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# **South Asia & the Future of Pro-people Development**

***Sri Lanka Poverty Report 2016***

## **AUTHORS**

**Sandun Thudugala and  
Rashmini de Silva**

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288 Gairidhara Marg, Gairidhara, Kathmandu, Nepal  
Telephone :977-1-4004976, 4004985  
Email: [saape@saape.org](mailto:saape@saape.org)  
Website: [www.saape.org](http://www.saape.org)

## **Authors**

Sandun Thudugala and  
Rashmini de Silva

## Contents

Introduction.....	3
<b>1. Chapter one: Poverty in Sri Lanka – what lies behind celebrated macroeconomic statistics.....</b>	<b>4</b>
1.1 Is Sri Lanka a development success story ? .....	4
1.2 Questioning the outcomes of development: Living standards of the majority has not being improved.....	4
1.3 Going downhill: the poor getting poorer.....	5
1.4 Geographical pockets of poverty .....	5
1.5 Identifying the most vulnerable of the poor: Rural youth and women.....	6
1.6 Women in agriculture .....	7
1.7 Post-war landscapes and Women Headed Households .....	8
1.8 Are the poor really being left behind? .....	8
<b>2. Chapter two: Conflicts in Sri Lanka as a cause and a result of poverty in Sri Lanka .....</b>	<b>10</b>
2.1 Impact of war on the economy:.....	10
2.2 Using national security to curb people’s economic rights.....	12
2.3 Economic roots of conflicts in Sri Lanka.....	15
<b>3. Chapter three: Neo liberal economic agenda – a solution or the cause of poverty?.....</b>	<b>17</b>
3.1 History of the neo liberal economic agenda in Sri Lanka – same wine in different bottles .....	17
3.2 Have we achieved what we want ?.....	19
3.3 Exploitation of women labour in neoliberal economic policies.....	20
3.4 The World Bank Re-recommending withdrawn proposals for development.....	28
<b>4. Chapter four: Responses to Poverty: Policy, Activism and Construction of the Alternatives ..</b>	<b>23</b>

## Introduction

The results of the Presidential and Parliamentary elections in 2015 were seen as new opportunities for Sri Lanka to re-establish and revamp democracy and good governance in the country. It was seen as a fresh start to gain justice for the people who has suffered during the war and the previous oppressive regime.

Since the lapse of a year with the change of government, doubts, fears and scepticism has been re-emerging on the current government's agendas. Does the government have the vision and commitment to lead Sri Lanka to a new social, political and economic system which ensures justice and equal opportunities for all of its citizens?

While there are some attempts being made in addressing the grievances of victims of conflict and other poor and marginalized groups, key underlying causes of the political conflict, remain unanswered. More specifically, the economic agenda of previous Governments, which led to creating inequality and marginalization in the society, remains unchanged and is set to worsen further. Issues of economic justice have not been highlighted in the transitional justice and human rights discourse, even within the civil society movements.

The first three chapters of the report seek to analyse the real situation of poverty and marginalization in Sri Lanka with ground level realities; how conflicts and poverty have mutually enforced each other during the last four decades and the role of economic policies adopted after independence, which have created economic marginalization and inequality that have led to the discontent of rural youth from Tamil and Sinhala communities resulting in three brutal conflicts in Sri Lanka.

The final chapter contains some examples of how the marginalized people have organized themselves in resisting and proposing alternatives. Some recent examples of collective actions are included to identify the role of civil society movements in supporting these struggles and creating a space for effective engagement for the people in developing policies which affects their lives.

## Chapter One

# Poverty in Sri Lanka – What lies behind celebrated Macroeconomic Statistics

## 1.1 Is Sri Lanka a Development Success Story?

Sri Lanka, having concluded a three-decade long civil war, is now considered a development success story by national, international, governmental and non governmental institutions and agencies, including the World Bank. In retrospect, with an economic growth averaging more than 7 percent a year over the past five years on top of an average growth of 6 percent the preceding five years, Sri Lanka has made notable strides towards development goals of ending extreme poverty and promoting shared prosperity (the 'twin goals'). The national poverty headcount rate declined from 22.7 to 6.7 percent between 2002 and 2012/13, while consumption per capita of the bottom 40 percent grew at 3.3 percent a year, compared to 2.8 percent for the total population. With a Per Capita Income of USD 3,912 by 2015 Sri Lanka is considered a Middle Income Country.

In continuation, many other human development indicators in Sri Lanka have surpassed the standards of other lower middle-income countries in the region. Sri Lanka achieved a score of 0.691 on the 2011 Human Development Index, ranking 97<sup>th</sup> out of 187 countries, the highest in South Asia. Sri Lanka's HDI value for 2012 is 0.7151 placed the country in the high human development category for the first time and positioned the country at 92 out of 187 countries and territories<sup>1</sup>. Sri Lanka has already achieved 13 important MDG targets out of the 44 which are relevant to Sri Lanka. Most of the other indicators are either "On Track" or progressing well.<sup>2</sup>

Zooming into ground level realities of economic development in Sri Lanka: are the aforementioned impressive macroeconomic figures concealing the real picture? Do the people in the country (especially the people in rural areas, estate sector and conflict affected areas) feel that they are living in a middle income country? More importantly do the impressive macroeconomic figures give confidence to the young people in the country, who were engaged in three armed conflicts in the last four decades, about a dignified future?

## 1.2 Questioning the Outcomes of Development: Living Standards of the Majority have not improved

A basic development outcome in a country is the improvement of the living standards of its citizenry. Contrary to official government statistics, in reality the effects, or rather benefits, have not trickled down to the vast majority to a level where it has improved or enhanced their

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<sup>1</sup><http://www.lk.undp.org/content/srilanka/en/home/countryinfo/>

<sup>2</sup><http://www.lk.undp.org/content/srilanka/en/home/library/mdg/sri-lanka-millennium-development-goals-country-report-2014.html>

living standards in a notable manner. Vulnerable groups have been excluded in the country's post-conflict development upsurge, prolife rating a non-inclusive and unequal development trend.

In reality, the effects of development are not being felt by the many of Sri Lankans in any positive way. As published in a recent World Bank report, the living standards of the majority of the population remain low and pockets of severe poverty persist. Around 40 percent of the population is still considered as near-poor, earning less than 2 dollars per day. Furthermore, living standards of the near-poor – those above the national poverty line but below the 40th percentile -- are similar to those of the poor. Moreover, the ability of low-income households to access basic services and public facilities has barely improved since 2002. The population in Northern and Eastern provinces is particularly disadvantaged in terms of consumption, labour market outcomes, educational attainment, and housing conditions. Finally, inequality increased sharply from 2009/10 to 2012/13.<sup>3</sup>

### **1.3 Going downhill: the Poor getting Poorer**

Although Sri Lanka has managed to achieve the target of halving the incidence of poverty around seven years before 2015, the income share of the poorest 20% has been fluctuating between 9 and 7 percent. The share of the poorest quintile declined from 8.9 percent of the national income in 1990-1991 to 7.2 percent in 2012-2013, which indicates that, although the incidence of poverty has fallen, the income and expenditure levels of the poorer groups have increased. While the richest 10% of the country shares 38% of the national income, the poorest 10% shares only 1.5% of it. The aforementioned statistics substantiate the accusations levelled towards the current development process – that it excludes vulnerable groups and fortifies a system of inequality.

### **1.4 Geographical Pockets of Poverty**

The highly uneven and disproportionate distribution of wealth within the country is a serious factor which cannot be overlooked when focusing on poverty and conflict in Sri Lanka.

