

**THE IMPACTS OF RURAL POVERTY ON HUMAN DEVELOPMENT IN
SRI LANKA: A CASE STUDY FROM A VILLAGE IN KANDY DISTRICT**

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Dedication

To my loving mother, father and sister

Abstract

The study has examined the impacts of rural poverty on human development in Sri Lanka. Recently, human development became one of the most important facts of the development process. Meanwhile it is obvious that the two concepts of 'human development' and 'poverty' have a close relationship. Therefore it is important to identify this relationship to overcome the poverty and increase the quality of human development. When the poverty incident is high, it automatically leads to human poverty and adversely affects human development. Sri Lanka has paid attention to overcome the problem of poverty since her independence, but still there are considerable amount of the population living below the national poverty line.

This research focuses on key questions regarding rural poverty and human development in Sri Lanka. The main objective of the research is to explore the relationship between the poverty and the human development situation of the selected study area. The study used both quantitative and qualitative research method. Also relevant data for the study were gathered from the secondary as well as primary sources. The main primary data collection methods were questionnaire survey, household interviews and key informant interviews.

To address the human development perspective of poverty, this research used Amartya Sen's capability approach as the main theoretical approach and livelihoods approach as a tool to make the capability approach operational.

The village Madugalla (North) is located in the Udumbara Divisional Secretariat Division in Kandy District and it is a remote and rural village. Most of the villagers' main economic activity is agriculture and at the moment they have faced a number of difficulties due to unfavourable climatic conditions of the area. This situation adversely influenced people's living standard. Due to this situation, to escape poverty and secure survival, they used various types of livelihoods strategies. But the study revealed that most of these livelihood strategies are not sustainable. Also in terms of assets they are in a vulnerable situation. This situation has influenced their present poverty and low human development condition and deprivation of more valuable capabilities.

The present situation of the village is a result of number of factors which directly or indirectly affect the rural economy in Sri Lanka. The study found that the main reason for their poverty situation is low income. Low income is connected to the employment situation of the village. In terms of the Human development situation the lack of educational attainment of the elderly people of the village has negatively affected their present living standard.

Also the study focused on the evaluation of present poverty alleviation program (Samurdhi) in peoples' perspective. The result shows that many of the people do not have a trust on the program's potential to overcome their poverty situation. It seems that many people use the benefits they receiving form the Samurdhi only as a way of survival. Those who try to overcome the poverty situation through the Samurdhi program are limited.

Further peoples' personal views on poverty and their plans to overcome poverty situation and upgrade their human development were examined through the interviews. The final result revealed that many people don't have any clear idea about poverty. But according to their ideas they have experienced poverty in many ways. Many of them expressed poverty as lack of basic needs. Also they have no any reliable plans to overcome the problem.

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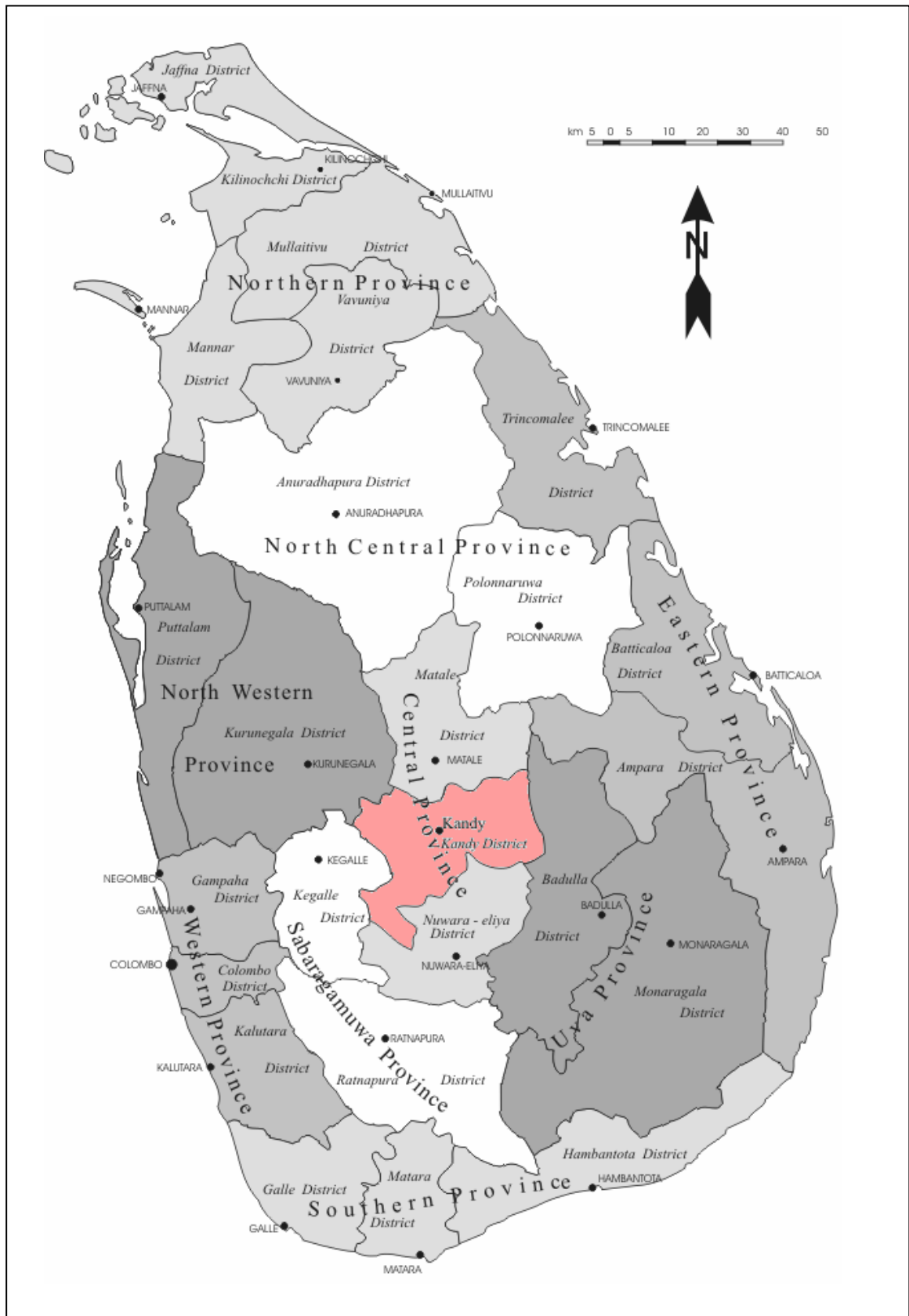
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Acronyms

CPRC	Chronic Poverty Research Center
DSD	Divisional Secretariat Division
GCEC	Grater Colombo Economic Commission
GDP	Gross Domestic Product
GN	Grama Niladhari (Local Administrative Officer)
GND	Grama Niladhari Division (Local Administrative Division)
GNP	Gross National Product
HDI	Human Development Index
HPI	Human Poverty Index
IFIs	International Financial Institutions
IMF	International Monetary Fund
IRDP	Integrated Rural Development Program
MDGs	Millennium Development Goals
PRSPs	Poverty Reduction Strategy Papers
RRDI	Rice Research Development Institute
SAPs	Structural Adjustment Programs
SLR	Sri Lankan Rupees
SPSS	Statistical Package for Social Sciences
UNDP	United Nations Development Program
WB	World Bank

Map 1 Sri Lanka with District and Provincial Boundaries



Source: http://www.ices.lk/sl_database/maps/towns.shtml (24-01-2006)

(Kandy district highlighted by author)

CHAPTER 1

INTRODUCTION

1.1. THE BACKGROUND

“Being poor is related to a wide range of factors including income, health, education, access to goods, geographical location, gender, ethnic origin, and family circumstances...”

(World Bank 1997:2)

Poverty is a complex and multidimensional phenomenon. Sri Lanka is experiencing poverty since her independence and still there are considerable amount of the total population suffering from poverty. The existence of widespread poverty and unequal distribution of income and non-monetary resources among population have become one of the major challenges in Sri Lanka. Especially rural poverty predominantly exists in the country. Also Sri Lanka has paid her attention on poverty alleviation more than five decades but there is no dramatic change up to now.

Poverty has continued to affect rural human development in many ways. Furthermore, poverty has negatively influenced the quality of human life. According to the World Bank’s categorization of countries, Sri Lanka is classified as a middle-income country. Nevertheless, many of her rural people are still living below the national poverty line. According to the official poverty line of Sri Lanka, rural people are more likely to suffer from poverty than urban people. In 2002, urban poverty was estimated to be 6.2 percent while rural poverty was at 20.8 percent. Even though some poor families have participated in poverty alleviation programs, their situation does not seem to improve at all. According to the Central Bank Report of Sri Lanka in 2004, 1.9 million families have benefited directly from the present poverty alleviation program (Samurdhi), which represents about 45 percent of the population of the country.

If we consider some poor families’ history, they have participated in a number of poverty alleviation programs. But still they have not escaped from their poverty. So there may be a hidden reason for their poverty. Sri Lankan government pays more attention every year to

reduce poverty incidents. But the situation change very slowly. When the poverty incident is high, it automatically leads to human poverty and adversely affects human development. According to the United Nations millennium development goals (MDGs), to eradicate extreme poverty and hunger is considered one of the main goals. Under these goals they hope to reduce by half the proportion of people living on less than a dollar a day and reduce by half the proportion of people who suffer from hunger by 2015.

When paying attention to development of Sri Lanka, it can be understood in relation to its development strategies pursued by successive governments of Sri Lanka. Governments of Sri Lanka have followed different development strategies and most of these development strategies were prepared by political ideologists. However all Sri Lankan governments have paid remarkable attention to eradicate poverty. They have implemented a number of poverty alleviation programs, but the situation has not changed as they planed. In 2002, Sri Lanka's poverty reduction strategy paper (PRSP) "*Regaining Sri Lanka*" was presented by the government of Sri Lanka. In the report six major strategies as a foundation for future poverty reduction efforts are presented. They are (1) Building a supportive macro economic environment (2) Reducing conflict related poverty (3) Creating opportunities for the poor to participate in economic growth (4) Investing in people (5) empowering the poor and strengthening governance and (6) implementing an effective monitoring and evaluation system (Government of Sri Lanka 2002).

But there is no any guarantee of the present situation of the implementation process of these things. It is noticed that when the governments change, most of the policies also change in Sri Lanka. This situation adversely affects the country's development process. However when considering the history of poverty alleviation in Sri Lanka, it goes to the Second World War period. The first food ration scheme was implemented in 1942 to protect the minimum food consumption level of the population. After independence the government has allocated more from the government budget for food subsidies in the context of high prevalence malnutrition¹. Between 1970-1977 government policies was to ensure the availability of a minimum amount of food for needy groups (Central Bank 1998a). After independence these programs were combined with the government's poverty alleviation programs. Moreover

¹ Sri Lanka was a welfare state since World War II and by now there are few changes have taken place in its welfare policy. At the moment country has paid more attention to protect and upgrade the poor people's living standard instead of subsidies. Therefore recent poverty alleviation programs have both social development programs and safety nets (more details can be found in the Chapter 4).

these programs have led to considerable human development in Sri Lanka But regional disparity is a main problem.

1.2. POVERTY AND HUMAN DEVELOPMENT

1.2.1. What is Poverty?

According to the World Bank, most often poverty is a situation people want to escape and poverty has many faces, changing from place to place across time. There are 1,089 millions of people live on less than \$1 a day (World Bank 2005a).

“Poverty is pronounced deprivation of well-being. But what precisely is deprivation? The voices of poor people bear eloquent testimony to its meaning. To be poor is to be hungry, to lack shelter and clothing, to be sick and not cared for, to be illiterate and not schooled. But for the poor, living in poverty is more than this. Poor people are practically vulnerable to adverse events out of their control. They are often treated badly by the institutions of state and society and excluded from voice and power in those institutions” (World Development Report 2000/2001:15).

The above definition shows the multidimensionality of poverty. Poverty has been discussed mostly in relation to income and also with social, cultural, political dimensions. World poverty incidence has decreased from 28 percent of global population in 1990 to 21 percent in 2001². Also people’s living standards have risen dramatically over the last decades. Nevertheless, regional disparities are at a high level.

Another important issue is the chronic poverty of the people. Though many institutes and organizations try to address the issue of poverty, identifying the characteristics of chronic poverty is necessary to overcome the problem. Chronic poverty considers the duration of staying in poverty situation. People become poor, stay poor and escape poverty. But those who can not escape from poverty for a long duration are considered as suffering from chronic poverty. The Chronic Poverty Report (2004-05) says people in chronic poverty are those who have benefited least from economic growth and development. Further the report stresses that

² See World Bank poverty Net website
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/0,,menuPK:336998~pagePK:149018~piPK:149093~theSitePK:336992,00.html> (31-03-2006)

900 million people will live in poverty by 2015, if the MDGs are met. Not only that chronic poverty clearly affects people in many different situations and causes of chronic poverty vary from region to region, households to households and person to person.

Among the main causes for chronic poverty, several different bases of social marginalization, discriminations and disadvantage have been identified by both researchers and poor themselves. These causes can be ethnicity, race, religion, cast; migrant, stigmatized or bonded laborers; refugees and internally displaced people; people with disabilities and certain illness such as HIV/AIDS; peoples age such as children older people; household composition such as households headed by disabled person, older people and widows (CPRC)³.

Yet, the concept of poverty is still changing and not precisely defined. It is hard to find world wide accepted definition on poverty. But it is important to have a precise definition and various causes which influences on poverty to correct understanding of the problem.

1.3.2. Human Development

The concept of human development originally introduced as an alternative to the conceptions of development that focused on economic growth. Dr. Mahbub ul Haq is one of the creators of the concept of human development and he defined human development as “a process of enlarging people’s choices”. The United Nations Development Program (UNDP) introduced the first Human Development Report in 1990 and since then the concept has developed in many ways. By now the concept has become a heart of the development and therefore all development organizations pay more attention to human development.

According to the concept of human development income is a mean and not an end. The concept mainly focuses on people’s long healthy life, people’s knowledge and access to resources needed for a decent standard of living. If these elements are unavailable, many other opportunities remain inaccessible. Further Human development has two main sides such as human capabilities and skills (see Chapter 2.4. human development and poverty) (Human Development Report 1990: 10).

³ See Chronic Poverty Research Center website
http://www.chronicpoverty.org/about/what_is_chronic_poverty.html (31-03-2006)
For more detail see Chronic Poverty Report 2004-05 (available online)

Also Amartya Sen combined poverty and human development and defines poverty as a capability deprivation. He paid more attention to people's capabilities and freedom (see Chapter 2.5 and 2.6). As poverty has many faces lack of basic capabilities such as education, health, freedom etc. considered as human perspectives of poverty. To measure human development and human poverty Human Development Index (HDI) and Human Poverty Index (HPI) are used. I have discussed these concepts in detail in the Chapter 2.

Poverty is hunger, lack of shelters, being sick and not being able to see a doctor, not having able to school and not knowing how to read, not having a job, fear for future, vulnerability etc. This shows the multidimensionality situation of poverty. Those who are living poor have one or more of above mentioned characteristics

1.3. IMPORTANT OF THE STUDY

Poverty is considered as one of the major barriers to the development process of Sri Lanka. This research addresses some key questions regarding poverty and human development in Sri Lanka. In the process of development, considering regional variables and trying to find solutions and reasons for such kind of variables is a necessary thing. Because, if we can identify causes or problems regarding rural poor people's backwardness, it may be helpful for the future planning and implementation process.

According to the United Nations National Human Development Report in Sri Lanka (1998) the study area (Kandy) has recorded the poorest Human Development Index (HDI) value in the country and the second lowest district in terms of Gross Domestic Product (GDP) per capita. Nevertheless in terms of education, health services and sanitation facilities the Kandy district has attained considerable progress. However, this does not mean that the whole area of the Kandy district has developed in the same manner. Although the Kandy town and surrounding areas have developed, other areas which are situated away from the main city center still have not attained considerable development. And rural people are faced with unprecedented levels of poverty. Poor human development can also lead to other problems like unemployment, spread of diseases, social unrest, and increased poverty level and so on. It is important to understand the complexity of such problems. This research project will tackle the various problems experienced in the study area.

1.4. RESEARCH OBJECTIVE AND QUESTIONS

1.4.1. Research Objective

The main objective of this research is to explore the relationship between poverty and human development in rural households in Kandy district (Udadumbara Divisional Secretariat Division) in Sri Lanka.

Specific objectives include the following:

- Identifying poor people's assets
- To explore and identify poor people's strategies, which they use for maintaining their livelihoods
- To assess the impact of the government's present poverty alleviation program (Samurdhi program)
- To ascertain the people's experiences of poverty

1.4.2. Research Questions

To achieve above objectives, answers to the following research questions are needed to be sought.

01. What is the relationship between poverty and human development in rural households?
02. What kinds of strategies do poor people use to improve their living conditions and human development?
03. Does the Samurdhi program help to overcome poor families' problems and human development?
04. What are the people's own experiences of poverty?

1.4. STRUCTURE OF THE THESIS

This thesis is divided into nine Chapters. The first Chapter is the introductory Chapter that includes the background, importance of the study, objectives, research questions, organization of the thesis and definitions of the poverty and human development. Chapter two discusses the problem of poverty and human development in theoretical perspective and under this the thesis presents the capability approach as the main theoretical approach and livelihoods approach as a way of making the capability approach operational. Chapter three is about the research methodology employed and limitations of the research methods that I engaged. Chapter four presents the country profile in relation to the poverty and human development perspective. Chapter five is about the selected study area and brief overview of the present

situation of the area. Chapter six, seven and eight present the analysis of the collected data in relation to the above presented research questions. The last Chapter, Chapter nine presents summary, conclusion and recommendation.

CHAPTER 2

CONCEPTUAL AND THEORETICAL BACKGROUND OF THE STUDY

2.1. INTRODUCTION

This Chapter discusses the conceptual and theoretical framework applied in the study. Here I first present different approaches and debates on poverty and human development in a historical perspective. It is important to have an idea of the evolution of the understanding of poverty and human development. As there are a large number of theories and concepts on poverty and human development, here I have decided to concentrate on only two of them which are related to my research questions and objectives. To address the human development perspective of poverty I have used the capability approach as my main theoretical approach in this research and to identify the people's livelihoods strategies, I used the livelihoods approach.

2.2 OVERVIEW OF POVERTY AND DEVELOPMENT DISCOURSE

Poverty is not a newly born concept and it has a long history. During the past few decades number of attempts has been taken to reduce the world poverty level. The issue of poverty is directly connected to the development paradigms of the world. Therefore many development attempts focus on poverty and it is considered as a key concept.

As mentioned in Chapter 1 defining poverty is still controversial. Different institutes and people use the term poverty in different ways. Poverty has been discussed mostly in relation to income and also in relation to social, cultural and political dimensions. At the moment there are many dimensions have added to the concept of poverty such as education, health, capability, vulnerability, equity, empowerment etc.

During the last few decade world nations strived to attain development by using different policies. Meanwhile the meaning of the development has been changed over the time. Though they concentrated on the process of development they did not pay much emphasis on the issue of poverty until recently. But at the present all nations have identified poverty as a one of the major issues which should be addressed when planning development.

2.2.1. Idea of Economic Growth (up to 1960s)

In the early post-war period development policy emphasized economic growth. In fact, development was equated with economic growth, economic growth with industrialization and industrialization with investment in physical capital formation (Kabeer 2003). Rostow's 'stages of economic growth' was one of the major development theories during this period. According to him development consists of five major stages such as traditional society, pre-condition to take off, the take-off, the drive to maturity and the age of high mass consumption (Rostow 1960). When development thinking broadened to encompass modernization, economic growth was combined with political modernization such as nation building, social modernization, fostering entrepreneurship and 'achievement orientation' (Pieterse 2002)

In order to that developing countries tried to attain economic growth and expected the result to trickle down to the countries' poorer people. Many developing nations established Import-Substituting industries⁴ and tried to be more self-reliant. Countries per capita income was considered as the main indicator of development of the country. However it was realized that these strategies weakness as a development and reduction of poverty of many developing countries.

In perspective of the social aspect of the economic growth, it was identified that only the economic growth (increasing the GNP per capita) will not help to upgrade the human capital formation. This led to an emphasis on education and training as pre-requisites of growth and therefore increasing education, health etc. (Human capital) were considered as pre-requisites for growth and also to industrialization of the country. However this economic growth led to increased gap between rich and the poor.

2.2.2. Main Development Strategies During the 1970s and 1980s

During the 1970s oil crises reduced the growth rate of the advanced industrialized countries and increased the debt burden of the less developed countries. According to Nila Kabeer, the main poverty reduction strategy during this period was supplying basic needs for the poor. In the 1970s there was a greater concern with the productivity of small farmers with meeting

⁴ This is related to the Dependency theory. The Dependency theory was introduced by Raul Prebisch during late 1950s. The theory refers relationship between developing and developed countries in the world. According to Dependency theory underdevelopment sees as a result of unequal relationship between developed and developing nations.

basic needs and with income generation for the landless poor. These approaches however tend to be project based and piecemeal (Kabeer 2003).

Also since the 1970s Structural Adjustment Programs⁵ (SAPs) influenced the developing countries. SAPs were imposed by the World Bank and the International Monetary Fund (IMF). Since the late 1970s the United State has been a principle force in imposing SAPs on the governments of the global south. Formulated as loan conditions by Northern governments and the International Financial Institutions (IFIs), SAPs require recipient countries to change their economic policies, generally to encourage greater economic deregulation (liberalization) of trade, investment and finances (Barry 2001).

Further the idea of sustainable development began during this period (1980s). The report of 'our common future 1987 led to the idea of sustainable development and after that the all development process focuses on the theme of sustainability. The report emphasizes the relationship between environment, poverty and development. The report defines development as sustainable development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

2.2.3. The Period of 1990s (human development as a path of development)

In the 1990s the term human development became as a key concept of development. The United Nations Human Development Report (1990) emphasizes reduction of poverty as a way to development. The report paid special attention to the human capabilities and its role for development. During the 1990s human capability was put at the heart of development. The report specifically explored the relationship between economic growth and human development. It says that economic growth is essential for human development, but to exploit fully opportunities for improved well-being that growth offers, it needs to be properly managed. Further it stressed that there is no automatic link between economic growth and human progress (Human Development Report 1990:42). The report introduced the Human Development Index (HDI) to measure human development. Also 1997 human development report paid attention to poverty and human development and it considered human development a way of eradicating poverty.

⁵ SAPs were criticized later and therefore Poverty Reduction Strategy Papers (PRSPs) introduced by the World Bank as an alternative to the SAPs. But the structure is not changed.

Also Amartya Sen's capability approach tries to understand poverty in relation to human development and he considered poverty as capability deprivation. He paid attention to people's capabilities and inability to achieve valuable capabilities such as education, good health condition etc. and he talked about the enlargement of people's opportunities in the process of development (UNDP 1990).

2.2.4. Millennium development goals and poverty

Many world organizations attempt to overcome poverty rates of the developing countries. Among these UNDPs Millennium summit played an important role regarding poverty reduction in the 21st century. At the United Nations Millennium summit in 2000, 189 governments across the world made a commitment to take collective responsibility for halving world poverty by 2015. Further in the perspective of human development the Millennium Development Goals (MDGs) has considered about education as one of the means to eradicate poverty. As well as the gender equality, child mortality, maternal health, combat diseases, environment and global partnership has considered as an important sectors to development process.

2.2.5. Poverty reduction strategy papers (PRSPs)

The World Bank (WB) and International Monetary Fund (IMF) introduced the idea of poverty reduction strategy papers (PRSPs) to their member countries. And PRSPs prepared by the member countries through a participatory process involving domestic stakeholders as well as external development partners including the WB and IMF. PRSPs describe the country's macroeconomic, Structural and social policies over a three year period to promote broad based growth and reduce poverty (International Monetary Fund⁶ 2006).

2.3. ABSOLUTE POVERTY AND RELATIVE POVERTY

Poverty is most often seen as absolute poverty and relative poverty. What do absolute poverty and relative poverty mean?

⁶ <http://www.imf.org/external/np/prsp/prsp.asp#o> (04-03-2006)

2.3.1. Absolute Poverty

The approach of absolute poverty defines the minimum level of income needed to maintain life. The concept of absolute poverty is most commonly used for measuring poverty in the developing countries. The World Bank currently uses a figure of 1 (USD) per day for absolute poverty. In terms of absolute poverty all countries have their own poverty lines to measure poverty at the national level. This can be called the monetary approach to poverty. The monetary approach to poverty assumes that individuals and households are poor if their income or consumption falls below a certain threshold, usually defined as a minimum, socially acceptable level of well being by a population group.

The most widely used indicator for the measurement of income poverty is the head count index and per capita Gross National Product (GNP). The GNP per capita indicator gives an indication of the average material living standard of a country's population. The head count index is based on a poverty line (or set of lines). Those poverty lines are established by costing a minimum basket of essential goods for basic human survival, using income, consumption or expenditure data of non poor households (Lok-Dessallien 1996).

Sen (1981) discussed this approach in the context of biological approach. According to Sen's concept of 'biological approach,' poverty can be defined as insufficiency of income to meet basic food need. But to define poverty in this way creates many problems. Sen identified three main issues regarding defining poverty in the perspective of basic needs approach. First one is that there are significant variations related to physical features, climatic conditions and work habitat. Further he says that even for specific groups in a specific region, nutritional requirements are difficult to define precisely. Second, the conversion of minimum nutritional requirements into minimum food requirements also depends on the choices of commodities. And also it depends on the subject's consumption pattern and habits of the people who live in a specific region or country. Third, for non-food items such minimum requirements are not easy to define and the problem is usually solved by assuming that a specified proportion of total income will be spent on food. However the proportion of spending on food varies not only with habitat and culture, but also it depends on relative prices and availability of goods and services (Sen 1981).

MacPherson and Silburn (1998) consider both the theoretical and practical difficulties of definition of absolute poverty approach. They argue that not only nutritional requirements

vary from one person to another, and from time to time between people of different ages or with different work-patterns, but also in practice, allowance may need to be made for variations in the availability of foodstuffs, in the knowledge and skills needed for the most efficient preparation of food, in food purchasing habits where the decisions about what to buy, and in what quantity may be influenced not only by availability and price but also by capacity to store food safely and prepare it appropriately. In addition to these things they stressed the influence of food-beliefs, dietary customs and conventions as well as taste and food preferences (MacPherson and Silburn 1998). So there is no any general agreement on the concept of absolute poverty, but it has been used for a long time.

2.3.2. Relative Poverty

The alternative to absolute poverty has been to define poverty as relative deprivation, for example as half mean income, or as exclusion from participation in society (Maxwell 1999). All definitions of relative poverty are based upon comparison of the living conditions in the community. Relative poverty can be defined as significantly less access to income and wealth than other members of the society. The council of Ministers of the European Community in 1984 defined the poor as ‘persons, families and groups of persons whose resources (material, cultural and social) are so limited as to exclude them from the minimum acceptable way of life in the Members State in which they live’ (Council of the European Communities 1984 in MacPherson and Silburn 1998:7). In this sense the relative poverty can be seen as the social exclusion. This is multidimensional and can be combined with the income, resources, social relations, social services like health, education so forth. Also when the inequality is at high level in the society the relative poverty rate become high and on the other hand at the condition of minimum inequality, the poverty rate become lower rate. The concept of relative poverty often used to measure poverty in the developed countries rather than developing countries. But it can be used to measure poverty in developing countries too.

