

Evolving Political Discourse on Poverty Alleviation in Sri Lanka: Continuities and Discontinuities

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Abstract

There is a voluminous literature on poverty alleviation efforts of Sri Lanka. The present engagement with discourse on evolving political discourse on poverty alleviation touches a different aspect, i.e. instrumental utility of policy in keeping and maintaining the status quo. The study is based on examination of the content of public policies depending on the major strand of thought associated in different eras since colonial presence in Sri Lanka. It helps to identify the continuities and discontinuities of policy discourse. The discussion on the evolution of public policy on poverty alleviation revealed that issues of the poor has occupied a priority in the political agenda of the government whenever a political movement is active in politicizing the poor. However, the very objective of such policies were not aimed at empowering the poor but keeping them subordinated. The study concludes that poverty remains unresolved due to poverty of politics.

1.1 Introduction

The voluminous literature on public policy on poverty in Sri Lanka reveals, it remains an unresolved social and political problem despite prolonged public attempt to eradicate that social malaise. For the purpose of simplification of literature, it can be divided into four categories. First group of scholars views poverty hunger as something associated with politics of poverty (E.g. Strokke 1994, High level committee of Officials, 1988). The other group is comprised of the ones associated with social constructionism of poverty. For example Yapa is of the opinion that “Poverty” remains an unresolved problem for public policy since colonial days has been constructing a distinct category of poverty sector (1998). Some others points out the incapacities of the policy planners to grasp the crux of the problem (See: Laksman, 1999, Cf. Marshall, 1996:135). In a recent study, I pointed out the politics of beneficiaries as one cause of remaining poverty unresolved (,Abeyrathne, 2005,).

One who uphold the first and second points of views broadly agree that colonial impact need to be taken into account in explaining the causes and effect of poverty in the country. The third and fourth explanations shed lights on practices of politics. While agreeing to above points as offering something to understand the political aspect of poverty, I argue here the above have been unable to explain “Why” of this situation in a polity with high level of literacy rate, a prerequisite of democracy and electoral turn out like Sri Lanka. This is not to deny the common contention that problem of poverty remains big due to policy process on poverty alleviation and development is politicized. My point is that poverty of politics is the major reason for poverty in Sri Lanka. Policy is a powerful instrument in legitimizing the status quo for the ruling regimes. The present literature on poverty has not attempted to understand the role of public policy in mobilizing and maintaining political support that legitimizes rather than orientates practices of the poor to overcome their poverty.

The public policy process has always been in favour of domineering process of politics rather than becoming an empowering process of the masses. I also points out policy discourse itself is shaped to prevent political

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action on the part of the poor. In this attempt, I try to map the continuities and discontinuities of the rationale for present public policy on poverty alleviation and to identify the mechanism of preventing political actions by the poor to air their voices in the main stream policy process. Hence an attempt was made to understand the evolution of public policy on development thinking.

The paper is composed of three sections. The first section explores the colonial impacts on poverty and influences on public policies. The second section discusses the main development strategy from independence to 1977 and how it approached the issue of poverty. The next section discusses the era of poverty alleviation from 1988 onwards. The final section is a critical look into the achievements of the public policy on poverty alleviation.

1.2. Colonial Policies and their Impact

If we look at public policy on poverty from historical perspective, it dates back to the Dutch period for they had resorted discarded irrigation system with a view of feeding the people of colony. Yet it is rational to regard British Colonial period as valid starting point of politics of poverty for it was the period that initiated the formation of the present society, distinct character of the economy and political process in Sri Lanka.

Looking at pre-colonial social and political set-up is required to understand colonial impact on public policy discourse on poverty. Precolonial Sri Lankan society was characterized by a system of land use pattern characteristics to it alone where entire land was owned by king. However, it was a decentralized form of utilization of resources for living by people. The day-to-day life had been controlled by a form of decentralized village administration. The former colonialists, i.e. Portuguese and Dutch, did not attempt to make drastic changes in the social fabric of the country and the system of administration. Their motive was to collect wealth as much as possible using the existing system.

British colonial rule is the pre-runner to present centralized post colonial state and its policy on poverty. The entire subjugation of the country in 1815 marked the beginning of highly centralized colonial state structure. The Colebrooke-Cameron reforms of 1831 provided impetus to native society to get transform from feudal society to a super-imposed modern capitalist society.

