic groups, to the poor in any one group, those of the other ethnic groups invariably appeared economically “privileged” and “powerful.” It was this distorted image of the “others,” rather than real differences of income, that had had much impact on shaping entitlement notions among the different ethnic groups in post-independence Sri Lanka. Tambiah (1986:56) has made a reference to this phenomenon, but only as an explanation of the feelings of hostility of the Sinhalese towards the Tamils.

- (f) There was, in addition, the semblance of a correspondence between variations of economic function and ethnic differences. For instance, subsistence farming, centred around paddy production, was predominantly a function of the Sinhalese peasantry. The main sources of income for Sri Lanka Tamils of Jaffna peninsula were intensive commercial horticulture, and white-collar employment. Internal trade, though shared by all ethnic groups, was a segment of the economy in which there was a preponderance of Muslims (in relation to their population ratio). Tamils of ‘Indian origin’ were almost entirely confined to the plantation sector. Additionally, there was the religion-based distinctiveness of the Christians (in 1948, 9% of the population) who were over-represented in ‘middle-class’ avenues of employment, and in the higher socio-economic strata. What this diversity meant, above all else, was the presence of mutual conflicts of interests in the desired strategies and goals of development among different segments of the population. In short, a given strategy, advantageous to one group, might well have no impact on another, and an adverse impact on yet another. The stark reality of these divergences (some, referred to in Oliver, 1957) are reflected in the records of debates in the national legislature (*Hansard*) during the 1940s and the 1950s on subjects such as the ‘food production drive’, ‘colonisation of the dry zone’, ‘free education’, ‘rehabilitation of plantations’, and ‘tenurial reform in peasant agriculture’.

## 2.2 Entitlement Perceptions

In the economic milieu at the time of independence (outlined above) what did the people of Sri Lanka expect from the country’s development efforts, and what did they perceive as their due economic rights? In furnishing an answer to these questions it is appropriate to identify, first, the aspirations and claims that were shared by all segments of the population – those that were free of dispute. The most basic among these (as emphasised in almost all writings in Section 2.1) was the need for rapid economic growth accompanied by diversification of the economy, which would elevate incomes, cater to the employment needs of a rapidly expanding population, and curtail the country’s dependent external economic relations. Perhaps equally important was the expectation of a sustained effort on enhancing social welfare. Indeed, a notion which had taken firm root by the end of the British regime was that ensuring the satisfaction of basic needs of the entire population – food, health care, education, transportation, water, land etc. – is a prime responsibility of the government. Thirdly, government intervention against excessive exploitation (in employer-employee relations, and in the consumer market), especially those that stem from the operation of unregulated impulses of supply and demand,

had also assumed the status of a perceived economic entitlement. Yet another expectation which may be placed in the category of perceived common economic rights – once again, based largely on experiences during the colonial era – was that education, made available free, should also ensure upward social mobility through appropriate employment to the educated.

In addition to the economic rights on which there was general consensus among all segments of Sri Lanka's population, there were those on which the perceptions of a given group differed from those of another, generating mutually incongruent claims. From the perspectives of the political impact of entitlement changes in post-independence Sri Lanka, these latter rights, superimposed as they were upon the shared perceptions, could be delineated as follows.

### 2.2.1 *Conflicting Claims to Territory and Land*

Briefly stated, what the Sinhalese regarded as their due rights over territory and land was shaped, on the one hand, by the objective economic fact of acute scarcity of arable land from which the large majority among those engaged in agriculture (their principal source of livelihood) suffered, and, on the other, by a sense of grievance regarding agrarian discrimination during the colonial era alongside a self-image of pre-eminence among the inhabitants of the country before the advent of colonial rule. Thus, the related entitlement perceptions among them were focused on the twin themes of redemption of their heritage from the pre-colonial past, and of remedying the injustices they had suffered during the British regime. The former, as made evident in many writings that accompanied the tide of national resurgence (Land Commission, 1929; Perera, 1932; Senanayake, 1935; and several other works cited in Oliver, 1957), would require the re-establishment of irrigation-based peasant settlements in the Dry Zone – the venue of their pre-modern hydraulic civilisation. In order to achieve the latter, they gave strong electoral support to government-sponsored programmes of land distribution, and urged immediate redress for the rural people in 'Kandyan' areas who had been divested of their land in the wake of expanding plantation enterprise (Kandyan Peasantry Commission, 1951; Vijayavardhana, 1953). More specifically, they, while associating rural poverty with 'landlessness,' supported both distributive land reform as well as tenurial reform in favour of the more depressed segments of the peasantry (Kelegama, 1959; and Kearney, 1964).

Certain perceptions which provided the basis of territorial and land claims of the Sri Lanka Tamils did not generate serious inter-ethnic controversy. For instance, the desire of the Tamils of Jaffna to preserve their traditional land laws (*Thesavalami*) which bestowed upon them certain exclusive land rights in the far north of the island (Tambiah, 1954) stood unchallenged. In certain other land-related issues such as the plight of the landless peasantry, and remedial action against iniquitous agrarian policies of the past, the key spokesmen for Tamils remained surprisingly uninvolved. In this context, it is of interest that some among them, acting against the tide of popular opinion, vehemently opposed the draft legislation presented to parliament in 1958 which envisaged tenancy reform in paddy land (Peiris, 1976). What is far more significant to the themes of the present survey than this diversity of stances are the issues over which the Tamil perspective differed radically from that of the Sinhalese. The most important among these was based on a view that stressed (quite legitimately) the antiquity of their own links with the island, the significance of the Tamil involvement in the Sri Lankan polity from ancient times, and the fact that an independent Tamil kingdom which originated in the early 13th century had

survived as a distinct political entity in the northern parts of the country for about four-hundred years (Arunachalam, 1901; Nadesan, 1955; Navaratnam, 1958; Arasaratnam, 1964; and Suntheralingam, 1967). In the aftermath of independence, with the intensification of Sinhalese-Tamil rivalry, this view gained currency among an ever-widening segment of the Tamil population, inculcating the perception (one which, unfortunately, had hardly any legitimacy) of an exclusive ‘national’ territory – a “traditional Tamil Homeland” corresponding to the Northern and Eastern Provinces. Thus, from about the early 1950s, political parties representing the interests of the Tamils agitated against the migration of Sinhalese peasants to the northern and eastern lowlands which the establishment of irrigation-based peasant settlements in these areas entailed. The view that this migration represented a violation of a territorial entitlement of the Tamils, if not a denial of their rights of ownership and access to agricultural land has, since that time, been tacitly accepted and elaborated in several works of research (e.g. Tambiah, 1986; Manogaran, 1987; Peebles, 1990; Shastri, 1990; Bastian, 1995), in the face of its emphatic denial based on a strong body of empirical evidence in other writings (Peiris, 1991; de Silva, 1994).

The claim of an exclusive ‘traditional Tamil homeland’, though still at the core of Sri Lanka’s ethnic conflict, has had, in the recent past, a slight change in the nature of its support. The significance of this change lies in the fact that it was among the Tamil intellectuals (some of whom were in the political leadership of the community in earlier times) that the concept had its origin. Further, Tamil intellectuals also figured prominently in the vanguard of its propagation in Sri Lanka and abroad. Recently, however, there have been indications of at least some among them dissociating themselves from this concept, as indicated in the following extracts from a statement published in the *Tamil Times* (a journal with wide international circulation) of 15 July 1995. Its thirty-six signatories include almost all persons of the Tamil community in Colombo who have gained prominence for their contributions to political discourse.

“Tamil nationalists assert that the ‘inalienable right of self-determination’ the exclusivity of the traditional homeland are essential and indispensable prefixes for any proposal for the resolution of the ethnic conflict. Nothing could be further from the truth.”

“The Tamil demand for autonomy -the institutions and the power to look after their own affairs – is and must be seen as a moral and political demand based upon and consequent to a history of discrimination. And while it is true that the Tamil people have historically inhabited the Northeast, though never exclusively, this fact, or any traditionalist argument based upon it, is irrelevant to the present...”

“Therefore we justify and support the Tamil claim for autonomy – for federalism – not on the grounds of some inalienable right to self-determination over some traditional homeland, but based on the fact and history of discrimination. Indeed, as we have argued above, this demand would never have arisen if not for the said discrimination.”

This shift of stance could have been of momentous significance if only the present generation of Tamil intellectuals had the same influence on Tamil politics as those of former times (who, incidentally, could be identified among the “traditionalists” referred to in the statement). This clarification, however, adds

to the importance of a careful reappraisal of the alleged discriminations – entitlement deprivations – which, in fact, is the prime concern of the present study.

The claim of state-sponsored encroachment of the “traditional Tamil Homeland”, is not the only entitlement dispute between the Sinhalese and the Sri Lankan Tamils concerning land. It has involved, in addition, a charge that the Tamils have not received their fair share of land in the settlement schemes of the Dry Zone – allegedly, a consequence of deliberate discrimination (Manogaran, 1987; Peebles, 1990; Shastri, 1990). The significance of this accusation is underscored by the fact that irrigation *cum* settlement development has remained in the forefront of Sri Lanka’s development efforts throughout the past sixty-five years.

The authenticity of this alleged discrimination has to be judged in the light of the following facts. As shown in a detailed study (Peiris, 1996: 206- 207), the proportion of land allotments distributed among the Sinhalese in all irrigation-based settlement schemes (other than those of the Mahaveli Programme) could be placed at approximately 81% of the total of allotments. To the extent that this is higher than the Sinhalese share of the country’s population (74%), the Sinhalese have obviously been favoured. Land distribution under the gigantic Mahaveli Programme which commenced in the mid-1970s has also had the effect of aggravating the sense of grievance among the Tamils – those who opt to rely on assertions such as that made by Peebles (1990:47), according to which the “(e)xisting and projected grants (of land under the Mahaveli Programme) together result in a total of 151,037 allotments, of which 125,058 or 82.8%, have been or will be given to the Sinhalese”. This assertion has unfortunately ignored the fact that, up to 1990, about 75% of the families granted land in the Mahaveli settlement systems were those evicted from the almost exclusively Sinhalese “upstream” reservoir areas, and that, when allowance is made for these priority allocations, the projected land grants to settlers from the different ethnic groups are expected to match, exactly, their respective population ratios.