2.4. HUMAN DEVELOPMENT AND POVERTY

Human development is not only a rise or fall of national income level of a country. And also poverty is not only a lack of income. Both, poverty and human development have many dimensions. As mentioned previously the first decades of the development discourse considered only the economic growth of a country. Most of the development programs paid

their attention to the economic benefits of their projects. So the human development and human poverty concept were not considered very much. However since 1970s/1980s more attention is paid to human development in the development process.

During the last few decades the concept of poverty spread to various fields. As a consequence, multidimensional perspectives of poverty, during 1990s the concept of poverty gathered with the concept of Human Development. Then the definitions of poverty became further complex. The concept of human development and human poverty was introduced by the UNDP's Human Development reports 1990 and 1997. The Human Development Report 1990 defined human development as the process of enlarging people's choices. These choices can be infinite and change over time. In addition to that, human development has two dimensions. They are the formation of human capabilities — such as improved health, knowledge and skills — and the way people make use of their acquired capabilities — for leisure, productive purposes or being active in cultural, social and political affairs. At the same time the report defines poverty as the inability to attain minimal standards of living. From a human development perspective, poverty means the denial of choices and opportunities for a tolerable life. According to the Human Development Report 1997, poverty is not only lack of material well-being, but it is also about the denial of opportunities and choices most basic to human development – to lead a long, healthy, creative life and to enjoy a decent standard of living, freedom, dignity, self-esteem and the respect of others (UNDP 1997). Poverty in the human development perspective has many dimensions such as short life, illiteracy, exclusion and lack of material means and all these dimensions can overlap in different combinations. These things are related to the capability approach, which was introduced by Amartya Sen.

Further the Human Development Report from 2005 says human development is about freedom. It is about building human capabilities — the range of things that people can do, and what they can be. But this freedom can be restricted if they are poor, ill, illiterate, discriminated against, threatened by violent conflict or denied a political voice. All these are about people's capabilities.

To measure Human Development and Human Poverty there are two main indexes introduced by the UNDP namely Human Development Index (HDI) and Human Poverty Index (HPI). To measure HDI three main elements are considered by the UNDP. They are longevity, knowledge and decent living standards. To calculate the former, three main elements, life

expectancy at birth, adult literacy rate and GDP per capita are used. And the human poverty index measures deprivation in basic human development in the same dimensions as the HDI. The variables used are the percentage of people expected to die before age 40, the percentage of adults who are illiterate, and overall economic provisioning in terms of the percentage of people without access to health services and safe water and the percentage of under-weight children under five (UNDP 1997).

2.5. THE CAPABILITY APPROACH

There is a considerable amount of literature existing on the capability approach (see for example: Alkire 2002, Fleurbaey 2004, Krishnakumar 2005, Robeyns 2004, Sen 1981, 1995, and 1999). The capability approach is generally described as a broad normative framework for the evaluation and assessment of individual well-being and social arrangements, the design of policies and proposals about social change in society and is used in a wide range of fields, most prominently in development studies, welfare economics, social policy and political philosophy (Robeyns 2004).

The capability approach is a broad approach to poverty and also to human development. The concept of capability was first introduced by Amartya Sen in 1976. It has been developed and criticized by other scholars during the last few decades. It seems that the capability approach has paid more attention to human well-being. However the concept of well-being is multidimensional. Further the approach seeks solution to the problem of poverty based on people's capabilities which should be attained in order to become valuable human beings.

Sen describes the 'capability approach' by considering human life as a set of doing and being of functionings. According to Sen, it relates the evaluation of the quality of life to the assessment of the capability function. The capability approach is mainly focused on what people are effectively able to do and to be, that is on their capabilities. This contrasts with philosophical approaches that concentrate on people's happiness or desire-fulfillment, or on income, expenditure or consumption (Robeyns 2004).

According to Sen, the capability approach has a long history. Among the classical political economists, both Adam Smith and Karl Marx explicitly have discussed the importance of functioning and the capability to function as determinates of well-being. Marx's approach to the question was closely related to the Aristotelian analysis. However, since then the concept

has been developed in many ways and applied to the concept of poverty and human development. The capability approach is trying to explain and measure poverty in a human development perspective and as already mentioned the concept was widely used by UNDP's human development report in 1997. The human capability approach to poverty measurement measures poverty in terms of outcomes or 'ends'. It defines the phenomena as the absence of basic human capabilities to function at a minimally acceptable level within a society (Lok-Dessallien 1996).

As this is a broad approach than other approaches to poverty and human development, it has become an important feature of the process of development during the last few years. Poverty and human development are therefore connected through the capability approach.

According to the above discussion there are two main concepts that are used to describe the capability approach. These are 'functionings' and 'freedom'. The whole approach depends on these core concepts and it is important to define these concepts further. The next section discusses these concepts briefly and in order to understand the key idea of the capability approach.

2.5.1. Functionings

Sen uses the word 'functionings' very often to explain the capability approach and the functionings have become one of the key words of the capability approach. What is meant by these functionings? How can we explain the capability approach through people's functionings? It is important to consider these things related to my study and the analysis of the research.

Then what are the capabilities of a person? Is it different than the functionings? Sen (1987) explains the difference between the terms capability and functionings as "A functioning is an achievement, whereas a capability is the ability to achieve. Functionings are, in a sense, more directly related to living conditions, since they are different aspects of living conditions. Capabilities, in contrast, are notions of freedom, in the positive sense: what real opportunities you have regarding the life you may lead" (Sen 1987:36).

The term functionings is not easy to understand. But when considering the prevailing literature the term implies a simple phenomenon. The term refers the standard of person's living condition. And on the other hand capabilities are set of choices and the functionings are the achievements. For example as functionings considered 'beings and doings' being educated, being well nourished, long life expectancy, being able to take part in social activities in a society are achieved functionings. Therefore capabilities are the set of choices that one face in life and functionings are the outcomes. These achieved functionings can be observed and measurable and comparable, but capabilities can not be measured or observable. In other way the capability refers the means and the functionings refer the ends.

Sen (1995) further describes different types of functionings. According to him, some functionings are very elementary and being adequately nourished, being in good health and being educated can be considered elementary functionings. Meanwhile there are more complex functionings such as self-respect, ability to appear in public without shame, etc. It seems that functionings have different levels and can be categorised in to a few different groups. Moreover Sen has added value for all these functionings. Because it is obvious that achieved functionings such as education, good health, social respect etc. have a value for the persons who achieve these functionings, and also to the society. Because having a good education and a good health are important both for the individual's well-being and for the country.

Robeyns (2004) explains capability functionings as, people's capabilities to function. It is people's effective opportunities to undertake the actions and activities that they want to engage in and whom they want to be. Functionings include working, resting, being literate, being healthy, being part of a community, being respected, and so forth (Robeyns 2004).

However it is not easy to understand the term 'beings and doings' for all. But the phrase explain simple phenomenon. Sen acknowledges functionings as what persons are actually able to do or be — that is their functionings — not in the pounds of rice they consume. Further a functioning may be any kinds of action performed, or stage achieved, by an individual, and may a priori cover any thing that pertains to the full description of the individual's life. Therefore such a description may be done by a list or "vector" of functionings. The capability set is the set of all the vectors of functionings that the individual could have obtained if he or she had chosen (Fleurbaey 2004). Further functionings are the

actual outcomes or the level of achievements attained in the various dimensions. Functionings are observable or measurable though the capabilities are unobservable (Krishnakumar 2005)

These definitions of functionings reveal that the concept has many dimensions and also there are many explanations on the concept. Also the Human Development Report (1997) defines functioning as the valuable things the person can do or be (such as well nourished, living long and taking part in the life of a community) and the capability of a person refers for the different combinations of functioning the person can achieve; it reflects the freedom to achieve functioning.

2.5.2. Freedom

This is the second main concept related to the capability approach. Sen's book *Development as Freedom* (1999:3) opens with: "Development can be seen; it is argued here, as a process of expanding the real freedom that people enjoy. Focusing on human freedoms contrasts with narrower views of development, such as identifying development with the growth of gross national product or with the rise in personal incomes or with industrialization or technological advance or with social modernization". Alkire (2003) elaborates the term freedom in the perspectives of progress, development or poverty reduction and says those things occur when people have greater freedom (=capabilities). Similarly there is another idea of freedom. Freedom means having a capability set that offers plenty of opportunity for choice (Gunewardena 2004).

How can people achieve freedom in order to gain their capabilities? The freedom to lead different types of life is reflected in the person's capability set. The capability of a person depends on a variety of factors, including personal characteristics and social arrangements (Sen 1995). Freedom is complex and there are some kinds of freedoms which have to be avoided due to regulations or social arrangements. Sen also says that freedom is not an unproblematic concept. In order to attend to the foundational importance of freedom Sen introduced the concept of capability. Capability refers to a person's or group's freedom to promote or achieve valuable functionings. That means these concepts are interrelated to each other and it is some extent difficult to explain separately.

According to the above definition the terms freedom, capabilities and functionings are interrelated and they are dependent on various factors. Freedom refers to the ability to choose one type of life style by using capabilities. On the other hand capabilities refer to a person's freedom to achieve valuable functionings. As Sen says in the above definition, freedom may depend on many things such as social conditions, religious, resources, income etc. As an example if we think of freedom to choose some kinds of food (example: meat) may depend on person's income as well as social or religious norms that he attached.

In the perspective of the capability approach, freedom is concerned with the '*real opportunity*' that we have to accomplish what we value'. Sen argues that freedom has intrinsic as well as instrumental value. The 'good life' is partly a life of genuine choice and not one in which the person is forced in to a particular life-however rich it might be in other respects (Alkire 2002). It seems that Sen stressed the freedom to choose one particular life style among various styles. However though there are many choices some poor can not chose one life style which they want to be and other hand some may have chosen normal life style when available more rich life styles that they have chosen. Furthermore sometimes there may be some kinds of force to select a specific lifestyle or other things without any freedom to select. But these things may be for the goodness of the persons' who had to do so. Further Sen has presented five types of instrumental freedoms that contribute, directly or indirectly, to the overall freedom people have to live the way they would like to live. They are (1) political freedoms (2) economic facilities (3) social opportunities (4) transparency guarantees and (5) protective security (Sen 1999:38)

In relation to my research these things may be helpful to identify the reasons for the poverty in the study area and also their capabilities to overcome poverty situation in the perspective of the capability approach. Though the concept of capability seems good approach to evaluate poverty during the past few decades the approach was criticized by many scholars in the development field.

2.5.3. Critical perspectives of the capability approach

During last few years the concept of capability has played an important role among academics as well as among international organizations and non-government organizations. Many development programs tried to apply the capability approach as a new development paradigm. However the concept of capability is not totally clear and some critical issues rose about the approach. I will discuss some of the issues which have been criticized by other scholars within the past few years.

Though the approach has considered many perspectives there are some questions that can be identified regarding the concept. The main problem is how to measure a person's capabilities. There is no any justified method to evaluate or measure someone's capabilities. Because capabilities vary from one person to another, and change according to the various kinds of environmental conditions that the persons are living in. For examples a person's health conditions are obviously influencing on their personal capabilities (example: disable person). Sometimes capabilities can be varying according to the laws and regulations of the regions or countries where people are living (example: due to traditional customs). Not only health, available resources where a person is living also affect the availability of several capabilities. Because if think of poor society which is geographically located in a extreme climatic region in the world, many capabilities which are needed to achieve well-being, are not available to persons who live in there. Thereby capability sets are not similar to all persons in the world and depend on various factors where they are living.

Another important issue is identifying valuable capabilities and functionings. How do we value functionings or 'beings and doings' in relation to the capability approach? Though there is an array of opportunities open for a person, would value all these by the society or the others is another problem. Because some of the functionings may not be valued by the society or others which is done by some one to fulfill their own needs. This is also relating to the concept of freedom. Because, sometimes a person's freedom to choose some kinds of activities may be adversely affect by other people's freedom or living conditions. Also sometimes people have to choose any kinds of income generating activities but not freely to maintain their living condition. Because she or he may need to earn some money to maintain their lives and therefore they might not have any chance to think of the means of earning money (example: selling illicit liquor as a way to income generating) and influences on others. Perhaps she or he may enjoy with their earnings, but how they themselves or others value their job may be a

problem. There may be other types of choices but they can not choose them due to their inability or sometimes may be other reasons like social inequality or poverty.

Another important issue is the means to achieve valuable functionings. There should be unproblematic ways to achieve functionings. Because though there are set of capabilities and opportunities there is no same chance to choose whatever need for a person. And therefore it is difficult to evaluate or compare two different groups of people's capabilities and functionings in the same way.

Also the terms which have been used by Sen to explain the capability approach is not very much familiar to the common people and these terms have used in for explaining somewhat deep ideas, because specially the terms 'capabilities' 'functionings' 'freedom' has been used to explain hidden ideas which can not be understood by looking at the words (example: for Sen 'functionings' is a achieved living condition of a person). However I will use the concept of capability to analysis my research problems and will elaborate coming Chapters with the help of capability approach.

2.6 POVERTY AND THE CAPABILITY APPROACH

Sen has tried to explain poverty in the perspective of the capability approach. Sen's capability approach views poverty as deprivation of basic capabilities and development and development of human capabilities as the real goal of development. One of the major approaches (income perspective of poverty) which was considered as the basic or main fact for the poverty has seen as only one of the causes for the condition of poverty.

2.6.1. Income and Capability Deprivation

According to Sen, the perspective of capability-poverty does not involve any denial of the sensible view that low income is clearly one of the major causes of poverty, since lack of income can be a principle reason for a person's capability deprivation. He further advocates that "The claims in favor of the capability approach to poverty are the following: (a) Poverty can be sensibly identified in terms of capability deprivation; the approach concentrates on deprivations that are *intrinsically* important (unlike low income, which is only *instrumentally* significant) (b) there are influences on capability deprivation - and thus on real poverty - other than lowness of income (income is not the only instrument in generating capabilities)

and (c) The instrumental relation between low income and low capability is variable between different communities and even between different families and different individuals (the impact of income on capabilities is contingent and conditional)” (Sen 1999: 87-88). The above quotation reveals the multidimensionality of poverty in the perspective of income. On the other hand the capability of a person depends on a variety of factors, including personal characteristics and social arrangements (Sen 1995).

Further Sen (1999) advocates that the relationship between income and capability would be affected by the age of the person, by gender and social roles, by location and by epidemiological atmosphere. How is it affected by age? There may be different types of needs for the old people and young people. So that their needs' cost also may be varying (example: to the old aged person may need a wheelchair to transport whereas the young person may need a bicycle). Further by gender there are many different roles to play in the society and their needs may be different by other gender (male or female).

Yet there can be some disadvantages between (1) income deprivation and (2) adversity in converting income into functionings. Sometimes disability, illness and age reduce one's ability to earn an income. This situation entails that the real poverty (in terms of capability deprivation) may be more intensive than what appears in the income space (Sen 1999). Also he has paid his attention to the distribution of the income among family members. This is mostly related to the gender of the family members. There is a tradition among some developing countries especially in Asia and North Africa about preferences of boys than girls for their families. And this situation affects the resource allocation among the family members. Further the situation often leads to deprivation of girls in such countries and it may adversely affect their human development in terms of capability deprivation.

Finally Sen argues that *relative* deprivation in terms of *incomes* can yield *absolute* deprivation in terms of *capabilities*. Being relatively poor in a rich country is a great capability handicap, even when one's absolute income is high in terms of world standards. He explains further this step as, generally in an opulent country, more income is needed to buy enough commodities to achieve the same social functionings. If they could not fulfill their needs as others in the society, sometimes it may lead to social exclusion (Sen 1999).

2.6.2. Relationship between Income Poverty and Capability Poverty

Income poverty and capability poverty have a close relationship. In the perspective of capabilities, income is seen as an important means to achieve valuable capabilities for the people. Sen's capability approach stresses that the relation with income and capability is positive and when a person's income increases, it may also increase the capability of the person and then again improved capabilities to help to earn more income. Anyhow this is related to human development such as education and health improvement of the poor people. When such basic facilities increasing it automatically improve person's ability to earn more income and escape from income poverty.

Increasing the infrastructure, spreading economic opportunities and basic social backgrounds such as high level of literacy, numeracy, and basic education, good general health care, completed land reform so forth would enhance the development of the country and there are some countries such as Japan, South Korea, Taiwan, Hong Kong, Singapore, China and Thailand that have gained good result of doing so. According to Sen (1999) this is related to the way countries have improved the human development condition.

In terms of human development though Sri Lanka has gained considerable progress as mentioned previously a considerable amount of regional disparity can be identified. In the perspective of human development and eradicating of poverty, especially from the rural areas in Sri Lanka, increasing capabilities is more important than providing safety nets for the poor.

2.6.3. Unemployment and Capability

Sen's capability approach has also discussed the relationship between unemployment and capability deprivation. Many people have had to face poor condition due to unemployment and its negative impacts on the poor people and country's economy. Sen (1999) explains the relationship between unemployment and capability deprivation. Here unemployment is considered a case for deprivation of a person's capability. Though he has talked about this in relation to the European context, in his book "Development as Freedom" it is applicable to developing countries. There are many side effects of unemployment more than loss of income. Some of them are psychological harm, loss of working motivation, skill and self confidence, increase in ailments and morbidity, disruption of family relation and social life, hardening of social exclusion and accentuation of racial tensions and gender asymmetries. So

that it is noticeable that there are many other problems that may occur due to unemployment and these are not concerned in other approaches very often.

It is essential to reduce the unemployment rate in order to eradicate poverty and especially in the perspective of capability approach minimize the income poverty and related capability deprivations.

2.6.4. Measuring Human Poverty

As mentioned in the Chapter 1, to measure human poverty in the human development perspective, the Human Development report (UNDP 1997) introduced the Human poverty Index (HPI). This provides a picture of poverty country by country and it deals with three main dimensions such as longevity, education and economic factors (decent a living standard). The Above three variables consist of the vulnerability to death at a relatively early age — and it represented the percentage of people expected to die before age 40, the percentage of adults who are illiterate and overall economic provisioning which reveals the percentage of people with access to health services and safe water and the percentage of malnourished children under five. Most of the capability poverty indicators such as life expectancy, literacy rates, malnutrition, are straightforward measurements. However participation of poor people in their societies can not easily be quantified. But it is noticeable that HPI does not reflect income poverty. However the HPI can be used (1) as a tool for advocacy (2) as a planning tool for identifying areas of concentrated poverty within a country and (3) as a research tool (Human Development Report 1997).

2.7. LIVELIHOOD APPROACH

Livelihoods approach will be used as a tool to make the capability approach operational. Always livelihoods are playing an important role in terms of people's poverty situation. This approach has been popularized during the past two decades and many of the poverty related studies and organizations applied the approach for their research especially to address the problem of poverty. The approach has identified the need to consider all the factors that influences poor people and all aspects of their lives and means of living. In general livelihoods mean the way of maintaining a living. It implies means of income generating in order to maintain household's daily life. Though it seems simple phenomenon, the term livelihoods have many dimensions. And also it is complex in many ways

Chambers and Conway (1992) define livelihood as comprising people, their capabilities and their means of living, including food, income and assets. Further assets are divided into two main groups as tangible assets and intangible assets. Tangible assets are resources and stores, and intangible assets are claims and access. Moreover they have considered about the sustainability dimensions in terms of environment and social. A livelihood is environmentally sustainable when it maintains or enhances the local and global assets on which livelihoods depend, and has net beneficial effects on other livelihoods. A livelihood is socially sustainable which can cope with and recover from stress and shocks, and provide for future generations.

The concept of livelihoods has been developed in many ways. According to the above definition livelihoods comprises people and their capabilities. It includes human capabilities such as knowledge, skills, health, good physiological conditions so forth and capability to access tangible and intangible assets. All these elements are important to assess the rural poverty and their strategies in terms of eradicating poverty.

Livelihoods are depended on various factors. Among these factors, environmental factors such as climate change, natural resources, and geographical location of an area are important. On the other hand there are many social and human factors influencing the livelihoods. Mainly knowledge, social norms, resource allocation, people's capabilities are important. Due to various reasons including the above mentioned factors livelihoods have become diverse. Especially the diverse livelihoods are important to examine the poor people's strategies which they use as a means of maintaining their living conditions. Frank Ellis (1998) define diversification of livelihoods as the process by which rural families construct a diverse portfolio of activities and social support capabilities in their struggle for survival and in order to improve their standard of living.

According to the perspective of livelihoods there are five types of capital assets have been identified. They are human assets, natural assets, financial assets, social assets and physical assets (Turton 2000). Availability of these five types of assets determines the living standard of rural households. Unavailability of some of these puts people to the vulnerability situation. Human capital refers the skills, knowledge, ability to work and good health etc and all these provide person to pursue a sustainable livelihood. If the people are lack of the human capital it is difficult to use them to other capital assets. Simply natural capital means the available

natural resources to maintain people’s livelihoods. Social capital refers the social resources such as networks, social claims, affiliations, associations and having good social relationships are important to maintaining livelihoods strategies. Then the financial capital includes peoples’ savings, credit, production equipments etc. Meanwhile physical capital refers the infrastructure facilities which are available to the people live in an area (Scoones 1998). Further these assets are important to enable people’s capabilities. When the people have considerable level of assets, it increases the opportunities and their capabilities.

2.8. ANALYSIS FRAMEWORK

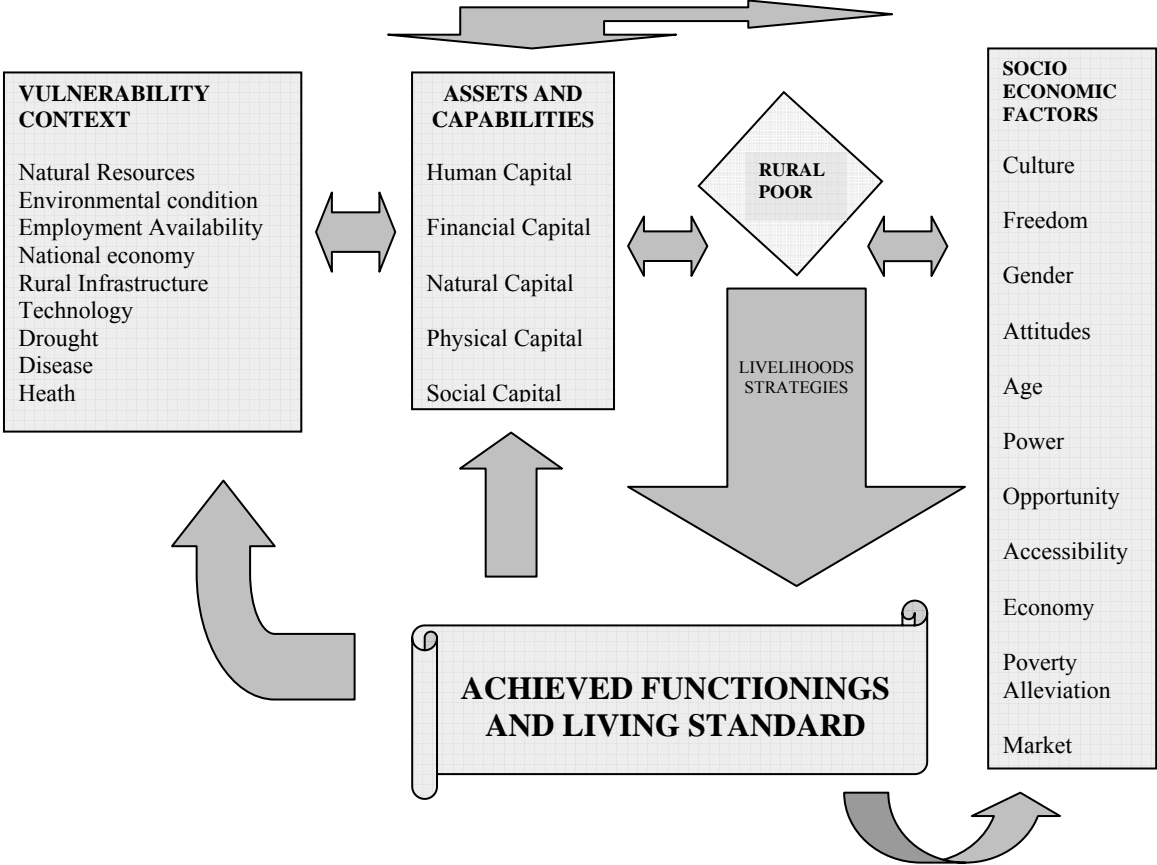


Figure 2.1. A Framework for Analyzing poverty and Human Development Conditions⁷

⁷ This framework is based on the sustainable livelihoods approach.

As I have shown in this Chapter, poverty is multidimensional and therefore various factors affect poverty. Sometimes poverty is a cause and on the other hand a result. Therefore to identify poverty should consider the basic factors which lead people to become poor. According to the capability approach and livelihoods approach I hope to approach poverty by using the above framework and the frame work is based on the livelihoods approach, but the perspective of capabilities are also included.

The vulnerability context includes the external factors which affect rural poverty. Natural resources, environmental conditions, etc. are affect people's assets and their livelihoods. However these factors are not always negative and sometimes they lead people to become poor, sometimes they lead people to become rich. The situation depends on the available context, and therefore it is important to identify the context to examine the poverty and human development condition of the study area.

Assets are playing an important role within the vulnerability context. According to the livelihoods approach, there are five types of assets have been introduced. Assets and the context have a close relationship, because assets can be created or destroyed within the available context. Human capital implies the human development perspective to the concept of poverty and according to the capability approach being educated, being health, etc are considered as valuable functionings. Financial capital refers people's credit, income, savings etc. Meanwhile, natural capital means the available natural resources to the people and physical capital consider available infrastructure facilities. Finally social capital indicates social relations and all these assets have a grater influence on people's livelihood strategies.

In addition to that socio-economic factors of an area where people are living directly influence the people's poverty condition and also their assets. Further these all factors sometimes enhance the people's assets and their livelihoods and sometimes destroy them. At last all these together make people's achieved functionings and their living standard.

I will consider the above factors when analyzing my data. I hope this framework will help to answer my research questions and in order to do that I hope to identify the poverty and rural development condition of the study area. According to the above framework first I will consider the vulnerability context of the study area. Then according to the vulnerability context I will identify the assets and capabilities of the poor people in the study area. After

that I will concentrate on the poor people's livelihoods strategies and finally will identify the relationship between these factors. Chapter 4 and 5 discuss the context of poor people and the Chapter 6 will identify their available assets. Chapter 7 will discuss the poor people's livelihoods strategies and Chapter 8 will conclude the analysis part with combining all these things with people's experiences on poverty.

