

The Colonial Lineages of the Sri Lankan Welfare State*

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1. Introduction

Sri Lanka has an unenviable record of having evolved as a 'welfare state' in a non-industrialized third-world country. It is ranked in the development literature as an exceptional case of a middle-to-low income country which has attempted to satisfy basic needs, especially of the poorest, by incorporating economic growth with minimum standards of welfare. Admittedly, since the late 1970s Sri Lanka has undergone a political and economic crisis which has coincided with the decline of the social democratic state and the welfare state. Nevertheless, for a country with a poor per capita Gross National Product (GNP), Sri Lanka (or Ceylon as it was known till the 1970s) still rates relatively high in comparison with other developing countries on a range of social indicators such as HDI. There is no doubt that Sri Lanka's achievement, relative to comparable countries on several social indicators (e.g., 87 per cent literacy rate, infant mortality rate of 17 per 1,000 live births, life expectancy of 70 years) is remarkable, and warrants greater systematic scrutiny and scholarly understanding (UNDP, 1990–6; Osmani, 1993; Jayasuriya, 2000).

The intriguing and perplexing question that arises is: how did Sri Lanka, as a low to middle income country, come to embark on the complex task of creating a 'welfare state'? It is generally accepted that the core of the 'welfare state', in the advanced industrial societies of the West, consists in government protected minimum standards of income, nutrition, health and safety, education and housing which are assured to every citizen as a social right. The substantive policies, programs, and services of the welfare state admittedly differs from country to country. In the case of Sri Lanka, the 'welfare state', as a co-ordinated institutional system which emerged in the 1960s and 1970s, was a logical

* This is an edited text of a paper published in the *Journal of the Royal Asiatic Society of Sri Lanka* Vol. XLVI, 2003.

sequence to the welfarism of the late colonial state, and had its own distinctive character. The few theorists, mostly economists, who have examined Sri Lanka's social policy developments, have concentrated on the complex relationship between welfare and growth in Sri Lanka, and the economic impact of these welfare policies (Marga Institute, 1974; Kelegama, 1987; Osmani, 1993). Given that Sri Lankan social policy has been unexplored in the literature, the significance of the long history in understanding contemporary policy developments warrants consideration.

Hence, this paper is cast as a preliminary foray into a relatively neglected aspect of Sri Lanka's history—the evolution of social policy. This exploration of the historical roots of Sri Lankan social policy assumes that the disciplined study of social policy is concerned with all forms of collective interventions such as fiscal, occupational and social programs that contribute to general welfare. In general, the study of social policy qua social policy is focused on the nature, rationale, objectives and social consequences of public policies dealing with welfare—i.e., in the how, why and what of social policy. Indeed, as Titmuss, one of the pioneers in the study of social policy, observed, 'social policy is concerned with social purposes' (Titmuss, 1950), and should not be seen simply as a tool for reaching decisions.

The burden of the argument presented in the Paper is that the Sri Lankan welfare state that existed until its dismantling in the late 1970s was largely a legacy of Sri Lanka's British colonial past extending from the nineteenth century to the ending of colonial rule in 1948. Adopting a distinctly historical focus, the paper endeavours to highlight, without discounting domestic social and cultural influences, the impact of British colonial policy on the development of Sri Lankan social policy from its earliest days of British rule to the consolidation of the welfare state around 1960s and 1970s, two decades after the grant of independence from colonial rule.

While political factors in the first two decades of independence were important in the expansion of welfare programs, they are not sufficient in themselves to fully explain the emergence of the Sri Lankan welfare state. A key proposition of the Paper is that the origins of the Sri Lankan welfare state are located in the interstices of colonial social policy, in particular, the prevailing ideas of social liberalism that were influential in Britain in the first half of the 20th century. It will be argued that the concept of diffusion, i.e., 'transmission

of ideas, policies and practices' (Midgley, 1984a: 170) serves to clarify the dynamics of social policy making in Sri Lanka. In short, colonial policy cannot completely be separated from the intellectual milieu of British social policy. In this sense, the Paper, in addition to drawing attention to the colonial foundations of social policy, should also be seen as contributing to the expanding literature on the impact of ideas on public policy (Hall, 1986).