In overall terms, the alleged denial of due rights of Sri Lankan Tamils in matters concerning land, though not entirely lacking in substance, is also not substantial in its magnitude, especially when viewed against the backdrop of the fact that up to about the time of independence – roughly, the first two decades of irrigation and settlement development in the Dry Zone interior – the demand for land in the settlement schemes from the Tamil community of Jaffna persistently fell short of scheme targets, making it necessary in some of the schemes for land to be distributed in large units to “middle-class” Tamil allottees, as it did happen in the Iranamadu Scheme of the Northern Province.

### *2.2.2 River Water Entitlement Disputes: Claims over Resources*

Conflicting claims by different ethnic groups over river water have figured far less prominently in Sri Lanka than similar disputes in parts of sub-continental South Asia. Intensive horticulture in Jaffna peninsula, the venue of the largest concentration of Sri Lankan Tamils, on account of its abundance of groundwater, has remained independent of surface water flows of external origin. In several other Tamil and Muslim areas of the ‘north-east’, however, intensive and perennial farming with field crops invariably requires irrigation water, at least a part of which has to be derived from rivers that have their upper and middle courses in Sinhalese majority areas.

Despite the absence in Sri Lanka of a serious inter-riparian conflict, what had the semblance of an embryonic dispute over irrigation water use did occur from time to time in the irrigation system of the

lower Gal-Oya valley of the Eastern Province where, as the fascinating study by Murray-Rust (1983) on the working of an irrigation bureaucracy has shown, the conflicting demands of farmers in the upper reaches of the 'Left Bank' channel system and those of its lower reaches were exacerbated by the ethnic rivalries between the two groups – the former, largely Sinhalese, and the latter, exclusively Tamil.

A grievance regarding river water rights on the planned pattern of water allocation of the Mahaveli Programme has received attention in several research writings (Manogaran, 1986; Peebles, 1990). Its essence is that the Moragahakanda-NCP Canal system, one of the major sub-systems of the overall hydraulic design of the initial 'Mahaveli Master Plan' (a twenty-one year outline of a plan published in 1967), has not been implemented by the government because, if implemented, its principal beneficiaries would have been the Tamils of the far north (Vanni). Unfortunately, this charge of discrimination has not been based upon a proper understanding of the technical and economic aspects of the Moragahakanda-NCP Project which, in fact, have been subject to detailed scrutiny in several 'feasibility studies' conducted by foreign consultancy firms (NEDECO, 1979, Volume 1:10-12 & 55-56, and Volume 4, Part A; Electrowatt, 1987; JICA, 1989). Indeed, in one of the writings where this charge has been made (Manogaran, 1986, which has been cited in several others), there is a gross misrepresentation of the actual recommendations made by NEDECO on the feasibility of this project (for details, see Peiris, 1996:181-184).

The Moragahakanda-NCP Canal issue illustrates, more than all else, two features of salience to the understanding of entitlement perceptions in a highly complex conflict situation. The first is that careless and unfounded scholarly assertions have the capacity to create myths which provide the basis for perceptions that intensify inter-group hostilities. Secondly, one could find in this issue a fore-warning of the type of dispute over resource use and access to resources which could assume crisis proportions following political compartmentalisation of physically inter-dependent territorial space.

### *2.2.3 The Secessionist War and Access to Resources*

Apart from the dispute over Mahaveli river water rights discussed in the previous section, there are what could be regarded as 'resource entitlement failures' for the inhabitants of the northern and eastern parts of Sri Lanka, caused by the continuing war between the government and the LTTE. Those among them that are likely to have intensified their sense of grievance are the processes of impoverishment and destitution that have affected lives of hundreds of thousands of people in the form of forced eviction from their homes and home areas, depletion of forests, and loss of access to arable land and mineral and aquatic resources. Some attention has been devoted to these entitlement failures in official documents that deal with relief, rehabilitation and reconstruction (US Committee for Refugees, 1991 & 1994; Resource Development Consultants, 1996; RRAN, 1998; and annual reports of the Law & Society Trust). But this aspect of the ethnic conflict has tended to be neglected in research, having been dealt with (even briefly) only in a few scholarly writings (Samarasinghe et. al, 1988; Richardson & Samarasinghe, 1991; Gomez, 1997; and the Chapters by Balakrishnan, Nesiah, Hasbullah, and Peiris in Part IV of de Silva & Peiris, 2000).

Only rough estimates could be made of the magnitude of these losses. The available estimates of war-induced population displacement at various points of time indicate that since the mid-1980s the total number evicted from their homes has oscillated between a 'low' of 97,000 in January 1987 to a

'high' of 1,030,000 in January 1991 (Peiris, 2000:349). At present (early 2001) it probably stands at about 700,000. Typically, the losses of arable land resulting from this process are not permanent, and those displaced usually recover their land upon their return. However, such temporary losses could, under certain circumstances, be prolonged as it has been for the displaced Muslims from Mannar, the Tamils of the Weli Oya catchment, and the Sinhalese from parts of Padaviya Scheme. The thin scatter of related information presently at our disposal indicate that former agricultural land now lying idle could add up to about 8,000 ha (20,000 acres), and that a large share of this extent is located in areas that border the principal venues of armed conflict in Jaffna peninsula, the *Vanni*, and Batticaloa and Trincomalee districts. Regarding curtailment of access to agricultural land which has resulted from the conflict, the most extensive loss is that the 'Right Bank Channel' component of Mahaveli System B (with a plan target to develop 54,000 ha under irrigated agriculture) has remained virtually abandoned since the mid-1980s as a result of the area being vulnerable to terrorist attacks. The related data are available in the publications of the Mahaveli Authority.

There has evidently been fairly extensive deforestation in the northern lowlands on account of the direct and indirect impact of the war. Forests have been cleared for military encampments and as security measures. In addition, the acute scarcity of commercial energy sources such as petroleum and electricity (on account of the destruction of transmission lines and embargoes on the movement of goods to the northern war zone) meant the vastly increased demand for fuel-wood, obtained mainly from forests. It is probably this latter reason that accounts for the drastic reduction in the area under the so-called 'sparse forests' evident in the following tabulation.

Table 1 *Area under 'Sparse Forests' in the Northern Districts (hectares, rough estimates)*

District	1983	1992
Jaffna	1,700	298
Kilinochchi	43,440	6,042
Mullaitivu	45,210	17,987
Vavuniya	54,000	16,503
Mannar	48,980	11,762

Source: Resource Development Consultants, 1995.

Marine and fresh-water fishing has always been an important economic activity among the coastal dwellers of the north-east. Natural assets such as a coastline of 1,155 km in length (out of the total of 1,730 km of the entire island), a string of estuarine and lacustrine ecosystems along the littoral, and the proximity to 'Pedro Bank' and 'Wadge Bank' (two of the richest pelagic sources of the Indian Ocean), these areas accounted for about two-thirds of the fish produced in Sri Lanka before the out-break of the war. Up to the mid-1980s, there were about 360 fishing villages in the 'northeast', with an estimated 66,000 fishermen (out of the Sri Lankan total of 111,000).

Utilisation of these aquatic resources has been severely curtailed, once again, due to displacement of people and restrictions imposed (for security reasons) upon fishermen's access to the sea. Inter-ethnic friction among the fisher folk also became an important cause of disruption. The traditional association of fishing settlements along the northern coast (especially the township of Velvettiturai) with smuggling of goods, and of the Karaiyar (fisher) caste of Jaffna peninsula with the leadership of the LTTE has

meant that the curtailment of activities of fishermen by the security forces in these parts of the country have been particularly stringent. The number displaced from the fishing communities located along the entire north-east coast was estimated at 45,490 in 1994 (Resource Development Consultants). It could well be much higher now. There has, in addition, been a drastic decline in the fish production in these areas – from 99,544 mt in 1981 to 49,704 mt in 1991.

To this list of resource entitlement failures could be added the losses caused by the disruption of almost all processing of minerals in the north-east. In terms of losses in production and employment the closure of cement manufacturing operations in Kankesanthurai is the largest. Among the others were the salterns of Elephant Pass, the chemical plant at Paranthan, and the extraction of mineral sands (ilmenite) at Kokkilai.

#### *2.2.4 Entitlement Dimension of Unemployment*

Some of the most contentious and mutually irreconcilable issues of the on-going ethnic conflict of Sri Lanka are directly associated with perceived rights concerning employment and the related failures.

There is a large body of empirical evidence which indicate that even as far back as the time of independence there was a perception, widespread among the Sinhalese that, in the formal spheres of the economy, especially the government sector, they had been deprived of their fair share of employment opportunities, and that the Sri Lanka Tamils (as an ethnic group) and the Christians (to which only a small minority of Sinhalese belonged) had received favoured treatment by the British in the recruitment of Sri Lankans to the more lucrative job opportunities of the state sector (for an ethnically neutral commentary on this perception, see Sarkar, 1957:206). This grievance was exacerbated by their under-representation in the larger spheres of tertiary activities of the private sector including ubiquitous retail trade. Thus, the rectification of what the Sinhalese perceived as an existing imbalance in respect of employment received high priority in their entitlement package. Indeed, it appears in retrospect that the massive tide of popular support which the “Sinhala Only” movement received from the Sinhalese segment of the electorate during the 1950s was a direct outcome of their belief that a change in the language of government from English to Sinhala would pave the way for their securing a due share of employment at the higher levels.

The Sri Lankan Tamils had a contrasting set of perceptions regarding their due rights in employment. They saw the advantage they had enjoyed in employment as an outcome, partly, of the historical circumstance of early development (by Christian missionaries) of facilities for education in English in Jaffna peninsula, and, partly, of their greater need and their superior capacity to benefit from access to such facilities. Moreover, they emphasised that what provided the main impulse for their focus on education was the scarcity of physical resources in the northern parts of the country, which meant that, unlike the Sinhalese who had enjoyed the advantage of participation in plantation enterprise during the British regime, the Tamils had had little scope for socio-economic advancement except through education. Thus, they looked upon their proportionately larger share of white-collar and professional employment as a due right which they must continue to safeguard.

S.J. Tambiah’s study (1955) of the ethnic dimensions of higher level employment during the closing decades of British rule in Sri Lanka contains useful clarifications on the perceptions outlined above. Through a statistical study of the composition of certain avenues of state sector employment at

their higher levels, Tambiah attempted to dispel the popular myth of Tamil dominance in state sector employment by demonstrating that, by the eve of independence (1946), the Tamil share of higher government jobs had declined appreciably from what it had been in 1924. The data presented by him to substantiate his theme, despite conspicuous gaps of coverage, are tabulated below (Table 1).