CHAPTER 3

RESEARCH METHODOLOGY

3.1. INTRODUCTION

Research methodology plays an important role of the research. It includes research design, data collection, analysis and interpretation of results. The term ‘methodology’ comprises this whole process. The final results of a research depend on the methodology that we are employing and methodology depends on the type of data needed to answer the research questions. Social sciences researches use either quantitative research methods, qualitative research methods or both (triangulation). But there is a controversial argument between social sciences researchers and scientific researchers regarding the use of these two methods in the social sciences and debates on quantitative and qualitative research methods is still continuing. However these two approaches help to understand the socio-economic realities of the society. The qualitative approach use non-numeric data and the quantitative approach use numeric data. Selecting an appropriate methodology for specific research depends on the research objectives and research questions which are going to be answered through the research. The research methods must lead to comprehensive and clear results at the end of the research. In order to gain better understanding the situation of poverty and human development of the study area this research employed a combination of quantitative and qualitative research methods. This research required the use of primary and secondary data sources related to poverty and human development. This Chapter discusses the methodologies which I engaged.

3.2. SELECTION OF THE STUDY AREA

The selection my study area was dependent on a literature survey. According to the United Nations National Human Development Report in Sri Lanka (1998) Kandy District has recorded the poorest HDI (Human Development Index) value in the country and the second lowest district in terms of GDP per capita. This information leads to conduct this research on poverty and human development in Kandy district. I wanted to know reasons for this situation and to identify possibilities to overcome this situation. Then I selected a Divisional Secretariat Division (Udadumbara) from the Kandy district, an area situated rather far away from the Kandy main city and selected the remote village Madugalla-North from Udadumbara Divisional Secretariat Division (see map 2 and 3). As this is a rural and remote village from

the main cities, it is less in infrastructure facilities. The village has extreme geographical boundaries due to mountain. It may have affected adversely to the development of the area and increase the level of poverty.

There is another reason to select Kandy district as my study area. Kandy is my home town and it was convenient for me to make necessary arrangement for fieldwork and also there was a friend of mine who lived in the selected field area (Madugalla-North). Together with all things, it was easy for me to arrange accommodation facilities during the fieldwork of the selected village (Madugalla-North) and also made it easier to get access to the government offices where I collected secondary data of the study area.

3.3. QUANTITATIVE RESEARCH METHODOLOGY

Quantitative research methods are research methods dealing with numbers and anything that is measurable. Quantitative research methodology called what is known as hard data in the form of numbers. Quantitative research methodology is about the collection of data in their numerical form. So they can be easily measured or counted. This research methodology is highly prepared by the positive researchers who want to observe the social reality in terms of quantification and objectivity. By quantitative methods, researchers have come to mean the techniques of randomized experiments, paper and pencil “objective” test, multivariate statistical analysis, sample survey and the like (Cook and Reichardt 1979 and Neuman 2000).

In social sciences quantitative research methods express different social phenomena in numbers. In case of my thesis I had to use numerical data which are associated with poverty and human development. I wanted to find out the poor household’s income level, their expenditure, literacy, life expectancy etc. in the study area as primary data and secondary data. These data help to discover the past states, present states as well as future trends of the area by using available data. This is an additional advantage of using quantitative data. Also the quantitative research methods help to generalize the existing social phenomena by testing samples. I have done a sample survey for gathering primary data by using a questionnaire. It was useful to me to understand the general situation of the study area. Further I used SPSS (Statistical Package for Social Sciences) computer software to organise and analysis the data which was collected through the field survey. It is easy to handle quantitative data with SPSS program and graphing, tabulating, describing data sets, mean, standard deviation etc. When

make graphs by using numerical data it can be understood by anyone who doesn't have even any knowledge of statistics. However in my research quantitative data were important to explain and identify the social conditions, poverty and human development situation in the study area.

However there are some limitations we can identify in quantitative methods. Quantitative methods can not explain human feelings and thoughts like, for example, people's experiences of poverty. It is difficult to convert such things in to numerical data. To overcome this problem I had to use some open ended questions in the questionnaire. These open ended questions describe personal feelings and people's ideas better than closed ended questions. It makes respondents to have freedom to give their own answers than selecting an answer which is provided by the researcher. Therefore social sciences research like this should use qualitative methodologies to justification of the end result of the research. Also dealing with huge quantity of numbers sometimes makes mistakes when handling them. So these kinds of mistakes may make unbelievable results at last.

Another limitation of quantitative research methods is that sometimes we can not get the exact answers. Especially when dealing with poor people's monthly income, their expenditures so forth I had to make groups or data ranges to make easy to enter the data to the SPSS program. These kinds of data do not reveal the exact income or expenditure of them the poor people. However quantitative data was important to my research in many ways and helped me to make general evaluation regarding poverty and human development in the study area.

3.4. QUALITATIVE RESEARCH METHODOLOGY

Qualitative research methods are widely used in the social sciences. Qualitative methods are concerned with understanding the world by collecting raw data on social experiences. Qualitative research methodology collect soft data in the form of words, sentences, phrases, pictures etc. By using qualitative research methodology, people's attitudes, opinions and feelings can be identified. Qualitative methodology is inquiry process of understanding or exploring social or human problem. Qualitative data contain large amount of information and they are difficult to understand and analysis. In order to simplify them researcher has to code them (Creswell 1994, 1998 and Neuman 2000).

According to Limb and Dwyer (2001) the choice to use qualitative research methods for a research will be shaped by the dimensions of research questions. However choice to use qualitative research methods will also depend on the way of understanding the social reality. They state that the selection of qualitative research methods reflects the researcher's attitudes and role of responsibilities of the researcher.

However qualitative methodology is a time consuming method when the data collecting and also analysing process, because qualitative data consist of detailed descriptions. Some times it is difficult to choose necessary data from the collected data base due to huge quantity of data. Despite these difficulties most of social science researchers employ qualitative methodology because of its validity for the humans.

There are several types of qualitative data collection methods used for this research. As my research project is about poverty and human development, I wanted to collect data regarding poor people's life history, views and experiences about poverty. So that I had to conduct interviews with them and also it was needed to gather data from the key informant who are engaging the poverty alleviation processes in the study area.

3.5. TRIANGULATION (COMBINATION OF METHODS)

Triangulation is the application and combination of several research methodologies in the study of the same phenomena. It can be employed with quantitative and qualitative studies. At the present triangulation method use by most social sciences researchers to achieve better result from their research projects. By combining multiple theories, empirical materials and research methods researchers can overcome the weakness or biases that comes from a single method. Combination of two methodologies may also increase reliability and present a more accurate picture of the problem.

Creswell stresses that the concept of triangulation was based on the assumption that any bias inherent in particular data sources, investigator, and methods would be neutralized when used in conjunction with other data sources, investigators, and methods (Jick 1979 in Creswell 1994). Creswell further describes, a combined methods study is one in which the researcher uses multiple methods of data collection and analysis and also these methods might be drawn

from “within methods” approaches, such as different types of quantitative and qualitative data collection strategies.

If the social science researcher did not use qualitative research methods, he may overlook many phenomena that occur within the context of the settings. On the other hand when absence of quantitative methods it is difficult to show the differences between different variables. So there are a number of benefits can be achieve by triangulation quantitative research methods and qualitative research methods.

In case of my research combination of these two methods helped me to gather various types of data related to poverty and human development. It was essential to use quantitative data to understand the context and to get an overview of the situation. Especially I had to use more numerical data such as HDI, HPI, literacy rate etc. Also it was important conducting interviews with poor household members to identify their own ideas and thinking on poverty. If I used only quantitative methods it might not provide the comprehensive answers for my research questions and also would not give sufficient details on their experiences of poverty. Though I used only qualitative methods it would not make the background picture of the study area in terms of poverty and human development.

However combination of methods is good in one hand and sometimes every research can not combine methods as social sciences. Some researches are bound to do by using single methods due to their context.

3.6. SAMPLING TECHNIQUES

Sampling is an important part of all the research. Especially in the social sciences research need sampling techniques to study social phenomena. Because it is impossible to study whole population due to various facts like time limitation, high cost, population size so forth. Sample is a selected part or group of the total population and it represents the whole population and the final result of the research will depend on the selected sample size and techniques. There are different types of sampling methods available for the data collection. In my case I had to use sample to collect data because of the time limitation. In the selected village there were 72 Samurdhi beneficiary families and I selected 50 per cent of them to conduct my questionnaire survey. Surveyed families were selected by using random sampling

method. I conducted 20 interviews with Samurdhi beneficiaries of the village and they were also selected in a random order.

3.7. SOURCES OF DATA

To collect the relevant data for this research I used both secondary and primary data. It was useful to enhance the quality of the research and to collect data I used different types of data collection methods. Related data were collected through the fieldwork period.

3.7.1. Secondary Data

According to Kitchin and Tate (2000) the use of secondary data sources is a valid approach to research and often the only one available in certain circumstances, such as for a historical study. They suggest that where possible researcher should consider generating primary data (Kitchin and Tate 2000). However they stressed some limitations of the secondary data. The secondary data were collected some years or decades back of present, the purpose of previous secondary data sources will not have been recorded for the researcher's requirements, access to some kinds of data may not possible and may take time and cost and the data originally collected may inaccurate or poor quality. So when using the secondary data should handle them carefully.

For the study secondary data was collected from the various types of sources like government's divisional Secretariat offices, local government office of the village, Samurdhi office of the study area. And also I gathered some secondary data related to poverty and human development in Sri Lanka by reviewing existing literature on poverty and human development. Further I used secondary data from the government census report of previous years to gather the data which is about population, poverty, GDP, HDI, HPI etc. In addition to these data sources I used internet to gather some relevant secondary data for my research. Also I was needed to collect the location maps of my study area as a secondary data sources. These kinds of data helped me to make out the present situation of the country and the study area.

3.7.2. Primary Data

The main primary data collection methods were questionnaire, household interview, key informant interview, personal observation and photography.

(a). Questionnaire

Questionnaire is one of the most popular techniques applied in research to collect primary data. Questionnaires are the printed sets of questions to be answered by the respondents, either through face-to-face interviews or self – completion, as a tested, structured, clearly presented and systematic means of collecting data (mainly in the quantitative methods tradition) (Geoff & Judy 2005). Further they describe the questionnaire is a list of topics to be included is converted in to easily understandable and answerable questions written down on standardized form. Each question should mean the same to everyone involved so that comparable answered are obtained and the language used should be simple, non-technical and unambiguous.

The questionnaire was used to obtain household information of the study area. It was one of the main primary data collection methods of my research (see appendix 1). From this questionnaire I obtained the background information of the poor families who were beneficiaries of the government present poverty alleviation program (Samurdhi). The questionnaire was semi-structured and there were number of open ended questions to take people's personal opinion and attitudes on poverty and reasons for their poverty condition and also there were some closed ended questions.

I chose the household as basic data collection unit for my research. There were 118 households in the Mdagalla (North) GN division⁸ and out of 118 households 72 households received Samurdhi benefits. So I was able to collect data from 50 percent of total households of the study area by using the questionnaire and it was 35 households. The questionnaires were filled by me.

(b). Interviews

According to Nichols (2000) an interview is a mutual exploration of the issues, without the researcher imposing his or her ideas and in the semi- structured interview, the researcher has a

⁸ GN (Grama Niladhari) Division= Local administrative division (this is the smallest administrative unit of Sri Lanka

prepared list of topics through still not a set list of questions. Also interviewing in geography is so much more than 'having a chat'. There are three major forms of interviewing exist. They are structured; unstructured and semi-structured (Dunn 2002)

Interview method was one of the main primary qualitative data collection methods of this research. In my case I used the interview guide for conducting interview (see appendix 2). It made me easier to conduct the interview and also it helped me to cover all the topics that I needed.

My aim was to conduct interviews with household heads, because it is easier to collect all the relevant information of the households from the households' heads. But most of the times when I visited households there were not the head of the households. At those times I conducted the interview with one of the other household members who was present mostly women. Men were normally out of the household because of their jobs. There were 72 Samurdhi beneficiary families in the village and I conducted 20 interviews with Samurdhi beneficiaries of the study area (Madugalla North). The duration of the interviews lasted for about 45 minutes to one hour and interviews conducted at the interviewees' houses. When conducting the interviews sometimes their family members were present.

(c). Key informants

Interviewing key informants is considered as a valuable primary data collecting methods in research. According to Nichols (2000) it is often possible to collect valuable information from a few members of the community who are particularly knowledgeable about certain matters. Those knowledgeable persons are considered to be key informants. Key informants have special knowledge on a given topic. They are not necessarily the 'leaders'. A farmer who has experimented with different crops is as much a key informant as an extension officer; their information is complimentary (Mikkelsen 2000)

I was able to conduct 10 key informants interview during the fieldwork period by using an interview guide (see appendix 3). The key informants were local government officer (GN) of the Madugalla North, Samurdhi officer of the village, Udadumbara Samurdhi managing director, Udadumbara Samurdhi bank assistant managing director, one of the Samurdhi bank manager of the area, Samurdhi social security officer of the Udadumbara and others were Samurdhi offices of Udadumbara divisional Secretariat division. There information was

helpful to me to understand the practical situation of the area and what are reasons for underdevelopment of the area.

(d) Observation

There are two types of observation methods. They are Participant observation and non-participant observation. I used non-participant observation method as a primary data collection method for this research.

Participant observation developed primarily from the disciplines of cultural anthropology and qualitative sociology, participant observation is both an overall approach to inquiry and a data-gathering methods. Meanwhile observation entails the systematic noting and recording of events, behaviors, and artifacts in social settings. The researcher makes no specific effort to have a particular role, often, have to tolerate as an unobtrusive observer is enough (Marshall & Rossman 1999).

Especially I could gather some important information of the households and surrounding environment of the village by using the observation methods. Conditions of the households, their sanitation, infrastructure facilities of the village were observed during fieldwork. As I could stay in the village while during fieldwork, observation methods helped me to gather more additional information and it was enhanced the validity of some data which I collected through questionnaires and interviews.

In addition to questionnaire survey and interviews, personal observation also took place in this research. Observations were recorded while administrating questionnaire survey and while interviewing households in the village

In addition to that I made some photographs to show the households' conditions and environment conditions of the village. Those photographs may be good evidence to prove the real situation of the village and selected photographs have included in the relevant places in the thesis to elaborate the real situation of the area.

3.8. LIMITATIONS

In the process of data collecting I encountered with some kinds of practical problems. When I carried out the questionnaire survey, I faced difficulty in gathering data on monthly income and expenditure. Some respondents did not like to reveal their income and income sources specially when ask them extra income generating activities. On the other hand most of them do not have proper monthly income sources, because most of them were peasants. Not only that though they were peasants, they cultivated agricultural crops only once a year due to unfavorable climatic condition of the other period of the year. So my question regarding monthly income was not suitable for them because of their situation.

Also when the household head is away from the home some people (most of them women) did not like to give me their household members' details. They wanted to get the permission from their husbands. Further, they were afraid to give information because they thought that I am a government officer who is carrying out a survey on Samurdhi beneficiaries and will stop their Samurdhi benefits after the survey. Then I myself and my assistants explained the situation clearly, and then they expected some kinds of benefits from me to build up their houses or toilets etc. But sometimes they told me their all the problems which are even not related to my questions. However I had to listen to them because they gave the real answers to my questions in the middle of their stories or at the end.

Another problem I faced when conducting the questionnaire survey was sometimes all the household's members tried to give answers to my questions and it confused me because sometimes they gave me different information regarding the same question. Therefore it was not easy to identify what are correct and what are wrong answers.

In addition to that other main issue that I faced was to make notes while they are talking. As my study area is a rural area I did not try to use a tape recorder because many of them may not talk freely (manly women) if I used a tape recorder.

There were some limitations regarding interviews too. Some key informants avoided talking against the Samurdhi program or present government policy on poverty eradicating as they are government officers. When conducting the households' interviews the main problem was the language. Because the villagers talked local language and I had to translate them in to English, because it was a requirement of my study. So there may be some changes of the original opinion and ideas of the respondents when I transcribed them in to English. Also the

women felt shy to face the interview and for some of them it was a new thing. Also some of interviewees gave very long descriptions and most part of their speech was not related to my questions. So I had to be careful.

There was another limitation regarding selection of the study area. Due to time limitation I had to select only one village to do my field survey. So I realized that if I was able to even select two villages, I could have compare the situation and it may give the supplementary data base to analysis. Also I had to limit the number of interviews also due to time limitation.

Further when considering the secondary data sources, some kinds of data like literacy rate, unemployment rate, HPI, HDI, etc. could not find related to the selected village due to unavailability of data. So I had to use Kandy district and Udumbara DSD data for presenting the background of the study area in the Chapter 5.

However I managed to gather necessary data to write up my thesis. And this was a good experience to me about carrying out a research project and gets to know about various types of data collection methods. From the next Chapter I have presented the collected data in relation to my research project.

CHAPTER 4

COUNTRY PROFILE: SRI LANKA'S SOCIO ECONOMIC BACKGROUND

4.1. INTRODUCTION

This Chapter aims at explaining Sri Lanka's socio economic conditions as background details of the study. Like most developing countries Sri Lanka has also paid attention to the development process since her independence. This Chapter discusses the country's development history with special concentration on poverty alleviation and human development. First I describe Sri Lanka's geographical location and then economic situation, poverty and human development profile of the country as well as introduce the country's poverty alleviation programs. Though Sri Lanka has spent more than fifty years after becomes independence from the British government, still it runs with a number of problems like civil war, poverty, unemployment, high cost of living, low human development of rural areas, malnutrition and so forth which influence the poverty situation of the country. In terms of country's development process there are many issues to address in coming years.

4.1. SRI LANKA: COUNTRY BACKGROUND

4.1.1. Geographical Location

Sri Lanka is an island situated in the Indian Ocean, at the base of the Indian sub continent. Sri Lanka is separated from India by the Palk Strait. It lies between latitudes 5° 55' and 9° 55' north and between the eastern longitudes 79° 42' and 81° 52'. It has an area approximately 65,610 square kilometers. And in terms of administration the island is divided in to twenty five (25) districts and nine (9) provinces as shown by map 1. Colombo is the capital city and there is one major city in all the districts. According to the topographical features of Sri Lanka, the land can be divided in to three major geographical zones. They are central highlands: which reach elevation of over 2000 meters, low land plain: elevation from sea level to 300 meters and flat coastal belt.

4.1.2. Climate

Sri Lanka's climate is typically tropical and has an average temperature around 27⁰C in the low lands and lower temperature in high latitudes of the country.

4.1.3. Population

According to the census of population and housing 2001, Sri Lanka recorded a population of 18.7 million with an annual growth rate of 1.1 percent (Department of Census and Statistics 2001a) Further the Central Bank of Sri Lanka shows that mid year population in year 2004 has become 19.4 million. The average population density was 310 persons per square kilometer in year 2004. Also crude birth rate in year 2003, was 19.9 percent and crude death rate was 5.9 percent (Central Bank 2004). In Sri Lanka nearly 80 percent of the total population is living in rural areas. The city Colombo, commercial capital of the country is the district which has the highest urban population in the country and the population density in the district was 3,305 persons per square kilometer in 2001 (Department of Census and Statistics 2004a).

4.2. POVERTY AND HUMAN DEVELOPMENT PROFILE IN SRI LANKA

As I have discussed in Chapter 2, poverty is usually viewed as either a form of absolute or relative deprivation. A number of indicators are used for describing and understanding the poverty situation of a country. Measurement of poverty in Sri Lanka is mostly calculated using monetary measures. These measures are uni-dimensional which means that they look purely at economic deprivation. The monetary measurement of poverty can be looked at poverty in absolute or relative terms. Although various individual research organizations had been calculating poverty lines in Sri Lanka since 1970s, it lacked an officially accepted poverty line (Jabbar and Senanayake 2004).

However the controversial problem was solved after introduced the official poverty line in June 2004 by the Department of Census and Statistics (DCS). According to the poverty line introduced by DCS, the persons living in the households whose *real per capita monthly total consumption expenditure is below Rs. 1423⁹ in the year 2002 in Sri Lanka are considered poor* (Department of Census and Statistics 2004b).

By using the official poverty line it has been estimated that poverty headcount ratio¹⁰ in 2002 as 22.7 per cent and in 1990-91, 1995-96 it was respectively 26.1 per cent and 28.8 per cent. Also by sectors national poverty headcount ratio in 2002 was 7.9 per cent (Urban sector), 24.7

⁹ According to the current currency exchange one US\$ is approximately equal to Rs. 100/=.

¹⁰ Poverty headcount ratio is defined as the percentage of the total population whose monthly per capita total consumption expenditure falls below the district level poverty line.

per cent (Rural sector) and 30.0 per cent (Estate sector) (Department and Census and Statistics 2004b).

Further to measure the non-monetary dimensions of poverty especially human poverty such as lack of access to basic education, health, safe drinking water, lack of freedom etc., the Human Development Index (HDI) and Human Poverty Index (HPI) are being used. While the concept of human development focuses attention on levels of achievements and fulfillments, the concept of human poverty concentrates on deprivation and shortfalls (UNDP 1998 in Jabbar and Senanayake 2004).

4.2.1. Poverty Related indicators

This section briefly presents various kinds of poverty related data in Sri Lanka. This section mainly depends on the data collected by the Department of Census and Statistics in Sri Lanka, Central bank reports and World Bank documents.

Table 4.1 Incident of Poverty (%) by Provinces*, 1990/91-2002

Province	1990/91	1995/96	2002
Sri Lanka	26	29	23
Western	19	17	11
Central	30	36	24
Southern	29	32	28
North-Western	26	27	27
North-Central	24	25	21
Uva	32	47	37
Sabaragamuwa	31	42	33

Source: World Bank 2005b

*North and East provinces are not include

The table shows the trends of poverty over the time period. According to the table the poverty rate rose from 26 per cent in 1990/91 to 29 per cent in 1995/96 and then decline to 23 per cent in 2002. The increase of 1995/96 was likely the result of that year being a drought year with rain fall in most parts of the country being well below average (World Bank 2005b).

4.2.2. Socio Economic Data

There is a close relationship with Socio economic data and poverty situation of the country. Because the main socio economic data revealed the overall poverty condition in the country and also it helps to compare the poverty and social conditions of the country with other countries. Here I have presented key socio economic indicators of the Sri Lanka.

(a). Health related indicators

Sri Lanka government has allocated high rate of expenditure on health care during past period and it has resulted in an impressive development in the health sector. Although the basic health care is satisfactory, Sri Lanka's achievement in preventive health care is less successful and is one of the major causes of poverty. And also the national estimated of health care is excluded the North and Eastern provinces, where health achievements are expected to be worse than rest of the country (Jabbar and Senanayake 2004).

(b). Education

In terms of education Sri Lanka has attained remarkable headway in the South Asian region in the world. The main reason behind that is government high expenditure on free education since 1970s. Investment in education has been at the heart of Sri Lankan government policy for several generations, to increase national income, reduce poverty and promote human development. As a result of this the country has attained high levels of primary school enrolment and completion (World Bank 2005b).

Further in related to poverty situation it is revealed that the incidents of poverty is higher as 45 per cent among individuals with no schooling, followed by 34 per cent among individuals with primary schooling and 21 per cent among those having junior education (World Bank 2005b). On the other hand the literacy rate highest among non-poor urban males as 97.2 per cent and the lowest rate recorded from the both rural and estate sector's female as 81.7 per cent (Jabbar and Senanayake 2004).

(c). Gender Development and Poverty

The Gender Development Index (GDI) is considered as most suitable index for measure the gender development in a country. Overall status of human development attained by women is fairly evenly distributed within the country mainly with regards to life expectancy levels and education attainments (Jabbar and Senanayake 2004). In related to poverty generally believe that female headed households are more poor than male headed households. However the data below gives some different form about this idea.

Table 4.2 Poverty Rates (%) by Sex of the Households heads, 2002

Sex of Household Head	Poverty Incidence
Male	23
Female	21

Source: World Bank (2005b)

Among the reasons for this situation lower poverty rates among female headed households are the presence of a high income earning female headings and the generous government benefits available through such schemes as *Samurdhi* to the female headed households (World Bank 2005b).

(d). Human Development Index

Sri Lanka has attained high quality of human development since independence and the relevant data shows the improvement of the situation during last few years. However if the overall human development situation at a good position there are regional disparities within the country can be identified. According to the UNDP's Human Development Report (2005) Sri Lanka's Human Development Index (2003) is 0.751 and Human Development rank is 93 among 177 countries of the world.

Table 4.3 Human Development Index Trends

Year	Index Value
1975	0.607
1980	0.649
1985	0.681
1990	0.705
1995	0.727
2000
2003	0.751

Source: Human Development Report (2005)

Box 4.1 Development Indicators of Sri Lanka**Life expectancy at birth**

Total population (2003)	71.0 years (WHO ¹¹ 2003)
Male (2001)	71.7 years (CB ¹² 2004)
Females (2001)	76.4 years (CB 2004)

Child Mortality (Probability of dying under age 5 years) (per 1000) (2003)

Overall (2003)	11.10 (CB 2004)
Male (2003)	17.00 (WHO 2003)
Females (2003)	13.00 (WHO 2003)

Public Health condition

Persons per doctor	2,224 (CB 2004)
Nurses (for 10,000 persons)	8.9 (CB 2004)
Hospital beds (per 1000 persons)	3.1 (CB 2004)
Government expenditure on health (per cent of GDP)	1.69 (CB 2004)

Crude Birth and Death rates

Crude birth rate (per 1,000 population) (2003)	19.9 (CB 2004)
Crude death rate (per 1,000 population) (2003)	5.9 (CB 2004)

Access to safe Drinking water

Access to safe drinking water (per cent)	71.5 (CB 2004)
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Literacy rate 2003/2004

Country (per cent)	92.5 (CB 2004)
Male (per cent)	94.5 (CB 2004)
Females (per cent)	90.6 (CB 2004)

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¹¹ World Health Organization <http://www3.who.int/whosis/country/indicators.cfm?country=lka> (20-01-2006)

¹² Central Bank, Sri Lanka <http://www.lanka.net/centralbank/-Preliminaris%20-%20AR-2004.pdf> (20-01-2006)

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General Education		
School density (area covered by a school) (sq. km)	6	(CB 2004)
Primary net enrolment ratio % (age 5-19 years) (2002)	97.2	(CB 2004)
Age specific enrolment ratio % (age 5-19 years) (2002)	72.95	(CB 2004)
Gender Related Indicators		
Gender Development Index (GDI) rank (2003)	66	(HDR ¹³ 2005)
Gender Development Index (value) (2003)	0.747	(HDR 2005)

4.3. ECONOMY

4.3.1. Overview

At the time of regaining independence, Sri Lanka was mainly an agricultural economy and during that period main plantation crops were tea, rubber, and coconut, which contributed to a major share of the national income. The domestic non-plantation agricultural sector mainly produced subsistence food crops. More than half of the population of 7 million was dependent on agriculture for their livelihoods. In 1948 the agricultural sector directly contributed to 40 per cent of national income (Central Bank 1998a).