The previous systems control over the land was low and the people freely cultivated lands for nominal service. Land belonged to the common². The British were entrepreneurial and their system aimed at extracting wealth by trade and producing wealth through exploitation of resources. Modern plantation agriculture fitted best to colonial interests. The Colebrooke-Cameron reforms laid the foundation for colonial state and subsequent laws passed by the government reflect the colonial interests of profits making. This process was justified by faith in optimism of progress

The aim of land reform was to acquire land for large scale plantation agriculture. The lands sold to foreign and native planters were used to produce for foreign markets. Ultimately, it resulted in bifurcation of economy into commercial and subsistence. The various crafts that supported peasant agriculture lead to remain intact by the colonial policy.

If there was any policy consideration of the subsequent period on subsistent economy, it was only in the context of food shortage. The land reform measures have been continuing impacts upon the peasantry in Sri Lanka. The cumulative effect was the confinement of economic activities by the local people to small scale subsistence

² . Colonial rulers have offered different justification of land acquisition. Spaniards justified their acquisition of America by force on the ground that the natives had adherent practices of human sacrifices which transgressed the divine law. Lock justified land acquisition on the ground that land is given by the god for rational and industrious utilization, (Arneil, 1996,73).

sector in a small plot of land. The other aspect of the process was that land for the modern large scale plantation economy was available only in the densely populated wet zoon. As peasantry did not owe land, they had to become tenant in the lands of the lords. The peasant farmer once again became a tenant in the landed aristocracy or newly born feudal out of land reform 'Patron-client relationship' the characteristic feature of a feudal society, continued despite intension of the constitutional reforms.

The other feature of colonial policy is the concern to improve and develop plantation economy. The priorities of the colonial administration in Sri Lanka were the building of infrastructure of transportation, scientific research on plantation agriculture, building up of an education system that could provide carder for the colonial administration et. In many ways Colonialism had destroyed the traditional life world of the people but also made it extremely difficult to meet the needs of newly created life world of the people. Firstly, the simplistic life style of the natives including food items were disgraced as inferior.

The other important reform was the establishment of legislative council. Sri Lankans were allowed to participate in policy making process, at least nominally with the introduction of representative system of communities³. The representatives were appointed by the governor taking into consideration of the social status of the community and loyalty. The consideration of social status was contradictory with the stance on abolishing of land tenure. This practice of appointing representative has given birth to the emergence of two types of political elite i.e. modern capitalist and the traditional landed bourgeoisie (Jayawardene, 2008).

The next important phase of polity and policy discourse began with the Dononormore Constitution of 1931. The European and Eurasian familiar with the modern idea of democratic government demanded greater role in law making (Jayawardene, 2008). It was joined by local intelligentsia, a product of colonial education policy and capitalism. The new intelligentsia came from either from landed aristocracy or new capitalist. Their demands were limited to greater representation in the government and recruitments of kit and kin to colonial bureaucracy as equal subject of the British Empire. A new generation of youth exposed to modern ideas of democracy and socialism took another route and championed independence and democratic equality. This development compelled moderate led by National Congress embrace the slogan of independence. It is revealed that constitution reformers in 1932 were influenced by Fabian socialism and they believed Lanka was not ripe enough to grant self rule but could manage the internal affairs of the country. They had recommended granting of universal franchise to achieve equality. However, they had made certain qualifications to get eligible to be an elected representative, i.e. wealth and education. On the one hand, this constitutional policy made representatives under constant pressures for greater measure of public policies for well-being by voters . On the other hand, it worked to strengthen the prevailing patron-client relationship in the political culture of the country. However, the constitutional reforms were instrumental in perceiving public policy to address the issue of poverty.

The malaria epidemic of 1934-35⁴, the rising power of the left and economic downfall in the 1929 had contributed to public policy to recognize tackling poverty as public responsibility. Public policy at this phae identified economic downfall as the cause of poverty (Ceylon Government Press, (1935),23-29) marking the beginning of political economism. It also lead to recognize the need of public sector intervention to remedy

³. The system of representation under this reform was not the interests of individual subject of colony, but the interests of the various groups. They were not elected by the community but appointed by the governor taking into account the loyalty to the crown by the appointed member.

⁴ The leaders of the left first attracted to the general public through their philanthropic engagement of curing the victim of the epidemic. This has caused to spread the stronghold of leftist parties to the interior peasantry areas likewise urban centers of working people.

poverty of subject (Ceylon Government Press (1936),43-44). This recognition helped in rural development project aimed at overcoming absolute poverty and hunger.