Table 2 *Employment of the Higher Government Services: Ethnic Composition in 1946*  
(‘Civil List’ jobs only)

	Percent of total				Total number
	<i>Sinhalese</i>	<i>Sri Lanka Tamils</i>	<i>Burghers</i>	<i>Europeans</i>	
Civil Service	44.5	20.0	10.3	25.2	155
Judicial Service	46.7	28.9	24.4	-	45
Medical Services	59.4	33.3	7.3	-	345
Engineering	52.2	25.4	22.4	-	67

(Based on raw data presented in Tambiah, 1955.)

Note: No comparable data are available on the middle and lower grades.

Since independence there has been a steady decline in the Tamil share of white-collar and professional employment. This, as referred to in almost all writings on Sri Lanka’s ethnic conflict, has been one of their genuine grievances – an entitlement failure from conflict perspectives. Tambiah, in one of his later works (1986: 78) has attributed it to the pressures of Sinhalese chauvinism, and has stated that “... the Sinhalese have by now (1980s) decidedly ‘corrected’ the imbalance and tipped the scales in their favour.” The data generated by a survey conducted in 1980 on public sector employment (Table 3) provide confirmation to this claim.

Table 3 *Ethnic Composition of Public Sector Employment, 1980*

	% of the total employed		
	Sinhalese	Tamil	Others
Professional and Technical	82	13	5
Administrative and Managerial	83	14	3
All categories	85	11	4

Source: Department of Census & Statistics (1980) *Census of Public and Corporate Sector Employment*, Colombo.

Among the scholarly writings on ethnicity and employment, the study by Samarasinghe (1984) stands out distinctly for its objectivity and detail. On the basis of a mass of data on the period from independence to the early 1980s gathered from a wide scatter of sources, he has traced the magnitude of the transformations in the ethnic composition of employment in some of the main spheres of government activity (Table 4 contain extracts from his compilations). Among the features portrayed by this set of data which deserve to be highlighted are: (a) the decline of the Tamil share in certain ‘elite’ fields of employment – though less than one would expect, given the vehemence of the related claims, (b) corresponding increases in the Sinhalese share, except in the case of government doctors, (c) what



appears to be a very drastic drop, in absolute numbers, of the Tamil percentage in the middle grades of government employment, as seen in the data on clerical services, by far the largest white-collar segment of the workforce, and (d) the conspicuous reductions in the “other” category which, in 1948, consisted overwhelmingly of Europeans and Burghers, but in the late-1970s/early-1980s by Muslims.

Table 4 *Ethnic Composition of Employment in Selected Government Services (% of the total employed in each field)*

Field and Year/Period	Sinhalese	Tamil	Others
<i>Executive Grades (general administration)</i>			
1948	53.9	24.7	21.4
1979	85.2	13.1	1.7
<i>Doctors, Health Department</i>			
1948	57.3	32.2	10.1
1979	55.5	43.5	0.9
<i>Police (high ranks)</i>			
1948	39.0	5.1	55.3
1979	75.7	17.4	6.9
<i>Engineers (Irrigation Department only)</i>			
1948	31.1	40.0	20.9
1981	57.1	38.9	3.7
<i>General Clerical Service</i>			
1979	n.a.	18.0	n.a.
<b>(% of the total newly recruited)</b>			
<i>General Clerical Service</i>			
1949	53.7	40.7	5.6
1978-81	93.6	5.4	1.0

(Based on Samarasinghe, 1984: 177-178.)

It seems likely that, since the time to which the foregoing tabulations relate, there has been a further, and accelerated, decline in the Tamil proportion of employment in the state sector, as evidenced by the data furnished below which relate only to the administrative cadres in government employment. In assessing the overall scale of this decline it is necessary to take into additional account (a) the fact that there has been hardly any recruitment of Tamils to the police and the armed services – two fields of employment that have expanded more rapidly than any other since the mid-1980s, and (b) that Tamil ‘professionals’ – doctors, engineers, accountants, lawyers, architects, teachers - have emigrated in fairly large numbers as a result of the conflict.

Table 5 *Composition of Sri Lanka Administrative Service as on January 1990, and the numbers recruited to the service from 1 July 1977 to 31 December 1989*

Sinhalese	Tamil	Muslim	Other	Total
<i>Number in service in January 1990:</i>				

Class I	142 (85.5)	21 (12.7)	1 (0.6)	2 (1.2)	166
Class II (1)	645 (94.1)	33 (4.8)	7 (1.1)	-	685
Class II (2)	566 (93.1)	29 (4.8)	13 (2.1)	-	608
Total	1,135 (92.7)	83 (5.7)	21 (1.5)	2 (0.1)	1,459
<i>New recruitment (July 1977- December 1989):</i>					
	736 (91.1)	51 (6.3)	17 (2.1)	4 (0.5)	808

(With respective percentages in parenthesis.)

Source: Based on the *Hansard*, Vol. 62, No. 15, February 1990, p 2439.

The denial of perceived rights in the form of unemployment is, of course, not a problem confined to any one ethnic group. Nor do the available general data on unemployment among the different ethnic groups, despite the apparent inter-ethnic diversity, indicate that unemployment is substantially more severe among one group than among another (Table 6). Despite the favoured treatment which the Sinhalese have received (in comparison to the Tamils) in state sector employment, frustration and unrest caused by unemployment has probably been as intense among the Sinhalese as among the other ethnic groups for the reason that while the expansion of employment opportunities has persistently lagged behind the rate of growth of the labour force, there have always been other (non-ethnic) forms of favouritism in recruitment to most of the available job opportunities in the formal sector of the economy.

Table 6 *The Percentage Unemployed in the Labour Force of each Ethnic Group*

	1953	1963	1973	1978/79	1980/81
Low country Sinhalese	18.9	17.5	30.0	18.5	14.6
Kandyan Sinhalese	15.6	12.7	23.0	13.9	11.3
Sri Lanka Tamils	8.4	11.6	17.7	10.9	6.7
Indian Tamils	17.8	6.7	12.3	5.6	4.9
Moors	15.9	14.9	21.3	13.8	10.4
All ethnic groups *	16.6	13.8	24.0	14.8	11.7

\* Includes other numerically small ethnic groups based on Reports of the Surveys of Consumer Finances.

Recent macro-economic studies (World Bank, 1984; Korale, 1986; Athukorala & Jayasuriya, 1994; Lakshman, 1997; Kiribanda, 1997; World Bank, 2000) refer variously to about twenty-two estimates of unemployment made on the basis of surveys conducted in Sri Lanka from time to time since independence. The surveys are mutually incompatible in respect of coverage and definitions. Hence, they cannot portray, in precise terms, the changes in the rate of unemployment over time. However, the available estimates leave hardly any room to doubt that the rate of unemployment increased from the early 1950s up to about the mid-1970s, reflecting the combined impact of rapid expansion of the population and the slow growth of the economy. Thereafter, there appears to have been a drop in the rate from about 24% in 1976 to about 12% of the labour force in 1982. Since that time, in those areas of the country that have been covered by the surveys (i.e. all areas except the north-east), the unemployment rate has oscillated between 10 to 20%, showing no distinct long-term trend.

Sri Lanka's experiences over the past few decades indicate that unemployment is both cause as well as effect of political unrest and conflict. Several features of this causal nexus – much of it, common knowledge – have been highlighted in the writings that deal with political turbulences of the country during the past few decades. The first is that higher rates of unemployment occur among the lower age strata of the labour force, which implies that the problem of unemployment is relatively more acute for the youth. Secondly, there has been a pronounced trend, at least from about the 1960s, for the rate of unemployment to increase with the level of education, so that it is the educated youth that have been increasingly vulnerable to failure in obtaining the type of employment considered commensurate with higher educational qualifications. Thirdly, the avenues of employment which could absorb those with higher levels of general education have not expanded adequately in relation to the increasing demand for such employment. Hence, there has been intensifying competition among aspirants to such employment. Finally, in the formal sector of the economy, there has been, throughout the recent past, a trend of increasing favouritism based upon criteria such as ethnicity, social class and personal links in electoral politics in the processes of recruitment. In the public sector political patronage is the major determinant of selection of new appointees. At the upper and middle levels of the private sector, fluency in English and parental social status command a premium in job recruitment. In the actual operation of these criteria, the educated rural youth from the lower economic strata, regardless of ethnicity, are invariably the main victims of deprivation. It is from this segment of society that insurgent groups such as the LTTE (among the Tamils) and the People's Liberation Front (JVP, among the Sinhalese) draw their cadres. Somewhat ironically, the recruitment to the armed forces of the government is also almost entirely from the very same sources.

#### *2.2.5 Education: Entitlement Perspectives*

The principal features of the educational system of Sri Lanka on the eve of independence, as identified in several writings (Jayasuriya, 1969; Jayaweera, 1969; de Silva, 1977), may be outlined as follows. Facilities for primary education in the local languages (Sinhala and Tamil) were widespread, and, with the increasing effectiveness of legislation on 'compulsory schooling' of children, school enrolment had reached a million (about 40 per cent of the 5-19 age group). But, at its higher levels, the education pyramid narrowed sharply to about 1,000 at the apex as current enrolment at the university. School education, despite some overall control and direct participation by the government, was still largely in private hands (mainly religious organisations). The advances made during the Donoughmore Period (1931-1947) notwithstanding, the educational system was featured by regional imbalances that favoured the urban areas, especially those of the Western and Northern Provinces, and concomitant inequalities among different ethnic groups, with the Sinhalese Buddhists in rural areas, Indian Tamils in the plantation sector, and the Muslims living outside the main urban areas of the country constituting the least favoured groups. Due to the links that existed between educational achievement at secondary and tertiary levels in the medium of English and employment at the higher ranks of the workforce, education was potentially a means of upward social mobility. But, since access to secondary and tertiary level learning in English was still highly restricted, the educational system, in the words of Jayaweera (1969:8), "...reinforced the dualistic social structure consisting of a disadvantaged majority and a

privileged minority divided by language (English vs. Sinhala and Tamil) and economic and social status”.

Among the government policies of the period after independence, those that were aimed at increasing the availability and utilisation of facilities for formal education, and reducing disparities in educational opportunities, remained the most persistent. It was with reference to these objectives that almost all important measures in the field of education - increasing the number of schools, improving school facilities, strengthening teacher cadres, changing the media of instruction from English to the local languages, providing scholarships and other forms of assistance to needy students, and, more generally, extending government control over the educational system tended to be rationalised.