Focusing on the historical evolution of social policies, the paper identifies the three main phases of social policy development from the early formative period in the 19th century (1833–1931) through to the late colonial state 1931–70. The early phase extending from 1833 to 1931, denotes the early colonial state in Sri Lanka, and is marked by the development of a colonial export economy and the modernization of Sri Lankan society. The second phase, from 1931 to 1948, represents the late colonial state. This features a period of partial self rule which also serves as a developmental prelude to the emergence of the welfare state. The third, more recent phase, covers the first two decades of independence (1948–70), and stands out as a transitional phase in which the late colonial state moves into the post colonial era. In the periodization of Sri Lanka's recent history, the second and third phases denote a highly significant period of political development; of transition from a colonial to an autonomous independent state. Furthermore, this third phase not only documents the consolidation of the welfare state, but also begins to manifest the tensions and contradictions of post colonialism and the 'post colonial state'.

Post colonialism, as understood in the growing literature on post-colonial studies, is used in a broad sense to characterize the abandonment of the cultural attitudes, beliefs, and social practices of the colonial era. This pertains in Sri Lanka, among other things, to the emergence of new cultural narratives, a confusing mix of political ideologies and the search for alternative socio-political structures. Unlike elsewhere, in Sri Lanka, post colonialism is not synonymous with post independence. Rather, in the Sri Lankan context, the advent of post colonialism is associated with the socio-political reforms of the late 1970s (e.g., the rejection of Westminster style political institutions), a neo liberal market economy, a vibrant cultural nationalism and a culture of violence partly fuelled by a civil war waged against a militant ethnic minority (Tamils). In short, the post-colonial era bears witness to:

the process of decolonization [which] requires the rejection of the imperialist legacy and its substitution by an authentic indigenous perspective (Midgley, 1998: 34).

The paper is focused mainly on examining social policy development and social policy as a legacy of British colonial rule extending from the early to the late colonial state and the first two decades of independence (1948–1970s). The first two phases of social development identified in the paper constitute well defined stages —the early and late colonial state. Each phase is associated with constitutional reform documents, embodying the logic and rationale of British colonial policy in Sri Lanka. Sri Lanka was not just regarded as ‘the senior colony of the Empire ... [but also] a constitutional pioneer’ (Wright, 1950), and in fact, ‘only the French have shown a greater preoccupation with constitutional reform’ (Russell, 1982: xvii).

Constitutionalism is perhaps, one of the distinctive features of the Sri Lanka polity (Wilson, 1973; Fernando, 1999; Coomarasamy, 1993). But what is more significant is that each stage of constitutional development has had an important bearing on social policy developments. Thus, the political reforms of the early colonial state ushered in by the foundational constitutional reforms of the Colebrooke–Cameron Commission of 1833 had an indelible impact on all subsequent social policy developments. Similarly, the social policy climate of the late colonial state can be understood only in terms of the epochal political reforms initiated by the Donoughmore Commission of 1927–29 which led to partial self rule. In addition, the defining policy initiatives, characteristic of each stage of social policy, were clearly identified by policy documents, government reports, or statutes.¹

However, the Paper itself is primarily devoted to an exposition of the nature and form of social policy evolution from the early to the late colonial state, and the first two decades of independence. A key proposition advanced is that the colonial legacy, extends in substance after independence. The first two decades of independence constitutes an extension of the late colonial state, a sort of transition to ‘post colonialism’. Although the social and political developments of the post-colonial era (i.e., after 1970) are not examined in the Paper, these more recent social changes need to be understood only in the context of the historical legacy of colonial rule. In contextualising the evolution of social policy leading to the welfare state, the Paper concludes by speculating on some of the major factors that may have been responsible for the emergence of the Sri Lankan welfare state—the *how*, and *why* of social policy.

2. The Early Colonial State (1833–1931): Formative Period of Social Policy

The first phase of social policy development (1833–1931) was heavily influenced by a major constitutional reform document, the Report of the Colebrooke-Cameron Commission of 1833 (Mendis, 1956, 1957; de Silva, 1965, 1981) which had a defining influence on all subsequent policy developments – social, economic, and political. Although total colonial rule was imposed on the whole country by the British only in 1815 after its annexation from the Dutch in 1796, the colony did not achieve a single unified system of administration until the reforms of 1833. The 1833 Reform Commission sought to reform the system of government mainly by introducing radical changes to the system of public and judicial administration. The thinking of Colebrooke and Cameron was markedly influenced by the utilitarianism² of the era, especially the writings of Jeremy Bentham and John Stuart Mill (Stokes, 1959). Whereas Colebrooke’s distinctive contribution was towards establishing an efficient unified system of public administration, Cameron was primarily concerned with introducing a liberal political culture based on the rule of law and a new system of judicial administration (Mendis, 1956).