Development is concentrated only around a few selected urban areas leaving rural areas less of a priority for development initiatives. Based on the data from 2011 Census of Population and Housing and 2012/13 Household Income and Expenditure Survey, there are three main pockets of poverty where the population is living below the poverty line with less than \$2 a day. The first is the former conflict districts in Northern Province, Mullaitivu (28.8 percent), Mannar (20.1 percent), and, to a lesser extent, Kilinochchi district (12.7 percent). The second is Batticaloa district (19.4 percent) in Eastern province, and the last one is Monaragala district (20.8 percent) in Uva province.

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<sup>3</sup>[http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/T\\_MNA/2016/02/13/090224b084178c4f/1\\_0/Rendered/PDF/Sri0Lanka000Po0remaining0challenges.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/T_MNA/2016/02/13/090224b084178c4f/1_0/Rendered/PDF/Sri0Lanka000Po0remaining0challenges.pdf)

In the estate sector, the population of which significantly comprises Tamil nationals of Indian descent, experiences poverty more severely compared to other urban and rural sectors. Over 60 percent of the Estate population falls in the bottom 40 percent of the national per capita consumption distribution, making a large portion of the Estate sector vulnerable to poverty. Communities in the Estate sector are faced with dire economic and social discrepancies and are deprived of essential state services and facilities including education, health, water and sanitation. Their lack of ownership of the land and houses they live in, and have been living in for generations, places them at a more vulnerable position, leaving them dependent and under the control of plantation companies

## 1.5 Identifying the most Vulnerable of the Poor: Rural Youth and Women

Looking back at the three monumental conflicts in Sri Lanka over the past few decades, the diagnosis of their cause remains common and applicable to all - it was the inadequacy and incompetency of the economic system to provide opportunities for the rural youth to come forward in life – that is, to overcome poverty and achieve better social standards. Looking at the current trends, it is apparent that this is continuing.

In reference to findings published by World Bank <sup>4</sup>the poor and near-poor tend to be rural, young, who don't have enough access to productive employment opportunities. Over 85% of the poor in the country still live in rural areas and 45 percent of the bottom 40 percent are below 25 years old, as compared to only 37.8 percent of the top 60 percent. Data from the 2012/13 HIES reveal that about 55.7 percent of adults (aged 21 and above) in the bottom 40 percent did not finish secondary education, as compared to only 46.2 percent of the non-poor.

More critically, unemployment is exceptionally high among youth in the bottom 40 percent.

Basing our analysis on conflicts during the recent decades in Sri Lanka, high youth unemployment rates and the growing of a youth population in poverty is most likely to result in conflict situations.

Aspects of gender inequality, unfavourable to women, are more evident in the labour sector than in the education sector. Statistically, Sri Lankan girls are equally or more likely to complete their primary and secondary education than Sri Lankan boys. However, to date women face difficulties in the labour market. Overall, women have a lower participation in the labour market, and relatively lower wages leaving a higher unemployment rate among women in Sri Lanka.

Although women constitute 51.8 percent of Sri Lanka's total population, only 34 percent of women are engaged in the labour force. Despite progress in education, the share of women in

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<sup>4</sup>[http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/T\\_MNA/2016/02/13/090224b084178c4f/1\\_0/Rendered/PDF/SriLanka000Pooremaining0challenges.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/T_MNA/2016/02/13/090224b084178c4f/1_0/Rendered/PDF/SriLanka000Pooremaining0challenges.pdf)

wage employment in the non-agricultural sector has not improved significantly since 1993, showing only a marginal increase from 30.8 percent in 1993 to 32 percent in 2011<sup>5</sup>. Unemployment of women in Sri Lanka is more than twice as high as unemployment amongst men even with the active engagement of female migrant and plantation workers involved in bringing substantial foreign exchange earnings to the country. Out of the female labour force, approximately 57.1% are engaged in informal sectors which leaves them vulnerable to exploitation and abuse of various forms.<sup>6</sup>

## 1.6 Women in Agriculture

A woman's role in reducing poverty and food insecurity is increasingly being incorporated into development discourse of developing countries. Yet it is questionable whether this has been acknowledged within Sri Lanka's domestic economic policies.

The involvement of women in the local agriculture sector cannot be estimated by distinguishing if they are mainstream farmers as they provide a significant contribution to farming activities through informal modes of labour. These contributions are often discounted, leaving the role of female food producers unacknowledged via state policies and development mechanisms.

Looking at ground level realities of a woman's engagement in farming and agriculture, as a result of not giving significance to her contribution in the fields and farms, the labour wages of women in agriculture remain significantly low as well. Increasingly, women are moving away from agriculture, and this has a two pronged social and economic impact. Firstly, the more women move away from agriculture, the more the country's food security is imperilled starting from household level to national level. Secondly, most women move away from farms to seek opportunities in the garment sector, which again makes them vulnerable to exploitation and low wages.

In accordance with UNDP Human Development Index records of 2008, the Gender Empowerment Measure (GEM) ranks Sri Lanka at 100 out of 108 countries in the GEM index with a value of 0.371 (0.274 in 2000). This reflects the inequalities in current state policies, patriarchal laws and development approaches.

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<sup>5</sup> MDG report

<sup>6</sup><http://www.ips.lk/talkingeconomics/2012/03/08/sri-lankas-female-workers-and-the-challenge-of-precarious-work/>

## 1.7 Post-war landscapes and Women Headed Households

According to the most recent Household Income and Expenditure Survey (2012/13), out of 5.2 million households in Sri Lanka, 1.2 million households or 23 percent of the households are women-headed.

The civil war of 30 years in North and East has resulted in large number of families losing their male bread winners. In the Northern Province of Sri Lanka there are more than 40,000 women headed households who are facing extreme hardships in mere survival<sup>7</sup>. The one-size fits all post-conflict development policies of the state have left women headed households further vulnerable to harsh circumstances of poverty. The circumstances of these women in war affected areas have been worsened by the patriarchal context and state actions towards “reconstruction”. Women continue to face challenges in entering markets, engaging in livelihood activities to support their families, and claiming ownership of land. Further, they are also discriminated against by class and caste, which worsens their struggle in overcoming poverty and supporting their families.

Another main area of MDGs where Sri Lanka is seriously lagging behind is the food security and nutrition of children.<sup>8</sup>The Demographic and Health Survey of 2006-2007 showed that more than 20 percent of children under five are underweight. This condition is harsh to come to terms with as in a country like Sri Lanka where the majority of rural population is still engaged in food production and with overall favourable natural conditions for food production. The proportion of people consuming less than the minimum requirement of dietary energy has remained unchanged at around 50 percent since before the 1990s.

## 1.8 Are the Poor really being left behind?

In its ambitious and narrowed development drive, it isn't irrational to point out that the government of Sri Lanka has, for the lack of a better word, conveniently left behind or ignored over half of its population. Development projects concerning urban beautifications, large scale infrastructural development, and tourism promotion have overshadowed the needs and overall struggles of the rural areas in the country, especially youth, women and ethnic minorities.

The current development not only disregards rural communities of Sri Lanka, it is also taking a course to imperil the livelihoods of rural communities through various forms. The National Physical Infrastructure Development Plan, formulated by the previous regime, proposes the rapid construction of tourism zones, expressways, airports and harbours to draw in foreign direct investments to the country. The succeeding government also plans to develop economic zones and industrial and finance hubs in Sri Lanka. As highlighted over several incidents and reports, the aforementioned developments will require the acquisition of land, water, coastal areas and other natural resources that are fundamental for the sustainability of livelihoods of rural poor. The situation is worse in the North and Eastern Provinces of the country where

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<sup>7</sup>RakshaVasudevan, author of a recent [study](#) on female-headed households published by the Geneva-based Graduate Institute of International Development

<sup>8</sup>MDG Country report - UNDP

military forces have acquired large areas of land and are still occupying them with a move to converting them into large scale agriculture, industrial and infrastructure projects. This will force a large number of small scale producers (farmers and fishers) out of their livelihoods, making them extremely economically and socially vulnerable.