The major assumption behind initiatives was overcoming poverty required agriculture development and rice self-sufficiency. It was essentially a strategy of improved agricultural practices, better trade and better living (See: Senanayake, 1935: 23-24). At this stage of policy initiation, solution to the problem of poverty was thought of as creating land-owning class.. It was the small land holding peasantry in the new colonization schemes of dry zone. It also believed that this process would lead to the building up of a rural civilization (Senanayake, 1935). It must be noted that reforming plantation economy was never in the agenda. It had focused on restoring ancient reservoirs and new irrigations systems that could utilize the non-attracted dry-zone lands. Further root cause of poverty laid in the ignorance of peasants of new and advanced method of cultivation, better practices of hygiene and lack of self help etc . The development of infrastructure through self-help was thought of necessity in overcoming the poverty without raising the question of infrastructure for whose benefits. Finally, this initiative aimed at modernization of personality of the poor.

The poverty was understood as emerging out of inherent characteristic of peasant society rather than structural features of the society and economy. Low income, malnutrition, and related symptoms of poverty were thought to be emerging out of the behaviour of the poor peasants. Further, these maladies of poverty were thought of as phenomenon that could be overcome by adopting a pioneering role of modernization of by the government. However, its role were thought to be limited to technical and administrative facilities. What can be observed that this strategy of modernization of the personality of the poor treated him as an object of change. In other words as somebody that possesses personal qualities which do not help for development. (Sathananthan, 1991).

One important, aspect of this policy approach was the consideration that poverty need not to have a separate public policy and it could be overcome by the broad development policy of the government. The above policy on poverty has to understand within the context of emerging political left.

This broader premise of this policy is a result of identification of the need of integration of government and comprador layers of rural society (Sathanandan, 1991). This clearly indicates the policy of the government is the politics as subordination but not the politics as empowerment.

The second relevant approach to poverty is the broader agriculture development. This period was the period of emerging concern of political independence. People expected more from independence rather than political rights as citizens from the dreamt new state. The political elite happened to appeal public under the democratic reforms of 1932. This has compelled the Sri Lanka elite to champion for political independence based on cultural and historical prestige of the country. The intellectual elite had already produced proud history based on Gama, (Village), Weva (Reservoir) and temple. This history is only a partial truth of the ancient society and culture. However, the development policy turned to eulogize the paddy cultivation during this period. The self sufficiency of food was thought to be achievable through paddy cultivation at the expense of other crops that supported the food security for the people for long. The emerging political leaders were portrayed as the ones who are taking the country to the prosperous situation based on paddy in the past at present. I will turn to the failure of this approach in the latter part of this paper. The political leaders were portrayed as equal to the kings like Prakrama Bahu the great of Polonnaruwa⁵. Finally, there was welfare approach as supplementary to the broader development policy. Universal free education, food subsidy⁶, free health care etc.

⁵ . The eulogizing the Gama, weva and Temple is still a powerful political weapon in Sri Lanka. In the context of victory of Present President Mahinda Rajapakse, The "Lanka Deepa" A leading daily has reported that it was only after more than eight hundred years, A Mahinda has become a rule. The implication is a king. The Mahinda chithanaya, the presidential policy proposal is a more favourable to Gama, Weva and Temple.

1.3. Post-Colonial Period from 1948- 1988

This period can be viewed as an extension of the previous public policy on poverty alleviation with minor amendments to the basic strategy and tightening of the grip of patron-client politics. The immediate period after independence is an extension of the same ruling elite. The power started to shift between coalitions led either by United National Party (Hereafter UNP) or Sri Lanka Freedom Party (Hereafter SLFP) since 1956. UNP composed of layers of modern bourgeoisie which came out of the colonial policies and landed aristocracy. The Sri Lanka Freedom party led by S.W.R.D. Bandaranayake composed of middle layers of society like petty traders (Mudalalis), Ayurvedic Doctors, Teachers of Sinhala Medium Schools, Peasants and Laborers. The leadership came from landed aristocracy (See: Jayawardene, 1998). It was attractive to the local elites. Since then, UNP has identified as the party of capitalist interests and SLFP as the party of the common people. UNP has embraced the liberalism as its guiding principle in politics while SLFP embraced the middle path as the basic principle of political engagement. This pro-social democracy stance accommodated the political left in a strategically important alliance in the power struggle. This period also marked the de-radicalization⁷ of the politics of the left with opting to enter coalition politics with SLFP⁸. Earlier, the radical left had utilized the available opportunities to sensitize poor and marginalized poor peasant and urban labourers and formed them into their own organization with a view to bring their voice into the main stream policy process. The integration of political left with centre off SLFP marked the full-stop of political activity from a perspective of the poor peasant and labourers and looking for the initiation of public policy initiation from government for their betterment.