Colebrooke, by his public administration reforms, sought to incorporate in an alien colonial context British liberal principles and utilitarian values such as the merit principle and equality of treatment. Thus, on the question of staffing of, and recruitment for, the public service, Colebrooke made a strong case for the inclusion of Ceylonese (i.e., the local inhabitants) in the higher echelons of the public service, hitherto confined to British civil servants drawn from the élite universities in Britain. Similarly, he argued strongly for a competitive system of examinations as the basis of entry to the Civil Service—an idea borrowed from the Northcote-Trevelyan reforms of the British Civil Service (Warnapala, 1974). The opening up of the public service to local applicants—the Ceylonisation of the public service—was in later years to gain in importance as an issue for political agitation and become a catalyst for other social policy reforms, especially those relating to higher education.

¹. See listing of all Constitutional Reports and other relevant policy documents in Bibliography.

². ‘The spirit of utilitarianism sought to justify actions on the basis of contributions towards increasing human satisfactions and decreasing satisfactions’ (Sleeman, 1973: 14). Utilitarians encouraged purposive social institutions, e.g., anti-slavery, factory legislation, improving public health, etc., where the greatest good of the greatest number would be provided.

These measures of governance, indicative of the opposition to patronage (e.g., the hereditary privileges afforded to high caste persons such as headman), signifies the influence of the intellectual ideas and values of utilitarianism in Britain during the 19th century on British colonial policy (Goldthorpe, 1964; Sleeman, 1973; Evans, 1978). Utilitarian ideas were also markedly evident in another main reform proposal of Colebrooke, namely the abolition of the semi-feudal traditional practice of forced labour or compulsory service (*rajakariya*). According to this feudal practice, the nobility and high status persons enjoyed the right to extract forced labour from the lower caste ordinary workers and peasants. With the recommendation for its abolition, the 1833 Reform Commission took a major step in modernizing society by liberating it from some of the constraints of its traditional semi feudal heritage and helped to create a free wage labour force.

A free wage labour force working on the plantation economy was also conducive to 'the development of individualism ... a potent feature in the proposals of Colebrooke for economic reform' (Samaraweera, 1973: 86). There is no doubt that 'the introduction of capitalism to Sri Lanka around 1833 marks the beginnings of the modern period of Sri Lankan history' (Kannangara, 1988: 136). In this context, the Colebrooke reforms initiated an economic climate opposed to mercantilism and state monopolies, but steeped in laissez faire doctrines of individual enterprise and free trade, all of which helped the growth of a prosperous plantation economy from 1850 onwards (Snodgrass, 1966).

The colonial economy, based largely on overseas capital, was a classic example of an enclave economy built around three main commodities: first coffee to about 1886, followed by tea, rubber and coconut. This left the rest of the economy based on traditional peasant agriculture relatively neglected by colonial policy (Snodgrass, 1966; Bandarage, 1983). In effect, this created a 'dual economy', 'a highly organized, foreign owned, capitalist plantation economy [alongside] a tradition bound, primitive, self-sufficing subsistence peasant economy' (Ponnambalam, 1980: 8). The new colonial export economy also helped to generate a significant commercial entrepreneurial culture, which in turn created a local capitalist class based on the mercantilist foundations of the export economy (Bandarage, 1983; Jayawardena, 2000; 2001). This new local bourgeoisie was destined to play a vital role in shaping subsequent political and social developments of the 19th and 20th centuries, especially in the campaigns for political reform and self-rule (Jayawardena, 2000; Jayasuriya, 2001).

Equally significant for social policy development were the far-reaching judicial reforms proposed by Cameron, a progressive liberal and a dogmatic utilitarian (Samaraweera, 1973: 87) who was more heavily influenced by Jeremy Bentham than his fellow commissioner Colebrooke. The *Charter of Justice* proposed by Cameron introduced a uniform system of judicial administration and helped to establish an independent judiciary as the basis of good government. These reforms were also intended to serve as an effective check on the abuse of executive powers. But, more significantly, they laid the basis for the rule of law and the protection of the equal rights of all individuals within an open and accountable judicial system. Thus, contrary to customary practices, the administration of justice was without distinction of race, creed or social status. The imposition of this liberal political ideology, in effect a form of policy borrowing, was also a notable aspect of the British colonial experience elsewhere such as in Ireland and India (Cook, 1993).

The other major influence on social policy development during this early phase of colonialism, was the impact of Christian missionary enterprise through Evangelicalism on the British Colonial Office and colonial administrators, all of whom belonged to the British ruling class (Stokes, 1959; Dicey, 1996;). The reformist zeal and 'civilizing mission' of Christianity was also evident in social policy enactments such as the action taken to mark the end of polyandrous marriage, the abolition of slavery, and the non recognition of caste in all areas of public policy. Nevertheless, during this early period Christian missionaries were mostly auxiliaries of government for tackling social problems as they were rarely interested in social reform for its own sake. In general, indeed, missionaries were regarded as the representatives of the 'government religion'.