There is no doubt that a significant measure of success was achieved in the efforts at overall expansion and Improvement of facilities for formal education, and bringing about an increase in the utilisation of such facilities in all areas of the country and by all segments of the population (Peiris, 1996: 298-304). However, what is of special significance from the perspectives of the present survey is the fact that, despite the improvements, over the first three decades after independence, there was only a barely perceptible reduction of inequalities in respect of educational attainment between sectors (Table 7) and between ethnic groups (Table 8).

Table 7 *Educational Attainment: Sectoral and Zonal Differences*

Sectors	Index of educational attainment			
	1963	1973	1978/9	1981/2
Urban	5.15	4.60	5.41	5.62
Rural	3.94	3.93	4.63	4.58
Estate	2.09	1.99	2.14	2.27

(Based on data from Surveys of Consumer Finances.)

Note: The index is derived by awarding points to each person according to his/her educational status using the following scheme:

- (a) No schooling and illiterate = 0;
- (b) No schooling but literate 1.0; Primary level = 3; Secondary level = 8.5; Passed GCE/Ordinary Level = 11; Passed GCE/Advanced Level = 13; Passed degree and/or comparable qualification = 16. Thereafter, the points are aggregated and converted to per capita sectoral values.

The educational inequalities portrayed in the two sets of data presented above undoubtedly acted as causes for discontent among the disadvantaged groups. For instance, throughout the period to which these data relate (i.e. up to the early 1980s), the Indian Tamils, despite certain positive government responses to their demands for better educational facilities (Little, 1987), continued to lag far behind other ethnic groups. More generally, the extreme educational backwardness of the more remote rural areas gradually came to be perceived by the youth, especially those of radical persuasions, as a consequence of “class discrimination” in the form of a continuing urban bias in the country’s development efforts.

Table 8 *Education and Ethnicity*

% of population in each group with GCE-Ordinary Level or higher qualifications
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	1953	1963	1973	1978/9	1981/2
Kandyan Sinhalese	1.8	3.0	5.2	9.1	11.1
Low-country Sinhalese	2.0	5.6	8.4	12.5	12.7
Sri Lankan Tamil	2.6	6.4	4.6	14.1	15.2
Indian Tamil	0.0	0.7	0.8	1.2	1.8
Moors and Malays	1.6	3.2	3.9	7.0	6.6
Others	4.0	20.3	15.5	14.1	25.5

(Based on data from Surveys of Consumer Finances.)

Note: GCE (General Certificate of Education) Ordinary Level is a public examination taken by students at the end of their 11th year of schooling.

There are, however, other education-related grievances (perceived entitlement failures shared by those belonging to all ethnic groups) which, in the more recent past, have acquired far greater importance as causes for political unrest. One of these is linked to the enhancement of privilege in the employment market associated with fluency in English – a trend of change that has become increasingly prominent since the initiation of the so-called ‘liberalisation’ policy reforms in the late 1970s. The existing facilities for education in most parts of the country do not enable students to acquire skills in the use of English, except in the case of students whose opportunities are buttressed by the higher social status of parents. What this has meant is that the large majority of students, educated in the medium of their mother-tongue – Sinhala or Tamil – have tended to remain excluded from the job opportunities (except those in unskilled and semi-skilled labour grades) that have been expanding in response to the stimuli provided by the economic reforms. The handicaps associated with lack of competence in English are, indeed, relatively more conspicuous in the case of those in, or graduating from, the institutions of tertiary education. This, as demonstrated by Sri Lanka’s experiences during the late 1980s, has made such institutions the breeding ground of anti-systemic protest in some of its more virulent forms.

An aspect of education that has embittered Sinhalese-Tamil relations more than any other dispute concerning rights relates to the procedures of selecting students for admission to the universities. It has, indeed, been claimed that discrimination in university admissions provided the main impulse for the emergence of militant movements of protest among the Tamil youth in the north during the 1970s.

Almost all analytical writings on the ethnic conflict of Sri Lanka refer to this issue. Unfortunately, some of them contain distortions and factual errors which, given the ready availability of reliable data, need not occur in research writings. Analyses of this issue of genuine worth, despite variations among them in emphasis, are found in de Silva C R, 1984; de Silva K M, 1984; Tambiah, 1986. In view of its crucial importance, it is worth attempting here a brief re-examination of its main ingredients.

From the inception of the University of Ceylon in 1942, student admission to its undergraduate courses was based on performance at a public examination offered at the end of the senior secondary grades at school, at which the candidates were required to answer stipulated subject-based sets of question papers, each set oriented towards a different field of study – Arts, Science, Agriculture, Medicine, Law, Engineering etc. Up to about the late-1950s, since all candidates appeared for this ‘University Entrance’ (UE) examination in the medium of English, and since the university had a sufficient number of places to accommodate all those who qualified at the examination, the university admission procedure remained smooth and free of contentious issues. From about 1960, changes

implemented earlier in school education began to be felt at the tertiary level. On the one hand, the expansion of facilities for education at the higher levels of the school curriculum, brought about a massive increase in the numbers seeking university admission. On the other, the change-over of the medium of instruction at school from English to the local languages meant that, although the UE examination was centrally co-ordinated and remained the same for students in the different language media, in each subject, it came to be conducted in the different languages by different sets of examiners. It was the impact of these changes, in the wider context of deteriorating Sinhalese-Tamil relations and the rising aspirations of the less privileged segments of the population, that made the procedure of selecting students to the universities – especially for courses such as Medicine and Engineering for which there was intense competition among students for the limited number of university places available – an increasingly controversial issue. Devising a fair, impartial and educationally acceptable method of selecting the most academically gifted students to the universities from among several tens of thousands seeking admission thus became one of the most thorny problems in the field of education in Sri Lanka.

Over the six-year period from 1971 to 1976, those in charge of university admission followed a system which involved a ‘statistical standardisation’ of marks scored by students of the two language media – Sinhala and Tamil – in each subject, and aggregating the standardised marks in order to decide upon the admission priorities for each field in accordance with quotas allocated to the different districts which, in turn, were determined (during the initial period of this new system of selection) on the basis of district population ratios. There was, in this procedure, two basic elements that inflamed ethnic sensitivities. One was the total absence of transparency regarding the statistical procedure followed for the language-based standardisation and the allocation of district quotas. It therefore conveyed the impression of an exercise in rigging of marks in favour of Sinhalese-medium candidates, which it could well have been. The other was even more blatantly offensive – namely the assumption underlying this entire procedure that examiners in the Tamil medium deliberately (i.e. fraudulently) inflate marks in order to ensure a larger quota of university places for students of their community.

The bitterness generated by this new procedure was intensified by its actual impact of bringing about a drastic reduction of the proportion of Tamil students gaining admission to the science-based university courses. As C.R. de Silva has shown (1984:131) it dropped from 35.3% in 1970 (the last occasion of selection under the old system) to 25.9% by 1973, and 20.9% in 1974 and 14.2% in 1975. The beneficiaries of this reduction were, of course, the Sinhalese. There could be little doubt that the procedure followed in the selection of students for admission to the universities during this six-year period was a crude and short-sighted response to sectarian electoral pressures – one which has caused irreparable damage to Sinhalese-Tamil relations in the country.

The procedure of standardisation of marks was abandoned in 1977, and replaced by a system which provided for about 60% of the number admitted to each field of study in a given year to be selected on the basis of district quotas, and the remainder selected through an all-island ‘merit list’ (with no language distinction) formulated in a descending order of aggregates of marks. The selection of the quota allocated to each district was also based on a similar order-of-merit criterion applied to candidates from the district.

This procedure, introduced in 1977 and followed since then, enabled students from certain districts that are considered as being poorly endowed with facilities for education at pre-university levels to be

selected with lower aggregates of marks at the UE examination than those from the “educationally advanced” districts. In practice, the effect of this procedure has been that students from districts such as Colombo, Jaffna, Gampaha and (and in recent years) Galle and Matara, need to obtain substantially higher aggregates of marks than those from districts such as Batticaloa, Monaragala, Mannar, Vavuniya and Mullaitivu, in order to be selected for admission to course such as those in Medicine and Engineering.

In the context of Sri Lanka’s continuing commitment to equalising educational opportunity, the propriety of the principle of affirmative action in favour of students from backward areas of the country (upon which this new system was based) cannot be challenged. What appears defective in this system is the assumed homogeneity of educational opportunities within each district. Such an assumption is, of course, totally fallacious. Given the extreme *intra-district* diversities in educational opportunity – those based on “class”, for instance – this procedure achieves only partially the targeting of affirmative action in favour of less privileged students which it is intended to achieve. Thus, its actual impact is that, while it enhanced the chances of students from the less privileged districts from gaining admission to the prestigious courses of study at tertiary level, it has also virtually debarred students from the less privileged strata of society in the educationally advanced districts from being selected for such courses of study. It is to this latter category that the poorer students from, say, Colombo and Jaffna, the two most educationally advanced districts, undoubtedly fall.

It has been Sri Lanka’s great misfortune that although “language-based standardisation” was abandoned almost twenty-five years ago, several writings on the country’s ethnic conflict – those obviously targeted at an international readership – including certain publications of the late-1990s, have referred to it as a continuing form of discrimination against Sri Lanka Tamils. It has, for instance, been alleged that Tamil students are still required to obtain higher marks than the Sinhalese students in order to gain entry into the universities. At times this grievance has been voiced even in more extreme forms – that Tamil students are debarred from the universities altogether. The easily verifiable fact (the related statistical data have always been available in published form) is that the minima of marks which candidates from the Sinhalese-majority districts such as Colombo have been required to obtain in order to gain admission to the universities have throughout been only marginally different – higher or lower – than the minima required of students from the exclusively Tamil district of Jaffna. Likewise, the educationally backward districts such as Monaragala, Vavuniya or Batticaloa, regardless of the ethnic composition of their population, have figured every year at closely similar levels at the lower end of the range of such minima.