The coalitional politics gave birth to the policy process of politics of poverty. If the policies on poverty alleviation in the previous period were response to the politicization process of the poor by the emerging left, now it had become a strategy to gain power.

Public policy on poverty was indirect one. Poverty was thought as something that could be overcome through development policies. Development to the UNP was the achieving of self-sufficiency of rice through irrigation facilities⁹. This is the starting point of creating small scale peasant in Sri Lanka. The government at the initial stage till 1956 did not recognize a role for the government in the process of development. The government did not recognize a role in industrialization of the country. The government ventures established to meet the war time requirements were privatized under the UNP rule. Government has initiated multi-purpose irrigation schemes aimed at the self-sufficiency in rice. There were some sub objectives like the easing of the problem of population density in the wet zone of the country and find solution to the problem of un-employment. The beneficiaries under these agricultural development projects were selected on the basis of political affiliation. What is important to highlight is that development benefits allocation was politicized and allocated on the basis of patron-client relationship. This developmentalism was supplemented by universal welfare provision. This is a continuation of the policy of democratization era of colonial administration¹⁰.

⁶ Food subsidy was introduced in the context of Second World War. However, it was not removed due to the political rivalries among the different fragment of ruling elite and emerging popularity of political left.

⁷ See for an excellent account, (Shathasiri, 2004, De-radicalization of the Left: A Study of Janatha Vimukthi Peramuna, Un-Published M.Phil Thesis, University of Peradeniya, Peradeniya).

⁸ Left in 1956 election entered into a no-contest agreement between SLFP with the view to defeat UNP and they took part in the SLFP lead government in 1964. After that in every election, except 1977 general election, these parties contested elections under the banner of common front.

⁹ . The theme of self sufficiency in rice was supported by the colonial administration, as colonial government had to spend a lot of income for import of rice. On the other hand, as characteristic of colonial elite, the ancient prosperity of the society was a powerful motto to attract political support in the event of expanding political rights. The rice in Sri Lanka was the symbol of prosperity. Even today, it remains the same.

¹⁰ . British government had passed colonial development act in 1929.

Promises for welfare provision have been an unavoidable feature of electoral manifestoes in Sri Lanka. Governments were reluctant to cut welfare in the face of competitive elections. The politics of welfare coupled with problem of bureaucracy in delivering benefits have been contributing to strengthen the politics of poverty undermining the possibilities of starting a process of bringing the issues of the poor to the mainstream policy agenda of the government.

The emerging powerful coalition between left and the SLFP and the political rivalry between the new bourgeoisie led by UNP and the landed aristocracy with rural elite led by SLFP prevented the reversing of food subsidy introduced in the context of Second World War period. It continued up-to 1978.

The initial public policy immediately after the independence till 1956 had approached poverty as an issue of secondary importance and resolvable through agriculture development policy and welfare provision by the state. This perception had continued up to 1977 with minor changes with the political vision of the parties that came to power.

The Bandaranayake regime and government lead by SLFP was different in some aspect from the UNP regime. They were more nationalist and concerned of the ancient glories and culture. It had embraced a role in the economy and development process of the country as a way to gain respect and dignity in the international system. It had visualized a role for the state as developer of economy and society. It believed that government intervention could give a “Big Push” to the economy. Poverty was treated as a secondary issue that could be overcome by the development strategy. This macro-policy strategy was supposed to be carried out through long term policy planning. This long term planning strategy included economic growth, industrialization and reduction of unemployment and poverty etc as the policy objectives. The Import substitution industries were encouraged with the twin objectives of saving foreign exchange and creating employment opportunities. The government at the initial stage has invested in large scale industrial ventures. However, later it was proved government enterprises were not productive, dependent on the public support for survival, non-competitive and low quality and burden on the budget. UNP government that came into power, in 1965, has initiated a programme of liberalization of import-substitution industrialization policy. However, it was unable to solve the problem of balance of payment and lead to regain the previous policy of government intervention.