One lasting consequence of the 1833 reforms was that education, understood as the promotion of English education, became the cornerstone of colonial social policy (Jayaweera, 1973). However, access to English education was confined to the urban middle class and made available mainly through state assisted missionary secondary schools. Direct state involvement in education occurred only towards the latter part of the 19th century, and was mainly confined to Elementary Schools or primary education, mostly in the rural sector where the medium of instruction was in the Vernacular (Sinhalese or Tamil). This marked the beginning of a two-tiered educational system which led to marked social and cultural differentiation between the urban-centred English educated and the more rural indigenous/ vernacular educated. As a result the 'dual society' (contrasting

metropolitan and provincial culture) framed in the context of a 'dual economy', was a direct consequence of the use of education as an instrument of social policy to consolidate the political hegemony of colonial rule.

The 'Christianization' of the early colonial state, achieved mainly through education in state assisted missionary schools, was also no doubt markedly influenced by Evangelicalism. This Christianization also greatly helped the colonial administrators to sever the traditional links between religion and the state that had existed in the pre colonial period. In the long term, the revolt against Christianization of the state was as a key feature of the Buddhist religious revival and nationalism and one which fuelled the opposition to colonial rule (Houtart, 1974).

There is no doubt that all political and social developments during this early phase of colonial rule were guided by two main factors: the need for stable, efficient and orderly government and the effective use of public expenditure in the management of the colonial economy. The constitutional reforms introduced by Colebrooke favoured giving the Ceylonese a greater role in governance by creating a body entrusted with legislative and executive powers. This was a characteristic feature of British colonial rule by which the British sought allies in the colonized territory as 'a class of collaborators' (Mamdani, 1976: 42). To this end, the Colebrooke reforms also helped to introduce one of the guiding tenets of British colonial rule, viz., 'indirect rule' based on a partnership with local élites.

Social policy development was, however, secondary to questions of political governance and economic growth. Colonial administrators endeavoured to promote social welfare measures only in so far as they were likely to strengthen British rule by gaining the compliance and good will of local inhabitants. For example, health policy developments of this period are a good indicator of this rationale. In fact, achievements in the health sector, mostly in curative services, were widely acclaimed and recognized by the British Colonial Office which took pride in the Sri Lankan hospital system for being regarded as a model of efficiency (Mair, 1944; Uragoda, 1987).

But, the underlying objectives of the Colonial Office in pursuing health policies were partly pragmatic and partly humanitarian (Jones, 2002). Thus, for instance, housing legislation (e.g., the Housing and Town Improvement Ordinance of 1915) played a residual role in

social legislation and government interventions which were primarily aimed at securing minimum public health standards in housing accommodation in urban areas. Nevertheless, the benevolent paternalism of colonial rule, among other things, included promoting social policies which had a bearing on enhancing the well-being of the local inhabitants.

Nevertheless, one of the distinctive and significant features of social policy development in the late 19th century concerns the measures taken to protect the expanding colonial export economy in the plantation sector by providing for the social needs of indentured labour recruited from India for employment in the plantation sector on a contract basis. These social welfare measures such as improving health care facilities were critical to the economic well-being of the country. In addition, much of the pioneering social legislation introduced during this period, e.g., health care for Indian labour on estates and minimum wages, were intended to facilitate the continued recruitment of immigrant Indian labour (Pieris, 1967; Wickramaratne, 1973).

Clearly, the social policy initiatives of this period placed a premium on providing for labour welfare and health care needs of immigrant Indian labour. For example, the improved sanitary conditions in the plantations led to the marked reduction 'in the estate crude death rate from 35.2 per 1000 in 1924 to 21.1 per 1000 in 1934' (Pieris, 2000: 17). In brief, these policies, programs and services were all governed primarily by the need of the state to bear a part of the reproduction costs of labour in this highly profitable sector of the economy.

Yet, there is no doubt that the special treatment afforded to indentured Indian labour for work on the plantations was largely instrumental in subsequently gaining government intervention in industrial relations in Ceylon. Furthermore, the beginnings of trade unionism in Ceylon were greatly assisted by the British trade union movement and the Labour Party (Jayawardene, 1972). The growth of local trade unionism among the urban working class and the emergence of the labour movement may well have been an unintended outcome of colonial policy in the early colonial state relating to immigrant labour welfare. These policy initiatives however, were fraught with considerable significance for subsequent political developments even after independence in 1948, though it was not until the early 1930s that organized labour, through its association with Left

parties, began to make any direct impact on social and economic policy developments (Kearney, 1971; Jayawardena, 1972).