### 3 Poverty and Income Distribution Trends

The subject of poverty has figured albeit at varying levels of prominence in most of the macro-economic studies on Sri Lanka conducted during the past three decades (Jayawardena, 1974; Karunatilake, 1974; Lee, 1977; Richards & Gooneratne, 1980; Bhalla & Glewwe, 1986; Isenman, 1987; Pyatt, 1987; Wickremasekera, 1985; Moore, 1989; Samarasinghe, 1989; Anand & Harris, 1990; Hopkins & Jogaratnam, 1990; Burton, 1992; Athukorala & Jayasuriya, 1994; World Bank, 1995; Lakshman, 1997; Dutt & Gunewardena, 1997; Aturupane, 1999; World Bank, 2000).<sup>3</sup>

There is considerable similarity (and, indeed, some overlap of content) in the issues dealt in these studies. Moreover, the issues, despite some variation in their specific formulations, relate invariably to the basic themes of government policy impact on (a) economic change (growth, structural transformations, changes of income and consumption), and (b) trends of development (sustainable elevation of the quality of life). Some among these studies (for example, Lakshman, 1977; Anand & Harris, 1990; Hopkins & Jogaratnam, 1990; Dutt & Gunewardena, 1997; World Bank, 1995 and 2000) have also devoted special attention to the *incidence* of poverty in the country as reflected in ‘headcounts’ that fall below ‘poverty lines’ defined on the basis of income and/or consumption criteria. Dutt & Gunewardena (1997) also contains estimates of the ‘poverty gap’ (an indicator of the *intensity* of poverty reflected in the data on 1985/86 and 1990/91).

#### 3.1 Primary Data Sources on Income

The poverty and income distribution dimensions of the majority of the studies referred to above are based largely on data generated by the surveys of ‘Consumer Finances’ (CFS) conducted in Sri Lanka from time to time since the early 1950s (Central Bank, 1954; 1964; 1974; 1983; 1984; 1993; 1999). The usefulness of the CFS data that stem from the continuity over time of this process of detailed monitoring of household income and consumption is, however, marred by several deficiencies of the related survey methodology and coverage. For instance, certain sets of data generated by the surveys conducted up to the early 1980s are mutually incompatible on account of the absence of definitional

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<sup>3</sup> This list is not comprehensive. It includes, however, most of the “major” macro-economic studies on Sri Lanka. Where there are several works with overlapping content by the same author/s, as there are in the case of most of these authors, reference has been made here only to the most important work from the perspectives of the present survey. A few widely cited writings such as those submitted to the World Bank in mimeographed form by Gunaratne (1985), Ravallion (1987), and Edirisinghe (1990) have not been available for use in my survey.

uniformity in the data frames. Critics have also pointed to the existence of discrepancies between the different sets of data from the same survey which are attributable to defects in the survey procedures and computational errors. Even more significant as a deficiency in the CFS data relating to the subject of poverty is the fact that none of the surveys conducted since the early 1980s have encompassed the politically turbulent Northern and Eastern provinces which constitute 28% of the total area and accounted (in 1981) for about 15% of the total population of the country.

Several among the recently published studies on poverty trends in Sri Lanka (Dutt & Gunewardena, 1997; World Bank, 2000) lean heavily on an alternative data source – namely, the Household Expenditure and Income Surveys (HEIS) of 1985/86, 1990/91 and 1995/96 conducted by the Department of Census and Statistics. Although the three surveys are mutually compatible in respect of methodology, and are considered to be of “high quality” (World Bank, 2000:28) presumably in respect of reliability, they also have the same inadequacy of coverage as the CFS data in their exclusion of the ‘North-East’.

Among the supplementary sources of primary data used in studies of poverty trends are those of the ‘Labour Force and Socio-Economic Surveys’ of 1969/70 and 1980/81 (in the same survey series as the HEIS); the ‘Labour Force’ surveys of 1968, 1973 and 1975; and the ‘Nutritional Surveillance’ surveys of the late 1970s and the 1980s.

Only a thin scatter of information, generated through sporadic investigations of restricted scope and precision, are available on the economic conditions of the principal venues of the secessionist war in the ‘North-East’ since 1985. These include the statistical compilations by (a) the Resources Development Consultants Ltd. (1995), and (b) the Resettlement and Rehabilitation Authority of the North (RRAN, 1998); and (c) Shanmugaratnam’s “Preliminary Qualitative Study” (1999) submitted to the World Bank.

The validity of the deflators used for the ‘current’ to ‘constant’ price conversions of the rupee values furnished in the reports on the different surveys is yet another problem encountered in tracing trends and patterns from the available poverty-related data. Several critics (Bhalla, 1986; Athukorala & Jayasuriya, 1994) have pointed out that the Colombo Consumer Price Index, the most widely used among the deflators, suffers from the defect that it has been derived from family budget data on a small sample of working-class city dwellers way back in 1949/50. The other deflators used in macro-economic studies include the ‘GDP deflator’ and the ‘Wholesale Price Index’ as estimated by the Central Bank, which are also featured by inadequacies especially in their application to sectoral and other types of sub-national analyses.

### **3.2 Levels of Income, Income Distribution and Incidence of Poverty: Trends up to the Early 1980s**

Subject to the qualifications implicit in the references made above to deficiencies in the data base, the following conclusions could be drawn from the available estimates of income, poverty headcounts, and income distribution made with data from the surveys conducted up to the early 1980s (i.e. surveys covering the whole of Sri Lanka)

### 3.2.1 Levels of Income

From the time of the first household income survey in Sri Lanka (1953), the average per capita real income in the country as a whole increased in the long term, albeit with sharp short-term fluctuations.

### 3.2.2 Income Distribution

It is widely believed that over the first twenty-five years after independence the trend of income distribution in Sri Lanka was towards greater equalisation of household/personal real income. This belief, though based mainly on the CFS data from the surveys of 1953, 1963 and 1973, could be reinforced with sets of information on other income-related economic changes such as those concerning fiscal policies, wages, and various equity-oriented reforms (Jayawardena, 1974; Lee, 1977; Moore, 1989).

The subject of income distribution trends from the early 1970s to the early 1980s has been controversial (see, in particular, Lee, 1977; Bhalla & Glewwe, 1986; Isenman, 1987; Pyatt, 1987; Moore, 1989; Lakshman, 1997). What may be regarded as the view to which most critics have explicitly or implicitly subscribed is that there was a significant widening of income disparities since the CFS of 1973. This is said to be attributable to 'liberalisation' –the economic reforms which involved, among other things, the relaxation of government controls over the economy and a curtailment of the food subsidy – initiated in 1977. It has, for instance, been pointed out (Lakshman, 1997:180) that, while in 1973 the average income of the highest income decile was 16 times more than that of the lowest decile, by 1978/79 this ratio had increased to 33 times, and by 1981/82 to 36 times. A careful examination of the various viewpoints on this issue suggests that, while the notion of widening income differences between the rich and the poor which followed closely on the heels of 'liberalisation' cannot be discounted, a fairly large share of the increase in the disparities reflected in the CFS data (Table 9) should be attributed to the incompatibility of the different data sets than to genuine changes in household incomes.

Table 9 *Income Distribution in Sri Lanka, 1973, 1978/79 and 1981/82*

	1973	1978/9	1981/2
Urban Sector	0.40	0.51	0.54
Rural Sector	0.37	0.49	0.49
Estate Sector	0.37	0.32	0.32
Sri Lanka	0.41	0.49	0.52

(Gini coefficients based on data relating to income deciles.)

Source: Surveys of Consumer Finances.

### 3.2.3 Incidence of Poverty

The differences in the headcount estimates made at different points of time could be explained largely with reference to the absence of uniformity in the criteria used for fixing the 'poverty line'. Making

allowance for this, however, it is possible to discern in the estimates the semblance of a long-term decline in the poverty headcount (a “mild tendency”, according to Lakshman, 1997:207) from about the late 1960s to the early 1980s, in each sector (urban-rural-estate), regionally (in the ‘zones’ into Sri Lanka is divided in CFSs), and in the country as a whole.

There are indications that the long-term trend of decline in the incidence of poverty has been marked by fluctuations in the short-term. The fluctuations appear more pronounced in the rural sector than in the other sectors.

Almost all estimates (except Visaria, 1979; and Department of Census & Statistics, 1983) have placed the poverty headcount in the urban sector substantially lower than those of the rural and estate sectors. Throughout the 1970s, the ‘headcount’ in the estate sector, as estimated in the majority of studies, has also remained at least marginally lower than those of the rural sector. Regionally disaggregated poverty headcount estimates show that inter-zonal differences in the incidence of poverty in the four predominantly rural ‘Zones’ (of the regional frame used in the CFSS) are negligibly small.<sup>4</sup> The ‘headcount’ in ‘Zone 5’ (Colombo city) has, of course, persistently remained lower than in the other zones.

### **3.3 Ethnic Dimensions of Income (up to the Early 1980s)**

From the perspectives of a study of poverty-conflict links in Sri Lanka, a probe into comparative income levels among the ethnic groups of the country is obviously of crucial salience. The income data from surveys conducted up to the early 1980s, their deficiencies notwithstanding, could be used for the purpose of gaining at least some impressions on the extent to which income trends have varied on the basis of ethnicity at a time of escalating ethnic tension and rivalry. However, as pointed out by Athukorala and Jayasuriya (1994:107), “(T)here is little or no rigorous analysis of the ethnic dimensions of those (i.e. income-related) changes.” The filling of this research gap would obviously require analyses at a level of detail which cannot be adopted in the present survey. Nevertheless, certain tabulations are presented below mainly for the purpose of illustrating the type of analyses possible with the available data.

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<sup>4</sup> The ‘rural’ zones are: (a) Zone 1, districts of Colombo (excluding the city) Gampaha, Kalutara, Galle and Matara (western and southern lowlands); (b) Zone 2, districts of Hambantota, Monaragala, Ampara, Polonnaruwa, Anuradhapura and Puttalam; (c) Zone 3, districts of Jaffna, Mannar, Vavuniya, Mullaitivu I Trincomalee and Batticaloa (“north-east”); (d) Zone 4, districts of Kandy, Matale, Nuwara Eliya, Badulla, Ratnapura, Kegalle and Kurunegala (“highlands”).

Table 10 *Per Capita Income by Ethnicity and Sector, 1973 & 1981/82*

	URBAN			RURAL			ESTATE		
	1973	1981/2	% change	1973	1981/2	% change	1973	1981/2	% change
Sinhalese	50	131	+162	32	76	+138	48	63	+31
S'Lanka Tamil	39	119	+205	32	73	+128	36	56	+72
Indian Tamil	34	146	+329	37	52	+41	30	57	+90
Muslim	37	97	+162	44	77	+75	46	89	+93

Average income in rupees, in constant (1952) prices.

Sources: Surveys of Consumer Finances, 1973 and 1981/82.

Notes: These per capita values are based on source data on (a) income per spending unit, and (b) number of persons per spending unit.