Also during the first five decades after independence, Sri Lanka's economy grew at an average of 4.2 per cent annually. During 1980s Sri Lanka has gained also 4.2 percent of average economic growth rate and it has slightly increased in the period of 1990-1999 as 5.1 per cent average growth. Then by 2004 it has increased up to 5.4 percent with some serious problems like surge international oil prices, drought conditions of the first part of the year and flood in the later on in the year and finally tsunami disaster (Central Bank 1998b, 1999, 2003, 2004)

There is a remarkable change can be seen in the economic structure during last few decades. Mainly during 1950s agriculture was the major national income source. But by 1998 it

¹³ Human Development Report (2005) http://hdr.undp.org/statistics/data/cty/cty_f_LKA.html (22-01-2006)

contributed only 21 per cent for the GDP and 16.5 per cent from the manufacturing sector. Meanwhile services sector has contributed 53 per cent of the GDP (Sanderatne 2000).

Country's many economic changes are related to the government policy which was implemented by successive governments since independence. One of the most prominent features is that changing the policies when the governments are changed. Due to that, there are many fluctuations can be identified in country's development process.

4.3.2. Sri Lanka's Economic Policies

Since independence of Sri Lanka different types of economic development policies have been followed by the different ruling political parties. These different types of development strategies were moulded by prevailed conditions and political ideologies. The condition is still continuing and it has become a style when the parties are changed, new government comes with new policies too. However to take some idea of countries economy we have to consider some specific time durations where there was changes of economic development policies with the change of governments.

Sri Lanka has been a participatory democracy since independence. The people have changed the government seven times since 1948. The post independence government faced the challenging task of nation building and promoting economic development. The major challenges in the preference of the economy were caused by several key factors, namely, the economic policies followed by different governments. The behavior of the world market condition, in particular the large changes in commodity prices, extreme weather condition and the ethnic conflict (Central Bank 1998a).

(a). 1950-1970

Just after independence the government's major aim was to be self sufficient by foods due to experiences during the world wars. So government's policies were towards agricultural development and, tried to promote local industrial and agricultural activities. In order to that there was increased government intervention and state regulation of economic activities from the late 1950s until 1977, except for a partial liberalization attempt in the second half of the 1960s (Central Bank 1998a).

There were few problems encountered in the development process of the country during this period. Mainly it required the development of the peasant small holding sector and accordingly, the improvement of rural infrastructure in health, education, agriculture extension services, and marketing and transport services was considered as important in budgetary resources allocation (Gunatilleke et al, 1992.) In order to attain this government invested on irrigation and resettlement program in new areas.

Then in 1956 changing the government has led to drastic change in economic policies. Especially the period of 1956-65 the government pursued socialistic policies with great state ownership and control of the economy. An initiative was taken to introduce state led industrial development with the introduction of the state industrial corporation Act in 1957. Also during 1956-59, the agricultural development policy of farmer settlement under irrigation was continued. Further government has discouraged private foreign investment and obtained very little foreign aid (Central Bank 1998a). At the same time the international prices of the country's main exports tea and rubber fell sharply and foreign exchange reserves declined to crisis proportions in the 1960s. If considered reasons for this situation, it can be seen as a result of government policies which did not leave reinvestable surpluses within the plantation sector. Moreover there were few other external factors also affected adversely for the situation. Because, during the period there were low elasticity of demand for tea and coconut in the world market and long term deterioration of their terms of trade and to the government's failure to make effective adjustments in the face of these adverse developments (Gunathilake et al, 1992). Also due to high tariffs protected local industry, the import of a number of commodities including some agricultural imports was banned (Sanderatne 2000).

Thus, the government elected to office in 1956 considered central planning essential to develop the country in line with their social democratic ideals (Lakshman 1997). The collation of the government in 1965, made again significant changes in the countries development policies. During 1965 the government of Sri Lanka attempted to return to a free market economy; and also encouraged foreign investment and assured investors that their investment would not be nationalized, that full compensation would be paid. Further a dual exchange rate was introduced in 1966 (Sanderatne 2000). Many economic reforms which were adjusted during this period were supported by the first borrowing made by Sri Lanka from the International Monetary Fund (IMF) in 1965 of US\$ 30 million. In related to green revolution the country's agricultural sector was given high priority and school children were

mobilized for agricultural activities and agriculture was given a prominent position in the school curricula (Central Bank 1998a). Further there were some readjustments of welfare expenditures through the mechanism of Sri Lanka aid group, organized under the World Bank. The country managed to obtain higher volume of resources to implement these policies.

(b). 1970-77

The Sri Lankan economy faced number of external and internal problems during the 1970-77 periods. In this period economic growth rate has declined as 2.6 percent and also unemployment had increased to 20 percent. Especially internal political upheavals, drought and bad weather conditions, such as increasing international oil prices (1973) contributed to this poor performance. But domestic policies have played the major role in inhibiting growth.

However a comprehensive five year development plane was introduced in 1972 to achieve high growth rate, but could not be implemented effectively because of resource constraints. Though foreign investments were not encouraged in the beginning, the policy was changed later (1972 to 1975) to encourage foreign investment in collaboration with local investment, with local investors holding the majority share. Moreover this period put steps on country's major development project 'Mahaweli' in 1976. Industrial policy was basically to promote import substitution through high tariffs and incentives, with a grater emphasis on public sector and local owner ship (Central Bank 1998a)

In conclusion of this part, since independence up to 1977 there was a closed economic policy mainly but time to time for duration of short period open economic policy was implemented.

One important thing behind these agricultural development strategies is the development model is so called 'Dual economy model'. According to this model though there are two sectors such as plantation crop and subsistence agriculture, which are distinctive from each other.

(c). 1977-1994

There were considerable dramatic changes of the country's economy and development policies after the 1977. The first phase witnessed the fundamental shift in development policy. The shift was a rapid movement in the direction of the market and an open economy in which the private sector would be the main 'engine of growth'. Further during this period food subsidy was reduced approximately by half and it was converted to food stamps with cash

value and targeted to the low income 40% of the households with a cut-off at a specific income level. In addition to that the government introduced new social welfare schemes such as free school books and the 'Mahapola'¹⁴ scholarship program (Central Bank 1998a). Under the development of infrastructure the Mahaweli river diversion scheme was accelerated. New reservoirs and power stations were created at Kotmale, Victoria, Randenigala, Rantambe and Ulhitiya.

The opening of the free trade zones under the Greater Colombo Economic Commission (GCEC) encouraged foreign direct investment for export industries. Export led economic strategies were considered as most important economic policies of the country. It was assumed that high economic rate could be achieved only by increasing new industrial exports. As a result of these things enhanced the country's economic growth until 1983 and then it set back due to the disturbance of the ethnic conflict which started in the 1983. The economic growth rate has felled down from 4.3 per cent in 1986 to 1.5 per cent in 1987 and during 1988-89 it growth an average of 2.5 per cent only. The weak economic performance in the late 1980s resulted to adopt Structural reforms. Also the process of privatization was increased by end of the 1993 (Sanderatne 2000).

In terms of poverty alleviation the Janasaviya program was introduced in 1989 in a phased manner, among the districts. School children were also provided with free school uniforms in 1993. Also in terms of economic development the industry became a leading export oriented activity and it was further expanded with the implementation of the two hundred garment factories program and special incentives were given to location of garment factories in rural areas.

(d). 1994 and after

The government tried to continue market friendly open economic policies further with a human face. The private sector considered as the principle engine of growth in the domestic sector as well as foreign sector. The government provided institutional frame work which leads to rapid private sector development. Further government paid attention on to reduce the budget deficit in order to decrease the inflation of the country. Also in 1994 gave priority to reaching a political settlement to the ethnic problem by initiating negotiations with the LTTE. The major welfare programs, Janasaviya and Food stamps schemes were centralized under

¹⁴ This program provide monthly stipend for university students.

one poverty alleviation program 'Samurdhi' Modernization of the economy to be competitive in the international market received high priority. Special attention has been given to improve productivity (Central Bank 1998a & Sanderatne 2000).

As discussed above, there are several Structural changes have been occurred in the country's development policies during the last few decades. All these changes affected to the poverty condition of the country in many ways. Because there are come important changes have taken place regarding the poverty reduction strategies of the country while changing the economic policies of the country. More details about the country's poverty alleviation programs can be found below.

4.5. POVERTY ALLEVIATION

Eradication of mass scale poverty was one of the main objectives of economic development of policy makers in most developing countries after they achieved political independence. The colonial period had not paid much attention to; poverty and their interest were on extracting natural resources and spread their power over the colonial countries. The situation was same in Sri Lanka as well as other colonial countries of the world. However there is some welfare approaches can be seen in Sri Lanka since independence. This is the first step of considering poor people in the country as beneficiaries of government programs. After that there are multiple attempts were paid on poverty alleviation in Sri Lanka. But some of these programs were not directly considered as poverty alleviation program. But those programs targeted on poor and low income groups as well as low benefited social groups in the rural areas of the country. Below there will be an overlook of such programs.

4.5.1. Poverty Alleviation Efforts in Sri Lanka

Mainly Sri Lanka's poverty reduction strategies can be divided in to three major categories such as (1) productivity increasing program (2) Poverty alleviation program and (3) providing basic needs (People's Bank 1995.2). Though these programs directly not indicate as poverty alleviation programs many poor people benefited from them. Some of these program addressed root causes of poverty. Later successive governments have identified non economic cause of poverty such as poor health condition, low educational attainment, malnutrition etc.

(a). Productivity increasing programs

Most of these kinds of programs were implemented during the colonial period. The main goal of these programs was increasing the profit and productivity of the colonial governments. But they did not consider these programs as poverty alleviation programs or did not target the poor people. However, as mentioned above indirectly poor people benefited from these programs

- ***Land alienation programs***

This is related to agricultural and rural development program which was pursued by Sri Lankan rulers. From 1930s Sri Lankan governments (including colonial period) have implemented various kinds of land distribution programs. Main objective of these programs was distributing lands among landless people in the country.

- ***Peasant settlement programs in the dry zone***

This is a large scale development program which was implemented after independence. The history of these kinds of programs goes back to early 1930s. Through this program special attention was paid to the dry zone of Sri Lanka. Also the program called as peasant 'colonization'. Colonization of the dry zone was intended primarily to benefit the peasants and to contribute towards the objective of "preservation of peasantry" as an institution (Peiris 1996). Another objective of this program was special transfer of population from the highly populated wet zone to dry zone of the country. The progress made in the settlement of peasants continued to be slow due to the harness of the conditions that prevailed in the dry zone. Poor communication facilities, malaria and unsatisfactory infrastructure facilities in particular militated against the case for movement. Therefore 1935 Land Development Ordinance had to be introduced in 1939 to overcome the reluctance of peasants to move from the wet zone to dry zone. And under this policy each settler was received a unit of land and the necessary assistance to enable them to maintain a reasonable standard of living (Amarasinghe 1976). These peasant settlement programs more developed after the implementation of the Mahaweli development program. This was the largest development project of the country after the independence. However though these programs not called as poverty alleviation programs those who benefited from these programs were deprived people in the society.

- ***Modernization of agriculture***

This was a most influential method for increasing productivity. This goes parallel to the peasant settlement programs. Special attention were paid on small land holders and increasing their productivity by introducing new techniques to the agriculture. Since the 1940s agriculture and irrigation have absorbed the largest share of the government's budget. These investments included restoration of the ancient irrigation systems, major new river basin development projects in the eastern and southern areas and new agricultural settlements (Gunatilleke et al 1992).

To improve the productivity more intensive cultivation practices utilizing new high yielding paddy varieties along with the use of non organic fertilizers and better methods for crop husbandry have been undertaken since the 1950s. Also the Rice Research Development Institute (RRDI) was established in 1952 with a mandate to develop high yielding varieties to replace the local varieties (Central Bank 1998a). During the period of 1950-1960s government's major target was to achieve self-sufficiency in rice. Those who received new agricultural lands also were provided new variety of seed, fertilizer, machineries for increasing their productivity and these are a result of the green revolution too.

- ***Integrated Rural Development Program***

Sri Lanka launched the Integrated Rural Development Program (IRDP) to support development in disadvantaged areas that had not benefited from major government investment in irrigation or industrial infrastructure. The IRDP started from 1979 and the program was focused on specially encourage non- agricultural pursuits, especially small- and medium- scale industries, in rural areas for the creation of off- farm job opportunities in addition to the modernization of rural agriculture. The IRDP aimed to alleviate rural poverty through a combination of variety of factors and policy measures. Further the IRDP tried to alleviate rural poverty through facilitating the efficient use of local resources, stimulation of additional employment opportunities, improvement of production and productivity, augmentation of rural incomes, improvements of basic needs and strengthening of production linkages with other sectors, specially agricultural and modern sectors. In addition to these things the IRDP was improved basic services and rural infrastructure facilities such as roads. The program was funded by the World Bank and some other foreign aid agencies.

(b). Poverty Alleviation Programs

- ***Food Stamps***

This is a program which focused on poor people in the country and also kinds of social welfare and basic need providing program for the poor. Food stamps program introduced in 1979 for instead of old food subsidy system. Though the food subsidy program covered all people in the country, for the food stamp system did not covered all of them and therefore people who wanted to have benefits required to apply for food stamp through a decelerations of incomes and households consumptions. Under the food stamp scheme households with an income of less than Rs. 3,600 per year with marginal adjustment for lager families would be issued food stamps. The benefits was distributed as each child under 8 years old Rs. 25 worth stamp, for each child between 8-12 Rs. 20 worth stamp and other all household members older than 12 years with Rs. 15 worth stamp. In addition to that to meet fuel needs for households each household which have food stamps received Rs. 9.50 value kerosene stamp per month (Edirisinghe 1988).

- ***Janasaviya***

This is the largest poverty alleviation program which was implemented in Sri Lanka after the independence. The program aimed on different dimensions on poverty and tried to give a big push to the poor families and upgrade their living conditions within short period (two years). The program was introduced in 1989 and continued until 1994; there after the present poverty alleviation program (Samurdhi) was introduced (More details can be found under 4.5.2). The program becomes a target oriented poverty alleviation program in Sri Lanka. The program involved in two-way strategy, the firstly on target oriented welfare program and secondly on the target oriented income generation program. The beneficiaries were identified according to the income criteria. Mainly the families who have monthly income less than Rs 700 per month were included in the program. The major objectives of the program were (1) Alleviation of poverty through people based development (2) Reduction of unemployment among population in poverty (3) Reduction of rural and urban malnutrition and assurance of a healthy population and (4) Promotion of social stability restoration of economic freedom and security (Tennakoon 2003)

The selected families received Rs. 2500 per month and it was divided into three categories as consumption, (Rs. 1000 provided for maintain consumption needs of a family saving (Rs. 458 saved in a bank) and rest also (Rs. 1042) was saved for beneficiaries.

(b). Providing Basic Needs

Under the basic needs providing programs, the governments have paid special attention to the education and health services. Therefore providing free education and health services have become one of the main responsibilities of the government (some of these services have discussed under the section of education and health in this Chapter)

4.5.2. Present Poverty Alleviation Program (Samurdhi)

The Samurdhi program was introduced in 1995 as a poverty alleviation program in Sri Lanka and replaced Janasaviya beneficiaries to the program. When considering Samurdhi program, Samurdhi's poverty alleviation strategy consists of a short-term component to protect the poor by reducing their vulnerability, and a long-term program to assist them to graduate out of poverty. The conceptual framework of Samurdhi clearly recognizes the complexity of the problem of poverty, and the need to adopt a broad-based, holistic approach to tackle the problem (Gunathilaka & Salih 1999).

According to the Samurdhi Act 1995 the main objectives of the Samurdhi program is (1) To integrate youth, women and disadvantaged group in to economic and social development activities and (2) To promote social stability and alleviate poverty. The program comprises with three main strategies to eradicate poverty. They are (1) A welfare component (2) Saving and credit program and (3) Self-help work program (Tennakoon 2003).

By 1999 two million families, about 50 percent of all families in the country were receiving benefits from Samurdhi (World Bank 2002). The program claims almost 1 percent of the gross domestic product or roughly half of all welfare expenditures excluding expenditure on education and health. The bulk of the program resources are distributed as transfer of consumption grants to poor households.

These main components include various types of strategies which focus on poor people's whole life. These can be elaborate as follows,

Box 4.2 Components of the *Samurdhi* Programme

1. The welfare component

1.1. The welfare grant

1.2. Insurance scheme

1.3. Social Development Programs focusing on the aged destitute, alcoholics, drug addicts, handicapped and other disadvantaged persons.
To be implemented with the assistance of certain NGOs.

2. The group-savings and credit component

2.1. Group savings and intra-group credit

2.2. Credit schemes implemented by the state banks

2.3. The accelerated loan scheme

2.4. The *Samurdhi* bank project.

3. The integrated rural development approach

3.1. Rural infrastructure development carried out by the local communities

3.2. Other projects such as environmental protection, youth training, nutrition projects etc

Source: Salih 2000

(a). Welfare grants

The Samurdhi poverty alleviation program providing welfare grants for the beneficiaries according to their number of households members and their monthly income. The program offers monthly coupons that can be exchanged for goods from the local cooperative shops. The amount given to the household is either Rs.1000, Rs.500, Rs.250, Rs. 200 or Rs.100¹⁵ (Salih 2000). This is very much supportive for the poor families in terms of maintaining their consumption poverty and also to meet their day to day needs with out having more difficulties.

(b). Insurance Scheme

This is going together with welfare grants and aim to reduce the vulnerability of poor people in several critical occasions of their life. The scheme provides benefits for the Samurdhi

¹⁵ These amounts have been changed at the time as Rs.1000, Rs. 600, Rs. 400, Rs 350, Rs. 250 and Rs. 140.

beneficiaries in a case of death, birth, marriage or illness in the family. Only those receive Rs.1000 and Rs.500 grants per month are entitled to join the scheme.

(c). Social development Programs

The program consider about the social development of the beneficiaries. Under this there are ranges of social development programs have implemented and they are helpful to maintain the good social life for Samurdhi beneficiaries. Under this illiteracy elimination, Samurdhi scholarships, programs for the aged, disabled, destitute and alcoholics and narcotic prevention programs are progressing. Some funds are also allocated for secondary and religious education and health needs. Training camps for the Samurdhi officers are also funded by the program.

(d). Credit Program

The Samurdhi program has introduced various types of saving systems to the beneficiaries. There is a compulsory savings as Rs. 200 and Rs.100 respectively for beneficiaries in those households that receive Rs. 1000 and Rs. 500 under the relief scheme. Also there is a small group saving system and these are voluntary saving as well as use these savings for meeting their small loan requirements. The remaining balance is deposited under a collective account in the Samurdhi bank (Sumanapala 2000). Samurdhi bank is some what like a co-operative bank. Also the Samurdhi bank encourages deposits by individuals, whether member of the bank society or not, and mobilizes further saving from women (*Diriyamatha* deposits)¹⁶ and children (*Kakulu* deposits)¹⁷. Further there are a number of loan schemes for the Samurdhi beneficiaries to commence income generating projects such as self employment. Membership of a banking Society makes the Samurdhi beneficiaries eligible to borrow from the bank, and the only security that need be provided is the increase guarantee of the members of the group to which the applicant belongs. Interest is charge at the market rate and repayment begins immediately, with installment due each month other than for short-term cultivation loans (Gunathilaka and Salih 1999).

(e). Rural Infrastructure Development

Samurdhi has rural infrastructure development program. Under this there are small scale and large scale rural infrastructure development projects. Mainly small scale development projects include develop gravel roads, re roofing a village school roof, build a ditch etc. and 80 percent

¹⁶ and ¹⁷ These are local names of bank accounts in Samurdhi bank which was introduced for the Samurdhi beneficiaries to encourage their individual savings.

of funds are issued by the Samurdhi Authority. The rest (20 percent) must come in the form of labour contribution by the beneficiaries. This is important in many ways to develop rural areas according to the need of the people who live in the area.

4.6. RURAL POVERTY AND DEVELOPMENT IN SRI LANKA

In this conclusion section, I will analysis and evaluate rural poverty in Sri Lanka in the context of development policies and the socio economic transformation that has taken place during last four decades. These policies have resulted in a configuration of development that is usual for a low-income developing country.

In Sri Lanka rural poverty is higher than urban poverty. Most of poverty related studies show that poverty in Sri Lanka is predominantly a rural phenomenon. The rural sector accounts for about four-fifths of aggregated poverty. Also rural poverty in Sri Lanka is related to development policies of the country since independence. Though in terms of human development and many other social development indexes (life expectancy, adult literacy, infant mortality etc.) figure out higher quality, yet the situation of rural poverty is not a solved problem.

Further there is a consensus that rural development should be central to poverty reduction. This relationship can be identified to both ways. Therefore it was thought that rural development programs that focused on improvement of rural infrastructure in the rural areas would substantially help to reduce poverty in rural areas.

Also the subject of rural development today is receiving the attention of politicians, administrators, academics and funding agencies more than ever before. It is almost an axiom in the developing countries that the path to national development lies through rural development (Talagune 1984).

4.6.1. Some Characteristics of Rural Poverty in Sri Lanka

There are number of characteristics can be identified on rural poverty in Sri Lanka. Most of these features are related to the country's national economy and development process that have been progressing. Poor households are depending on various types of problems that can be seen as a result of unequal distribution of the social development programs.

(a) .Low income and employment conditions

In terms of employment the rural poor are usually small and marginal farmers, landless laborers, rural artisans and semi-skilled workers. The landless labourers are at the disadvantaged lower end of the traditional caste hierarchy (Gunatilleke et al 1992). When considering the spatial distribution of rural poor in Sri Lanka, the hill country, intermediate zone and dry zone have the highest incident of poverty in the 29-33 per cent range (1986/87) which compared with the 15-18 per cent range of the South west region of the country (Gunatilleke et al 1992). Also many rural households' main income source comes under the agricultural activities. Due to various kinds of problems poor farmers get low income than others those who are engaging non agricultural activities. Specially increasing the price of consumption goods as well as agricultural input has lead their low income and this is one of the major features of rural poverty.

(b). Unemployment

High level of unemployment is another main factor which has contributed to the persistence of rural poverty in Sri Lanka. Many poor households have the family members more than 3 or 4. And among them unemployment rate is at very high level in rural areas. The rates of unemployment in other South Asian countries are much lower than that of Sri Lanka. There are few important factors can be identified behind this situation. One thing is that the present young generation who had good educational background, do not join their parent's farming activities after they leave from the school and they are considered to be unemployed. Also the rural sector has not been able to provide non farming job opportunities in the village and it leads them to be unemployed. There are two main factors related to this situation (1) the lack of diversification of the rural economy and the absence of income earning opportunities in the non farm sectors; and (2) the slow pace of Structural change in the economy (Gunatilleke et al 1992).

Not only that rural unemployment has a negative impact on rural development as well as country's development process. On the other hand whole problem of rural development is where and how provide employment opportunities to this redundant labor force. Under the rural development the government led Integrated Rural Development Program (IRDP) during 80s had limited capacity to generate employment opportunities (Gunasinghe 2002).

(d). Lack of Housing Water and Sanitation Facilities

This is another common feature of the many poor people in rural areas. Due to their limited income sources, less employment opportunities and less rural infrastructure development had lead to this situation. According to the 1981 census report the proportion of semi-permanent rural housing is 56 per cent and the proportion of temporary housing is 6.7per cent.

(e).Fewer assets

Rural poor have few assets in comparison to others. Especially rural poor need lands for their agricultural activities and therefore some of poor rural poor have to lease lands. Land scarcity and the ownership of fragmental parcels of unproductive lands are two of the major reasons for high incidence of poverty in the rural areas.

CHAPTER 5

PRESENTING THE STUDY AREA AND SURROUNDING BACKGROUND

5.1. INTRODUCTION

This Chapter focuses on the study area (Kandy District and Udadumbara). In the Chapter 1 showed that the Kandy district is one of the poorest districts in the country in terms of poverty and human development. Here I will try to show the present human development and poverty condition in the Kandy district and my field area Udadumbara and selected village Madugalla (North). However it is difficult to present development and human development indicators related to the selected village due to unavailability of data. Therefore I have discussed the data related to the whole DSD. It is obvious that Sri Lanka's achievements of some areas in human development such as education and health have been described as remarkable for a low income country. Adult's literacy rate, life expectancy at birth of the country level also have been recorded as higher than the world averages. Identifying the Kandy district situation is important to this research.

5.2. GEOGRAPHICAL LOCATION

Kandy district is located at the central part of the country and in terms of administration it is related to the central province (See map 1). The central province comprises three districts including Kandy, Matale and Nuwara Eliya. Also kandy district is divided in to 20 divisional Secretariat divisions and my field area, Udadumbara is one of them. The district occupies a land area of 1940 sq. km and contains nearly 3 per cent of the total land area of the country. The district is situated in the center of the central province. The elevation of the district is varying 100m -300m from the sea level. The average mean temperature is around 23c⁰-26c⁰ and the mean annual rainfall exceeds 1500mm.

5.3 SOCIO ECONOMIC SITUATION

5.3.1. Demography

The total population of Kandy district was 1048317 in 1981 and in 2001 it was 1272463. From the total population about 1022895 (80 per cent) are living in the rural areas. The population density of the area is about 554 per sq. km in 1981 and 664 per sq. km in 2001. In

Udadumbara Divisional Secretariat Division (selected field area)¹⁸ have 22615 of population and 92 per cent of total population of the Udadumbara area is living in rural areas. The rest of the population is living in estate sector and there is no urban sector in the Udadumbara area (Department of Census and Statistics 2001b). And population density of the Udadumbara area is 81 per sq.km in the year 2001 (Statistical Hand Book of Kandy District 2003).

5.3.2 Poverty and Human Development Profile

Poverty in Sri Lanka is predominantly a rural phenomenon. However in the year 2002 the estate sector fares the worst in terms of poverty and also with regards to social indicators such as housing, access to education and health services, safe drinking water, sanitation, electricity and malnutrition (Jabbar and Senanayake 2004). The table below shows the poverty head count ratio by district according to the national poverty live of Sri Lanka.

Table 5.1 Poverty Headcount Ratio by Districts %

District	1990-91%	1995-96%	2002 %
National	26.1	28.8	22.7
Colombo	16	12	6
Gampaha	15	14	11
Kalutara	32	29	20
Kandy	36	37	25
Matale	29	42	30
Nuwara Eliya	20	32	23
Galle	30	32	26
Matara	29	35	27
Hambantota	32	31	32
Kurunegala	27	26	25
Puttalam	22	31	31
Anuradhapura	24	27	20
Polonnaruwa	24	20	24
Badulla	31	41	37
Monaragala	34	56	37
Rathnapura	31	46	34
Kegalle	31	36	32

Source: The Department of Census and Statistics (2004b)

¹⁸ Kandy district has 20 Divisional Secretariat Divisions and Udadumbara is one of them. For this study as my field area I have selected Udadumbra area and from that DSD I selected one Grama Niladhari division (local administrative division) Madugalla (North) as a sample.

According to the data table there is a significant decrease of poverty headcount ratio can be identified during 1990s and 2002. But most prominent feature is that during 1995-96 period the most of the district shows higher poverty headcount ratio as well as national level poverty headcount ratio has increased during that period. But again by 2002 national poverty headcount ratio and as well as district poverty headcount ratio has been decreased. Meanwhile the poverty headcount ratio for Udadumbara DSD is 37.5 per cent and this is higher than the national level as well as the poverty headcount ratio of the Kandy district.