3. Social Policy in the Late Colonial State (1931–1948)

The first three decades of the 20th century leading to the radical political reforms of 1931—the Donoughmore Commission Reforms—was a period noted for agitation for a greater degree of self-rule, the Ceylonization of the administration, the politicization of the urban working class, and the growth of a strong nationalist movement (Kearney, 1973; Jupp, 1978). The politics of this period was characterized by a loose alliance of influential sections of the nationalist movement, comprised of political nationalists drawn from the English educated élite and the political Left, and the cultural nationalists mostly Sinhalese Buddhists. They were, however, all united in their demand not just for self-rule but also for a stronger focus on social welfare in redressing social inequalities.

The nationalist movement spearheaded the agitation for constitutional reform and succeeded in persuading the Colonial Office to appoint a Reform Commission in 1927. It is perhaps significant that the implementation of the Reform proposals, emanating from this Reform Commission (the Donoughmore Commission) was the responsibility of Lord Passfield who was the Secretary of State for the Colonies in the Ramsay-MacDonald Labour government. Passfield, of course, was the redoubtable Sidney Webb—one of the most influential of the socialist intellectuals from the heroic period of the British labour movement (Russell, 1982). Not surprisingly, Passfield, who was more sympathetic to the political aspirations of the Sri Lankan people, played an important part in the implementation of the recommendations of the Reform Commission.

It was also fortunate that one of the Labour members on the Donoughmore Commission of 1927–29, Drummond Shiels, was Lord Passfield's Under-Secretary at the Colonial Office until 1931. Shiels had been one of the most active and influential members of the Commission and the one who was mainly responsible for the landmark recommendation—the grant of universal suffrage in 1931. This happened to be one of the Commission's path-finding and historic recommendations. Besides this, one of the main concerns of the Commission was interestingly, the need for collective action for social welfare. The Commission:

found that in many provinces poverty and ill health were the lot of many villages ... many sections of the people had not even decent housing or adequate facilities for primary education ... no poor law system for relieving destitution, no system of compensation for injured workmen, no up to date system of factory legislation and no control over hours and wages in sweated trades (Mendis, 1957: 118).

Confronted by these facts, the Commissioners wanted to make the elected representatives of government more accountable and responsive to the needs of the people. Governments so far, they argued, were more of 'an oligarchy or plutocracy, not a democracy' (Jeffries, 1962: 33). As a way of addressing the neglect of social welfare policies and legislation in the previous government, the Commission went on to recommend a unique form of government modelled on the London County Council, which conferred a great deal of responsibility and power to exercise legislative and executive powers. This semi-autonomous system of government (1931–1948) was a halfway house between colonial office domination and complete self-rule.

One outcome of the democratization of the government and the new political structures was the passage of an extensive body of social legislation, but without any acknowledgement of how this legislation was to be implemented. The time lag between enactment of legislation and its implementation with programs and services was to prove a major shortcoming. This was clearly evident in much of the enlightened child welfare legislation of this period, most of which was a replica of British legislation (Jayasuriya, Fernando & Allbrook 1985). Elected legislators, while being enthusiastic in passing social legislation and recommending various economic and social measures, were in the hapless position of not being able to implement this legislation as they had no financial responsibility. This was mainly because the control of, and responsibility for, finance remained with the non-elected Executive, all of whom were British civil servants. In short, this anomalous situation of power without financial control was a serious political imbalance in that the democratically elected legislature was not able to exercise financial control over its decisions as this authority rested with a non elected Executive.

Nevertheless, in spite of this political impasse, social legislation once placed on the statute book, acquired a momentum of its own and led to further electoral pressures. As a result, the extensive progressive social legislation helped create a political culture of welfarism which was later adduced (and accepted) as one of the arguments for political independence.

The linkage of welfare politics with electoral politics was to remain a heavy burden and a legacy of this period of colonial rule for most of the post-independence period of Sri Lanka until overtaken by economic liberalism and the 'ethnic politics' of the 1980s (Jayasuriya, 2000; Dunham & Jayasuriya, 2001).