The lack of economic opportunities and political space for ethnic minorities, women and rural youth in raising their issues at policy influencing levels have created a discontent which has led to disastrous conflicts. In this post war development landscape, Sri Lanka cannot avoid the challenge of addressing issues of inequality and real vulnerabilities of marginalized communities at the ground level if it is to attain sustainable peace and development.

## Chapter Two

### Conflicts in Sri Lanka as a cause and a result of Poverty in Sri Lanka

The term 'conflict' usually refers to violent conflict but conflict can be non-violent. Beneficial social change arises from conflict in terms of competing, if not always incompatible, interests (Wallensteen 1994 in Hettne 2002). Sri Lanka has experienced three brutal conflicts after independence in 1948. Although all these conflicts were ended with violent suppression, the causes of these conflicts still remain.

Conflict and poverty mutually reinforce each other. Violent conflict aggravates poverty through the destruction of human and physical resources, livelihoods and social structures. It makes people (especially poor and marginalized groups) more vulnerable and deprives them of resources that should be used for their socio-economic development. More often than not conflicts create situations that allow Governments and other powerful actors to justify the use of violence to restrain citizens from exercising their social, economic and political rights.

#### 2.1 Impact of War on the Economy:

Sri Lanka saw the end of its most violent conflict after independence in 2009. The civil war, which ran for more than three decades in the country, resulted in the loss of over 100,000 lives. The ethnic conflict which led to the civil war erupted out of the failure of the state to accommodate the needs of national minorities, especially the Tamils in the North and East, to have an acceptable share of state power and equal access to higher education, public employment and the protection of their linguistic and cultural rights.

Although the overwhelming attention was drawn by the ethnic conflict, political conflicts in Sri Lanka cannot be analysed without considering two armed struggles which erupted from the Sinhala community in 1971 and 1988. Both these youth uprisings, led by JanathaVimukthiPeramuna (People's Liberation Front), were brutally suppressed by the Government forces: more than 80,000 (20,000 in 1971 and 60,000 in 1988-90) youth lost their lives or 'disappeared'.

Youth, who should be the main force behind a country's economic development, were the main victim of those conflicts. Major conflicts destroyed around 200,000 lives many of which were young adults, slashing the working force and leaving a large displaced population of children and the elderly. Brain drain has also been a crucial problem, as the threat of war has resulted in an outflow of educated and expert citizens, leaving Sri Lanka with a weak base of skilled workers.

The gigantic budget for defence which the Government of Sri Lanka used to maintain during last decade has significantly weighted down country's economy and its progress. By 2009, Sri Lanka allocated \$1.64 billion to war efforts, a 6.4% year-on-year increase. By 2009 war costs

consumed around 30% of the government’s budget, and have been estimated to have cost the country over \$200 billion.<sup>9</sup> In 2014 even 6 years after the end of the war the Government allocated 285 billion rupees (\$2.22 billion) for the defence ministry, up 12.25 percent from the previous year.

In 2013 the government allocated 290 billion rupees (\$US2.2 billion) to the combined defence and urban development ministry which proved to be the highest recorded military expenditure throughout the conflict which ended in 2009. These increasing allocations for defence have caused a gradual decline of investments in the economic and social development of people which immensely contributed to the vicious poverty cycle of rural Sri Lanka. For example, the government’s substantial allocation for military expenditure was made when the expected income alone was 1.3 trillion rupees, leaving a budget deficit of 1.2 billion rupees. Thus the austerity measures for budget allocation for economic and social development intensified, amidst the growing opposition for it among workers, rural poor and youth.<sup>10</sup>

**Figure 5.16** Sri Lankan Tamils and Moors have higher levels of poverty



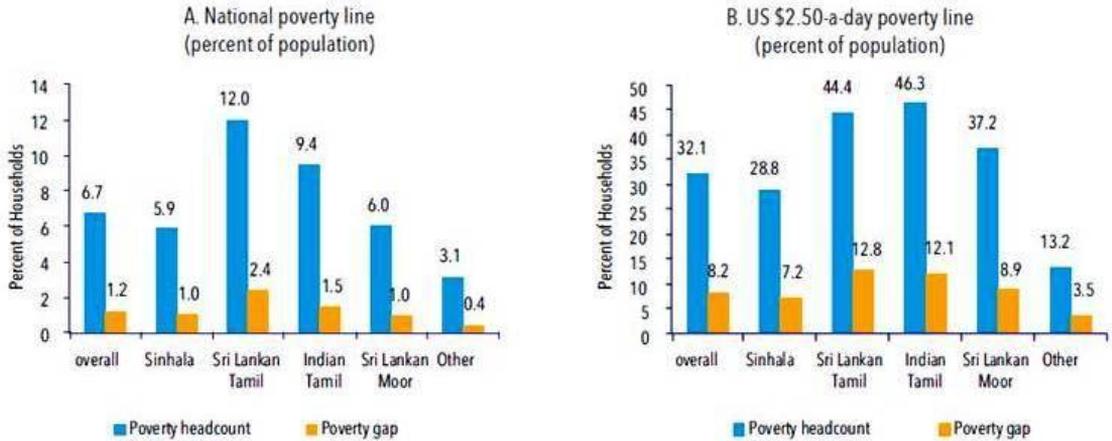
Source: Arunatilake et al (2015) using LFS 2012.

Source: World Bank (2015), all districts in HIES 2012/13.

<sup>9</sup>[http://www.asiaecon.org/special\\_articles/read\\_sp/12556](http://www.asiaecon.org/special_articles/read_sp/12556)

<sup>10</sup>Unprecedented Military Budget in Sri Lanka – SamanGunadasa

**Figure 5.16** Sri Lankan Tamils and Moors have higher levels of poverty



Source: Arunatilake et al (2015) using LFS 2012.

Source: World Bank (2015), all districts in HIES 2012/13.

Sri Lankan Tamils and Moors have higher levels of Poverty compared to other ethnicities in Sri Lanka. The world bank report of 2012 outlines that most differences in monetary poverty amongst ethnicities among communities are related to inequality of opportunities particularly with respect to education and access to services along with employment rates. There are stark differences in poverty rates among Sri Lanka's ethnic communities. Sri Lankan Tamils and Sri Lankan Moors constitute the two largest ethnic minority groups that have higher levels of poverty.

## 2.2 Using National Security to curb People’s Economic Rights

Prolonged civil war and regular armed conflicts have resulted in an overall erosion of democracy and good governance of the country. Extra-judicial killings, enforced disappearances, custodial torture, detention without trial, impunity for abuses by security forces and political powers, violence and intimidation against the media and human rights defenders have all been common in Sri Lanka over last four decades.

### **Military crackdown on protest of fisherfolk in Chillaw: intimidating movements of resistance**

In response to a sudden hike in fuel prices in February 2012, fisherfolk of Chillaw organized to voice their concerns and show their dissatisfaction towards the government's move. This case marks as another monumental example of the state utilizing the military to disperse the common man and their demands even at the cost of fatalities.

The chillaw shootings resulted in the death of Anthony Fernando, a fisherman who was killed along with eight others being left critically injured. On the 15th of February security forces opened fire at a demonstration with fishermen, women and children standing against the sudden increase in fuel prices. The previous day the government announced the increase of petrol diesel and kerosine prices an increase of up to 50%. This was deemed as a massive bash for lowest paid workers and fisherfolk who require a minimum of 80 liters of kerosine for a day. The then government's efforts in turning the country towards a post-war security state was yet again affirmed by this case in Chillaw.