Further according to the national poverty line the percentage of the poor households in 2002 is 19.2 per cent and in Kandy district it was 20.9 per cent and that is some what higher than the country average.

5.3.3 Health conditions

Though Sri Lanka is far ahead of its Asian neighbours in terms of human development related data there area regional variations can be identified.

However it is evident that the health care of the central province (including Kandy) has increased during the 1990-2000. Presently the province is serviced by 2 teaching hospitals and 5 base hospitals and Kandy being the most urbanized district and the provincial capital, is the centre for health care having the most developed infrastructure in the central province (Kurruppu 2003). However in udadumbra DSD has only one general hospital.

5.3.4 Education

Due to free education system in Sri Lanka the overall literacy rate of the country is at a high level and as well as in Kandy district also shows high level of education level in the central province. The adult literacy level in the central province has increased in the period 1990-2000. The percentage of attending school in the 5-19 age group is 79.8 per cent and on the other hand, 16.5 per cent of children in this age group do attend any type of educational institution. Further female school attending rate is higher than the male school attending rate of the Kandy district (Department of Census and Statistics 2003a).

Box 5.1 Health and Education Related Data (Kandy District)**Health related indicators for Kandy District**

Crude birth rate (per 1000 people) (2002)	22.8	(DCS) (2003b)
Crude death rate (per 1000 people) (2002)	6.9	(DCS) (2003b)
Infant Mortality rate (per 1000 live birth) (1997)	21.6	(CPA) ¹⁹
With safe drinking water (per cent of house holds)	82.9	(DCS) (2003b)
With latrine facilities (per cent of house holds)	96.0	(DCS) (2003b)

Education Related Data for Kandy District

Adult Literacy Rate (2001) (per cent)	90.9	(DCS) (2003b)
Literacy Rate (Male) (per cent) (2001)	89.0	(DCS) (2003b)
Number of government Schools (1991)	685	(CPA) (2003)
Number of government Schools (1997)	689	(CPA) (2003)
Number of government Schools (2000)	667	(CPA) (2003)
Pupil teacher Ratio (1997) (per cent)	20.6	(SHBKD) ²⁰ (2003)
Pupil teacher Ratio (1999) (per cent)	19.4	(SHBKD) (2003)
Pupil teacher Ratio (2000) (per cent)	19.5	(SHBKD) (2003)

5.3.5 Employment

Most of the area in Kandy district is considered as a rural area and also many of the rural households are depending on the agricultural activities as their livelihood. Mainly Kandy city area is highly urbanized and rest of the areas is not much urbanized areas. The table below shows the labour force participation by sex, employment and unemployment rates in Kandy district.

Table 5.2 Labour Force Participation Rate and Employment & Unemployment rates

Labour force	Total%	Male%	Female%
Labour force participation rate	43.4	64.4	23.8
Employment rate	90.2	91.8	86.2
Unemployment rate	9.8	8.2	13.8

Source: Department of Census and Statistics (2003a)

¹⁹ Centre for poverty Analysis (2003)

²⁰ Statistical Hand Book of Kandy District (2003)

5.3.6 Housing Condition

Quality of a house shows the social condition of the people. Based on the materials of construction used for walls, floor and roofs housing units are categorized in to three types as permanent, semi permanent and improvised. Out of occupied housing units in Kandy district, 73.2 per cent are permanent and 25.8 are semi permanent while rest (0.2 per cent) are improvised in year 2001 (Department of Census and Statistics 2003a).

Further 83.9 per cent housing units are single houses. When considering the principle construction material of floor, 73.9 per cent housing units have cement floors and 21.2 per cent have mud floors. Rest of all materials constitutes only 3.5 per cent. Also with principle materials of roofs, housing units have used tile 31.5 per cent, asbestos 31.7 per cent, concrete 4.4 per cent, metal sheet 29 per cent, cadjan/ palmyrah/ straw 1.0 per cent, other 0.6 per cent and not stated 1.4 per cent per cent for their roofs 2001 (Department of Census and Statistics 2003a). The table shows percentage of occupied housing units by principle materials of wall.

Table 5.3 Percentage of Occupied Housing Units by Principle Material of wall in Kandy District (2000)

Principle material of wall	percentage
Total	100.0
Brick	47.0
Cabook	0.8
Cement block/ stone	34.9
Pressed soil block	4.7
Mud	10.5
Cadjan/ Palmyrah	0.1
Plank/ metal sheet	0.7
Other	0.3
Not stated	1.0

Source: Department of Census and Statistics (2003a)

In addition to that about 91 per cent of the households in occupied housing units have a toilet of their own; 81.7 per cent have a toilet exclusively for the households and 9.2 are sharing with another households and nearly 2 per cent of the households are not using a toilet at all (Department of Census and Statistics 2003a).

5.4 PRESENTING UDADUMBARA AREA AND MADUGALLA (NORTH)

Udadumbara is one of the DSD in Kandy district and situated in eastern side of the Kandy city (see map 2 & 3). The area is totally considered as rural and estate sector, there is no urban sector in the Udadumbara area. So the infrastructure and other basic services are not at satisfactory level when compared to Kandy city and surrounding area. The Kandy – Mahiyangana main road goes through the division. Udadumbara DSD has 63 GND²¹ and Madugalla (North) is one of them and situated about 10Km away from Udadumbara town.

The village Madugalla (North) governed by under the Udadumbara divisional Secretariat division. This is a small village and it is about 1.4 sq Km. and 118 families²² live in the village. The total population of the village is 426 and it consists of 217 female and 209 male. The following table shows the age groups and sex position of the village population.

Table 5.4 Population Distribution by Age and Sex in Madugalla (North)

Age Group	Female	Male	Total
0-5	11	10	21
6-14	44	42	86
15-59	143	137	280
60 <	19	20	39
Total	217	209	426

Source: Local Government office Madugalla (North) 2005

According to the above table the population of age group 15-59 is 65.7 percent of the total population in Madugalla (North). Percentage of females (51.0 percent) of this age group is little higher than the percentage of males (48.9). The population in the age group 0-14 is 25.1 percent of the total population in the village and related values are 12.9 percent and 12.2 percent for females and males respectively. The percentage of 60 years and over is 9.1 percent of the total population.

²¹ Grama Niladhari Division (Local level administrative area)

²² In Sri Lanka there are two main types of families can be identified they are nuclear family and extended family. Nuclear family refers family with husband, wife and their children and extended family refers families which consist of blood relatives (grand mother, grand father etc.) or kingship relatives (by marriages) together.

5.4.1 Climate

If the area is related to Kandy district the climate is not same as in the whole area. There are regional variation can be identified in the Udadumbara area. During the middle of the year (May-August) the area is having windier climate. Main rain reason is September to November from north east monsoon. And June, July and August have a dry climate of the area. It has annual rain fall of 45-60 inches and temperature 80-90^of (Udadumbara Divisional Secretariat Division's data base 1998/99)

5.4.2 Economic Background of the Area (Historical evaluation)

The economy of the area is manly depended on agriculture since history. Most prominent agricultural activity was chena²³ cultivation. The people have deforested the area and have used for their agricultural activities in the past. Mainly family labour was used for the cultivation and harvest is mainly use for consumption. But later the system failed because of various types of environment related problems such as land degradation, low fertility of the land and also land scarcity and labour supplying problems. However this agricultural system played an important role for supplying daily needs of the families in the area.

At the same time other important cultivation system was paddy cultivation and this has a close relationship with people's life style and their culture. The paddy cultivation was depended on rain fed water during past. But at the present time paddy cultivation has decreased due to various reasons such as water scarcity, reducing the profit, long time duration for harvest, availability of non agricultural job opportunities, high cost of investment and spread of paddy related diseases, influence of wild animals. However still in some GNDs have considerable amount of paddy cultivation. Also at the present time there is a tenet system and land owners do not engage in the cultivation process. During the 70s tobacco cultivation have influenced on the rural livelihood significantly. It has affected their economy and on the other hand people who were engaged in the paddy cultivation returned to tobacco cultivation. At the present the situation has changed and the tobacco cultivation is disappearing because of the environment problems, resource scarcity, and new job opportunities.

²³ This is a form of traditional agricultural system. This often involves clearing a plot of land and cultivate crop. Mainly people cultivate for consumption purpose.

At the present era the garment factories have affected the rural people of the area in many ways. There are two main garment factories in the Udadumbara area and these two factories paid wages of a worth nearly 2 million rupees for the people who work in the factories. Due to their income level increasing they were able to upgrade their living standard. As a result of these new opportunities there are many changes taking place in rural people's living conditions who area working in these factories. Among those changes increasing money expenses for food items, using telephones, increasing the consumption of households electric equipments are quite significant.

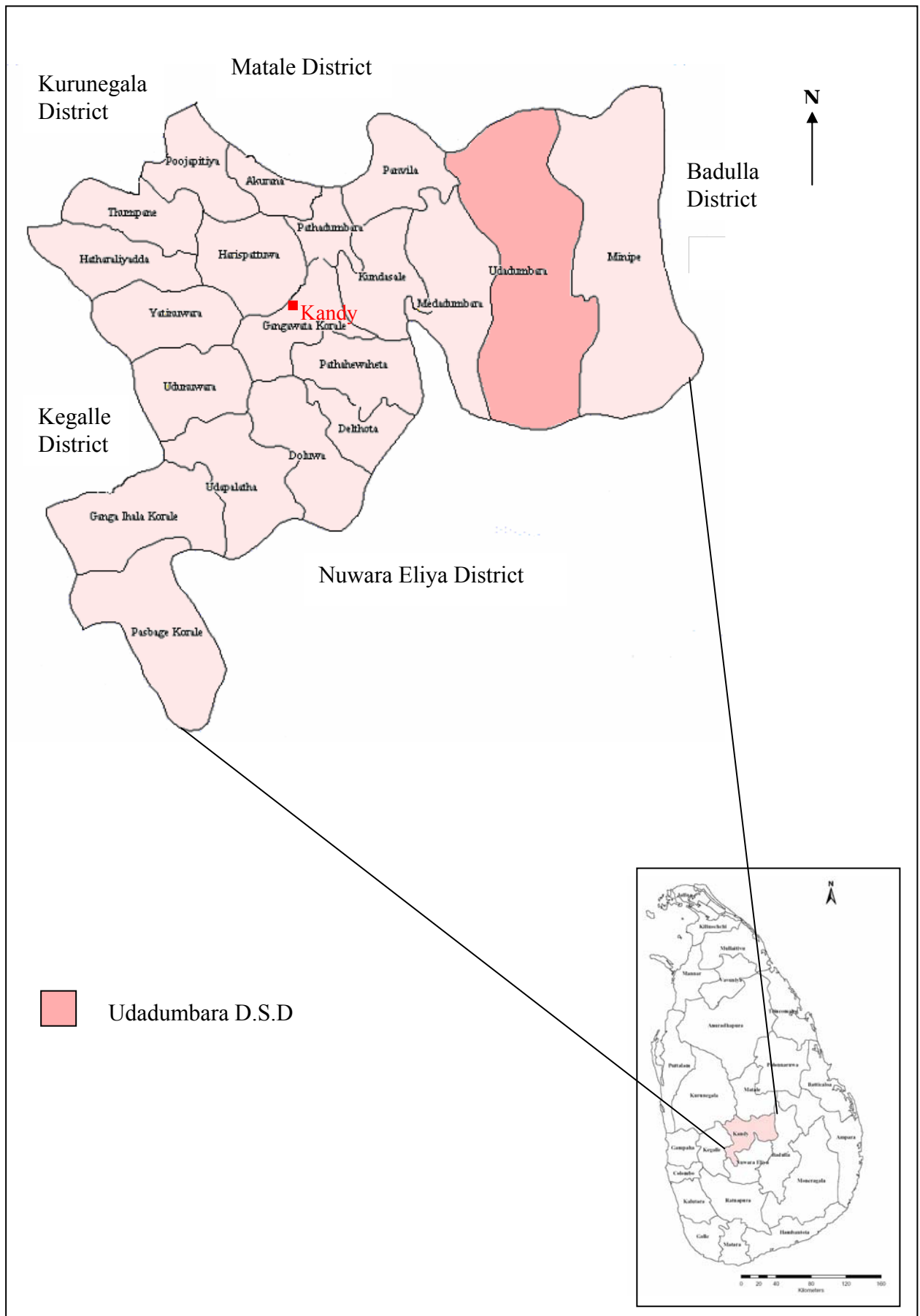
However the area does not have any industrial background in addition to garment factories. The second largest industry is carpentry and there are 13 carpentry industries have resisted but they are not large scale. In addition to that there are about 10 rice processing industries and 8 grinding mills are available in the area. All these industries are small scale industries. The table below shows the employment states of the Udadumbara area.

Table 5.5 Employment status of Udadumbara DSD (2004) by sex

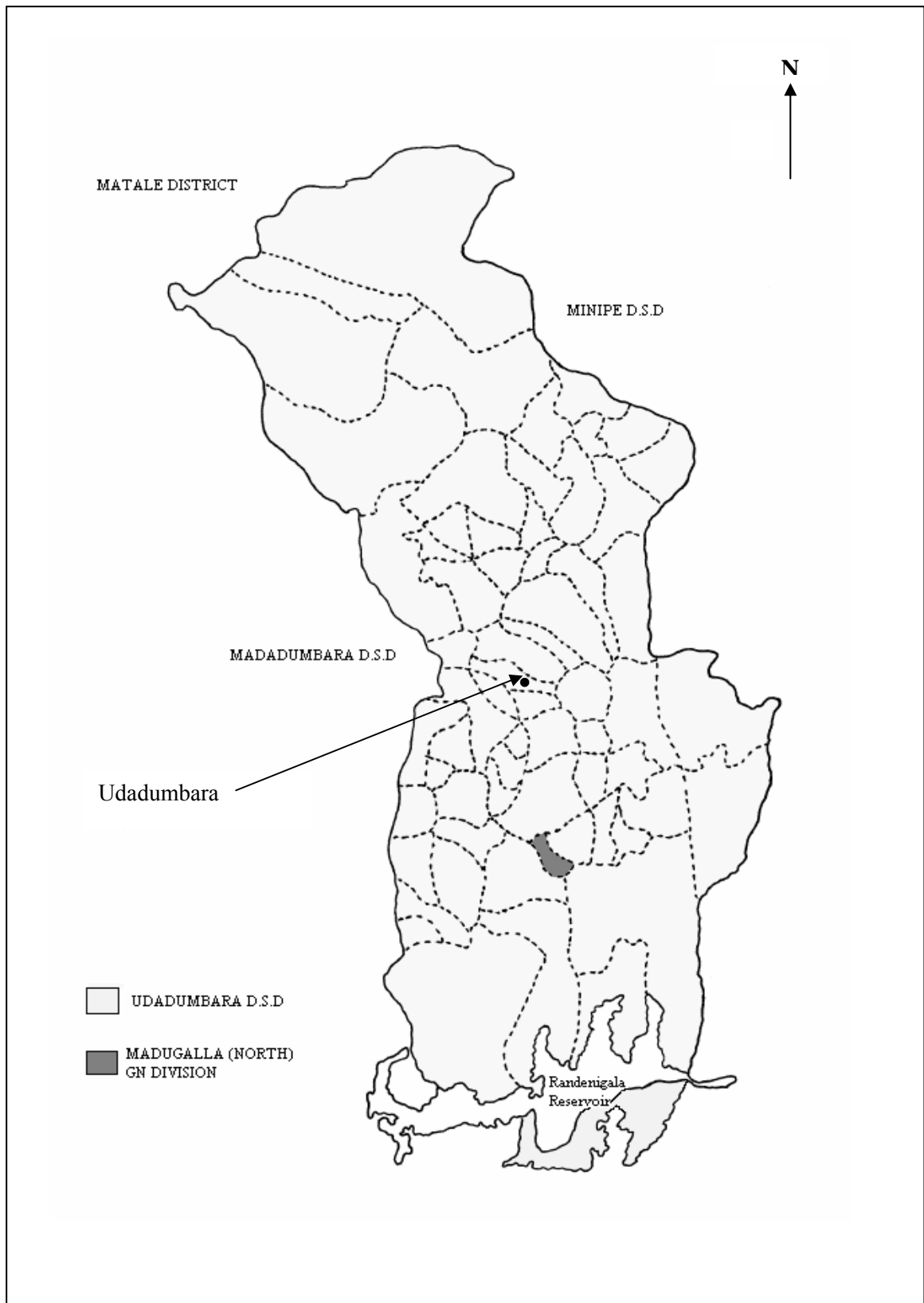
Category	Female	male
Government/semi government	493	730
Private sector	207	612
Agriculture & animal husbandry	723	1872
Self employment	134	501
Temporary/ labourer	634	539
Foreign employment	201	43
Other/retired/ Samurdhi	626	764

Source: Udadumbara Divisional Secretariat Office (2005)

Map 2. Location Map of Udadumbara Divisional Secretariat Division



Map 3. Location Map of Madugalla (North) in Udadumbara D.S.D



5.4.3 Natural Resources of the Area

When compared to other areas of the Kandy district Udumbara area have fewer natural resources that can be extracted for industries. There are some graphite, granite, dolomite, non-cultivated lands (but can be cultivate), medicinal plants, and natural beauty of the area. Though there is some graphite still they are not extracted. Also granite extracting is needed high investment due to their locations.

5.4.4 Samurdhi Poverty Alleviation Program in the Area

This is the major government poverty alleviation program in the area. According to the Udumbara DSD office there are 3443 Samurdhi beneficiaries (households those who are having benefits from the Samurdhi program) in the area in 2004. This is nearly about 48 per cent of the total households of the area.

Table 5.6 Number of Samurdhi Beneficiaries by the Value of the Benefits in 2004 in Udumbara DSD

Value of benefits (Rs:)	Number of beneficiaries
1000	-----
500	271
400	1719
350	314
250	459
140	680

Source: Udumbara Divisional Secretariat Office (2005)

The Samurdhi program has influenced on rural people's livelihoods in many ways. Specially in terms of reducing poverty, the program is playing an important role in the area. However the poverty rate is reducing very slowly. The program has launched various types of loan schemes for the poor people of the area. Under these loan programs during the year 2004 have granted value of Rs.2097000 among 184 Samurdhi beneficiaries (Udumbara Divisional Secretariat Office 2005). Also under the compulsory saving programs of the Samurdhi beneficiaries have saved value of Rs.7,435,700 under the compulsory saving programs.

In addition to that the Samurdhi program has engaged in rural infrastructure development programs especially with the help of Samurdhi beneficiaries labour government investments. Under these development projects in Udadumbara area have developed mainly rural roads, renovating old irrigation systems, water supply projects. Samurdhi program and present situation of the Madugalla (North) will be discussed in Chapter 6 and 7.

CHAPTER 6

POVERTY, ASSETS AND LIVING STANDARD

6.1. INTRODUCTION

The data which was collected through the field work will be analyzed in Chapters 6, 7 and 8. According to the available data this Chapter will focus on the first research question and Chapter 7 will focus on the research questions two and three. Then Chapter 8 will focus on last research question (see Chapter 1). To examine the poverty assets and living standard of the people in the study area, economic background, housing conditions, people's education, health condition and their assets will be considered in this Chapter. The Chapters will be based on the questionnaire survey and interviews as well as the basic information provided by some of the key informants. The questionnaire survey based on the household level and the household²⁴ is considered as the unit of analysis.

People's living standard is dependant on a number of factors. In a way the poor people's living standard reveals their capabilities and the vulnerability context. People make their living standard according to the available livelihoods strategies and capabilities. In the perspective of the capability approach these elements depend on the available capabilities, assets and achieved functionings.

6.2. POVERTY, INCOME AND NUMBER OF HOUSEHOLD MEMBERS IN MADUGALLA (NORTH)

A households' income is one of the important factors which enable people to have a good living standard. Low income of the household is a cause of poverty and on the other hand poverty is a cause of low income. According to Sen's capability perspective low income is considered one of the causes of capability deprivation. The study revealed that most of the surveyed households have a low income and as a result, they have faced more difficulties to maintain their living condition. Low income is depending on various factors such as employment, environment, assets, human development etc. In terms of income generating activities all the surveyed households depend on agriculture, but due to various reasons some

²⁴ Household refers a group of two or more persons live together and have arrangements for cooking and partaking foods.

of them have given up their agricultural activities at the moment. Therefore some household members have engaged in non-agricultural income generating activities.

Also the number of household members is an important factor for evaluating poverty and human development in any selected area, because the number of household members affects various things which lead people to become poor. When increasing the number of members living in a household, it influences the income, space, distribution of household's resources etc. and in some cases higher number of household members can enhance the living standard of the households. The table 6.1 shows the monthly income distribution and number of households members of the surveyed households.

Table 6.1 Monthly Income Distribution and the Number of Housholds' Members in) Madugalla (North)

Number of household members	Monthly income of the households*					
	Less than 2000 SLR	2000-5000	5000-7500	No income	Total	Total%
1-2	1	0	0	1	2	5.7
3-4	7	12	1	0	20	57.1
5-6	0	9	1	0	10	28.6
7-8	0	1	2	0	2	8.6
Total	8	22	4	1	35	100
Total %	22.9	62.9	11.4	2.9	-	100

* Excluding the value of Samurdhi benefits

Source: Fieldwork 2005

As discussed in Chapter 3 income of a person plays an important role in terms of capabilities and is one of the factors which affect to poverty. According to the above table 62.9 percent of the surveyed households receive SLR 2000-5000 average monthly income. Also within households with 3-4 members, 60 percent of the surveyed households receive the same monthly income. Further 22.9 percent of the households receive less than SLR 2000 for their monthly income and among surveyed households 11.4 percent households are receiving somewhat higher income (SLR 5000-7500). It is noticeable that those households who are receiving monthly income around SLR 5000-7500 have number of household members

within 3-8 categories. Due to higher number of household members in the extended households the income level increases. Because when the numbers of household members are increasing they may engage in various types of income generating activities and this increase their income. Although they earn more their expenditure is also high due to the high number of household members.

Higher income level of some studied households' are also related to the employment opportunities provided by the garment factory which is situated close to the study area. According to the primary data which was collected from the local government officer of the village there are 17 females and 4 males from the village working in the garment factory. But after they started working in the garment factory, their Samurdhi benefits are reduced or stopped by the government. However due to high living expenditures of the country and their poverty situation they are unable to overcome their problems within a short period. According to some respondents their children have stopped schooling and they have engaged in some kinds of income generating activities such as garment factory, working out side of the village as laborers, etc. and now the parents are depended on their children. According to them they do not have any other options to live without their children's income. Though they wanted to give good education to their children they have not been able to manage it due to the economic problems of the family. Now the parents are worried about their children's missing opportunities and their future. However at the same time their children have upgraded their households and in some cases overcome the poverty situation

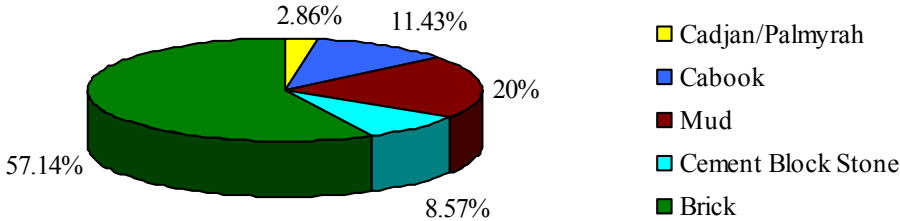
6.3. HOUSING CONDITION OF THE VILLAGE (PHYSICAL ASSETS)

Housing is one of the basic needs of a human being. The quality of housing units shows the quality of living condition of the humans. According to available data the total number of families in the village is 118 and these families are distributed within 101 households. Most of the houses in the village are not in good condition. The condition of a house is a basic measurement for evaluating the living conditions of the rural poor people. Housing conditions vary from large houses to small huts in the village. Many poor people do not have enough financial facilities to improve their houses or build new houses. However at the time being some poor families have started build new houses with the help of bank loans and others. In this section I discuss the condition of the housing units of the Samurdhi beneficiaries based on the information from the questionnaire survey.

6.3.1. Construction Materials of the Housing units

The construction materials can be used to evaluate the quality of houses. The figure below shows the main construction materials of the walls. Out of surveyed 35 households 57.14 percent walls were built with bricks and 20 percent walls constructed with mud. Housing unit with walls constructed using cement block stone to 8.57 percent. Other 11.43 percent of household’s walls were built by using Cabook²⁵ and rest 2.86 was built by using cadjan/palmyrah.

Figure 6.1 Materials used to build walls of the houses.



Source: Fieldwork 2005

When considering the condition of the selected households, most of the houses look old and in bad shape and should be renovated soon. However the poor people in the village do not have enough money to spend on renovating their houses. They have to do other important things such as educating their children, spend money on daily living purposes etc. according to primary data more than 91 percent of their houses’ roofs are constructed with tiles, asbestos and metal sheets. Among other materials only one housing unit was found constructed with concrete and another one is still being constructed. Though the roofs consist of tiles and asbestos the quality of the housing units are not in very good condition. Because most houses have been built by using mud and bricks, they are not fully completed housing units. Most walls are not plastered. Additionally the houses do not have enough room for all family members of the household.

²⁵ A kinds of natural stone that can be used as building material.

Further condition of floor of the housing units can be considered as a measurement of household's condition. According to the questionnaire survey, percentage of households having mud floors is 51.4 percent and other 45.7 percent have cement floors, the rest of the floors are concrete. The above discussed factors reveal the present situation of the housing condition of the surveyed households.

6.3.2. Sanitation Facilities of the Housing Units

People's sanitation facilities can be used as an evaluation method of the living standard. Further sanitation facilities relate to the peoples' health condition. According to the survey, many of the poor housing units' sanitation facilities are not in good condition in the village. The questionnaire survey revealed that more than 50 percent of the households do not have proper toilets within their housing units. About 57 percent of the surveyed households have pit type toilets (See picture 6.1). The corresponding percentages for water seal and temporary toilets are 40 percent and 2.8 percent respectively.

Picture 6.1 A pit type toilet



Source: Fieldwork 2005

To achieve good health condition the sanitation facilities can help in many ways. Moreover many toilets do not have water inside them. Though some poor houses are in good condition they do not have good toilet facilities. When compare to other rural areas which are situated close to the Kandy town the situation in the village is poor.

6.3.3. Land Ownership

Assets can be use as one of the main means to overcome poverty. I focused my questionnaire and interviews to identify their assets mainly which can be use as a means of livelihood strategy. As they were farmers they have had lands from many generations. However presently they do not have large scale lands due to land fragmentation among their family members due to heritage traditions. Meanwhile some families do not have their own lands to do farming activities and they are hiring lands for their farming activities. As a result of these things their income has gone down. Anyhow they have had lands for agricultural activities and also a house as an asset.

According to the available secondary data the table below shows land distribution of the village.