The actual welfare politics of this late colonial state (1931–48) was focused on two main areas of social policy —education, and health, and to a lesser extent on public welfare. Education reform loomed large and was also associated with the nationalist and religious movements of this period. Educational reforms were directed towards a greater measure of educational equality through free education and compulsory schooling. They also included removing the dominant role of the Christian Church in state assisted education (Jayasuriya, 1969; Houtart, 1974). These radical changes in education introduced during this period of semi-autonomous government required a dramatic increase in public expenditure. In addition, this also led to an intensification of social and political conflicts in the 'dual society', particularly the clash between the 'two cultures' — the dominant westernized and the more traditional non English educated powerless sector. The conflict and tension between these 'two cultures' was to become a central theme in the social and political changes that occurred in the late colonial state leading eventually to the post colonialism phase in the 1970s.

Meanwhile the field of health care gained in salience, particularly as a result of the need to mitigate the disastrous social effects of the Great Depression of the 1930s, the severe drought of the mid 1930s and the malaria epidemics (Jones, 2000). Health policies were greatly enhanced with increased medical facilities (e.g., several new rural hospitals) for the neglected rural areas and increased attention devoted to preventive medical facilities. Several social indicators, such as rates of infant mortality and crude death rate, bear witness to the effectiveness of the health care policies, and in particular, the increased utilization of health services by the hitherto neglected rural population (Perera, 1985; Gunatilleke, 1985). One notable example of health care policy was the systematic program of malaria eradication which ranks as one of the main social achievements of this period. The anti-malaria campaign has received high praise internationally, and is regarded as a noteworthy achievement of mortality reduction in world demography (Gunatilleke, 1985).

Social policies relating to public welfare (e.g., unemployment relief, food subsidy) and social infrastructure, mainly housing and public utilities (e.g., electricity and transport), were less important as issues of competitive politics. Public welfare measures undertaken in this period were primarily concerned with alleviating social distress, poverty and unemployment. The government measures to combat unemployment and poverty, again reflecting the 'dual society' were mainly on two fronts—one strategy for the urban areas and another for the rural sector. In the urban areas, it was mainly one of providing temporary short-term relief by expanding work opportunities, e.g., as casual labourers in public works (e.g., roadwork, flood protection, etc.). However, for the first time in colonial rule, considerable attention was given to the plight of persons in the village peasant economy who were adversely affected by the lack of employment.

A central feature of rural welfare policies was the development of peasant colonization schemes in sparsely populated and relatively neglected areas with potential for increased agricultural production (mainly rice and some subsidiaries). These schemes required the deployment of population to these new areas of colonization, and a great deal of public expenditure was devoted to the development of schemes of colonization as a rural welfare strategy (Farmer, 1957). In fact, by the end of World War II there were 12 major Dry Zone colonization schemes at a cost of over Rs 30 million. This also includes monies spent on the construction of over 100,000 houses.

Rural housing was seen largely as an essential element of peasant colonization and not as an aspect of a national housing policy. The problems of the landless peasantry soon came to be regarded as an important element not just of economic development, but of welfare politics (Moore, 1985). The inclusion of rural welfare alongside other social policy initiatives which were, as a rule, mainly beneficial to the urban centred wage earning sector (Wickramaratne, 1977; Jayasuriya, K. 1981), foreshadowed what was to become one of the distinctive features of the Sri Lankan welfare state in the years to come.

The welfare politics of the late colonial state in 1931–48 was heavily influenced by the adverse social and economic circumstances of the post-depression period. The response of successive governments to social and economic disadvantage, contained in a number of official Reports, was similar in tone to UK Reports such as the Royal Commission on Poor Law (1905–09) or the poverty studies of Booth, Rowntree and others (Newnham

Report, 1936). These Reports represent the first systematic attempt in Sri Lanka to quantify the problems of poverty and unemployment and prescribe remedial measures. The state sponsored welfare relief measures adopted were reminiscent of the British Poor Law of the 1920s. This Poor Law orientation to poverty alleviation, by providing social assistance and relief for the needy and destitute, has continued to dominate welfare policies even to the present day (Jayasuriya, Fernando and Albrook, 1985).

These social assistance schemes based on the British Poor Law ‘principle of less eligibility’, indicating a selectivist approach to poverty alleviation (i.e., as a safety net for those most in need) is, nevertheless one which stands in sharp contrast to the more universalist policies in other areas of social policy, e.g., health and education. The selectivist approach, as Midgley observes, was:

descended from poor law principles in European states which have been established in a number of developing countries ... [and] are a startling example of the maintenance of colonial welfare policies in the post colonial Third World (1984b: 3).