State violence has been used not only to suppress political struggles but also to violate the economic rights of people. National security has often been used as an argument during and after the war to acquire and retain land and other natural resources belonging to rural communities. While this is quite prevalent in the North and East where the majority of ethnic minorities are living, the situation was not so different in other parts of the country. Under the previous Government, the Ministry of Defence became the most powerful entity of the Government, in charge of urban development, monitoring of civil society organizations and number of other areas which are not directly linked with their mandate. The use of security forces to acquire land from the urban poor in Colombo for city beautification projects is a good example of how the militarization of society has resulted in the violation of economic rights of the people. Intimidation and surveillance of civil society groups and human rights activists who are working on economic rights of the people was a common feature in society. Some of these trends have not yet been changed even after the change of the Government in 2015.

### **Rathupaswala shootings: using national security to curb civic rights**

Three years ago, on 01 August, 2013, violence erupted when residents of Rathupaswala staged a protest demanding access to clean drinking water. Thousands of villagers in Weliveriya, were demanding for justice as a factory in the vicinity was contaminating drinking water by discharging chemical waste to water ways. The government deployed military forces to force people to retreat which resulted in a clash between the civilians and the army. The military's attack led to the death of 3 civilians leaving many injured. Who can order the military and police to open fire at a group of civilians except the government and high state authorities? The severity of Sri Lanka's transformation into a militarized state was made evident. The then government effortlessly displacing the country's rule of law and inflict violence to curb and seize civic rights was made apparent through this Rathupaswala case.

After the end of the thirty year long civil war, through its security forces, the government started on a massive land grabbing racket, especially in the North and East under the guise of development and national security. Further, security forces have been showing extreme resistance since the end of war to move away from land which once unlawfully grabbed land during war time for the occupation of military bases.

Valikamam North is a state-prompted land grabbing case in the name of national security which has been subjected to much criticism. A High Security Zone (HSZ) was established by the military in Valikamam North division (especially around Tellippalai) of the Jaffna peninsula in 1990. The HSZ encompassed 24 gramaniladhari divisions, out of which 16 are completely out-of-bounds to their former residents. The HSZ also includes 18 kilometres of coastline between Kangesanthurai and Palali North. The Tamil families living on this land, who were traditionally dependent on farming and fishing for their livelihoods, have been faced severe hardships. The Myliddy fisheries harbour is occupied by the navy and is still completely inaccessible to civilians. Most of the people in this community have been living in welfare centers since 1990, while some stayed with host families. However relief aid for IDP camps was discontinued by the government in 2010. Due to the demarcation of the HSZ in the year 1990, approximately 9,905 Tamil families consisting of 33,353 individuals continue to be displaced in Valikamam, without receiving adequate support.<sup>11</sup>

Sampur is another case of state-instigated land grabbing. Sampur, situated in the District of Trincomalee in Eastern Province of Sri Lanka, was home to approximately 2300 families. Prior to their lands being demarcated as Special Zone for Heavy Industry the villagers in the area lived a peaceful life. In 2006, through military intimidation, approximately 815 families in Sampur fled their lands to seek refuge in IDP camps. A year later the area was taken under the control of the navy. Subsequently, the then president demarcated and declared the area as a High Security Zone under Emergency regulations.<sup>12</sup> In 2012, the Government declared several areas, totaling 818 acres, in Sampur as Special Zone for heavy industry.<sup>13</sup> This was for the purpose of constructing a coal-power plant and industries. More than 500 houses were destroyed and

<sup>11</sup>Excerpts from field reports from National Fisheries Solidarity (2016)

<sup>12</sup> Extraordinary Gazette No. 1499/25 dated 30.05.2007

<sup>13</sup> Extra Ordinary Gazette No. 1758/26 dated 17.05. 2012

their Muslim and Tamil owners are prevented from access to their former agricultural lands and fishing areas. Although in 2015 the current president revoked the aforementioned Gazette notification which demarcated the industrial zone, there are still approximately 500 families living in welfare camps who are not allowed to return to their own lands.<sup>14</sup>

## 2.3 Economic Roots of Conflicts in Sri Lanka

Political conflicts in Sri Lanka have resulted from a simultaneous emergence of ambitious radical youth from both Sinhala and Tamil communities against the established traditional political system of the country, represented by both communities. Particularly they emerged in an economic background where the economy continued to fail in meeting the aspirations of youth<sup>15</sup>.

Although ethnic issues have played a significant role in the political conflicts in the country, they are not the only cause. Economic marginalization, inequalities and conflicts over resources were key economic factors underlying the conflict. These political conflicts were a clear manifestation of the frustration of the youth from both Sinhala and Tamil communities over a political and economic system which failed in providing them enough opportunities for their economic and social progress.

As explained by Sriskandarajah (2005) the four main reasons for the emergence of the ethnic conflicts have strong links with economic inequality. The first is the introduction of the 1956 Official Language Act (known as the 'Sinhala Only Act') which in subsequent years restricted economic opportunities for non-Sinhala speakers.

The second set of policies related to education, particularly tertiary admission. In 1971 the government implemented a system of differential quotas and cut-off marks based primarily on a district quota system to allocate university placements according to local population. These measures, which resulted in reductions in the numbers and proportions of Tamils entering tertiary courses in the early 1970s, were interpreted as unfair by an increasingly frustrated North Eastern Tamil youth.

A third issue was the political patronage extended in offering Government jobs and other opportunities and services. While this has created opportunities for the supporters of two major Sinhalese dominant political parties, for Tamils, permanent exclusion from government also meant permanent exclusion from opportunities for political patronage.

A fourth key grievance among North-eastern Tamils was regional development. Most of the state-initiated industrial development took place in and around the capital of Colombo while the Northeast was neglected. The situation was worsened with the commencement of the country's largest development project, the Mahaweli Development Project, and other resettlement programs were used to support colonization programs in which Sinhalese were moved into traditional Tamil areas (Sriskandarajah 2005).

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<sup>14</sup> Excerpts from field reports of National Fisheries Solidarity, 2016

<sup>15</sup> Economic Roots of Political Conflict: The Case of Sri Lanka, SirimalAbeyratne (2004)

The youth insurrections led by the Janatha Vimukthi Peramuna (JVP) in 1971 and 1988 were fuelled by the need for a radical reform. The JVP opposed the education system and called for reforming the constitution and political system in the country at the time. The JVP's opposition to the current education policy was less to do with the type of education available to rural youth and children, and more to do with the continuing monopoly on high status educational and occupational opportunity by the English-educated elite.<sup>16</sup>

The second wave of resistance in 1988 erupted from the Southern end of the country among Sinhalese educated rural youth who were supporters of the JVP. Their demands and grievances were similar to those of the 1971 uprising. In opposition to the changes in the national economic policy taken forth by the government and the sudden economic boom which took place in the early 80s, Sinhalese youth who were educated and unemployed vehemently protested against the lack of education and economic opportunities for rural youth. Despite the human loss in the failed uprising of 1971, the JVP launched its second insurrection in 1988 as the socio economic issues they campaigned against remained the same - notably widespread poverty, unemployment, lack of social and economic mobility, landlessness, village isolation and alienation from a political system found by many to be dishonest and opportunistic.<sup>17</sup>

Both youth uprisings can ultimately be attributed to problems caused by unemployment among educated youth. Sri Lanka was endowed with a modern yet complicated social, economic and political structure. This included a rural economy which was closely meshed with the urban sector where the economy was commercialised and hence had spawned a diversified occupational structure. The majority at the time was educated at a formal level - hence the problem of educated unemployment.<sup>18</sup>

The cases of the youth uprisings in 1971 and 1988 vividly substantiate the claim that economic disparities can be the provenance of conflict.