Table 6.2 Distribution of Land among Madugalla (North) Households

Acres*	1/4 <	1/4 -1	1 -5	5 & over	Landless	#households
Paddy land	0	15	1	0	82	98
Other land	10	32	35	12	9	98

* 1 Acres=0.405 Hectares (ha)

Source: Udadumbara Divisional Secretariat Division’s data base 1998/1999

The village has very little amount of paddy lands due to extreme geographical location. But other agricultural lands also not very large. However the value of land in terms of agriculture is becoming lower day by day due to climatic condition of the area. One female respondent explained her ideas when I asked about her families assets like below

What else we have only this small house. We do not have any other properties than this. I received this house from my father. He had a land for agriculture. But he gave it to my elder brother and I got this house. So now we have to hire lands to cultivate. Also you can see

inside of our house there are no any valuable things [observation: the house is too small and there were some old furniture inside the house]. We do not have jewelries or any other valuable things to sell even in the emergency situation of the family.

The quotation implies that their assets are being reduced from generation to generation. She also has three children and there are no properties to distribute among all of them. Also in future this situation will be a crisis in many rural areas in Sri Lanka. Further this situation adversely affects especially the poor families, because many poor families' main income source is agriculture and when they do not have lands they lose their income. The lack of land will also increase the debt rate of the poor households, because they have to spend extra money to hire lands. Meanwhile large scale land holders are earning money from hiring their lands to the poor who do not have a plot of land to cultivate in the area.

The majority of the population of the area is still depending upon the agricultural sector for their income, but the income generated from agriculture is not enough to improve their economic status. Therefore most of the rural poor are unable to save and invest in creating new assets.

6.4. INFRASTRUCTURE FACILITIES (WITHIN HOUSING UNITS)

Basic infrastructure facilities can be use as another measurement of the housing conditions. At the present electricity and water supply is considered essential facilities for a housing unit.

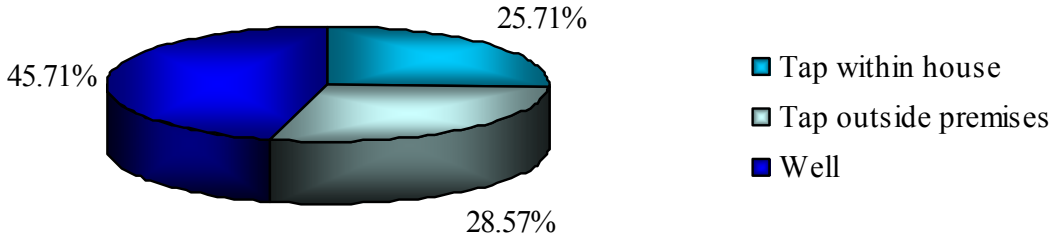
6.4.1. Electricity

The collected primary data reveals that the electricity has become major type of lighting in the study area (62.8 percent) and kerosene is used in 37.1 percent of the households. This implies infrastructure development in the study area. But people who use the kerosene for their lighting are worried about their inability to have electricity in their houses especially those who have children who are schooling. The children are at a risk when they do school works during the night times by using lamps with kerosene. Some of them have bad experiences of using lamps with kerosene.

6.4.2. Water Supply

Though the village has pipe born water supply, many houses do not have tap water in their housing units. According to the survey nearly 47 percent of the households used water from wells and another 28.5 percent used pipe born water outside their homes. And rest (25.7 per cent) used pipe born water within their houses. However the villagers faced many problems regarding water supply during dry seasons. According to their opinions though they have water in their houses the service is not regular. So they are not satisfied with the water supply. Many people said that they are receiving water once a week or twice. On the other hand the problem is related to the climate condition of the area. During the dry months of the year particularly July and August they faced water scarcity. Sometimes the wells of the village become dry and people are waiting for water bowsers. As the fieldwork was conducted during the month of June, July and August I could observe that pipe water supply is very irregular and also wells are drying up (see picture 6.3 and 6.4). The irregular water supply affects their day to day life style. But the problem is very much related to the climatic conditions of the area.

Figure 6.2 Methods of Water Supplying in Surveyed Households



Source: Fieldwork 2005

Picture 6.2 Wells are drying



Source: Fieldwork 2005

Picture 6.3 No regular water supply



Source: Fieldwork 2005

6.5. OWNERSHIP OF THE HOUSES

Ownership of the house reveals the gendered characteristics of distribution of assets in rural areas. According to the primary data collected through the survey, nearly 75 percent (74.3 percent) of the surveyed households are owned by men and other 25 percent owned by parents, women or others. The situation implies that traditional resources (assets) distribution among family members. Though there is no any legal discrimination on distribution of assets among men and women, parents tend to hand over their physical assets such as houses, lands to boys in the family. The situation is continuing to generation to generation and the above mentioned situation can be a result of that.

6.7. CHANGING TRENDS OF HOUSING CONDITIONS

According to the field survey and observations now some of them have started to build new houses close by their old houses (picture 6.4). But most of poor are not in a position to start building new houses or even repair their existing houses due to lack of money. Further the survey revealed that among the new house builders, most are the younger generation with newly established families.

Picture 6.4



Building a new house close by their old house

Source: Fieldwork 2005

On the one hand most families plan to build a new house or even upgrade their old houses, but on the other hand their low income is one of the major barriers for implementing their thoughts practically. Though they have provided some kinds of loan facilities to upgrade their housing conditions, they are afraid to take loans because they do not have reliable monthly income sources to pay back the loans. Taking into account above mentioned all factors, revealed the relationship between poverty and housing condition of the study area.

However though some people have started building or renovating their houses, they are also in the poor condition. Because lack of money they can not afford high cost of building materials. They are used to use natural resources which are available in the area to build their houses. The picture below shows a condition of a poor house in the village

Picture 6.5. Condition of a House in the Study Area



Source: Fieldwork 2005

6.6. EDUCATION AND POVERTY

Among achieved functionings education plays an important role in achieving a good living standard. When the people have a good knowledge and educational background it may enable them to chose various types of employment opportunities as well as overcome the poverty situation of their families. On the other hand education is a human capital and important in terms of human development. The table below shows the educational level of the surveyed households' heads' with their age groups. According to the GN the present generation's

educational level is at a considerable good level. Presently all the children who are in the age group of schooling are attending school and also there is no any gender discrimination. But elderly people of the village have no considerable good educational attainment.

Table 6.3. Sex, Education Level and Age of the Respondents

Sex	Education Level	Age of the Respondents						Total %
		20-29	30-39	40-49	50-59	60-69	70-79	
Male	Year 1-5		1			1		17
	Year 6-11			2	1	1		33
	GCE O/L		2	2	2			50
Total (Male)			3	4	3	2		100
Female	Year 1-5		1	3	4	1	1	44
	Year 6-11	1	1	1	2	1		26
	GCE O/L		3	3	1			30
Total (Female)		1	5	7	2	1		100

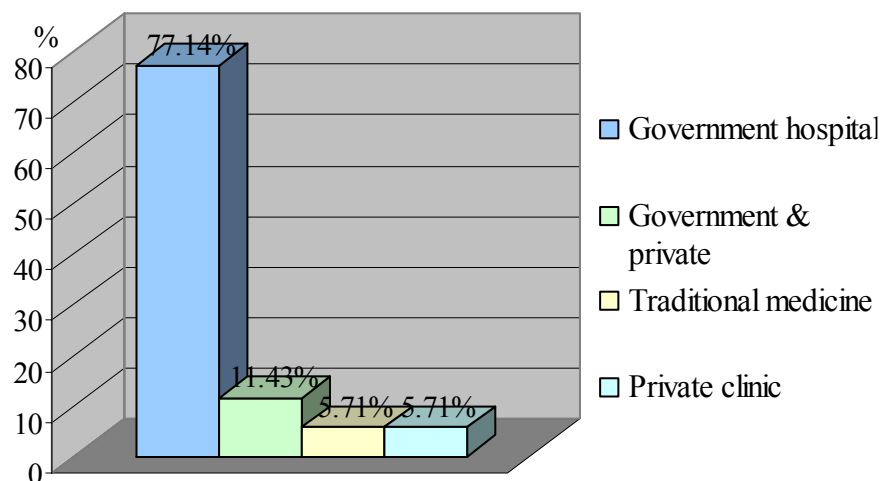
Source: Fieldwork (2005)

When considering the education level of the surveyed households heads' it seems that there is a variation between male and female. Among the male heads 50 percent have studied up to GCE/O/L and among female heads it is only 30 percent. Many of the female heads have gained primary education (Year 1-5) and it includes 44 percent. Meanwhile 17 percent of the male heads have attained only primary education. This data reveals that there is a shuttle difference between males and females educational attainment in the village. However, here it is important to take in to consideration these people' age groups. Because many of these people are in the middle age groups and therefore their educational attainment may be at a low level because of the facilities that they had in their childhoods. Further their low educational attainment has negative impact of their present living standard and now they have identified the value of having a good education and therefore they are trying to give a good education to their children. According to the interviews conducted with them, they revealed some bad experiences regarding loosing their education. These stories have been discussed in the Chapter 8 under the "loosing opportunities to have education".

6.7. HEALTH FACILITIES AND HEALTH CONDITION OF THE AREA

Health condition of a person is considered as an achieved valuable functioning and therefore health facilities are considered one of the basic needs of humans. For the people of my study area to take medical facilities they have to go to Udadumbara town. Though there is a bus service it is not regular. There is no any private or government medical clinic in the study area. Udadumbara town is nearly 10 miles away from the study area. The villagers do not have a proper transportation system to move around. Villagers' main medical center is the Udadumbara general hospital. There are few private medical centers around the city. But most of interviewed households' members take medical treatments form the government hospital of Udadumbara. The figure below (6.3) shows the places where the villagers taking medical facilities.

Figure 6.3 Places for Taking Medical Facilities



Source: Fieldwork 2005

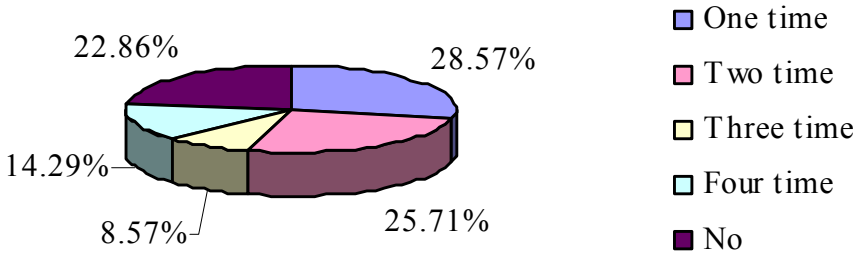
According to the figure above 77.14 percent of the interviewed households take medical facilities from the government hospital. It seems the majority of the villagers depend on the government's medical facilities. Though my study area is remote and rural, the percentage of using traditional medicine is very low. Whatever mode they used for the medical facilities most important thing is their satisfaction of the services. It was important to explore their satisfaction level of the services that they used. According to the people's opinions, all of them are satisfied the services that they are having from the government hospital or other service. But sometimes they have faced problems due to lack of enough doctors in the

hospital. They stressed that most of the times they have to spend more time to consult a doctor.

The study revealed that the government hospital provides them with good service to the rural people of the study area, which is a good sign of distributing basic needs among the rural people to improve health condition of the area. But the main problem is the distance to the general hospital. So if the people faced some emergency situation to go to the hospital they have to spend time and it depends on the mode of transport they used.

For examining the health condition of the interviewed households the data was collected through the questionnaire about how many times they have used medical facilities during the last month. Some of them have to visit doctors once a month due to some diseases of their family members. The figure 6.4 shows how many times they have visited to take medical facilities during the last month. According to that only 22.86 percent households have not taken medical facilities even once during last month. Other 77.14 percent households have visited to take medical facilities once or more than once during last month. So what implies this data? Are those people are not in good health condition or any other reason for this condition of the interviewed households is a question.

Figure 6.4 Visiting Times to Take Medical Facilities during Last Month



Source: Fieldwork 2005

According to the interview conducted with the local government officer of the area there is no threat of spreading diseases in the village. However some elderly people specially age over 50-60 are suffering from high blood-pressure. So those people have to take medical facilities once a month. Further some of interviewed households' members are suffering from some kinds of diseases like chronic asthma, epilepsy, blind and disabled. So those people have had to take medical facilities regularly.

Further the data gathered from the local government office revealed that the villagers' health condition is good and there is one totally disabled person (male), one woman suffering from hearing disability and two persons (male) in the condition of psychological problems. So the whole health condition of the village is quite good.

6.7.1 Nutritional Consumption of the Surveyed Households

Further to get an idea of their health condition and nutritional consumption food habits can be used as a tool. The food habits play an important role in identifying nutritional consumption. To examine this situation in the questionnaire, asked a question about their purchasing goods from Samurdhi benefits. According to their replies many of them buy some basic foods like rice, sugar, dhal, etc. and some of them buy soap, tooth paste etc. A few respondents do not use the Samurdhi benefits, but they save it in the Samurdhi bank because it is not sufficient for them to buy needed things monthly. Instead they save the money and withdraw after a few months to buy necessary things like foods, garments, kitchen utensils etc. to the family.

Moreover as this village is far away from the country's sea side, fish consumption of the villagers is at very low rate. If they want to buy fish they have to travel to Udadumbara main city. Also they have no any other fresh water fishing industry in the village or close to the area. Some people use to eat tin fish and some use chicken but not very often due to high prices. However their opinion and experiences about poverty revealed that many of them do not pay special attention to their food consumption.

The health condition is a part of human development and also poverty may affect on poor people's health condition in many ways. Because when the people are poor they do not concern much about their health. Further they can not consider their nutritional requirements

and have had to eat what ever they have and some thing which is fit for their economic situation.

6.8. SOCIAL ASSETS

According to the livelihoods approach social networks are also important in terms of their livelihoods and it affects on their living standard. Whether the study area's poor households have a good social asset or are there any difficulties they have faced to maintain their social assets? According to Sen, being able to participate in public society is considered a valuable functionings a person can achieve. However according to the interviews, I found that some of the poor people have many difficulties when maintaining their social relations with rest of the villagers. Sometimes they have no any means to join the social activities due to low income. When taking place in some kinds of public activities in the village normally they collect little amount of money from the villagers. One female respondent revealed her inability to join such activities:

“You know that we do not have enough income for even maintaining our day-today life. Sometimes we have to offer some amount of money for public activities in the village. We know that giving away some thing is a good thing. But if we do not have even for us how can we give away? I am thinking about the ceremony in the village temple which is going to take place next weekend. I have to contribute some money for that, but at the moment I do not have money to give for that and I am embarrassed about that because we have to continue living in this village...”

That is a voice of poor women who is thinking about money to contribute to some religious activities in the village temple. According to her if she failed to do so it is difficult to face others in the village, and she thinks it is a shame for her family. Poor people's always face similar problems. She also stresses that if she unable to contribute some money for this occasion she will not take part in that event because of her feelings about her failure to contribute money. But she wants to take part in that event. Finally she said that *“however I will give some amount of money for the ceremony. I can borrow some money from my neighbor.”* So being unable to take part in social phenomenon is affecting rural poor people adversely and it may lead to social exclusion.

According to Sen's capability approach, this situation affects a person's well being and well being can be considered as "wellness" of a person's being or living, and living itself can be seen as consisting of a set of "functioning"— the things that a person can do or be as I discussed in Chapter 2. Thus, the level of well being depends on the functionings, i.e. how well a person can do or be the things he or she has reason to value; for example, how well a person can be free from hunger or how well a person can take part in the life of a community. The concept of capability refers that to a person's freedom or opportunities to achieve well being in this sense (Sen 1985).

However according to the key informants and interviewed Samurdhi beneficiaries, there is no any discrimination of the poor people in the village. But most of the times poor themselves feel shy and faced to the social and take part in the social activities in the village. In terms of social network, the village has a considerable good social relationship among the villagers. They helped each other when they faced difficult situations in their life. Most of the times they asked help from their neighbors.

In conclusion, when considering the above discussion, it helps to identify the poor people's assets and their present living condition. According to the discussion, poor people in the village have deprived in many ways. In terms of their financial assets they have no enough income sources and it is one of the major problems they have at the moment. They earn low income and they have lack of income generating opportunities in the village. The situation has a close relationship with the natural assets that they have in the village. Meanwhile their human capabilities especially elders in the village, who are the heads of households at the moment, have attained low educational background and it is also related to their low income. Further, their physical assets are also not in a good condition and though they have land, the value of the lands becoming lower day by day due to unfavorable climatic condition of the area. All these factors have adversely influenced on their present poverty condition. Meanwhile they are maintaining somewhat good social relations with each other. In the next Chapter I will discuss the livelihood strategies of the people in the area.

CHAPTER 7

LIVELIHOODS STRATEGIES OF THE POOR PEOPLE AND EVALUATION OF THE PRESENT POVERTY ALLEVIATION PROGRAM

7.1. INTRODUCTION

The Chapter will be considered about livelihoods strategies of the poor people in the study area and to evaluate Sri Lanka's the present poverty alleviation program (Samurdhi) and people's ideas about the program. According to the collected primary data for survival and for escaping the poverty situation, people used various kinds of strategies. The Chapter will try to identify these livelihoods strategies in the perspective of the livelihoods approach. And the Chapter will answer my second and third research questions.

7.2. LIVELIHOOD STRATEGIES OF THE POOR PEOPLE'S

Although the poor have faced and are facing many problems, they are living and they are used to their own life style. That means they are struggling to live without much care of their poverty. How do they manage their lives with poverty? Do they have any other income sources than their agriculture? If there is some income generating activities what are the main challenges to continue such kinds of income generating activities? These are the questions that should be answered here. Livelihoods strategies show how poor people use their available assets and capabilities as means of maintaining their living conditions. According to the collected primary and secondary data I will discuss available livelihoods strategies of the people in the village below.

7.2.1. Livelihood Strategies of the People in the Study Area

As mentioned in Chapter 3 livelihoods comprise the capabilities, assets and activities required for a means of living. Livelihood strategies are any kinds of activities undertaken by poor households to provide a means of living. The main goal of these kinds of livelihood strategies is to ensure the households economic and social security. Here I paid my attention to the economic activities which poor are engaged in to manage their livelihoods. These strategies are influenced by their economic situation and also social well being of them as well as others

in the society. Poor people use multiple activities to maintain and improve livelihoods to escape from poverty.

(a). Agriculture as the main livelihood strategy

According to the secondary data and the collected primary data, the villagers' main livelihood strategy is agriculture. They cultivate multiple agricultural crops like vegetables, cereal, tobacco, paper etc. in their agricultural lands. However, from recently they have faced a number of problems regarding their agricultural activities. Especially because of the unfavorable climatic conditions and land degradation of the area. Water scarcity has adversely influenced their farming activities and therefore at present they cultivate only one season per year. As mentioned earlier during the months of April to September, the villagers face the problem of water scarcity.

Due to above factors some of them have abandoned their agricultural activities and have engaged in other types of income generating activities which I discuss below. However still they say that they are farmers. Their income level has gone down because of these problems. At the present, they are in a vulnerable situation. But some poor families still depend on their agricultural lands since they have no other opportunities. Therefore, they have to find extra income generating sources in addition to their main income generating activity.

(b). Working in the garment factory

According to the available data a few of the family members in the village are employed in a garment factory which is situated in Hunnasingiriya, about 13 miles away from Madugalla village. Those who are working in the garment factory are mostly women and a few males. The local government officer of the area revealed that there are 21 females and 4 males working in the garment. This has become a main income source for some poor families in the area as they have given up their agricultural activities.

One of the female respondents explained her family situation and their livelihood strategies:

“Now I am 64 years old. My husband is a sick person. Our main income source was cultivating tobacco. But since last few years we had to give up because the harvest went down and basic cultivation costs were increasing. So now we don't cultivate tobacco. Sometimes we cultivated vegetables but due to the problem of water supply it is not easy. My elder daughter

is now working at the garment factory and now we have to depend on her income. She only studied up to year 11 and then joined the factory.”

This explanation tells us some important things. Because they have given up their agriculture and now they are depending on their daughter's income. It seems that there is a change in their family situation due to her daughter's new job opportunity. If we look at this situation in comparison with the capability approach she should value the situation. But how she value? Is she had a freedom to choose this job or not? It is a question. Because it is obvious that she had not any other choices to choose her job and she have had to do this job due to low income of her family. Who decided or asked her to do this job? In the real context poverty has lead her to do this garment job. Yet she has stopped her school from year 11 and so has lost the chance to study further.

Her family's poor condition has affected her education adversely and also in the perspective of the human development it has made a negative impact. When the people are poor they have to give up lot of things and have to choose things but not freely. Because they have chosen that as they have not any other way to maintain their livelihood. Nevertheless, if above mentioned family had a good and reliable income source her daughter could complete her education further and in future she would able to engage in a good job with good salary and also with social respect. Because there is no good social attitudes about the women who work in garment factories. However due to poor condition of her family she has lost many opportunities which would be lead to overcome poverty situation of her family in future.

(c). Working as casual laborers

Also there are some other types of livelihood strategies following the poor families in the village. Especially when they do not engage in farming activities, some of them have used to work as casual laborers outside the village. But according to conducted interviews at present they are also facing problems due to lack of working opportunities in and outside of the village. What does this imply? In the present situation it is not easy to find even such kinds of working opportunities in rural areas in Sri Lanka. Here you can see one of other female respondent's explanations regarding their other livelihood strategies.

“What do you mean by other income sources? We are working as farmers. But now we have to look for other income generation activities. My husband is working as a labor outside the

village [Colombo]. But sometimes he can't find even such work. These days he is at home. Now he went towards the village boutique to meet somebody to get some hints about work. He said that if he did not find that person, he must go to Colombo tomorrow morning to find work...."

This statement reveals the problems they are facing at present to find extra works as their livelihood strategies. Further key informants' interviews revealed that many poor household members are working as casual labors in and outside the village as their livelihood strategies. Also some poor are working as casual laborers in the village and in occasionally other families' agricultural lands. But at the moment, these types of job opportunities are reduced because decreasing the profit from agricultural activities due to climatic and environmental changes in the area. Working as a casual laborer is also not a suitable livelihood strategy because it only gives enough for survival but not for investing in the future.

(d). Self employment

In addition to the above strategies some households have started self employment to earn some extra money to make support to their family income and maintain the livelihoods. Especially women have engaged in some kinds of activities to gain some extra money. Among these kinds of strategies I found sawing garments at the house, maintain their home garden with subsistence agricultural crops, poultry farming and rearing cattle. However they said that the money they earn from these kinds of income generating activities are also not sufficient to fulfill their households' needs.

Some of them have taken loans from the Samurdhi program to do these extra income generation activities. I interviewed a female Samurdi beneficiary who is engaged in sewing garments to villagers and she has taken a loan from Samurdhi bank to buy a sewing machine. While conducting the interview she showed me her working place and there were only few works for her to do:

"Though I got a loan to buy this sewing machine I do not get more works. Now I have faced a problem to pay back the loan. Because I do not get much income by sewing garments, so it is difficult to pay back the loan. Now most of people do not sew their cloths because they buy readymade garments from the shops. That's why I have got less work. However the little amount which I earn from this is spent on my family."

Most income generating activities can not provide sufficient amount of money to maintain their livelihoods. However this situation implies the importance of a good and reliable income source for poor households to maintain their livelihoods and it is one of the main requirements which should fulfill to eradicate rural poverty. Because when the people have good income source it enable them to overcome many other problems which they faced due to lack of monetary income and also to improve their capabilities to earn more income.

(e). Pawning and borrowing as a livelihoods strategy

In addition to the above discussed livelihood strategies, some people do not have any means to maintain their livelihoods. They are forced to do some other things as they want to maintain their living condition. But their methods have led them to stay in a poor condition:

“What else? We do not have any other extra income generating sources to maintain our family. If we wanted to get some money for emergency reasons we have to borrow money from neighbors. Or sometimes we pawn our jewelries, but we do not have more to do so. After we pawn some thing it is difficult to redeem them back. People do not like to lend money to us because as we are poor”

According to my personal observation the respondent’s house is too small and poverty is everywhere in the small house. So how can such a poor family maintain their livelihoods and overcome poverty. They do not have material goods or money, so it is difficult to escape from the poverty trap without others help and assistance.

Further some other respondents revealed that sometimes after they pawned their assets like jewelries they can not redeem them back because they are unable to spend large amount of money at once. So they do not like to do so and they like to borrow money from others. However any of these strategies can not be considered as good things for poor people. Because these things increase their debt rate further and it is an extra burden to the poor people.

(f). Illegal liquor production

Meanwhile there are other livelihood strategies which are harmful for those who engage and the rest of the society. According to the information gathered from key informants of the village there is some illegal liquor production (toddy) in the village. Especially during the evening times they do this business for other villagers. Many poor family members (males)

can be seen among the people who used to use this type of liquor. Further some key informants revealed that there are 15%-20% household members addicted to alcohol. So it has created some kinds of social problems in the village. On the one hand usage of liquor makes social problems and other hand it waste money of poor people and make them poorer. The money which spent on alcohol could be used for the family needs. So it is very important to think about these kinds of problems when planning poverty alleviation programs. Also there should be awareness programs about the negative impact of the alcohol usage for the poor in terms of overcoming poverty of such families. However the Samurdhi program has a social security program for such people, but the problem is that the participation of the people who have engaged in such kids of things is at zero level.

7.3. SUSTAINABILITY OF LIVELIHOODS STRATEGIES

The study revealed that there is no any sustainability of above mentioned livelihood strategies. Though the poor people engaged such activities there is no any considerable influence on their living standard. Only they can mange their present living standard. Sometimes they earn money and sometimes do not. So the situation is unpredictable and all the time poor are at a vulnerable situation in terms of their income.

Though there are a diversity of extra income generating activities exists in the Udadumbara area, due to various reasons diverse of the livelihood strategies in Madugalla village (study area) is limited. The situation has a close relationship with the geographical location of the village and natural environmental conditions of the area. When consider the whole division (Udadumbara Divisional Secretariat Division) especially in areas which are close to the natural forest have number of extra income generating activates, for example extracting multiple out puts from forest, wild flowers selling illegal cardamom cultivation in the forest, tourist guides, bee honey, jaggery, home made garments, toddy and traditional medicinal plants. According to the livelihoods approach livelihoods diversification is considered as a way to overcome the poverty situation. Nevertheless, this depends on the available natural assets and the people's capabilities.

7.4. EVALUATION THE SAMURDHI PROGRAM

7.4.1. Samurdhi Program and Poverty Alleviation of the Area

As mentioned in Chapter 4 the Samurdhi program was introduced in 1995 to improve the living condition of poor families by strengthening the rural production base. It includes an income supplement program, dry food subsidies, social security programs and saving programs for poor families. According to the GN and the Samurdhi Development officer, 72 households are receiving Samurdhi benefits in Madugalla (North). It includes 61 percent of the families in the village. The table 7.1 shows the distribution of Samurdhi benefits among the poor families in the Madugalla (North) and value of the Samurdhi benefits.