By the time of 1970s, the economic growth rate and employment opportunities created under the various economic development approaches were proved to be dismal failure. The ultimate failure of the development policy was symbolized by the attempted regime change by the youth led by Janathavimukthi Peramuna (Peoples’ Liberation Front). The youths who had participated in the rebel were not really the peasant. However, the most of the participant had a rural and peasant background. They were educated unemployed youth (Keerawella, 1980).

The attempted revolution symbolizes several aspect of Sri Lankan economic development policy. The universal welfare provision has contributed to demographic transition prematurely. By the time of 1970s, middle part of the population pyramid was heavier. The problem was that the economy was unable absorb the growing labor force. On the other hand, the educated youth were in a mental habit of looking for state for everything.

They were also not willing to accept available job opportunities in the labour market. This has led the government to think of a development strategy capable of resolving the problem of unemployment and poverty. The new strategy was decentralization of administration and implementation of integrated rural development projects and aiming at the foreign labour market and long term development planning. The decentralization of administration was carried out appointing district political authorities. These authorities were the Member of Parliament, chosen from among the members of the ruling party. The task assigned was to coordinate the

development activities under the decentralized budget for development activities proposed by the members of the parliament.

Further, at the divisional level, societies of people were given an opportunity to propose development work. These proposals were channeled to the district level political authority to consider and implement the development projects. However, this measure of decentralization was not a solution to the problem of spoils system of benefit allocation and unable to prevent the patron-client politics and elite capture effects of rural development benefits. The other policy measure of integrated rural development projects were also aimed at the development of rural infrastructure facilities which benefit the poor on a participatory basis. The project selected was aimed at improvements of the rural folk through engaging activities like small scale irrigation projects that were labour intensive. The expectation was a solution to un-employment. However, these activities were not attractive to the educated, and white collar job seekers. The other policy measure was the opening up of employment opportunities through bilateral and multilateral agreement in the foreign labour market¹¹. The partial and selective reforms of the structure economy were the characteristic feature of the public policy towards poverty reduction which was based on developmentalist thinking.

1.4. Period of Economic Liberalism

This period is characterized by liberalism in the economy and dictatorship in politics (Abeyrathne, 2000:29). The United National party that came to power with big majority decided to follow liberalization process in economy (Jayasuriya, 1999). It deregulated trade and finance, allowing the private sector to compete with public sector. The protection for domestic industries were removed. It allowed the rupee to be devalued against foreign currencies (Dunham and Jayasuriya 1999). Welfare was targeted for the needy. This policy was based on an assumption in the potentials of market to deliver the goods and services effectively and efficiently resulting in growth and development. Government had embraced the role of facilitator to private sector. Government role has been to assure peace and order while investing in infrastructure development. Private investment was encouraged through giving incentives to the foreign capital investments. The incentive package included free trade zone and tax holidays etc.

However, government has been engaging in two popular massive development projects, namely that of “Accelerated Mahaveli Development Programme” and Housing project. The Mahaveli development project was totally, funded by foreign resources. The self-sustainability of foods, employment generation and electricity generation etc were expectations from those activities. The housing development project was to provide the shelter to the rural poor which was projected as providing the basic requirements for decent living (Sirivardana, 2004). The hidden objective, however, was strengthening the political support base of the ruling elite (Moore, 1990,). The allocation of irrigated land and houses meant for the poor were not given following objective criteria like need, skills or level of income but on the basis of party affiliation. It is revealed that benefits were captured by the rural elite which work as the power brokers between the ruling elite and the rural masses of the population at time of election¹².

At the very beginning of this policy orientation, growth rate was satisfactory. However, it started to stagnate by the mid of the decade. Reduction of the welfare was a major strategy adopted to deal with balance of payment and budget deficit by the UNP government. From 1950s to 1970s, government expended over 20 per cent of

¹¹ . Sri Lankan policy maker however has been aiming at the unskilled labour market in the foreign countries, Especially, in the Middle East. The policy makers have not developed strategy to tap the demand for skilled labour in the global market. This aspect of policy has undergone less academic treatment.