The weighted averages of the 'Low Country Sinhalese' and the 'Kandyan Sinhalese,' and the 'Moors' and 'Malays' as given in the sources constitute the values tabulated here, respectively, on the Sinhalese and the Muslims. About 0.5% of Sri Lanka's population consisting of 'other' ethnic groups are not included in the table because of the minuteness of their representation in the survey samples. The price conversion is based on the Colombo Consumer Price Index.

Subject, once again, to the qualifications implicit in our earlier observations on the deficiencies of the source data upon which Table 10 is based, the following conclusions could be drawn from the estimates it contain on the sectorally classified income changes among the different ethnic groups.

- Relatively high increases of real income were recorded during the 1970s in the urban sector by all ethnic groups.
- In the urban sector, Tamils (Sri Lankan and Indian) had higher income increases than the Sinhalese and the Muslims.
- In the rural sector there was a remarkable similarity in the levels of income and the rates of income increase between the Sinhalese and the Sri Lanka Tamils (Indian Tamils constitute only a minute proportion of the rural population)
- In the estate sector, where the Indian Tamils predominate, there was a trend towards equalisation of incomes between the ethnic groups. (Note that the presence of Muslims in this sector is minute.)

In both the urban sector as well as the rural sector there is a great deal of intra-sectoral income diversity which, of course, cannot be captured in the related average values such as those presented in Table 10. On urban areas, however, an intra-sectoral disaggregation is possible with the combined use of the sectoral data along with the data on 'Zone 5' (Colombo city) furnished in the CFS reports (Table 11).

Table 11 *Urban Incomes: Ethnic Differences, 1973 and 1981/82*

	Zone 5 (Colombo)	Other Urban Areas
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	1973	1981/2	% change	1973	1981/2	% change
Sinhalese	47	188	+300	51	123	+141
Tamil	42	154	+266	36	120	+233
Muslim	34	120	+253	40	79	+ 98

Average income in constant (1952) prices - Rs/Person.

Sources & Notes: Same as in Table 10. Note also that 'Tamil' denotes both Sri Lanka Tamil and Indian Tamil. The distinction between the two groups is of little consequence in the Colombo city.

A feature of some significance borne out by Table 11 is the persistence of higher levels of average income among the urban Sinhalese which, by the early 1980s, was more pronounced in Colombo than in the other towns. The possible impact of this on ethnic relations both within the city as well as in the entire country should be viewed against the backdrop of a clear trend towards equalisation of average income of the ethnic groups living in Colombo which is also portrayed in this set of data. In addition, it is possible to discern a contrasting trend of widening income disparities in the urban areas outside Colombo featured by the Muslims lagging behind the other ethnic groups, particularly the Tamils whose average income had recorded an increase of 233% between 1973 and 1981/2. This latter feature could be explained with reference to the fact that a very large proportion of urban Tamils outside Colombo resides in towns of the Jaffna peninsula where there was a sharp upsurge of income generated mainly by trade throughout the 1970s (Gunasinghe, 1986; Peiris, 1996:339-341). Its importance to the present survey is found mainly in the fact that the upsurge was not sustained in the 1980s.

Two other points of interest emerge from the available 'zonal' data on income both of which could have a bearing upon conditions that generate political instability and conflict. The first of these is the widening of incomes differences between the Colombo city (Zone 5) and the other areas of the country represented by Zones 1 to 4 all of which are predominantly rural. The related estimates (Table 12) show that, while in the early 1970s the average incomes in three of these latter zones were almost at par with that of Colombo, by the mid-1980s they had declined to about half that of the city. The extraordinarily rapid emergence of such wide income disparities between the city and the country-side has been a frequently articulated grievance of the peasantry throughout the recent past, and was possibly a cause for a build-up of resentment among rural youth which found expression in the armed uprising in the Sinhalese-majority areas of the country during the late-1980s. It could be suggested somewhat more speculatively that the widening income gap between Colombo and the Tamil-majority areas of the northeast (Zone 3) also generated similar resentment among their Tamil youth.

Table 12 *Mean Incomes in the Rural 'Zones' of Sri Lanka, 1973 to 1986/87*

	1973	1978/9	1981/2	1986/7
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	mean income in Colombo = 100			
ZONE 1 (lowlands of the south and west)	95	65	57	52
ZONE 2 (main areas of irrigated agriculture)	95	67	60	52
ZONE 3 (lowlands of the north-east)	99	76	57	..
ZONE 4 (plantation areas of the interior)	65	46	50	36

Sources: same as Table 10.

The second feature of relevance identifiable in the zonal data relates to regional diversities in the trends of income distribution. The Colombo city which, as our earlier tabulations have shown, had (between 1973 and 1981/2) the highest rate of increase of average income, and the highest increases in inter-ethnic diversities of average income, is also seen to have experienced the highest increases of income inequalities. The estimates of the zonal Gini coefficients (Table 13) indicate that by the mid-1980s, the city (Zone 5) had wider income disparities than all other areas of the country.

Table 13 *Zonal Gini Coefficients of Income Distribution, 1973 to 1986/87*

	1973	1981/2	1986/7
Zone 1	0.43	0.47	0.49
Zone 2	0.35	0.51	0.55
Zone 3	0.33	0.48	n.a.
Zone 4	0.39	0.54	0.49
Zone 5	0.39	0.59	0.63

Sources: same as Table 10.

### 3.4 Levels of Income, Poverty Headcounts and Income Distribution: Trends after the Early 1980s

For two important reasons, analyses of income-related changes in Sri Lanka since the early 1980s need to be examined separately from the trends of earlier times. First, as noted earlier, is the data – gap the fact that the ethnic conflict itself created an information vacuum in the ‘North-East’ from about 1983. The second reason is the change that has occurred in the conflict-poverty relationship in this part of the country from about the early 1980s. This stems from the fact that, unlike in the earlier period when income-related changes might have been a cause for deteriorating ethnic relations in the country (although only traces of such an impact is evident in the macro-level data hitherto examined), since the mid-1980s, income changes, while contributing to the aggravation of conflict, were also a major consequence of intensifying conflict.

The poverty headcount trends reflected in the data from the Household Income and Expenditure Surveys (HIES) conducted after the early 1980s are more distinct than those of earlier times (referred to in 2.2.c). Based upon a ‘poverty line’ fixed at a per capita monthly expenditure equivalent to Rs. 791.60 person/month in 1995/96 prices (regarded equivalent to the poverty thresholds applied in an earlier study (Dutt & Gunewardena, 1997), the World Bank (2000:A15) estimated that the overall poverty

headcount) dropped from 30.9% in 1985/86 to 19.9% in 1990/91, and then increased to 25.2% in 1995/96. The features listed below have been highlighted in the commentary on these national and the related sectoral trends (World Bank, 2000:28-29):

- (a) 'Income poverty' has remained fairly high in Sri Lanka probably as high as 25% of the total population even outside the North-East.
- (b) The long-term trend in overall poverty levels shows a decline over the period 1985-96. This is in conformity with the trend discernible in the data from the CFSs of 1986/87 and 1996/97.
- (c) There has been a slower progress in poverty reduction between 1990 and 1996 than between 1985 and 1990. The short-term fluctuations of the 'headcount' have also been sharper in 1990-96 than in the earlier period.
- (d) The drop in the rural poverty headcount between 1985/6 and 1995/6 has been greater than that of the urban sector. The estate sector recorded a decline in the incidence of poverty between 1985/86 and 1990/91, and a reversal of that trend thereafter.
- (e) According to estimates by Gunewardena (World Bank, 2000:30), in 1995/96 the incidence of poverty exceeded 30% in several areas of the country, with the highest 'headcounts' recorded in the Northwestern Province (33.9%) and Sabaragamuwa Province (37.0%). There is uncertainty about whether this represented a short-term dip in agricultural incomes (caused by widespread failure of the paddy crop and low prices of rubber and coconut), or a trend of increasing impoverishment. The available income estimates for the 1990s, considered together with production and price trends in agriculture during the decade point, however, to the likelihood that the incidence of poverty increased appreciably in these predominantly rural areas of the country, in contrast to the more urbanised southwestern lowlands.

Table 14 *National and Sectoral Poverty Headcount Ratios, 1985 to 1996*

	Poverty headcount (%)			Poverty gap ratio (%)		
	1985/86	1990/91	1995/96	1985/86	1990/91	1995/96
Urban Sector	16.4	18.3	14.7	4.4	3.4	3.0
Rural Sector	31.7	24.4	27.0	8.9	4.5	5.8
Estate Sector	14.3	12.6	24.9	3.9	2.1	4.9
SRI Lanka	27.3	22.4	25.2	7.6	4.1	5.4

Source: World Bank (2000).

The ethnicity-related data on income available for the period after the early 1980s are of hardly any value to the present survey because of the non-coverage of the main Tamil and Muslim areas of the country in the northeast. There is no doubt, however, regarding the relentless process of impoverishment – decline of real income alongside entitlement failures – of the people living in these areas throughout the past two decades. As Lakshman (1997:207) has observed, "...these areas today are large repositories of poverty and misery in the country."



## 4 ‘Liberalisation’, Entitlement Changes and Conflict: A Retrospect

Although the statistical data pertaining to living standards (including personal income) available do not facilitate the drawing of firm conclusions on the exact long-term impact of the economic policy reforms launched in the late 1970s, the idea that intensifying poverty among those in the lowest income strata, a widening gap between the rich and the poor, and iniquitous disbursement of the benefits of development are among the principal causes for the pervasive instability and unrest in Sri Lanka throughout the past two decades has found expression in several writings among those referred to in the previous sections. That government policy since the late 1980s has itself been strongly influenced by this idea is borne out by the priority that came to be placed on special ‘poverty alleviation’ programmes such as *Janasaviya* (1989-94) and *Samurdhi* (1994 onwards).

The ‘liberalisation’ policy reforms were intended to stimulate economic growth by reducing government intervention in the economy and permitting, as far as possible, market forces to determine economic interactions. There is hardly any doubt that in the immediate aftermath of these reforms there was an acceleration of the rate of growth which was sustained up to about the mid-1980s. On whether this had the effect of intensifying rivalry between ethnic groups, a question which requires detailed probing, there has been some diversity of opinion based on reasoned speculation. For instance, Moore (1990), while not ruling out the possibility of ‘liberalisation’ having had the effect of intensifying Sinhalese-Tamil tensions in certain spheres of the economy, has argued that the mutual links between the two phenomena are not particularly distinct. A contrasting viewpoint has been expressed by Gunasinghe (1988) according to whom, the relaxation of controls over imports (especially subsidiary foods) which ‘liberalisation’ entailed had a crippling effect on horticulture in the far north which had thrived under the protected domestic market conditions of earlier times. Although the overall magnitude of this impact could be ascertained only through further more detailed study, there is hardly any doubt that trade de-regulation represented an adverse change in entitlement delineations from the viewpoint of the Jaffna peasantry. It is also significant that the change referred to coincided with the first phase of settlement development under the Mahaveli Programme (also associated with the economic reforms) which resulted in the emergence of new areas (System H) producing the same subsidiary foods (chillie, onion) over the supply of which the Jaffna farmer had enjoyed a virtual monopoly in the pre-reform period.