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<sup>16</sup> Globalisation, Employment and Education in Sri Lanka: Opportunity and Division  
Angela W. Little, Siri T. Hettige

<sup>17</sup> Sri Lankan Society in an Era of Globalization: Struggling To Create A New Social Order  
edited by S. H. Hasbullah, Barrie M. Morrison

<sup>18</sup> Sri Lanka in the Modern Age: A History of Contested Identities Nira Wickramasinghe

## Chapter Three

### Neo-liberal Economic Agenda – A Solution or the cause of Poverty?

Rising living costs, lack of job opportunities for youth, corruption and economic inequality were central economic factors in the defeat of the previous Government in 2015. For the first time in Sri Lankan history two main political parties have formed a National Government of Consensus. According to Prime Minister Ranil Wickremesinghe the main objective in forming a National Government is to provide a common platform to deliver long term social and economic solutions that can solve the key problems of the country.<sup>19</sup>

The important question to ask is – do they have a new economic vision? Or are they following the same neo liberal economic agenda followed by all Governments after 1977 which has proved to be a failure in addressing the real development and social needs of the country? If the economic policy statements made by Prime Minister Ranil Wickremesinghe and the 2016 budget proposals presented in November 2015 can be considered as the early signs of economic policy directions of the new Government, what we can expect is a more rigorous move in the same old neo liberal economic agenda.

As stated by A. Kadirgamar (2016) “The new economic reform agenda is not very different from the financialised urban development policies of the Rajapaksa regime. Increased borrowings in the global financial markets, beautified urbanisation of Colombo and tremendous infrastructure built over the post-war years leading to high growth are the foundations on which the new economic policy package is being constructed. However, the new policies are far more aggressive in attempting to transform land, labour and capital in line with dictates of the International Monetary Fund (IMF) and World Bank.”<sup>20</sup>

### 3.1 History of the Neo liberal Economic Agenda in Sri Lanka – Same Wine in different Bottles

United National Party (UNP), the main stakeholder in the current Government, has always promoted a neo liberal economic agenda and has lost no time in re-emphasizing its commitment towards an open economy after its election win. In his Economic Policy Statement made in Parliament on 5<sup>th</sup> November 2015, Prime Minister, Ranil Wickremesinghe has emphasized the need to be competitive in the global market and described the current phase as the third generation of open economic reforms.

Open economy is not a new phenomenon for Sri Lanka. In-fact Sri Lanka was one of the first Asian countries to introduce open economic policies in 1977 under the UNP Government led by J. R. Jayawardena. The first wave of economic liberalization started in 1977 with fiscal (devaluation of the rupee and increase in interest rates); to trade (lowering tariffs on imported goods); to investment (removing controls on inward and outward capital flows); to production

<sup>19</sup><http://www.news.lk/features/item/10674-economic-policy-statement-made-by-prime-minister-ranil-wickremesinghe-in-parliament>

<sup>20</sup><http://www.economicdemocratisation.org/?q=content/time-look-within-not-westwards>

(ending state monopolies); to institutional (creation of export processing zones, a one-stop investment promotion agency and the Export Development Board); to financial (entry of foreign banks and expansion of financial services); to constitutional (protecting investors assets against expropriation and barring adjudication of investment disputes by national courts), and so on (B. Skanthakumar, 2013)

Subsequently, all the governments coming into power after 1977 have followed the neo liberal economic agenda involving the privatization of state enterprises and assets, finance and trade liberalization, decreased government engagement and support for agriculture based rural economy, tax exemptions and large scale infrastructure development for foreign direct investments, decreased government investment in health, education and other social services and attempts to reduce government regulations on environmental safety and workers rights.

But all these efforts of full scale economic reforms have failed due to lack of national stability because of the civil war and resistance from the various sectors of society. Major resistance to neo liberal policies came from the rural masses (against the diminishing government support for the rural economy), trade unions and workers' organizations (against deregulation of labour laws), students' movements (against privatization of education and environmental destructions caused by large scale development projects and investments).

The Rajapaksa regime, which came into power after defeating Ranil Wickramasinghe's Government in 2005, entered into its second term in 2009 with a favourable environment for launching the second wave of neoliberalism (A. Kadirgamar, 2015). The national stability created by the end of war and the support of the rural community after the war victory enabled the Rajapakse regime to push these reforms in an uncontested environment. As Kadirgamar observed "The Rajapaksa regime carried forward the 'Regaining Sri Lanka' policy package of the previous Wickremesinghe Government, albeit piece-meal and to suit its own political and economic priorities. Indeed, it is with this second wave of neoliberalism that we have seen tremendous financialisation as well as massive infrastructure and urban build-out."

The Rajapaksa regime openly used its military power and the control it exerted over the judiciary, media and other sectors of the society to push its neo liberal agenda. The use of military in removing urban poor, small scale fishers and farmers from their land and common resources was a common phenomenon and was justified under the argument of national security and economic development. Military forces were used to curb the resistance from the oppressed groups. One example is the killing of a 22-year old free trade zone worker in a protest against the proposed new Private Sector Pension Act in 2011. A similar incident took place when security forces opened fire at a group of fisher folk protesting against the increase of fuel prices in 2012. These cases highlight the extent to which the Government used military power to curb and scrutinize people's resistance. The impeachment of the Chief Justice in 2013 highlighted the level of control and intimidation the then Government had over the judiciary. The Rajapakse regime took every initiative they could to intimidate and muffle the voices of the masses, especially of human rights defenders, social activists and media.

### 3.2 Have We Achieved What We Want?

As explained in the first chapter, almost four decades of neo liberal economic policies in Sri Lanka have failed to achieve sustainable and equitable development in the country and often was the reason for increasing inequality and marginalization.

Less government support and market liberalization had a severe impact on the agriculture-based rural economy, putting the livelihoods of more than 40% of the country's population in danger. Small scale food production was seen as unproductive and water, land and other resources used by them were acquired and handed over to larger scale private companies for industrial agriculture, tourism and infrastructure development.

Ignorance of the small scale food production does not only have a negative impact on the livelihoods of rural communities, food security situation of poor also had a severe impact. As explained in chapter one more than 20% of Sri Lankan children are still suffering from malnutrition and around half of the population in the country do not get the minimum daily dietary requirements.<sup>21</sup>

With decreasing local food production, the country has to depend on food imports to fulfil its food requirements. Although paddy cultivation is deemed to be one of the most integral components of the local agriculture sector and food system in Sri Lanka, in 2014, Sri Lanka imported 50,000 tons of rice from Bangladesh<sup>22</sup>. One of the requirements of the neo liberal economic agenda is to make the local currency competitive by depreciating it. Being a net food importer, devaluation of the rupee has resulted in sharp increases in the price of essential food items in the local markets (B. Skanthakumar, 2013). The need to keep private sector wages low in order to be more competitive in global markets has made the workers and their families more vulnerable to increasing living costs.

The impressive social indicators Sri Lanka has achieved as a result of the free education and health systems it had after independence are in danger with decreasing Government spending on social services. According to the Federation of University Teachers' Association (FUTA), by 2009 Sri Lanka was ranked 145<sup>th</sup> of 151 countries based on the public spending on education as a percentage of GDP<sup>23</sup>, leaving only countries as Brunei, Darussalam, Lebanon, Zambia, Central African Republic, Monaco and the United Arab Emirates behind Sri Lanka.