60 percent of the surveyed households receive SLR 400 value of Samurdhi benefits. According to the data which were gathered from the local government office and the Samurdhi development office people receiving SLR 400 in Samurdhi benefits also received benefits from the previous poverty alleviation program Janasaviya²⁶. Also according to the collected primary data many of them have also received the benefits from the food stamp²⁷ scheme (see figure 7.1). This reveals the chronic poverty situation in rural areas in Sri Lanka. Though poor received food stamps and Janasaviya, they have not been able to overcome their poverty. Does this mean no end to the poverty or is it a weakness of the poverty alleviation program or both? The question can't be answered easily. It is difficult to identify the reasons for this situation. This happens due to weaknesses in the poverty alleviation programs and in the way the rural economy has developed.

Table 7.1. Distribution of Samurdhi Benefits in Madugalla (North)

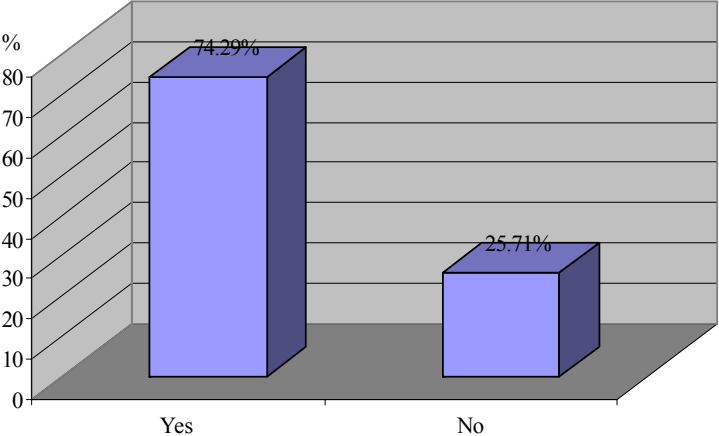
Value of Samurdhi benefits	Total households	Percentage	Surveyed households	Percentage
SLR 140	28	39	08	22.86
SLR 250	03	4	01	2.86
SLR 350	06	8	03	8.57
SLR 400	28	39	21	60.00
SLR 600	07	10	02	5.71
Total	72	100	35	100

Source: Fieldwork 2005

²⁶ Name of the poverty alleviation program from 1989-1994 (see Chapter 4)

²⁷ Name of the poverty alleviation program before 1989 (see Chapter 4)

Figure 7.1 Participation of previous poverty alleviation program



Source: Fieldwork 2005

Those who only have become member of Samurdhi program are mostly newly established families in the village after they get married. It is examined that many people take part in all poverty alleviation programs which are introduced by the successive government of Sri Lanka. Another considerable point is that when the governments change, the new governments change the name of the poverty alleviation program, but the people, who were members of the pervious poverty alleviation program, are only replaced to the new programs. Then do these poverty alleviation programs work properly and help to overcome poverty of poor people is another question. According to the survey 54.29 percent present Samurdhi beneficiaries have received Janasaviya. Other 20 percent have received benefits from both Janasaviya and Food Stamp and 5.71 percent have received benefits from the Food Stamp system.

This implies that poor are trapped in poverty cycle and it is not easy to escape from it. How to escape this poverty trap?

7.4.2. How Long Need Samurdhi Benefits

According to the respondents’ opinions regarding for how long they need Samurdhi benefits, collected primary data shows that 40 percent of surveyed households need it ‘until stop by the government’ and 25 percent do not know for how long they will need Samurdhi benefits. Further 20 percent want it until a family member gets a job. Those who have answered this category show some important thing than others. They have no any idea to depend on

Samurdhi or any other benefits, if one of their family members gets a good job. It seems that some people do not trust that they can manage on their own and thus do not think that they can improve their own situation.

7.4.3. Reasons for Receiving Samurdhi Benefits

There should be a reason for receiving Samurdhi benefits for a household. So I tried to identify about respondents opinions regarding receiving Samurdhi benefits for their families. My questionnaire was focused on this and there was a close ended question regarding this. When asking people why they receive Samurdhi benefits, people were reluctant to answer. Sometimes they may not know the reason or perhaps they may not like to introduce themselves as poor.

7.4.4. Sufficiency of the Present Samurdhi Benefits

To evaluate the present poverty alleviation program I have asked a question whether the present Samurdhi benefits are sufficient for your family. It was revealed that 91 percent respondents have replied as not enough and the remaining 9 percent want to increase the benefits.

Table 7.2 Sufficiency of Samurdhi Benefits

Sufficiency of Samurdhi benefits	Frequency	Percentage
(1). Good enough	0	0%
(2). Somewhat enough	0	0%
(3). Not enough	32	91.4%
(4). Should increase	3	8.6%
(5). No idea	0	0%
Total	35	100%

Source: Fieldwork 2005

This is mainly due to the fact that poor people expect more benefits than what they receive. On the other hand if Samurdhi benefits are compared with present cost of living, it is only a

subsidy those poor people receive for maintaining their life. It is obvious that Samurdhi benefits not enough to maintain or fulfill household necessities throughout a month.

Here it is important to think about poverty alleviation programs and its basic requirements. According to respondents opinions whatever they receive it should be sufficient for them. But most of the respondents had not thought about their own responsibilities that they should proceed to have a better living condition and eliminate the poverty from their households.

7.4.6. Gender Dimension of Samurdhi Benefits

It is important to consider relationship between gender and poverty situation of the area. According to the interviews and questionnaire survey, I found that among poor people women are the persons who worry, suffer and try to escape from their poverty situation.

Many female respondents pointed out that females are suffering more from poverty than males. Because they are the persons who engage with preparing meals, look after children and their needs, collecting fuel wood, fetch water etc. Males are engaging in income generating activities and females have to manage the income and sharing with all family members. So they are the persons who are facing difficulties when they have a little income. This situation is clearly indicated by the quotation below.

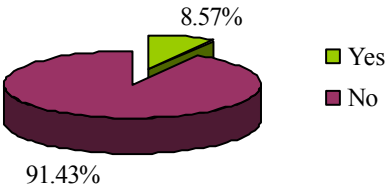
“Poverty has affected my life all the ways. I am a married woman and now I have three children. My two sons are schooling and I have to fulfill their needs. But it is not easy to supply their requirements due to low income of the family and high living expenses. Also my younger son is only six months old. We have to spend lot of money on him for medical facilities and other things. My husband is a mason. But most of days he is at home due to lack of working opportunities in the area. He does not like to work out side the village, because of me and children. Though we receive Samurdhi benefits it is not sufficient...”

7.4.7. Improvement of the Family Situation after Having Samurdhi Benefits

Further there was a closed ended question for examine whether any improvement of beneficiaries family situation after receiving Samurdhi benefits. Among respondents 91.4 percent responded as ‘no’ and rest 8.5 percent said ‘yes’ (see figure 7.2). This because of some of the respondents had started small self employment and some of them have taken

loans from the Samurdhi bank to renovate or start building new houses. So among those people some improvement can be identified and really they felt that they have achieved some progress in their family situation after receiving Samurdhi benefits.

Figure 7.2 Improvement of Family Situation after Having Samurdhi Benefits



Source: Fieldwork 2005

But the problem is about others who did not experience any changes in their family situation even after receiving benefits from the poverty alleviation program. This implies some weaknesses of the program and further weaknesses of the beneficiaries. It is difficult to blame the poor people, because they often see no other options. If the poverty alleviation program gives a big push to poor families it may positively effect on their families. On the other hand this depends on the capabilities of the poor people's. The study revealed that the people in the study area are not only poor in the perspective of income. They are also poor in the capabilities which they need to achieve valuable functionings.

However according to the information gathered from the Samurdhi development officer of the study area the program has provided loans to 36 families for self employment in 2004 and 17 in 2005. These loans has provided for various types of self employment purposes like small retail shops, clothes sewing, cement vase production, poultry farming and agricultural activities etc. Further the officer stressed that more than 60 percent of these loans have been granted for agricultural related purposes. Further interviewed information revealed that those

who are receiving Rs.140 value of Samurdhi benefits are considered as successful families within the program. Some of them have taken loans and started self employment and due to that they earn some money. But when compared to other families there are no more differences. Also the officers also do not think that they have gained success. But according to some official requirements they have reduced the value of their Samurdhi benefits.

According to the key informant interviews the progress of the Samurdhi beneficiaries in the study area are minimum and there are not enough money to invest on them. So the government has reduced the value of Samurdhi benefits. Also most of the people do not have enough money to save or invest in their future. So they earn some money from the agriculture or by supplying their labor for other work and spend on their basic needs especially on foods.

When considering the above information it seems that the present government poverty alleviation program not very much support for poor in the study area. The main problem is that about sufficiency of the Samurdhi benefits to poor people to escape from the poverty trap.

7.5. PEOPLE'S PLANS TO OVERCOME POVERTY

Poor people's future plans indicate their ability to escape from poverty. I tried to identify poor people's plans that they are going to use as a way of escaping poverty situation. Though poor have thought of escaping poverty still they have not started their plans due to various types of barriers. According to the respondents' replies some of them have thought of starting self employment such as small stall in front of their houses, poultry farm, etc. But still they do not have proper ideas about what they are going to do. One of the female respondents explained her plans:

“I was thinking about how I can escape from this terrible problem. But I could not imagine a good solution to the problem. Now I have some hopes on my younger children. They are about to leave from the school. Fortunately, I could give them a good education with a lot of difficulties. So after they leave the school, they will be able to have a good job out side the village, I hope that they may be able to upgrade our family situation”

It seems that her plan was to give a good education to her children and now she is about to have the harvest of investing her children's education. But can we think of her plan as a

proper plan to overcome poverty? If her children were not able to attain good education, what will happen to her plan? Further, after they finish their studies, if they could not get a good income generating source (job) they have to live in poor situation.

Meanwhile, another respondent said; *“You know that the main problem we face at the moment is low income of our families. So I think if there is a training program for the poor people like us on some kinds of profession such as mason, carpentry, small industries etc. It will help us to increase our income”*

It is a good plan in terms of overcoming their poverty situation. However if they had such a training, their progress will also depend on the availability of such working opportunities. Finally it seems that there are no more plans with poor people in the study area to escape their poverty condition.

Finally their thoughts will help to develop livelihood strategies in order to alleviate the poverty situation of the area. At the moment though they have such plans they have not able to launch their thoughts in practically.

In the study area people are poor in many types of assets and therefore they need more attention and guide to overcome poverty. On the other hand though they have lands at the moment environmental condition have influence adversely. According to the above discussion it seems that main reason to poor condition of the villagers' related to their lack of income generating activities and reducing their income day by day.

CHAPTER 8

STORIES BEHIND ASSETS AND STRATEGIES

8.1. INTRODUCTION

This Chapter is the extension of the Chapter six and seven, devoted to answer the my last research question and focuses on people's life histories, experiences and attitudes on poverty and their relationship with assets and livelihoods strategies. The discussion was based on the interviews with households and key informants. The data was collected by using the interview guide (see appendix 2 and 3). Meanwhile secondary data was used as a support to the discussion. I interviewed twenty households' to gather relevant data. The interview guide focused on family histories, livelihood strategies, future hopes and how they plan to overcome poverty and improve the human development of the family members of the interviewed households. It is important to identify these things in order to planning and implementation process for the future poverty alleviation and development programs. This part will help to understand people's strategies, their functionings and freedom and reasons for vulnerability of the people in the area.

8.2. POOR HOUSEHOLDS AND THEIR FAMILY HISTORY

To identify the reasons for poverty of the present generations it is important to consider their family histories. According to Sen an analysis of poverty should aim at identifying who is poor and what the characteristics of being poor are. Identifying the main characteristics of the poor in the study area, it is important to consider their family histories. However the main characteristics of the rural poor in Sri Lanka could be unemployment or underemployment, low income, poor housing condition, less assets, small scale agricultural activities and high debt condition. Whether these things available in the study area? According to the gathered data, most of the above characteristics can be seen in the study area and together create a general situation of poverty.

8.2.1. Living place and poverty

According to the interviews most of the interviewees have lived in the village since their birth. Only few interviewees (only six out of twenty) were found to have come to the village due to their marriages and all of them were women. However before they came to the study

area, all of them have lived in the central province and close to the study area. Further their husbands have lived in the village since their birth and they are insiders of the village. At the moment all of them are used to the village background and now they are not outsiders of the village, because they have lived several years in the village.

It has been stressed much about the income and non-income dimensions of poverty. Examining their parents' livelihoods is important to imagine the relationship of present poverty situation in the area. According to their responses, their parents' main income source is also agriculture. Some of their parents are still alive and some passed away. Now their agricultural lands have been shared between family members.

However according to the interviewees, during their parents' period also they have faced lot of problems due to the poor condition of the families. Although during the past periods they have gained considerable amount of income than present. Further the whole village was involved in tobacco cultivation 10-15 years back.

“Before 10-15 years back the whole village was under tobacco cultivation. My parents were also farmers and they cultivated tobacco. But now the situation has changed. We can not cultivate even vegetable in this land now. Lands have no longer any fertilizer and it has started degradation. Now we cultivate only one season per year because now there is no enough water. So sometimes we do not have water even for drinking. Due to these things we can not earn sufficient income to maintain our family. Now I have to look after my old parents too. Also some agricultural lands already have abandoned due to lack of water to cultivate.”

Above explanation gives important fact about their crop failure. As I discussed earlier, not only had he mentioned above fact also many of respondents talked about scarcity of water facilities since recently. However according to the available secondary data of the Udadumbara area revealed that when comparing the situation now and ten years before, at the present there is a problem regarding water supply. Wells, small streams become dried in one season of the year. Many times water supplying for the agricultural activities and even for drinking is a problem during that period. Deforestation, clearing extreme lands, fires is the major causes for this water scarcity. The situation is adversely affected in areas like Madugalla (my study area, Kalawala, Pitigoda, Dewahandiya, Dumbaragama, Bambarabadda,

and Rambukwella (villages close to the study area) (Udadumbara Divisional Secretariat Division's data base 1998/1999).

8.2.2. Family History and Poverty

When considering respondents family histories it revealed that those people who are considered as poor, their parents or aged people of the family have received government welfare benefits since long ago. One of another respondent talked with me like this,

You can see this old house. This house is owned by my father. I am living here from my childhood. Then I got married and now I have two children and they are also living in this old house. My father was a farmer. But now he can not work and I work in his land. However we can not gain enough money to maintain our lives. Now I am thinking how to renovate this old house because it is difficult to be inside when raining. Inside of the house is getting wet for even a little rain. I am afraid to take a loan because I have no any reliable income source to pay back a loan.

This indicates that since their childhood they have not been able to repair their house due to poverty and lack of money. Not only that even now their children also living in same house with bad condition. According to above explanation already two generations have lived in that poor house and third generation has also started to live in the same house. From the interviews it is quite clear that poverty goes from one generation to the next. Will the respondents' children also become poor or is already they are in the poor category? This is one characteristic of chronic poverty.

8.2.3. Loosing Opportunities to Have a Good Education

The study revealed that they have lost some valuable opportunities due to poor condition of their families. According to the one of the respondent (male) revealed his lost opportunities like this,

I was living this village since my childhood. My father was a farmer. He was the main breadwinner of our family. There were eight (8) members in our family. My father tried to school all of us but it was not successful because he did not have enough money to send all of us to school. I schooled only up to class nine. I am the elder son of our family. Then I stopped my schooling and started to work in the field with my father. Mother also helped to father. But

she did not like me to work in the field. However there was no any other option to select because, my younger brothers and sisters were schooled during that period. They also could not complete their studies and gave it up. Now I have got married and have three children. Now I am facing the same problems that my father faced when I am a child. So I am thinking how to escape from this terrible poverty situation. I have no more properties other than this house and agricultural land which I received from my father.

This man lost his right of education due to poor condition of his family especially his father's low income. According to him he has joined his father to earn more money on behalf of other family members. There had been eight members in his family. It is the general situation of most of previous families in Sri Lanka and at the present the situation has changed. Now average size of a family is becoming 2-3 children due to use of family planning methods. However number of family members and poverty situation has a close relationship. Because it might affect especially to the elderly children of the family as above story revealed. They have to give up their opportunities behalf of others. Then behind every thing poverty plays an important role to make this kind of situations.

Further if think of the above quotation, it is obvious that he also has lost his choice of education. To be well educated is one of the human rights in terms of human development and as well as being educated is one of the important functionings in the perspective of the capability approach. Also according to the livelihoods approach education is considered as a human capital which enables people to have good living condition. The main problem is that due to his low education level he can not engage in any other employment opportunity at the present and it has affected his family and children adversely. Poverty has avoided his ability and wish and in a way he has lost means to achieve education. Other problem arisen here is that if he had good education background, is he able to get a good job opportunity in the village or outside of the village.

8.2.4. Women and Poverty in the Study Area

According to the UNDP more than one billion people in the world today, the great majority of whom are women, live in unacceptable condition of poverty, mostly in the developing countries. Further during the last few decades the number of women living in poverty has increased disproportionately to the number of men particularly in the developing countries.

The feminization of the poverty has become significant problem in many countries in the world.

When considering the history of interviewed households, women's employment situation, they have not engaged in any kinds of income generating activities. They have played the role of housewives and looked after their children. Sometimes they have helped their husbands in the field. But males were the main breadwinner of all the interviewed families. So husbands' income is the main income source of these families. However this situation is somewhat related to traditional attitudes of the rural people. Because they did not like to allow women to work and they wanted to keep women at home. Though women like to work they do not get chances to do so. Therefore in a way they have avoided to access to capital generation. Meanwhile their educational attainment also were poor condition. If the women were engaged in any kinds of income generating activities it may help to increase the family income and also will reduce the poverty level of the family.

But women are participating to make necessary arrangements to take governments benefits, participation for the relevant meetings, engaging with taking loans etc. Most of the times male do not take part in these kinds of meetings or other things. Why is that? Why women only very much interesting in these poverty alleviation programs than male? However they played an important role to make social capital for their families.

There is a clear answer for the above question. Women suffer more from poverty than men in many aspects. Especially when they have children they have to feed them and give good nutrition's for the well being of them. Further they are the persons most of the times engaging preparing food at home. So they feel poverty more than men in the family. So having these benefits (Samurdhi) is valuing by women and meanwhile men sometimes talking about these things in negative perspectives.

There were many female interviewees in my research and they reflected the above features well in their experiences on poverty. But some of the women in the study area is especially present younger generation have engaged with some kinds of income generating activities. They have understood the value of having some income generating sources to overcome the poverty situation of their families. But the problem is that those who have engaged in such kinds of income generating activities have stopped their education in the middle. On the one

hand they receive some amount of income and they can spend it on their family's well being and perhaps could save little amount for their future. But if they continue their education further they could get a better job than their present job. If it happens so they may escape from the poverty trap in future. But now their family situations change very slowly. These things related to their income generating activities of women of the study area.

8.3. PEOPLE'S EXPERIENCES OF POVERTY

As poverty has number of definition and perspectives poor people have various kinds of ideas on poverty and they have experienced poverty in many ways throughout their life. These ideas and experiences may help to identify different dimensions of poverty and influences on their assets. To examine their ideas and experiences on poverty I have asked an open ended question at last in my questionnaire and the respondents have replied to the question in many ways.

8.3.1. Children and Education

It is noticeable that female respondents always have talk about their children when discussing their own situation. That means women are thinking much about their children and fulfill their requirements than others requirements of the households'. Throughout their replies they have stressed the problems regarding schooling their children. Though their children are schooling according to their own ideas they have many difficulties to send them to school like providing necessary school equipments. Two of the female's replies can illustrate this:

“We are poor from the birth. We do not have enough money to do what ever we like to or want to do. I have to send my two children to school. It is not easy to do any thing without money nowadays. They need some money every day to buy some books pencils etc. So their father and I work hard in the field. But we can not get sufficient income for living for all of us. It is not like past now. We can not cultivate crops twice per year due to this unfavorable climate condition.”

“There are three members in this family. My daughter is the main breadwinner of the family. I can not work now as my old age. My daughter has a small child. She just started schooling. It is difficult to send her to school because there are lots of things we have to supply for school works. My daughter's husband is living with other woman in the village and he does not help

her or even this little girl. Daughter is working at the garment factory at Hunnasgiriya. We all depend on her small salary. Even this home and land is not belonging to us and it is under government.”

The two quotations above reveal that people are facing difficulties due to low income. Especially when they have children who are schooling, the poor people face difficulties than those who do not have children. Because sending a child to a school their parents have to fulfill their basic requirements. However in Sri Lanka school uniforms and basic text books are provided to all school children. But other things should be supplied by parents.

The lack of basic needs which they need to schooling may be discouraged children's schooling. United Nations Millennium Development Goals have also paid their attention to give a full primary education for all girls and boys. However entering a child to a school is not only solution for increase primary education. Though those poor children attended to the school they should have fulfilled their other needs to complete their education successfully.

Though the situation like that they had manage to send their children to school because they want to give a good education to their children and they have big hopes about their children and their future. It was revealed that some respondents have given up their education due to poverty condition of their family. So they won't to be happen the same thing for their children. So they feel their children's problem.

8.3.2. Income

“We do not have enough money to do what ever we like to or want to do” This is about loosing their choices and access to the resource. Though the poor want to do a lot of things they have had to give up those things due to lack of money and other necessary things. However according to the respondents ideas on poverty their main problem is low income. Other things related to their low income.

One female respondent explain her experiences on poverty like this. *“After my husband died I had to look after my son. Husband died when my son was in year 10 in the school. Then I had to go to the field and work. But it was not easy to work in sunlight and however I did it on behalf of my son. During that period I had to borrow money from relations and neighbors.*

But they did not like to give money to me, because they knew that there is no any guarantee to get them back as I did not have a job. I can remember that once I sold my earrings to take medicine for my son. However now he is a youngster and work as a laborer. I still feel sorry because I could not give him a good education. Now I depend on him.”

When considering above description as she became a widow she has not been able to give her son good education and still she is suffering from the missing opportunity. Not only that case many experiences of villagers about poverty is related to low income or missing income generating sources due to various reasons.

So it is clear that the income of a household is more important than any other thing. When households have good income source they can manage their basic needs without any problem. But the income should be sufficient for all family members. On the other hand if there is good income sources managing the income may be a problem if the education level is low. It means that should be combined with human development. Further at the same time infrastructure facilities of the village should increase.

Another women respondent revealed the difficulty of find out extra works to manage their livelihoods as;

“My husband does not have a job. He works as a laborer. But he does not get works every day. Some times we have to wait without any work. There is no any other income for my family. Some times I faced lot of problems when I am working in the kitchen. Whether we had a job these children should be fed by something. You can see what we have in the kitchen if you go inside...”

The above answer gives a comprehensive idea and experiences of their suffering due to lack of basic income generating activities. Whatever problems the poor faced most of those problems are related to income. By considering all these facts by providing a reliable income source for the poor families will lead to reduce the rural poverty.

The picture below shows one surveyed households’ kitchen.

Picture 8.1 and 8.2



Inside of a poor household's kitchen in the study area

Source: Fieldwork 2005

8.3.3. Attitudes

The way that poor people think and feel about poverty and poverty alleviation can change their life style. I wanted to understand how poor people are thinking about poverty. The conducted interviews revealed that many poor people have pessimistic perceptions about poverty and poverty alleviation and while some have optimistic ideas. Those who think optimistically about poverty and poverty alleviation, have more ability to overcome the problem. But they have many barriers to succeed. On the other hand this is related to achieving functionings which need for a good living standard. One of the respondents explained his opinion about poverty as,

“Poverty? It is a question. Not easy to give a clear answer. But I know that it is not easy to overcome for people like us. That because of we poor people, do not have any kinds of reliable income sources or even we do not have any assets to make extra income to fulfill our basic needs. We are receiving Samurdhi benefits but I have not taken any loan from the Samurdhi bank up to now. My children are still small and they are schooling. There is no means to save money for future needs. We have to build a house. Though there is no way to do it. All the money that we earn, we have to spent on our children and daily needs. Because, we have to give a good education for our children and should give them chance to have a good education for better tomorrow. So until they finished it is difficult to think to change this situation of our family.”

The above story implies the pessimistic attitudes of the poor people. Still she has not been able to do much to improve the life of the family. But in a way at the moment she is investing in her family's future by providing good education for her children and therefore she wants only to make her children educated, because if she spent their money on other things such as building a new house, it may affect on children's education. Poverty creates dilemmas in such situations and it is difficult to get the maximum benefits out of the available opportunities.

In order to alleviate poverty in the study area as well as in the developing countries, negative attitudes of poor people should be eliminated. It is important to make confidence among all poor people as they are valuable persons. Further make them aware of the poverty and its negative impacts on them and others, would help to overcome such negative attitudes of the poor people. Until poor people think to escape from poverty, it is difficult to overcome the poverty.

Another respondent (male) talked with me like this and he seemed very frustrated with his life:

“Now we are becoming old. We will live for another few years. So what to do for this short period. I experienced poverty for a long time. I could not do so many things due to lack of money and poor situation of our family. This is the reality and nature of our lives. So it can not change easily.”

What does this story tell us? Actually though he talked like above he is now in his 40s. But he has traditional thoughts about life and he does not seem to want to escape from the present situation. These kinds of thoughts are not suitable for him and also his children. Because being a poor man at the present has affected on all other family members. So if he did not try to overcome this problem his children may also suffer from poverty in future and already now they are experiencing poverty together with their parents. Further this shows that one of the inherent features of poverty. This person had experienced poverty from his past. And also at the present he is experiencing poverty and future also will be the same as now. It seems the difficulty of escape from poverty after once falling into the poverty situation. Meanwhile females think that the situation is their fate. But in a way they are trying to overcome the situation than males, because they are the persons who experience poverty when maintaining households.

Yet, it is may be use full if explore the causes for such kinds of thoughts of poor people. Have these ideas come from generation to generation or has it emerged due to social phenomenon? If every poor person thinks like that, what will happen to the poverty rate of the country? Moreover according to some key informant interview revealed that people's attitudes have harmfully affected on the poverty alleviation of the area.

8.3.4. People's Definitions

What is poverty? It is obvious that there are number of dimensions available about poverty. Also vast amount of literature, research, plans for poverty eradication exist all around the world. Developing and developed nations have considered poverty as a major problem which should be addressed by all the nations of the world. Meanwhile, what does poverty mean for the poor? Though the concept of poverty is widespread do the poor understand poverty the same way as the planners and the academics?

Many respondents had not any clear idea regarding what poverty is, but they have experienced poverty. According to them their main attention is towards basic needs. Because poverty is starting from the problem of supplying basic needs and people feel the loose basic needs more than anything else.

"I do not know how to explain poverty. You can see the poverty if you go to inside the kitchen. I have to think about all the times what I could prepare to eat. As I said previously I have separated from my husband and now he is living with other women. So I have to manage all the things of this home."

"I think poverty is lack of money. If we have enough money we can manage our lives as we want."

I noticed that many respondents replied that poverty is lack of money. According to them if they had money they will not be poor. Previously many of the respondents have replied as the scarcity of income generation sources is the main problem.

I could notice that many respondents wanted to explain their experiences of poverty than giving an explanation of poverty. Yet some other respondents talked about poverty as some

thing more than having the low income. They stressed their lack of opportunities, vulnerability, hopelessness about future and deficiency of assets. It implies that the poverty is not a narrowed concept and poverty as a broadened concept with multidimensional. If they had enough assets and income they won't be participants for the government poverty alleviation program.