One of the main impulses for the economic reforms initiated in the late 1970s was that such reforms were being prescribed by international agencies such as the World Bank and certain other donors of aid to Sri Lanka. To state that reform was a ‘conditionality’ stipulated by aid agencies could, of course, be an overstatement of this external pressure.

The economic gains during the initial phase of the reform programme were not distributed over all parts of the country (Peiris, 1993 & 1996). The overwhelming priority accorded to the Mahaveli

Programme in the development agenda of that time resulted, for example, in the neglect of peasant agriculture in most other parts of the dry zone including its main Tamil and Muslim areas. The modest advances made in the export-oriented manufacturing sector under the impact of the reforms were confined almost entirely to the urbanised areas of the Southwest. The beneficial effects of the reform-induced upsurge of tourism were also spatially restricted – as it did happen, to the Sinhalese-majority areas. The benefits that accrued from expanding employment opportunities in West Asia (which, of course, had only slender links with ‘liberalisation’) were also hardly felt in by the Tamils and/or in their main population concentrations. The Sri Lanka Tamils of Jaffna thus found themselves within a brief spell, not only disadvantaged in comparison to the other ethnic groups, but also marginalised from the buoyant economic mainstreams. These adverse changes in the entitlement configurations of the Tamils were already in operation at the time those among them who lived in the Sinhalese-majority areas of the country faced the brutalities of the mob violence of July 1983.

That conflict is not an inevitable consequence of poverty or even deprivation of economic rights (‘entitlement failures’) has almost become “conventional wisdom” – a proposition the veracity of which is now being regarded as established beyond doubt, at least at the *scale of analysis* possible with the data available on these two sets of phenomena. It has, indeed, been argued by Atul Kohli (1987) in his study titled *The State of Poverty in India* that extreme forms of deprivation and want produce apathy rather than anger and violence. His assertion is that:

“Successive governments in India have reason enough to rely on the unending patience of the neglected and deprived millions in India, who have not risen in fury about illiteracy, hunger, illness, or economic insecurity. The stubborn persistence of these deprivations has much to do with that lack of fury.”

Despite the persuasiveness of this line of reasoning, the question of the “scale of analysis” as referred to above does introduce an element of uncertainty to the idea of an absence of a causal connection between poverty and deprivation, on the one hand, and political conflict, on the other. What needs to be stressed in this context is that in most situations of violent conflict the active participants constitute relatively small numbers – invariably, segments of communities or groups which, in popular perception, however, are seen *en bloc* as being engaged in conflict. And, the data required for analysis either of the nature and extent of actual participation in a given conflict, or the economic impulses of the active participants in the conflict, have seldom been available.

It has, for instance, been suggested that the LTTE’s “liberation movement” has never (even at maximum) had more than about 15,000 in its cadres. Similarly, the People’s Liberation Front (JVP) which, in the late 1980s, seemed on the verge of achieving an overthrow of the government through its revolt, never secured extensive support either before or after the revolt from the poor on whose behalf (ostensibly) it had taken up arms. There is, often, a tendency on the part of observers to assume that a large-scale conflict cannot be sustained by a numerically small group unless it has the tacit approval and support of a silent majority. It appears, however, that such a proposition might not be all that tenable, given the destructive power of modern weaponry available almost without restriction in the case of armed conflicts that have been sustained over long periods of time, and the disruptive potential of guerrilla warfare. Could these tentative observations imply that a numerically small group, driven by

poverty and deprivation, and motivated (indoctrinated) by other entitlement impulses, could sustain an armed revolt, regardless of the extent of popular support it commands? If such an implication is tenable, it would, in turn, imply that whatever conclusion one could draw from macro-level analysis of the poverty and conflict data would have restricted validity. Sri Lanka's recent/current conflicts could hence be cited (as a hypothesis which could be tested) as examples of situations where the scale of analysis possible with the macro-level data available could blur the real links between poverty and violent conflict. What this implies is that the poverty-conflict connection is certainly not a "closed issue," and that more detailed data than those presently at our disposal are required for that type of analysis.



## Bibliographical Notes

### Part I - Entitlements

The items listed (and selectively annotated and commented upon) in this part deal with issues that are salient to the application of the concept of 'entitlements' to the study of conflict in Sri Lanka. There is some overlap of content of these with the works listed in Part II.

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interest: “The percentage of Tamils in the population of some districts has declined from a majority to a plurality. A new census in the process of being conducted is *expected to* show a plurality of Sinhalese in Trincomalee, and some districts such as Vavuniya and Mullaitivu will have large Sinhalese populations”.

Oliver, Henry M. (1957) *Economic Opinion and Policy in Ceylon*, Duke University Press.

This is a thorough and incisive study of the diverse strands of thought which influenced strategies of economic development in Ceylon (Sri Lanka) in the period leading up to independence and in its early aftermath.

O’Sullivan, Meghan (1997) ‘Household Entitlements During Wartime: The Experiences of Sri Lanka’, *Oxford Development Studies*, 25(1):95-121.

O’Sullivan, Meghan (1998) ‘Civil Strife, Civil Society, and the State: How Sri Lanka Coped during Wartime,’ *Workshop on Economic and Social Consequences of Conflict*, Oxford Queen Elizabeth House.

Peebles, Patrick (1990) ‘Colonization and Ethnic Conflict in the Dry Zone of Sri Lanka’, *Journal of Asian Studies*, 49(1):30-55.

The principal theme of the paper is that the establishment of irrigation-based peasant settlements (“colonies”) in the drier areas of Sri Lanka, a development strategy pursued in Sri Lanka since the mid-1930s, has been discriminatory towards the Sri Lanka Tamils. One of its main conclusions reads as follows: “The Sinhalese predominance in the colonies and the Buddhist character of the settlements are by themselves not objectionable. But the insistence that such colonization is a Sinhalese entitlement on historical grounds, in which the resources of the state are dedicated to one community with no comparable benefits to others is intolerable”.

Peiris, G.H. (1976) ‘Share Tenancy and Tenurial Reform in Sri Lanka’, *Journal of Historical and Social Studies*, VI (1):240-54.

Peiris, G.H. (1991) ‘An Appraisal of the Concept of a Traditional Tamil Homeland in Sri Lanka’, *Ethnic Studies Report*, IX(I):13-39.

Peiris, G.H. (1993) ‘Economic Growth, Poverty and Political Unrest’, in: *Sri Lanka: Problems of Governance*, ed. K M de Silva, Centre for Policy Research, New Delhi, 250-272.

Peiris, G.H. (1996) *Development and Change in Sri Lanka: Geographical Perspectives*, Macmillan, New Delhi (Chapter 22)

Peiris, G.H. (2000) ‘Rehabilitation, Reconstruction and Reconciliation: A Retrospect’, de Silva & Peiris (eds.), *op.cit.*, 345-382.

Perera, W.A. (1932) *Problems of Rural Ceylon*, Associated Newspapers, Colombo.

Resources Development Consultants (1995) *Emergency Rehabilitation and Reconstruction Programme: Final Report*, Ministry of Shipping, Ports, Rehabilitation and Reconstruction, Colombo.

The defects notwithstanding, this consultancy report is invaluable as a source of information on socio-economic and demographic conditions in the conflict-affected areas of North-East Sri Lanka.

Richards, P.J. & W. Gooneratne (1980) *Basic Needs, Poverty and Government Policy in Sri Lanka*, ILO, Geneva.



The principal merit of this study is that it provides a detailed portrayal of the socio-economic conditions at the end of almost 3 decades of 'welfare-oriented' and 'populist' policies pursued in Sri Lanka since independence. The Part II of the volume focuses on income distribution and poverty based mainly on data from the Socio-Economic Surveys of 1969/70 and the Surveys of Consumer Finances of 1953, 1963 and 1973. It raises a series of crucial issues on the effects of the policies on both economic growth as well as alleviation of poverty.

Richardson, John M. & S.W.R. de A. Samarasinghe (1991) 'Measuring the Economic Dimensions of Sri Lanka's Ethnic Conflict', in: *Economic Dimensions of Ethnic Conflict*, S W R de A Samarasinghe & Reed Coughlan (eds.), Pinter Publishers, London.

Rran, *Resettlement and Rehabilitation Authority of the North (1998) Dawn of a New Era - The Jaffna Plan*, Colombo.

Certain sets of recent information on Jaffna Peninsula furnished in this volume are more detailed and authoritative than those obtainable from any other published source.

Sahn, David E. (1985) *Food Consumption Patterns and Parameters in Sri Lanka: The Causes and Control of Malnutrition*, International Food Policy Research Institute, Washington DC.

Sahn, David E. (1987) 'Changes in the Living Standards of the Poor in Sri Lanka During a Period of Macroeconomic Restructuring', *World Development*, 15 (6) 809-830.

Samarasinghe, S.W.R. de A (1984) 'Ethnic Representation in Central Government Employment and Sinhala-Tamil Relations in Sri Lanka: 1948-1981', *From Independence to Statehood*, Robert B Goldmann & A J Wilson (eds.), Pinter Publishers, London:173-185.

Samarasinghe, S.W.R. de A (1989) 'The Sri Lankan Welfare State in Crisis: Growth, Welfare and Poverty Alleviation', Third International Conference on Planning and Development in Rapidly Changing Societies, University of Maryland (mimeographed).

Samarasinghe, Vidyamali (1988) 'Sri Lanka Refugees: Fallout from Ethnic Violence - A Preliminary Investigation', *Workshop on Economic Dimensions of Ethnic Conflict*, ICES, Kandy.

Sarkar, N.K. (1957) *Demography of Ceylon*, University of Ceylon Press, Colombo.

Senanayake, D.S. (1935) *Agriculture and Patriotism*, Associated Newspapers, Colombo.

Shanmugaratnam, N. (1999) *Rural Poverty in Sri Lanka: A Synthesis of Preliminary Qualitative Studies*, Report presented to World Bank, Oslo, Norway.