¹² This aspect of benefit allocation is quiet clear. However there is no systematic study of its impact on political violence. It requires a serious empirical and scholarly treatment.

total government expenditure for welfare provision. More was expended to provide food subsidies. However, under food stamp scheme in 1978, the government spending on welfare has decreased. During the period from 1981-85, spending on welfare provision was 11.1% of total government expenditure (Abeyrathne, 2000). The United Nations Development Programme has observed that Sri Lanka is being deviating from egalitarian society with a low income to in-egalitarian society with a higher rate of economic growth (UNDP, 1990: 49). It is observed the development strategy of the regime was unable to sustain growth rate and have worsened income distribution (Laksman1986,).

This period is important because it has introduced the external looking policy as the basic approach to solve the problem of underdevelopment. The issue of poverty was thought to be secondary issue of priorities in achieving the developmental objectives. The open economic policy has caused to loose earning opportunities to considerable number of people employed in import substitution industries. Government thought, a strong and powerful political regime would assure a disciplined labour market inducing private sector investment. It was expected growth would trickle down benefiting all. The objective of self-sufficiency in food through paddy cultivation was kept to remain unchanged. “Why a so ardently believing government has chosen to practice small scale colonization schemes under the Mahaveli Development project” is pertinent to be raised. **This is a continuing theme in public policy on poverty alleviation from the very beginning to present. The policies have preserved small scale agriculture and peasant farmers to work as a power base in the approval of the ruling elite in the democratic rituals of elections in the third world countries.**

1.5. Period of Politics of Poverty from 1988- to Date

High emphasis on poverty alleviation has been a special characteristic of the public policy process after 1988 politics in the country. Poverty alleviation became the high priority issue due to the second attempt to overthrow the ruling political regime¹³ during 1987-88 and necessities of electoral politics. On the one hand, if liberal economic policies were to be continued, gaining power by the UNP in the presidential election of 1988 was a necessity on the part of the newly born lumpen capitalist class (Fernando,2003). On the other hand, the presidential candidate, i.e. Ranasinghe Premadasa of the UNP came not from the traditional landed aristocracy of high caste Govigama in Sinhala Society. Sirimavo R. D. Bandaranayake , his main opponent was attractive to the masses of the people and had a tract record of introducing people friendly policies (Abeyrathne,1988).. He was the only leader popular among the UNP folds. He was in charge of patronage delivery housing project popular among the masses due for his pseudo hostility to 1987 Indo-Sri Lanka Peace Accord. This prompted UNP candidate to champion on behalf of the poor. He made poverty alleviation the top most priority issue in the political agenda of the state.

The development policy based on liberalism preaches a minimal state and uncontrolled market (Morris, 1999:55). It has its inherent strengths and weaknesses. By 1988, Sri Lankans started to experience the negative impacts of liberalization policies adopted by the government. The expectation of higher level of economic growth and the trickling down of benefits became an un-achievable dream (Alailima and Sanderatne, 1997). The healthy income distribution pattern started to decline. The following table Gini Coefficient ratio from 1980 to 2002 substantiate the fact.

¹³ . There are two types of political conflicts in Sri Lanka. The first one is the class struggle. The second is the ethnic struggle. The ethnic struggle led by Liberation tigers of Tamil Elam demands a restructuring of the state while the Janata Vimukthi Peramuna Led youths demanding a replacement of ruling elite.

Table 2.1
Gini Coefficient Ratio from 1980-2002

Year	Gini Coefficient
1980	0.310
1985	0.323
1990	0.309
1995	0.336
2002	0.355

Source: ideas.repec.org/p/msh/2006-6

The data shows that the Gini Coefficient has aligned toward value 1 indicating greater degree of inequality in income distribution. Gunatilake and Daungkaman have observed that there has been a 14.6 percentage change of the Gini Coefficient for the period 2002-1980(ideas.repec.org/p/msh/2006-6) Share of the national income by the richest 20 percent of the population was at 42.2 % while it was only 8.00 % by the poorest 20 percent of the population. Inflation was always in two digits during this period while increasing the trend of unemployment and underemployment. The increase in unemployment is basically due to losing of jobs in micro-sector of import substitution industries under liberalized economy and the non-expansion of service sector and stagnation of the growth process in the mid-1980s. Further, the importance of indirect taxes on goods and services have started to gain important place in the government revenue structure in the context of decreasing importance of tariff on trade under the post liberalization regime of 1977 (Bandara, 1999: 122).Government depended heavily on tax revenue. It is around 85% of the total revenue of the government. Relative importance of direct taxes has sharply decreased during the period while increasing the importance of taxes on domestic goods and services. This implies the indirect taxing on the poor. Cumulative effect of this policy outcome was the emergence of political violence lead by frustrated youth of the country leading to political and economic instability. The decisive presidential election of 1988 and the dilemma of maintaining a market economy where majority of the population lack purchasing power compelling the government to rethink the feasibility of the present economic policy and strategies.