Large scale infrastructure development to attract foreign direct investment has been the development priority for the last four decades. Large amounts of money, mainly obtained as debts, are being invested in developing a network of expressways, new harbours and airports, power plants and urban centres. The previous Government introduced its ambitious infrastructure development plans to make Sri Lanka a centre of naval and air travel, trading, power and education through the Sri Lanka National Physical Plan 2011 – 30 which proposes to build 19 airports, 6 sea ports and a network of 11697 km long expressways which links with an

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<sup>21</sup> World Bank report- <http://siteresources.worldbank.org/INTSRI LANKA/Resources/MDG-Ch3.pdf>

<sup>22</sup><http://www.ft.lk/2014/10/28/sri-lanka-to-import-50000-tons-of-rice-from-bangladesh-for-22-5-m/>

<sup>23</sup><http://www.thesundayleader.lk/2012/07/29/6-of-gdp-for-education-who-is-telling-the-truth/>

Asian network of expressways. The entire coastal belt has been marked to develop as tourist zones and around 50% of the population is expected to migrate into six mega urban centres<sup>24</sup>.

While it is clear the priority of the Governments under neo liberal economic agenda is to provide the necessary facilities for businesses, the poor have been forced to bear the costs of these expenses. Due to the loans obtained for these large scale infrastructure development projects, the total debt of Sri Lanka Government has increased up to US \$ 81 billion by 2015 (around 60% of that is foreign debt), which is about 100% of the GDP<sup>25</sup>. This is having a significant negative impact on the Government spending in rural infrastructure, agriculture development, health and education etc which have direct links with the upliftment of the living standards of poor.

Economic policies in Sri Lanka for the last four decades have widened the inequalities and further marginalized the vulnerable from development processes. Furthermore they have compelled the poor to bear the burden of the development which was aimed at providing facilities for the businesses and rich.

### 3.3 Exploitation of Women's Labour in Neoliberal Economic Policies

According to the open market economic arguments, a country should be able to provide cheap labour to be able to attract investors and to be competitive in the global markets. Women are seen as the major source of cheap labour. Women comprise the majority of the workforce in the main export earning sectors of Sri Lanka, namely the plantation sector, garment industry and migrant workers. Women in the labour force are engaged in low paid work, in the plantations and in the garment sector (Wickremesinghe & Jayatilaka, 2006). Women also form a larger bulk of those migrating, especially to the Middle Eastern countries, as housemaids (Sri Lanka Bureau of Foreign Employment, 2010).<sup>26</sup> Women engaged in employment in the plantation sector and garment industries including migrant workers are among the most vulnerable groups for exploitation in the labour force.

Women in the plantation sector are the power force behind their household economy and the overall plantation economy. The strength of the women workforce has been highest in the plantation districts (NuwaraEliya 51.7%, Badulla 50.3%)<sup>27</sup>. The gender segregation of labour in the plantation sector highlights the discrimination and exploitation of women workers as they face clear barriers in going beyond basic manual labour work to managerial and supervisory roles unlike men. In consequence, this constrains women within the plantation sector, primarily rubber and tea estates and restricts them from getting better opportunities in earning a living (World Bank, 2007). Conveniently, the constraints on women provide plantation owners with an immobile workforce unable to move on to better economic and employment opportunities

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<sup>24</sup>[http://www.acesl.org/download/conference/tp\\_Lakshman%20Jayasekera%20and%20Veranjan%20Kurukulasuriya.pdf](http://www.acesl.org/download/conference/tp_Lakshman%20Jayasekera%20and%20Veranjan%20Kurukulasuriya.pdf)

<sup>25</sup><http://www.dailymirror.lk/107460/Sri-Lanka-s-debt-situation-What-are-our-options->

<sup>26</sup>The vulnerability of women in the economy by Tehani Ariyaratne, Gayathri Lokuge, Nadhiya Najab and Priyanthi Fernando - CEPA

<sup>27</sup><http://lankajalani.org/wp-content/uploads/2015/03/Gender-Issues-in-Agriculture.pdf>

In 2003, it was reported that young Sri Lankan women comprised four-fifths of the textile and garment industry; in 2007 this industry was the second highest source of foreign exchange in Sri Lanka and the cause of an exponential increase in female labour force participation (Department of Census and Statistics, 2009; Institute of Policy Studies, 2007).<sup>28</sup> Women employed in the garment industry are placed at a vulnerable position as they are provided with infrastructure and services of poor quality. This includes transportation and lodging resulting in a myriad of issues related to their physical safety, nutrition and health and hygiene. Once expenses for meals and accommodation are spent, the amount of money left to send back home and/or for savings out of the average salary of a female garment worker is negligible. As a result of this, most women now prefer the option of overseas migration to joining the garment industry.

Women comprise forty-two percent of those who migrated for employment purposes, and of them eighty-nine percent were reported to have gone overseas to work as housemaids (Arunatilake, Jayaratne, Jayawardena, Jayaweera, & Weerakoon, 2010). These women remitted a total of over USD 1.9 billion to Sri Lanka in 2005 (Gamburd, 2009).<sup>29</sup> Women migrant workers are extremely dependent on the income they get as housemaids. This same dependency makes them vulnerable to various forms of exploitation and abuse, including death. In 2008, the Foreign Employment Bureau reported over 9,000 complaints from migrant workers, including 12 suicides, 5 homicides. Meanwhile, another 72 deaths were classified as 'accidental' and 195 deaths were called 'natural deaths.' In addition, a total of 1,188 cases of harassment (physical or sexual), were also reported. Abuses like non-payment of wages and breach of contract are even more common.<sup>30</sup> Domestic economic and social policies to safeguard migrant workers and acknowledge their contribution to the economy remains unprioritized, sitting on the back burner.

Exploitation of women workers within the plantation sector and garment industry, and of migrant workers, remains a constant despite the change of government. The lack of favourable policies and legislation to acknowledge a woman worker's contribution to the economy and further, support her in overcoming poverty are clear signs of a neoliberal development approach. Women have fewer economic resources, as a result of the decline in welfare and public services, which has left them to turn to either the private sector or resort to unpaid labour further solidifying the exploitation of the female work force.

### **3.3 World Bank: Re-recommending Withdrawn Proposals for Development**

It is becoming increasingly evident that the World Bank is giving the same recommendations they proposed in 2003 in Regaining Sri Lanka. Recommendations, which at the time was subjected to much social opposition and were forced to be withdrawn.

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<sup>28</sup>Female workers in textile and garment sectors in Sri Lankan Export Processing Zones (EPZs): gender dimensions and working conditions Peter Hancock, Geoff Carastathis, Jonathan Georgiou\* , Max Oliveira

<sup>29</sup>The vulnerability of women in the economy by Tehani Ariyaratne, Gayathri Lokuge, Nadhiya Najab and Priyanthi Fernando - CEPA

<sup>30</sup><http://www.sundaytimes.lk/100502/BusinessTimes/bt25.html>

In comparison with the report on Sri Lanka in 2003, in the 2012/13 report, the World Bank is re-proposing its previous recommendations of promoting an export oriented industrial agriculture as opposed to ensuring the stability of the local food system and food security status by supporting local food production and small scale producers.

In its section on the relationship between the private sector and the public sector, they've identified property rights and land use regimes as existing constraints. It is recommended that the land market in Sri Lanka should be liberalized. This would inevitably lead to rural, vulnerable small scale producers being forced to sell their lands to big companies and migrate to cities. While placing rural food producers at serious socio economic vulnerabilities this move would allow private large scale companies to appropriate land. The report continues to recommend that land use regimes that introduce limitation lead to the fragmentation of land parcels which are an important constraint for businesses. Similarly the World Bank states that licensed permits to land are an obstacles, especially permits concerning the prohibition imposed to farmers to sell these lands.