“We are living with thousands of problems. Who will help us to get rid of this terrible situation? No income, no jobs, and some period even we have no water to drink. Harvest is drying up due to water scarcity of the area. So there is no any help for poor like us.”

It seems that poverty affects people in many ways and there are different types of problems poor have faced due to poverty condition of their families. By the side of institutional, consider about these different a kind of problems of poor is important when they plan to tackle with poverty. Because interviews revealed that the needs of poor families depend on their present situation. Some poor have assets but others do not. Though they had assets it is difficult to get benefits from them due to problems like the degradation of land and water scarcity in the village. All the poor are not in the same category. So that when the process of planning consider these various types of categories are important.

8.4. Key Informants' Thoughts about People's Attitudes

The study revealed that some key informants have negative perceptions about people in the area. Therefore it is difficult to justify whether people's attitudes correct or officers attitudes correct. One of the key informants said about people's perception on poverty alleviation as,

“People are always like to have some thing freely. We know that some people are very much lazy. They won't like to work. Sometimes every day they use liquor. But they do not think to earn some money and about their family situation. There are possibilities to do some kinds of self employments in the village. But they do not like to start. Always they expect large amount of profit at the beginning.”

Moreover, other important information found through the key informants interviews. Though some poor have to idea to overcome the problem, there are many problems have arisen when work with them. When the people are grouping for some kinds of official purposes in the

development program it has become controversial. Sometimes political influences make problems. Further they revealed that about the difficulty of changing people's traditional attitudes. In addition to these things there are close relationship with poverty alleviation program and the political in the area. They (key informants) stressed that the political influences should remove from the poverty alleviation programs and should distribute the benefits in fair manner. Also they had paid their attention about the selection of Samurdhi beneficiaries of the area. Another significant problem they have faced is that the many poor people have not involved taking maximum benefits from the Samurdhi program and they just want to receive some thing from the program.

However people's backwardness is not only fault of themselves according to the key informants' information. They revealed that there are some kinds of institutional problems. According to them on the one hand there are no more opportunities to poor in the area. Because many poor are farmers and at present all the farmers of the area are in a risk due to various kinds of problems like reducing their harvest, land degradation, water scarcity, increasing the basic cost of agriculture etc. So it is impossible to afford all these problems to the poor people. From the institutional side there are many responsibilities to solve these problems in order to upgrade rural livelihoods. Because at the time being it seems that the difficulty of improving the agricultural activities of the area as above mentioned reasons. All these things have negatively influenced on people's freedom and their functionings. However there are many other possibilities to improve rural livelihoods by providing some kinds of extra income generating activities like self employments. From the institutional side it is important to consider these facts and provide some vocational training programs to the poor.

They emphasized that the importance of making solutions to above problems are parallel to the poverty alleviation programs. Especially though there are responsible institutions for such kinds of problems they have not paid their attention to these questions. It is one of the major problems when thinking about the institutional side. If there are agricultural organizations there are no strong connections among those institutes. Further they revealed that there are no enough infrastructural facilities to train poor people of the area. They have been repeatedly stressed that to change poor people's traditional idea is not easy as well as in order to change their traditional ideas there is a great responsibility on the institutional side. So there should be awareness programs prior to the poverty alleviation programs and should encourage people's mind and should value them as they are capable persons to overcome poverty.

Further key informants explained that it is not an easy task for the institutions to consider and deal with large amount of poor people. Because of all the poor people are not in the same category. So there should be separate attentions on different types of poor people and should identify their capabilities to overcome poverty.

Another key informants revealed that his personal view of the present poverty alleviation and people's attitudes like this,

“We have to make a systematic program for poverty alleviation in Sri Lanka. Present system is not suitable as a mean of poverty alleviation. I think this system should be changed. Instead of providing welfare and subsidies, we should increase the supplying bank loans and benefits. Also it is difficult to upgrade large number of poor families at once and there are not enough financial and other facilities to do so. I suppose that if we paid our comprehensive attention to few poor families at once and we will able to upgrade their situation. Further it is important to have assessment after providing loans and other necessary things. If not poor people can not mange their livelihood properly. Also should provide necessary infrastructure facilities to them.”

It is obvious that dealing with large number of poor people is not easy. His ideas are correct in that perspective. Concentration on few poor families will be make successful than paying attention to all the poor. But it will take more times to solve the problem because the number of poor is increasing day by day. According to my personal view of above idea, it is somewhat narrow and not easy to implement. Sometimes it may lead to social unrest because when having small number of poor people benefits from the poverty alleviation program others those who do not receive benefits may demonstrate.

In conclusion, people's own attitudes are important in many ways to overcome the poverty situation of the area. Also on the other hand rural development policies should aim at poverty alleviation. Further institutional and rural economy restructure is an important thing in terms of rural poverty alleviation.

CHAPTER 9

CONCLUSION AND SUGGESTIONS

9.1. INTRODUCTION

The Chapter discusses the finding and the suggested solutions of the research on rural poverty and human development in Kandy district in Sri Lanka. Further the Chapter considers the present living condition of the selected study area (Madugalla North). Also causes for the poverty condition and the impacts of poverty on human development identified through the field study and possible solutions for identified problems will be presented. Additionally, the role of the government and people themselves in overcoming poverty will be considered. To eradicate poverty combining the roles of the government and the people is required. At last the Chapter discusses the possibilities to increase the living standard of the poor people in the study area as well as in the country.

9.2. RELATIONSHIP BETWEEN THE THEORETICAL APPROACHES AND THE STUDY

For this study I engaged two main theoretical approaches namely the capability approach and the livelihoods approach. During the past few decades these two approaches have been used for many poverty and human development related studies. These approaches have considered whole aspects of the problem. The capability approach pays attention to the relationship between poverty and human development. Meanwhile the livelihoods approach considered as a way of making the capability operational.

According to the capability approach poverty is considered as capability deprivation. It helps to identify the deprived capabilities of people in the study area. The study revealed that in terms of available opportunities the people in the study area have faced many difficulties especially the employment side. Though there are many arguments regarding monetary measurement of poverty, a person's income plays an important role as a way of eradicating poverty. According to the capability approach income is one of the main causes of poverty and human capabilities are the most important factors when increasing people's living standard.

However, the study revealed there is a relationship between the income and capabilities in the village. As Sen argued income is one of the main barriers to the people in the study area and people have deprived by the income generating activities due to various factors. Due to the lowness of income they have faced number of difficult situation in their life.

In terms of capabilities or opportunities the people of the study area have lost many opportunities which are essential to achieve valuable functionings. On the other hand unavailability of the opportunities have negatively influence on their livelihoods strategies. According to the capability approach functionings are important to gain a good living standard. Many of the interviewed persons have lost their opportunity to achieve some basic functionings. Specially many of the respondents have lost their education due to various factors.

Accordingly, other assets like the natural and physical assets are limited in the study area, especially because of the geographical location of the area and environmental degradation of the area. Further their social capital also not at considerable level. According to the respondents some of the poor people in the area have faced various types of problems to make good social relations and taking part in social activities in the village.

Finally, all these things have led them to be poor and their achieved functionings and the living standard though their livelihoods strategies are not at good level and can not be considered as they are spending an unproblematic life style.

9.3. CONCLUSION OF THE STUDY

The study was focused on the rural poverty and human development in Sri Lanka. The main attention was paid to the present poverty alleviation and identifying the present poverty and human development context of the study area. The study area was rural and remote village form main cities of the district and mainly agricultural society.

9.3.1. Summary of the Present Poverty and Human Development Situation of the Area

According to the study the study area has a high level of poverty. The living condition of the area revealed characteristics of the chronic poverty situation of the people in the village. Because it was identified that many poor people of the area those who are still considered as

poor have been in the same condition since long period and their situation has not changed much during the last few decades. At the time being two generations have been suffering from poverty and now the third generation is also facing the problem of poverty.

The study revealed that the many of the studied households are very poor quality and they don't seem any sign of escaping poor condition of their families. When considering the housing units of the interviewed families many housing units were in bad quality and they have no more chances to upgrade their housing units than demolish them. Though housing is a basic human need, many of the villages do not have proper housing units to live. Further though they have a house, they do not have enough rooms for all the family members.

The study revealed that the main reason for poverty condition of the study is related to the income scarcity of the villagers. Many of the villagers do not have enough money to overcome their poverty situation. Low income is connected to the employment opportunities of the village. Many of the villagers main income source is agriculture and at the present they have faced many difficulties due to unfavorable climatic condition of the area. Some have abandoned their agricultural activities at the moment. Others who are still engaged in agricultural activities gain low harvest and low income.

In terms of human development, especially lack of education of elderly people has affected their present human development. The study revealed that many of the interviewed people have not been able to complete their education. Especially this situation is one of the main barriers to overcome the poverty situation of these families. Because as they have not gain good educational background it is difficult to them to engage any other types of employment activities. Also at the moment most of them are at their middle and old ages, hence now it is difficult to engage them to new income generating activities. The collected data shows that many of the interviewed people have lost the opportunity to have a good education because of the poor condition of their families during their childhoods. The situation clearly represented people's experiences of poverty.

One of the objectives of the research was to evaluate the present government's poverty alleviation program (Samurdhi program). Accordingly the study the program has not provided considerable help to overcome the poverty situation of the study area. Meanwhile there are only a few people who have tried to take maximum benefits from the program. But many of

the Samurdhi beneficiaries have not achieved any improvement of their family situation after receiving the benefits from the Samurdhi program. The Samurdhi beneficiaries' ideas about the program were not positive and they talked about it in a frustrated manner. Though they have the benefits from the program still they have not able to overcome their poverty condition.

Another important thing I found that the many of the Samurdhi beneficiaries said that the benefits are not sufficient for their family members. They talked about the situation by comparing the present cost of living. People can not save for the future or invest in income generating activities for developing sustainable livelihoods.

Many people express negative attitudes about their poverty situation and therefore they do not try to escape from the present situation. Many of the interviewed households' members think about their present situation as their fate. They have accepted that they are poor and no ways to escape from poverty than living with poverty situation. Due to their negative thinking they do not want to take any loans to start any kinds of self employment or to renovate their houses.

In terms of the health condition of the villagers' they are in a good position. But they do not have good health facilities according to their ideas. To take medical facilities they have to travel about 10 miles from the village. A few people in the village suffer from some chronic disease, but there are no spreading diseases in the village.

Further in terms of livelihood strategies the villagers do not have many opportunities to engage in. It is a result of the geographical location of the village and low infrastructure facilities of the village. Though the village has electricity and water supply facilities, there are no any industries have been established in the village by using electricity. Also if there is a water supplying system the villagers do not receive regular water supply. The water scarcity is one of the main problems to provide safe and reliable water supply to the villagers.

It seems that there is no good guidance for the poor people of the area. As many of the people in the village have the negative ideas about their poverty situation, there should be stronger guidance for the people. Without such a strengthening of the people it is difficult to upgrade

peoples' living standard. If there is awareness programs and if give some kinds of training programs it will be helpful to overcome their poverty conditions.

9.4. PROBLEMS TO OVERCOME POVERTY SITUATION OF THE AREA

The study revealed that there are number of causes affect on poverty situation of the area. Until get a clear solution for these problems it is difficult to reduce the poverty level of the study area. These cause are relate to various factors such as socio economic back ground of the area, environmental conditions of the area, national policies regarding poverty alleviation, poor peoples' attitudes etc.

9.4.1 Economy and related problems

(a). Low income

Low income is one of the main barriers to eradicate poverty condition of the area. All Samurdhi beneficiaries of the area receive low income and also they do not have monthly income as they are farmers. Because they cultivate only one or two seasons per year and they have to manage their income for rest of the year.

(b). Unemployment

Though the most of villagers are farmers at the time being due to various reasons many of them have to give up their farming activities. So that unemployment rate has become high. Also among younger family members the rate of unemployment ate is at a high rate.

(c). Lack of Access to Assets

The study revealed that the many of the poor households do not have more assets or properties. So it is not easy to poor people to invest or some times even to do agricultural activities due to lack of assets such as land and other relevant equipments. On the other hand though they have some kinds of assets they can't take profit (monetary or non-monetary) from them.

(d). Fewer saving

There is no good saving habits among the interviewed households. However all the interviewed households head or Samurdhi beneficiary have compulsory savings which is as a part of the Samurdhi program. But these savings comes under the Samurdhi program and not a large amount. Also they have no extra money to save for using their future activities. Some

times this situation adversely affect on the poor people especially when they need money for emergency cases. According to the conducted interview revealed that when such occasions they are pawning their jewelries or what ever valuable things they have.

9.4.2. Social back ground and related problems

(a). Low educational attainment of the present households' heads

According to the study many of the present households' heads have attained low educational background. The situation is influence on them when they try to find out employment opportunities and also poverty alleviation program. As they have low educational background it is difficult to change their traditional attitudes on poverty. Further, learning ability of some kinds of extra income generating activities (example: trainings) are at a very low rate.

(b). Infrastructure facilities of the area

There are no more infrastructure facilities in the village. Only the village has electricity and water supply facilities. But the water project is not working properly due to scarcity of the water facilities in the area. Communication facilities and transportation facilities are not at considerable good level.

(c). Housing condition

Housing condition is one of the factors which can be used for evaluate the poverty situation of a person. In this sense most of the housing units of the area are in bad condition. Many of the housing units are very old and should be renovate soon. But the poor villagers do not have enough monetary facilities to do it.

(d). Negative attitudes

This is one of the major social barriers to overcome the poverty situation of the area. Many of the poor people have negative thoughts of poverty and their present living condition. By now they have used to their present lifestyle and they won't change it. They are satisfied what they have gained already.

(e). Less opportunity

In terms of opportunity aspect, the villagers have less opportunity to engage in income generating activity, participation for training programs, educational program, etc. This situation is another cause for the poverty situation of the area.

(f). Harmful livelihood strategies

Some people in the village have engaged in illicit liquor production. This has affected harmfully whole village and especially poor people. Because the study revealed that those who have used to use these kinds of liquor are poor. So it has adverse social impacts and also increases the poverty level of the poor people.

9.4.3 Environmental related problems

(a). Water scarcity

This is the main problem related to the environment of the area. This has influences on the villagers' main income source agriculture. Not only have that during the dry season of the year people had to face the problem of drinking water also.

(b). Land degradation

Due to land degradation, villagers' agricultural production has been reduced during the last few years. Further some of the villagers have to give up their agricultural activities due to unfavorable climatic condition of the area.

(c). Extreme geographical location

The study area is a mountainous area and therefore it is difficult to convert many lands to the agricultural purposes. Also this situation has affected to the development of the infrastructure facilities of the area specially road net work.

9.4.4. National policies

(a). Poverty alleviation program

The study revealed that the most of the present Samurdhi beneficiaries have received benefits from previous poverty alleviation programs. Some of them have take part in all the previous poverty alleviation programs which was introduced successive governments after the independence of Sri Lanka. But their poverty level has not reduced or they have not able to poverty trap for a long period. If the government poverty alleviation programs worked well they should have overcome the poverty condition of their families. So it implies the poor quality and also lack of monitoring and evaluation systems have made this situation. The main thing I noticed that when the governments are changing they change the name of the poverty alleviation program and sometimes change the face of the poverty alleviation program.

(b) Rural Development

Rural development policies should aim eradication of poverty. Though most of the rural development programs have targeted poor people, sometimes poor don't receive benefits from such program. Because the trickle down effect of these programs are at a minimum level and therefore others take more benefits than poor people.

9.5. RECOMMENDATIONS TO OVERCOME THE POVERTY SITUATION OF THE STUDY AREA

According to the study there are number of causes have affected on the poverty situation of the area. To overcome the situation it is important to address these key problems.

1. Increase income generating activities
2. Solve the agricultural related problems
3. Introduced new crops varieties which use less water
4. Create new employment opportunities
5. Give vocational trainings for the younger generation
6. Provide awareness program about the Samurdhi program
7. Increase the loan facilities and encourage the poor to take loan
8. Make guidance to start self employment
9. Introduced the housing loan schemes
10. Provide a big push to the poor families
11. Increase the benefits for short term

Finally, poverty can be affect any time any people. Behind poverty there are multiple reasons can be identified. According to the study, the rural poverty alleviation is one of the most important things for the county's development process. Rural poor are always living in the vulnerable situation. Therefore it is important to pay especial attention on rural poor people to improve their living standard and human development.

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Questionnaire on Impacts of Poverty on Rural Human Development in Sri Lanka (The Case Study in Kandy District Udadumbara Divisional Secretariat Division)

Serial No.....

Date.....

Background information of the household

1. Please provide the following information

House hold members	Sex (M/F)	Age	Education	Occupation	Marital statues	Monthly Income (Rs)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						

Codes for education level: Year 1-5-(1), Year 6-11-(2), GCE O/L-(3), GCE A/L- (4), Tertiary-(5)

Codes for occupation: Peasant farmer-(6), self employment-(7), Government servant-(7), Private sector-(8), Unemployed-(9), Other-(10) and please specify.

Codes for income: Less than 2000 SLR-(11), 2000-5000 SLR-(12), 5000-7500 SLR-(13), Above 7500-(14), No income-(15)

*Please write your main income source.....

About Samurdhi program

2. When did your family start receiving benefits from Samurdhi program?

2.1 What is the value of your Samurdhi benefits?

- (1) Rs. 140
- (2) Rs. 250
- (3) Rs. 350
- (4) Rs. 400
- (5) Rs. 600
- (6) Rs. 1000

2.2 Did you receive any other benefits from the government before receiving Samurdhi benefits? Yes No

2.3.1 If yes please specify the name of the program?.....

2.4. Why did you receive Samurdhi benefit? (Your opinion)

- | | | | |
|---------------------|--------------------------|---------------------|--------------------------|
| As your family poor | <input type="checkbox"/> | As you are a labour | <input type="checkbox"/> |
| As you are a farmer | <input type="checkbox"/> | Other | <input type="checkbox"/> |
| As your low income | <input type="checkbox"/> | I don't know | <input type="checkbox"/> |

2.5. Do you think present samurdhi benefits are sufficient for your family?

- (1) Enough
- (2) Somewhat enough
- (3) Not enough
- (4) Should increase
- (5) No idea

- If the answer is 'not enough' how do you maintain your basic needs?(Please explain)

.....
.....
.....
.....

2.6. For how long do you need Samurdhi benefits? (Your personal opinion)

- | | | | |
|----------------------|--------------------------|--------------------------------------|--------------------------|
| For another one year | <input type="checkbox"/> | More than four years | <input type="checkbox"/> |
| Two years | <input type="checkbox"/> | Until receive a job to family member | <input type="checkbox"/> |
| Three years | <input type="checkbox"/> | Until stop by the government | <input type="checkbox"/> |
| Four years | <input type="checkbox"/> | I don't know | <input type="checkbox"/> |

2.7. What are the extra income generating sources of your family?

- | | |
|--------|--------|
| 1..... | 3..... |
| 2..... | 4..... |

2.8. How much of money do you earn from extra income generating activities?

.....

2.9. If you don't have any extra income generating activities, how do you find money when you faced a difficult situation or for day- today- life,

Do you borrow money from others? Yes No

2.10. If yes from whom do you borrow money?

- | | | | | | |
|------------------|--------------------------|----------------|--------------------------|-------|--------------------------|
| From neighbour's | <input type="checkbox"/> | From relations | <input type="checkbox"/> | Other | <input type="checkbox"/> |
| From a bank | <input type="checkbox"/> | Other | <input type="checkbox"/> | | |

2.11. Can you buy enough foods for a month with samurdhi benefits?

- Yes No

2.12. What kinds of foods do you buy from cooperative shop (from Samurdhi benefit)?

- | | |
|--------|---------|
| 1..... | 6..... |
| 2..... | 7..... |
| 3..... | 8..... |
| 4..... | 9..... |
| 5..... | 10..... |

2.13 Have you gained any development in your family situation after receiving the benefits of Samurdhi? Yes No

2.14 “Samurdhi programme can help to reduce the poverty level of the country” Your opinion;

- | | |
|---|--|
| (1) I strongly agree <input type="checkbox"/> | (4) I strongly disagree <input type="checkbox"/> |
| (2) I Agree <input type="checkbox"/> | (5) I have no idea <input type="checkbox"/> |
| (3) I disagree <input type="checkbox"/> | |

Heath condition of the family

3. Does Samurdhi program has helped to improve your family’s heath condition in any way? Yes No

* If yes please explain how?

.....
.....
.....
.....

3.1. Do any of your family members suffer from chronic disease?

- Yes No

* If yes please give the name of diseases?

.....

3.2. From where do you take medical facilities for your family members?

- | | |
|---|---|
| (1) Government hospital <input type="checkbox"/> | (2) Private clinic <input type="checkbox"/> |
| (3) Traditional medicine <input type="checkbox"/> | (4) Other <input type="checkbox"/> (Specify)..... |

3.3. If you take medical facilities from the government hospitals are you satisfy with their services?

- | | | |
|--|---|--------------------------------------|
| (1) Generally satisfied <input type="checkbox"/> | (2) Somewhat satisfied <input type="checkbox"/> | (5) No Idea <input type="checkbox"/> |
| (3) Satisfied <input type="checkbox"/> | (4) Dissatisfied <input type="checkbox"/> | |

3.4 during the last month how many times did you or your family members take medical facilities?

- | | |
|------------------------------------|--|
| (1) One <input type="checkbox"/> | (4) Four <input type="checkbox"/> |
| (2) Two <input type="checkbox"/> | (5) Five <input type="checkbox"/> |
| (3) Three <input type="checkbox"/> | (6) More than five time <input type="checkbox"/> |

Living condition

3. Type of the house

Type	code
1. Structure of the house	
2. Wall	
3. Roof	
4. Floor	
5. Electricity (yes/no)	
6. Water	
7. Sanitation	

Codes for structure: Single unit-(1), Double story-(2), Hut-(3), Slums-(4)

Codes for wall: Brick-(5), Block stone-(6), Wood-(7), Other-(8)

Codes for roof: tiles-(9), Asbestos-(10), Concrete-(11), Other-(12)

Codes for floor: Cement-(13), Tiles-(14), Clay-(15), Sand-(16), Other-(17)

Codes for water: Well-(18), Pipe born water-(19), Lake-(20), Stream-(21)

3.1 Do you own the house? (Who is the owner of the house?)

.....

3.2 Did you get any loan to build/repair the house recently?

Yes No

*if yes from whom?.....

3.3 Do you have any other properties other than this house?

Yes No

* If yes please indicate.....

Perception about poverty

4. Can you explain something about poverty and your own experiences?

.....

4.1 What is your opinion about present government poverty alleviation program and what is your personal view of poverty alleviation?

.....

Interview guide for the poor house holds

Basic information

Age

Sex

Education background

Occupation

Household information

Who is the owner of the household?

Whether the house builds by you?

How long have you lived in this house?

How many members in your (in this household) family?

Economic situation

Main income source of the family

Monthly income of the family

Are there any other income generating sources?

What are they?

Do you earn same amount of money by using extra income generating activities for every month?

When you need additional money for emergency situation how do you fulfill your requirements?

(Explain the methods)

Opinions about the Samurdhi program

When did you start receiving Samurdhi benefits?

Why did you apply for Samurdhi program?

Do you receive any other benefits from the government or other NGOs?

Did you receive benefits from previous poverty alleviation programs?

What are they?

Then why did you become a member of Samurdhi program?

Is all these programs are same?

What kinds of benefits do you receive under the Samurdhi program?

Is Samurdhi program support to overcome your poverty situation?

For how long do you need the Samurdhi benefits?

If you did not receive Samurdhi benefits how would you manage your family needs?

Family history

Information regarding previous generation of the family

Their occupation

Their economic background

Their assets

Their social conditions

Education back ground of other family members

Interviewee's family members' education background
Their employment situation

Plan for the future

Have you planed your future livelihoods?

Do you have any plan for your children?

Do you hope to invest your savings in future?

Have you plan to migrate from the village in future? (To abroad or to any other villages in the country)

If yes please explain your plans and why did you select such kinds of plan for your future?

Do you think it will help for overcome your poverty situation in future forever?

Why did your plans failure until now?

Own perception

How do you explain poverty?

What are the bad experiences of poverty you have faced?

How did poverty affect on your education when you are studying?

How did you manage those problems?

Have you given up your choices due to your poverty situation?

Interview guide for key informants

Code of interviewee:

Sex:

Age:

Type of interviewee:

Place of interview:

Date of interview:

Duration of interview:

Purpose of the interview:

Background information about informant

- Age of the informant
- Sex of the informant
- Profession
- Is the informant insider of research area or out slider? (Is he/she a person of the area or not)
- Job description and responsibilities
- How long have been working in the relevant field
- Informant's attitudes about his profession (satisfy with work or not) and reasons
- Informant's knowledge about the area which research is carrying out (geographical back ground)

General information of people who live in the research area

Economic activities

- major income sources of the villagers
- additional income generating activities of the villagers
- average monthly income of a house hold
- employment opportunities in the area
- do they earn sufficient income
- type of job opportunities people who are engaging out side of the village
- informant's perception of villager's monthly income (Sufficient/insufficient)

Types of programs/services supply from informant's organization for the people in the study area

- names of programs
- nature of the programs/services
- types of special programs/services/attentions paid for poor people in the area
- selection methods of beneficiaries
- reasons for conducting such kind of programs/services/attentions
- time duration of these programs/services
- coast of these kinds of programs
- expectations of providing such a programs/services
- successfulness or failure of the programs
- causes for success or failure

Poor people's/ villagers' participation of such kinds of programs

- is people interested to take part in these programs
- people's response for these things
- relationship between people and organization
- how often do they gather with officially with officers of the organization
- regularity of the participation of poor people for meeting or discussions conducted by the organization (if possible take percentage)
- poor people's ideas about these programs (in informant's point of view)

Success stories (about people who over came from poverty situation due to organization's special programs)

- details of families who overcome poverty
- causes for their successful
- present situation of such families
- their stability or strength (are their any possibility to become fast situation)
- how others (still could not get success) should engage with programs?(informant's ideas)

Organizational evaluation methods of poverty and their programs

- evaluation types (how do you evaluate Poor's successful)
- frequency of evaluating process (regularly, often, very often)
- future tends (what would be the future tends of present programs)

Problems facing the organization

- types of problems(details)
- causes for such kinds of problems
- solutions(explaining)

Future poverty related planning of the organization

- forms of future planning (programs)
- who will be the beneficiaries of future programs
- selection method
- reasons (why is that)

Interrelation with other poverty alleviation project of the study area

- identify other institute or organization which are working on poverty in study area
- linkages between other organizations
- important of the interrelation
- people's attitude of other organizations
- your thinking about other organizations
- is it important to have more institute or organizations for the similar purpose
- how it become important

Informant's own thought of poverty and poor people in the area

- reasons for their poverty
- people's feelings about poverty
- ways to eradicate poverty

- What is the process that people go through as they attempt to move out of their poverty?
- From the perspective of those who involve escaping from the poverty, what are the significant barriers to overcome the problem?
- What do you think about the government policy and present poverty alleviation program?
- According to your idea how can alleviate rural poverty?