In contrast to the selectivist policies relating to public welfare, the food subsidy³ introduced in 1942 as an emergency measure of public welfare during World War II, was available to all persons without a means test. It was a wartime relief measure destined to become an institutionalized welfare measure for nearly three decades after the war. The rationale for this was similar ‘to the development of services as well as the provision of help in cash or kind [was] an impressive aspect of the wartime evolution of welfare in Britain’ (Bruce, 1961: 272). Indeed, it was this which prompted Sir William Beveridge — one of the architects of the welfare state in Britain — to pose the question: ‘If for warfare, why not for welfare’ (Bruce, 1961).

The food subsidy outlived its utility as a wartime welfare measure but remained a key element of social policy expenditures until the 1970s (Alailima, 1995). It was the single most important item of social expenditure, varying between 4 per cent and 5 per cent of GNP during the period 1970–81. This clearly reflected the rationale and philosophy underlying the expansion of welfare services in wartime Britain, namely, the need to make

³ Sen (1981) identifies the food subsidy as an example of the concept of ‘entitlements’, in particular, as a method of *universal support*, of non exclusion, guaranteeing the ‘right to food’ and being effective in famine prevention.

these policies free of social discrimination and the indignities of the poor law and to share social risk more broadly. This single welfare policy measure acquired social, economic and political importance as the principal anti-poverty measure of all post-independence governments until it was abandoned in 1977 (Lakshman, 1989; Gunatilleke, 1993).

Without doubt, the social policies of the emerging Sri Lankan welfare state were clearly shaped by the British tradition of linking citizenship with social rights and favoured overall an universalistic rather than a residual or selective approach to welfare. The main exceptions were, of course, as we have seen, social security and public welfare, which were highly selective and based on a social assistance model. Overall, social welfare policies were responsible in 1947 for the expenditure of approximately 56 per cent of total government expenditure, and represents nearly a 50 per cent increase since 1871 when it was only 24.5 per cent (Warnapala, 1974). This was, in short, the legacy of welfarism which was largely a product of democratic electoral politics in the late colonial state and was central to the new political ethos of a fully independent Sri Lankan state after the grant of self rule in 1948.

Looking back over this period of partial self rule, it is difficult not to overestimate the importance of the 1931 reforms. The extension of the franchise, in a sense, partially democratized the colonial state while at the same time presenting the unelected local colonial executive—who had control of the purse strings—with significant problems of legitimacy. The evolution of social policy during this period is in no small way a product of this complex dynamic of enhanced democratization and the search for legitimacy. Moreover, the reforms promoted electoral competition in which welfare politics was to loom large in both late colonial and post-independence politics. From this perspective, the social policies of this period laid the groundwork for the future political and social developments in Sri Lanka.

4. Emergence of the Welfare State (1948–1970)

With the achievement of independence in 1948, Sri Lanka adopted a new Westminster style constitution in 1948, modelled on the British constitution. From the outset, the newly independent government of Sri Lanka embraced the welfarism it had inherited from the late colonial state, and proceeded to develop the welfare state on the basis of the earlier social policy initiatives. The Sri Lankan welfare state was built mainly around

three major social documents, two of which were inherited from the pre-independence era, and ensuing Acts of Parliament: *Education Act of 1945* (Kannangara Report, 1943); the establishment of the Department of *Social Services, 1948* (Jennings Report, 1947); and the *Health Act of 1953* (Cumpston Report, 1950). In this regard, the foundations of the emerging Sri Lankan welfare state bear comparison with the 'three pillars' of the British welfare state, viz, *Education, National Insurance, and National Health* (Marshall, 1973).

As in Britain, the principle of collective provision for common human and social needs through state intervention was firmly embedded in the logic and rationale of these Reports. The importance attached to social welfare initiatives arising from three Reports in Sri Lanka is revealed by the fact that during the first two decades of independence (1948–68) social expenditure relating to education, health, transport, food subsidisation, and public welfare assistance, hovered around 40 per cent of total public expenditure or 10-12 per cent of Gross Domestic Product (GDP) (Osmani, 1993; Alailima, 1995; Gunatilleke, 1999).

First and foremost, the Kannangara Report, by recommending a system of *universal and compulsory* free education from the Kindergarten to the University, confirmed that welfarism in Sri Lanka was based on universalistic principles. The latter was a distinctive feature of the Sri Lankan welfare system until the advent of neo-liberal social policies in the post 1977 era (Dunham & Jayasuriya, 2000). By adopting a bold and radical approach, the Kannangara Report ranks as the single most important social policy document in Sri Lanka's social and political development. This Report outlined what the erudite Left wing politician, N.M. Perera (a student of Harold Laski at the London School of Economics and Political Science), described as 'amazing revolutionary objectives' (Perera, 1944). Among the social objectives sought by the far-reaching reforms proposed were:

the prevention of unemployment, the raising of the standard of living of the masses, increased production, a more equitable system of distribution, social security of co-operative enterprise, etc. But none of these things can be fully realized without mass education. We are of the opinion that free education must come first and foremost (Perera, 1944: 5).