Subsequent to calling for the liberalization of land, the World Bank also points out that labour market regulations in Sri Lanka appear to be a constrain in the growth of employment in the country. It is recommended that labour markets are opened and liberalized - inevitably this would lead in to a severe exploitation of labour. Sri Lanka, as a developing country, in the absence of possessing substantial financial capital, possess natural resources and labour resources. As mentioned above, in the comparison of World Bank report on Sri Lanka, it was made evident that it recommends that both natural resources and labour are liberalized in Sri Lanka. The risks it would entailed cannot be overlooked - primarily risks of exploitation, the foundation of neoliberal thinking.

## Chapter Four

### **Responses to Poverty: Policy, Activism and Construction of the Alternatives**

Social movements have proven to be effective and powerful modes of empowering people and articulating social dissatisfaction and have been involved in mobilizing marginalized groups for social change related to poverty. At present, civil society plays a pivotal role in acting as the convener of these social movements. In Sri Lanka, social movements involving a multitude of associations are primarily targeting change related to food sovereignty, democracy, education, health, women's rights and a political solution for the ethnic issue.

The phenomenon of vibrant civil society movements of Sri Lanka resisting power structures began in the 1980s. 1983 marks the first trade union action launched by the convention of workers at a printing press (Jayawardane, K., 2009). Since then, trade unions have started drawing attention to their rights and demands, and nurturing a strong labour movement in the country. When people were rejected by the system with the state ignorant of creating a conducive environment for the well-being of its citizenry, amidst hostilities induced by the state, they still showed resistance convening with social movements and unions. During the previous government with its intimidating and restrictive environment towards the exercise of civic rights, those who sided against neoliberal economic policies still managed to organize themselves and collectively oppose the system. Civil society movements fighting for human rights, labour rights, environmental rights etc did not stop powering through collective action when acts of intimidation and assault against activists remained rampant in Sri Lanka.

One example of how civil society movements were able to mobilize the masses against state oppression includes the recent mass series of resistance efforts exercised by the labour movement in opposition to the government's Private Sector Pension Bill. The government was vehemently confronted by workers when over 40,000 workers in the Free Trade Zone alone ceased their operations. Despite attacks launched by security forces the movement stood together until the government withdrew the passing of the Bill in 2011.

The education sector in Sri Lanka experienced a monumental course of collective action in 2011/2012, when university lecturers led an island-wide campaign opposing the privatization of education. The core demand of the movement led by the Federation of University Teacher's Associations (FUTA) was to increase the state's investment of GDP in the education sector up to 6%. The strike, which gained strength and momentum with wide public support, put forward their demands to safeguard the local free education system. This trade union action, which evolved to a wide social movement, was able to garner large public support as the value for education is and was a matter everyone could relate to.

Government policy decisions in favour of private corporations, including agrochemical companies and other foreign investors, has increasingly created a hostile environment for food producers, imperilling their livelihoods and placing the country's food sovereignty at stake. In 2013, farmer movements from all across the country united to stand against the government's

initiative to privatize seeds. Upon realising the repercussions of taking away a farmer's right to seeds, farmers and civil society from all sectors united to fight against the initiative. Ultimately the government was coerced to withdraw the proposed Act.

#### The government withdrawing proposed Seed Act in 2014: A success story of CSO resistance

In 2014 the government of Sri Lanka planned to bring a new proposed Seed Act which prohibits the sharing/exchange of planting material unless farmers are registered with the 'Seed Certification service'. It would have effectively deprived farmers of a basic right and tradition which they have enjoyed since ancient times. It was obvious that the government was prioritizing profits of private agrochemical companies as the Acts required the rights of seeds to be transferred to private companies. Civil society organizations from Sri Lanka collectively opposed the passing of this act as it would pave way for Trans National Companies to patent rights over seed paddy of our farmers. Civil society actors along with journalists, religious leaders organized protest marches, meetings, petitions across the country including consultations and discussions with the Ministry of Agriculture and other parliamentarians. As a result of these islandwide lobbying movements together were able to stop the new proposed Seed Act being passed as a law. This case signifies the strength civil society together has to push for alternatives and resist unfavourable development initiatives.

The fisheries movements similarly have earned victories in continuing to collectively fight for their rights irrespective of threats and risks directed at their own lives. In 2010, the government (as an initiative of its development activities) planned to build a sea plane port on the Negombo lagoon - which over 10,000 families depended on to earn an income. As soon as the project commenced, fisheries movements from all coastal areas of the country, regardless of their race and ethnicity, united to fight against it. Thousands of fishermen and women gathered amidst the heavy presence of military forces and weaponry until the government retracted its plan. The collective resistance of thousands of fisher folk, activists, civil society representatives together was able to prevent a government development plan from endangering the livelihoods of 10,000 fisher families around the Negombo lagoon.

#### Human story: the land struggle continues - Rathnamali Kariyawasam (Paanama, Sri Lanka)

Rathnamali is a woman farmer from Paanama. Rathnamali, along with 350 other families lost their home and cultivation lands when they were unlawfully taken from the government with plans of expanding the tourism zone in Arugambay.

Life is tough after our lands were taken from us', added Rathnamali, highlighting the negative impact of land loss. 'We then realized that we can't be speaking to authorities alone, we can't be fighting for our own lands individually, we realized that we have to join together and win this fight to get justice not only for ourselves, but for our children and the generations who passed land to us', said Rathnamali highlighting the point of the struggle when the community realized the importance of collective action.

Throughout the Paanama land rights struggle, there has been a very strong presence of women in community level activism. 'We organized ourselves and mobilized as a group. In 2012 we had a protest demanding our lands back. A group of women climbed on to the roof of the village Co-operative building near the Paanama main road and refused to retreat until the authorities responded to us'. Women continue to play a strong role in lobbying and advocacy initiatives of the Paanama land rights struggle, they are more involved than the men in the community. Ratnamali claims that she is standing for the rights of land not only of herself, but her community, her children and her ancestors who passed down land to her.

The women's movement in Sri Lanka has multiple facets. The movement has been voicing demands to influence policy and legal frameworks to recognise and optimize women's contribution to politics, food production, education, health care and overall society. In Sri Lanka women constitute more than half the population and contribute substantially to the labour force. Compared to the past few decades, women enjoy relatively equal benefits from the education and health sectors yet grapple with disparities when it comes to having access and control over resources and political decision making and representation. Civil society organizations, NGOs, INGOs have launched nation-wide campaigns in many forms including media sensitizations, awareness and training programs, political discussions to lobby especially to increase female representation in politics. Nevertheless, it has to be noted that the number of women receiving political nominations has been increasing over the years. At the level of parliamentary elections, from 1994 to 2004, the percentage of female candidates more than doubled. Also while the number of nominations for men increased by approximately three and half times (3½) times, the number of female candidates increased by more than six and a half (6½) times.<sup>31</sup>

Since the shift of government in early 2015, civil society has gained much more functional space to voice its concerns and demands. Initiatives taken by local civil society have created platforms for policy makers and political leaders to step into a common ground with civil society to have dialogue on creating favourable public policies for the country's citizenry. In comparison with the previous government, there is relatively less political oppression for civil society groups who come forward and discuss what needs to be changed in the country. There is a significant role for democratic social movements in influencing the country's overall direction socially, economically and politically. Social movements such as the 'Platform of Freedom', 'Veediye Virodaya' and 'Change with Reforms' continue to advocate and lobby for democratic space for civil society and activism. Such movements played a pivotal role in creating a public discourse around the need for a non-repressive government during the presidential elections in 2015. Further, social movements such as this have been able to influence presidential election manifestos in ensuring that ground level realities are incorporated to the government's development plans and are addressed by the state at policy and legislation levels. Lobbying for the enactment of the Right to Information Act, which has progressed to Parliamentary debate stage, is a strong example of this.