It resulted in the appointment of a committee to look after the causes of poverty and to recommend measures to deal with the problem of poverty in 1987. The committee found that the major cause of poverty in Sri Lanka at the time was due to the negligence of the micro-sector of the economy.. The liberalism in the economic sphere and the dictatorship in the sphere of politics have been ridiculed by the people. The ethos and values of democracy in the people mindset in Sri Lanka have been extracted from the Westminster Form of Cabinet Government. The re-establishment of Westminster Democracy and welfare regime became the dominant themes of electoral promises in the election by the opposition parties. The presidential candidate of the UNP brought the issue of the poor, but not the welfare into the political debate and he made the poverty eradication the top most policy issue of the political agenda (Abeyrathne, 1998). UNP candidate was successful at much discredited the presidential election. The policy framework, his¹⁴ UNP of 1988-94 adopted has many similarities with the policy package of participatory development. His standard on the policy on poverty were acceptable to the developers in the donor community. The present policy on Poverty alleviation is an extension of this policy initiative under a different name

The initiatives were efforts to connect the poor with the mainstream of market economic process though micro-finance and assets transfers. The strategy was to link the poor at different points to the mainstream economic

¹⁴ . I prefer to use the term his/her before the name of parties in Sri Lanka (and South Asia) as these parties work to the tune of the leader of the party. For instance, Sri Lanka Freedom party under the more liberal leadership of Chandrika Bandaranayake, was pro for devolution of power. This standard has changed under the more chauvanistic, ethnically minded leadership of Mahinda Rajapakshe.

process. It provided credits to farmers to cultivate their small portion of land and credit to start new small scale enterprises and businesses. It emphasizes the importance of improvement of rural infrastructures for development which are labour intensive.

The new initiatives highlights the need of deciding the project by the poor and implementing them by themselves. This policy on poverty alleviation included two components namely consumption support and credit for investment. Credit is given normally on the recommendation made by the small group to which the poor are organized and approved by the parental society at the village level. Repayments of loan taken by the poor were a long problem for the consecutive government in Sri Lanka. Enhancing credit facilities for the poor and concessions have been a passion in electoral politics in Sri Lanka. Under the present scheme of the loan for the poor, the fellow poor are being made to police the other. It was made regulatory that the small group shall take the responsibility of loan repayment taken by the members of the group, if other members were to entitled credit and consumption component (Abeyrathne 2005).

Concluding Observation

The discussion on the evolution of public policy on poverty alleviation help to identify some continuities as well as discontinuities of elements in dealing with poverty as social problem. One significant continuity is that treating poverty as something that has to do with poor himself. Poor are poor for they have got some intrinsic qualities that make them poor. The poor persons need to be modernized. This perception of poor has been in existence since the very initiation of public policy on poverty as a result of introduction of universal franchise in 1930s. The other continuity is treating poverty not something that emerged out of structural causes of the social formation. The super-imposed capitalism and colonial public policy on land and confinement science and technology to the development of commercial agriculture and later to Eulogization of Paddy cultivation at the cost of other crops that help a few in social labour are some structural facts that lay behind the poverty in Sri Lanka. One important discontinuity in the policy discourse on poverty alleviation in Sri Lanka is the stopping of treating poverty that need to be addressed in the political agenda. The evolution of policy discourse on poverty also shows that it occupies the top most priority item in the policy agenda of the government when a movement politicizes the poor to get organized and engaged in a kind of emancipatory politics. During the 1930s when political left was very active, the issue of addressing the issues of poor became a priority in the agenda of the government. Once again same happened in 1980s to date. However, an analysis of the content of policy reveals that the ultimate objective had been to prevent poor asserting themselves but to keep them subordinated to the ruling elite even though the participation of poor had been emphasized in the policy. Thus one can concludes structural causes of poverty has never been addressed by public policy process of the country. The question that need to be raised is why so? Clinging on to the normative tradition of political theory, the question can be answered as something that has to do with poverty of politics.

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