Shastri, Amita (1990) 'The Material Basis for Separatism: The Tamil Eelam Movement of Sri Lanka', *The Journal of Asian Studies*, 49(1):56-77.

Snodgrass, Donald R. (1966) *Ceylon: An Export Economy in Transition*, Richard D Irwin, Illinois.

This elegant study of the economic transformations in Sri Lanka under the impact of colonial rule and then the forces of de-colonization, was the most detailed work on the subject up to that time. In respect of quality, it still remains unsurpassed.

Suntheralingam, C. (1967) *Ceylon: Beginnings of the Freedom Struggle*, Arasan Printers, Colombo.

Tambiah, Henry W. (1955) *The Laws and Customs of the Tamils of Ceylon*, Tamil Cultural Society of Ceylon, Colombo.

Tambiah, S.J. (1986) *Sri Lanka: Ethnic Fratricide and the Dismantling of Democracy*, I B Tauris & CO., London.

On ‘Discrimination’ against the Tamils: Chapters 4 and 5 of this volume deal specifically with several aspects of alleged discrimination against the minorities by successive governments of Sri Lanka since independence.

Tambiah (1986): 52 on Ethnic Rivalry in Retail Trade:

“Since trade in market towns has for some time been distributed among merchants of three ethnic communities - Sinhalese, Tamil and Muslim racial violence has often been directly linked to business competition. Merchants employ the lumpen proletarians of these towns to eliminate business rivals especially during times of post-election violence”. On the Impact of July 1983 Riots on the Tamil Business Community in Colombo “Badly hurt by this conflagration were some of the island’s biggest industrialists. Some well-known Sri Lankan Tamil victims were K Gunaratnam, whose interests spanned the textiles trade, film distribution, and transportation; A Y S Gnanam, who controlled major manufacturing firms such as St Anthony’s Hardware, Cyntex, and Asian Cotton Mills; and R Maharaja, whose constellation of enterprises included the island’s largest cosmetics manufacturing firm, the contractorship for large sections of the island’s major development ‘lead project’, namely the Mahaveli Scheme, and the distribution and retail of imported goods. In sum, textile mills, oil, rubber, and other factories situated in industrial locations such as Ratmalana and Peliyagoda, were reduced to ashes”.

Tiruchelvam, Neelan (1984) ‘Ethnicity and Resource Allocation’, *From Independence to Statehood*, Robert B Goldmann & A J Wilson (eds.), Pinter Publishers, London: 185-195. This is a concise but lucid and sober analysis of the discriminatory impact of state policies in Sri Lanka on the minorities, especially the Tamils, in access to education and recruitment to state sector employment. The adverse effects of ‘politics of patronage’ in its actual operation in Sri Lanka are also discussed with fascinating clarity in this paper.

US Committee for Refugees (1991) *Sri Lanka: Island of Refugees*, Washington DC (mimeo.).

US Committee for Refugees (1994) *People Want Peace: Repatriation and Rehabilitation in War-Torn Sri Lanka*, Washington DC (mimeo.).

Vijayavardhana, D.C. (1953) *Revolt in the Temple*, Sinhala Publications, Colombo.

Weerawardena, I.D.S. (1952) ‘Minority Problems in Ceylon’, *Pacific Affairs*, 25 (3): 278-287.

Wickramasekera, Piyasiri (1985) ‘Strategies and Programmes for Raising the Productivity of Sri Lanka’, in: *The Poor in Asia: Productivity-Raising Programmes and Strategies*, Swapna Mukhopadhyay (ed.), Asia & Pacific Development Centre, Kuala Lumpur: 361-450.

The first part of the paper provides a brief review of the existing analyses of household income and income-distribution trends in Sri Lanka from the early 1950s to the early 1980s, and proceeds to re-examine ‘absolute’ and ‘relative’ poverty, employing the same data sources as used in the existing studies – namely, the reports on the surveys of consumer finances. The second part contains a study of the “poverty groups” in Sri Lanka – small farmers, landless share-croppers, landless labourers, and rural artisans. In the third part of the study the author presents brief reappraisals of several programmes such as settlement development in the dry zone, ‘integrated rural development’, tenancy reform, and land reform, that have had a special focus of the poor. Wickramasekera’s main conclusions are: (a) the incidence of ‘absolute poverty’ at the macro-level in Sri Lanka is not very high, (b) the incidence of poverty measured in relation to nutritional inadequacy is highest in the rural sector, and (c) poverty alleviation has not been properly targeted.

- Wickremeratne, Ananda (1973) 'The Emergence of a Welfare Policy, 1931-1948', *History of Ceylon* Volume III, University of Peradeniya: 476-488
- Wijesinha, A. (1986) 'Recent Changes in Nutrition Levels among Different Socio-Economic Sub-Groups of the Population of Sri Lanka', *Survey Analysis Series* 1, Department of Census and Statistics, Colombo, 15-38 Using food consumption data from the CFSs of 1978/79 and 1981/82, observes (pp. 15-16):  
 "While nutrition intakes had increased in all other regions (Zones 1, 2 and 4), the northern and eastern region (Zone 3) and the Colombo municipal area (Zone 5) showed declines in nutrition levels". (Note, however, that among the Zones, Zone 3 had the highest dietary intake levels in 1978/79).
- Wilson, A.J. (1981) 'General Elections in Sri Lanka, 1947-1971', in: *Universal Franchise, 1931-1981: The Sri Lankan Experience*, K M de Silva (ed.), Colombo.
- World Bank (2000) *Sri Lanka: Recapturing Missed Opportunities*, Country Report, Washington DC. This report reviews Sri Lanka's development performance during the 1980s and the 1990s, devoting special attention to the challenges and constraints encountered in development efforts. It also contains an outline of income and poverty trends.

## **Part II - Income Inequalities: Poverty Trends**

The discussion in the report on 'Income Poverty' (Section 3) is based largely on the writings listed below. However, where published sets of statistical data that relate to the issues examined have not been adequately used in these writings, I have introduced into the discussion brief comments on what such data portray.

- Anand, S. & C. Harris (1990) 'Food and Standards of Living: An Analysis based on Sri Lankan Data', *The Political Economy of Hunger*, Jean Dreze & Amartya Sen (ed.), Clarendon Press, Oxford.
- Aturupane, D.C.H. (1999) *Poverty in Sri Lanka: Achievements, Issues and Challenges*, Department of External Resources, Ministry of Finance and Planning, Colombo.
- Bhalla, S.S. & P. Glewwe (1986) 'Growth and Equity in Developing Countries: A Reinterpretation of the Sri Lankan Experience', *World Bank Economic Review*, I (1).
- Burton, Henry J. (1992) *The Political Economy of Poverty, Equity and Growth: Sri Lanka and Malaysia*, Cambridge University Press.
- Dunham, D. & S. Kelegama (1994) *Economic Liberalization and Structural Reforms: The Experience of Sri Lanka 1989-93*, Institute of Policy Studies, Colombo. This paper deals mainly with the shortcomings of implementation of the liberalization policies in Sri Lanka with a special focus on the political circumstances that were linked with liberalization and structural adjustment.
- Dunham, D. & Chris Edwards (1997) *Rural Poverty and an Agrarian Crisis in Sri Lanka, 1985-95: Making Sense of the Picture*, Institute of Policy Studies, Colombo.
- Dutt Gaurav & Dileni Gunewardena (1997) *Some Aspects of Poverty in Sri Lanka, 1985-901*, World Bank, Policy/research Working Paper No. 1738, Washington. This study is featured by a careful

reappraisal of the data which could be used in estimating the incidence and intensity of poverty in Sri Lanka.

Hopkins, M.J.D. & T. Jogaratnam (1990) *The Socio-economic Dimensions of Poverty in Sri Lanka and Policy Implications*, Development Alternatives Inc., Washington DC.

Isenman, Paul (1980) 'Basic Needs: The Case of Sri Lanka', *World Development* 8 (3): 237-258.

Isenman, Paul (1987) 'A Comment on "Growth and Equity in Developing Countries: A Reinterpretation of the Sri Lankan Experience"', by Bhalla and Glewwe, *World Bank Economic Review*, 3(1).

Jayawardena, Lal (1974) 'Sri Lanka', in: *Distribution with Growth*, Holis Cherney (ed.), Oxford University Press, London.

Karunatilake, H.N.S. (1974) 'Changes in Income Distribution in Sri Lanka', *Staff Studies*, Central Bank, Colombo: 87-109.

Korale, R.B.M. ed. (1987) 'Income Distribution and Poverty in Sri Lanka', mimeographed paper, cited in Lakshman 1997.

Lakshman, W.D. (1997) 'Income Distribution and Poverty', in: *Dilemmas of Development: Fifty Years of Economic Change in Sri Lanka*, Sri Lanka Association of Economists, Colombo: 171-249.

The author introduces this study as "... basically a historical review of the trends in income distribution, incidence of absolute poverty and various social indicators in the country over the recent past ... based largely on a literature review". He adds: "There is no new, not already analysed, national data set providing information about the subjects concerned. Instead of trying to make any alternative analysis of the same limited data sets which have their well known errors and omissions, the author attempts to collate the material presented by different writers so far and to make certain comments of a policy relevance ..." This paper is certainly the most thorough and comprehensive review of research on the subject of income distribution in Sri Lanka.

Ministry of Plan Implementation (1984) *Nutrition Strategy*, Colombo.

Data recorded at the 1980/82 all-island nutrition survey show that Jaffna and Mullaitivu districts had the lowest incidence of acute malnutrition (wasting) with percentages of 8.9 and 8.7, respectively. These districts were followed by Colombo (9.6%). At the other extreme among the districts were Puttalam (16.9%), Trincomalee (16.3%), Kurunegala (15.7%), and Batticaloa (15.4%).

Peiris, G.H. (2000) 'Poverty, Development and Inter-Group Conflict in South Asia: Covariances and Causal Connections', *Ethnic Studies Report* (International Centre for Ethnic Studies, Kandy), XVIII (1):1-47 This is a revised version of a paper presented at the 'Global Development Network' Conference of the World Bank, held in Bonn in December 1999.

Pyatt, G. (1987) 'A Comment on "Growth and Equity in Developing Countries: A Reinterpretation of the Sri Lankan Experience"', by Bhalla and Glewwe, *World Bank Economic Review*, 3(1).

World Bank (1995) *Sri Lanka: Poverty Assessment*, Washington DC.

World Bank (2000) *World Development Report 2000/2001: Attacking Poverty*, World Bank, Washington DC.