<sup>31</sup>Kodikara, C., (2009) - A Stocktaking Report for the Ministry of Child Development and Women's Empowerment and the United Nations Development Programme

*Given below are excerpts from a document of policy alternatives presented to the current President Maithripala Sirisena before he won the presidential elections in 2015. This was compiled with the input of a broad group of 112 civil society representatives of the 'Change with Reforms' Movement.*

## **Recommendations for Democratic Reforms**

- )] The executive presidency should be abolished and steps should be taken to formulate a citizen-friendly constitution. There should be a public discourse around formulating a new constitution, allowing the public to also participate in providing their inputs.
- )] The electoral system of the country should change allowing the representation of ethnic minorities and political parties.
- )] A fair and proportionate representation of minorities should be instilled when demarcating areas of electorates.
- )] The government should accept and recognize economic social and cultural rights of people according to the conventions of the International Human Rights Council and the Universal Declaration on human rights.
- )] The state should void itself from owning a religious identity and treat citizens of all races and religions equally.

## **Recommendations for Environmental Conservation**

- )] The country should transition to a green economy based development procedure.
- )] The government should reassess development projects which cause environmental destruction and navigate the continuation of the project in an accepted and recommended procedure or cease the progress of the project.
- )] Initiate a broad mechanism to combine all environmental systems.
- )] Ensure the enactment of ordinances related to wildlife and environmental conservation without any exceptions or influence.
- )] Formulate a national policy to address the issue of human-elephant conflict in rural areas along with a program at the ground level to implement it.

## **Recommended Reforms for the Health Sector**

- )] Including health as a basic human right to the constitution
- )] Reforming the National Drug Policy and taking steps to enact provisions in the approved ordinance.
- )] Increasing the allocation of GDP to the health sector up to 5%.
- )] Developing a healthcare mechanism based on the principles of primary health care.

*Given below is an excerpt of the submission made to the Public Representations Committee on Constitutional Reforms on rights to land and housing by the People's Alliance for Right to Land (PARL) in February 2016*

- (1) Everyone has a right to own property alone or in association with others;
- (2) Women shall have the same rights as men in the ownership, acquisition, management, administration, enjoyment and disposition of property, whether free of charge or for valuable consideration. In particular, women have equal rights with men with respect to use, transfer, administration and control of land. They shall enjoy equal treatment with men in the inheritance of property;
- (3) No person shall be arbitrarily deprived of their property, except as permitted by law for a public purpose or in the public interest, and subject to the payment of fair compensation at time of acquisition, the amount of which and the time and manner of the payment of which have either been agreed to by those affected or decided or approved by a court.
- (4) No person shall be evicted from the person's property except as by permitted by law. No legislation may permit arbitrary evictions from property;
- (5) The state must take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis;
- (6) Rural women shall enjoy equal rights with men to have access to agricultural credit and loans, marketing facilities, appropriate technology and equal treatment in land and agrarian reform as well as in land resettlement schemes.

Social movements in Sri Lanka supported struggles of communities to safeguard human rights, freedom of speech and advocate for the space to exercise civic rights and duties even during suppressive regimes. They continued to voice their concerns and demands, which played a pivotal role in changing the government and creating a public discourse around resisting state enforced oppression and unfavourable policies and legislation.

## **4.2 Challenges and Limitations to Social Movements in Sri Lanka**

Social movements in Sri Lanka have yet been unable to garner the strength, support and resource to transform in to a real social force. Several deciding factors have contributed to lagging. A key factor is that social movements have been relying on NGOs for financial support to a great extent. Such NGO-led social movements are coerced to be restricted to function within pre-defined project limitations and donor conditions. Donor agencies which have previously supported the promotion of good governance and democracy, since the change of government in 2014, have adopted a more pro-neoliberal stance. A stance which brings forth a more economic development centric agenda. In the current funding context, there's limited resources allocated by donors to support civil society activism in resisting neoliberal development agendas.

Increasingly, prominent donors as the EU or DFAT are interested in supporting the opening of markets in donor-dependent countries to create free labour markets favourable for foreign direct investments. The aforesaid agencies are openly pushing their funds to support geopolitical agendas. Such changes have compelled civil society organizations to withhold their activism and concentrate on project deliveries.

The second challenge faced by the civil society movement in Sri Lanka relates to political allegiances and affiliations it developed with the change of the previous government in 2014. The newly elected government seemed more docile and amicable in comparison with the previous regime. Many CSOs supported to mobilize the country's citizenry and energizing a public discourse to topple the previous government out of power. Out of fear of the previous government being re-elected, CSOs are reluctant to come forward and act against the current government and its deceiving development initiatives. To a certain extent there is an attitude which prefers to not openly and widely criticize the current government despite its shortcomings and undelivered promises.

In Sri Lanka, civic movements fighting against neoliberal agendas and unfavourable economic policies are segregated based on ethnic issues. Certain groups which speak of free trade agreements as EFTA maintain links with nationalistic movements. This segregation has prevented the overall civil society movement in the country to unite to a common stage as the division of nationalist/ethnicity-related issues remain in the background.

The failure of the left political wing can be deemed as a substantial factor which had impeded the strengthening of the local civil society movement. The absence of a strong leftist movement in the country has prevented the a real social movement of the people propelling forward.

## **Overall Conclusions**

Over the past four decades Sri Lanka has been adopting neoliberal economic policies in hope of moving forward with development. Since 1977 governments which have come into power have been following a neoliberal economic development agendas, despite the promises they make in prior to being elected. In retrospect, all governments (including the present 'good governance' regime) have come into power claiming to instil a system favourable for the people, although eventually their actions have proved otherwise. It has become apparent that the government's stance in not providing sustainable solutions to resolving forms of social inequality has led to various ramifications involving civic unrest, marginalization of ethnic minorities, discrimination of women which has placed the vulnerable at a far more dire state - a state where they are not recognized or further thrown away from a proximity of benefiting from any development initiatives.

In the most recent presidential elections held in 2015 January, civil society collectively played an immense role in bringing a change in the country's political leadership. Civil society as a whole united to make this colossal change anticipating a positive shift in the country's socio-economic status. This long-awaited positive shift still remains as a utopian concept, with much

regret and disappointment, civil society actors in the country now admit that toppling a government does not draw the change we need to achieve in Sri Lanka.

The government, which was elected not too long ago has withdrawn back to primitive policies of executing agendas of the IMF and World Bank - two financial bodies which calls for the liberalization of labour and natural resources of Sri Lanka to pave the way for corporate exploitation by dismissing even the existing bare minimum safeguards to uphold the rights of rural communities and workers. The current need is to invest in building a strong social movement. A movement which has the capacity and vision to mobilize people who have been thrown away from the system, a movement which has the strength to build and advocate for alternatives against existing and upcoming neoliberal development agendas.

In the local context of civil society activism, we have success stories marking the determination and power of social movements leading to favourable social changes. There are monumental successes where people have congregated at community levels and built alternatives viable to them. It is pivotal that Sri Lanka garners the support to build a social movement which can resist neoliberal agendas and can overcome the barriers and limitations imposed by being dependent on foreign donor-driven funding.

In this eleventh hour where corporate profit-making agendas are prioritized over people's lives, civil society must come forth and stand by their demands and establish their own power affiliations to ensure the well-being and upholding of rights of the country's citizenry. Furthermore, social movements must withdraw itself from being an elite movement where primary decisions are made by actors and figures who are far from the real struggles. Civil society in Sri Lanka must envision to be a movement of the people, which is created, owned and steered by the people who have been disregarded and expelled from the system.

Networks as SAAPE has the opening space to spearhead the bringing together of social movements across the region and facilitate the establishment of links between local and global movements.