These social purposes were highly consistent with the pragmatic politics of the radical Left, more characteristic of Fabian socialism than Marxist revolutionary Left politics. The 'dominant motivation for [free education] was the egalitarian ideology of removing inequalities' (Jayasuriya, 1969: 91) which was central to the political ideology of the influential Left oriented political parties (Jupp, 1978). All educational policies of this

period (e.g., change in the medium of instruction and a national system of education), were highly significant in that they opened up opportunities for greater social mobility on the part of significant social groups; in principle, opening up access, to occupations (such as medicine and law) previously monopolised by the Western educated middle class. This probably rates as the single most important factor in determining the transformation of Sri Lankan society in the latter part of the 20th century.

The second pillar of the Sri Lankan welfare state relates to the Health services. Here, the vital social policy document is the Cumpston Report, which led to the *Health Services Act of 1952*. J.H.L. Cumpston, the architect of the Report, was a distinguished Australian public servant who as Director General of Health Services in Australia (1921–45) was responsible for the creation of the Commonwealth Department of Health, Australia (Thome, 1974). The major achievement of the Cumpston Report was threefold: the abolition of private practice for doctors in the state sector; enabling the development concurrently of preventive and curative services; and, outlining the rationale for an equitable universal health service as a matter of right.

Its most significant recommendation, reflecting the egalitarian ideology of welfarism was undoubtedly the abolition of private practice for doctors in the public sector. Cumpston was emphatic on the need to abolish private practice on the grounds that:

no government [can] justify the expenditure of public funds to provide a subsidy to a select group of doctors so that they can provide a private medical service to the exclusive group in a position to pay (sometimes large) fee (Cumpston Report, 1950: 9).

This policy recommendation was regarded as being central to the establishment of a state funded equitable system of national health. This later led to the progressive introduction of Western medical services through a wide network of free medical institutions, including key elements of the total needed for a comprehensive integrated system of health services (Gunatilleke, 1985). Admittedly, the bulk of these services were located in the urban areas, but it should be borne in mind that this rapid expansion existed alongside a well developed system of indigenous medicine which was mainly responsible for catering to the health care needs of a sizable section of the rural population (Pieris, 2000). The medical pluralism of Sri Lanka reflected the social structural cleavages of the 'dual society' and reinforced

the dualistic social structure consisting of a disadvantaged majority and privileged minority divided by language, economic and social status (Jayaweera, 1969: 8).

The relatively weak third pillar of the Sri Lankan welfare state deals with the social services and is examined in a key Report, *Social Services Commission Report (1947)*. The driving force behind this Report was its Chairman, Sir Ivor Jennings, a leading constitutional theorist, and later Vice Chancellor of the University of Ceylon and Cambridge University. This Report originated during the pre-independence period and is the Sri Lankan equivalent of the Beveridge Report in Britain. Its main focus was on policy questions relating to social security, especially unemployment, financial distress, old age and disability and destitution. However, the Report shows that, while the Commission gave serious consideration to the thinking underlying British social policy,⁴ it did not necessarily recommend adopting Beveridge style policies for Sri Lanka. The Jennings Report (as it came to be known) maintained that its intention was to formulate its policy responses in a manner relevant and appropriate to Sri Lankan social and economic conditions, such as by proposing a financially viable plan for social security.

Thus, one of its main recommendations was centred on developing a financially viable plan for social security for wage earners in the public and commercial sectors. One outcome was an *Employees Provident Fund (EPF)*, established in 1958 and covering all private firms and public bodies as pension provisions existed only for the organized public sector (ILO, 1971). However, the Jennings Report was cast more in the form of an academic exercise in social analysis, planning, and reporting, and as a blue print for policy strategies; and hence, it did not necessarily get immediately translated into selected programs and services. Nor did the report elicit much political interest, mainly because the social security policies it advocated had little relevance for the vast majority of people living in predominately agricultural society (Savy, 1974; Jayasuriya, 2000). Both the urban poor and the rural peasantry had access only to social assistance measures and relief programs such as drought and flood relief, all of which were cast in the style of the early twentieth century British Poor Law (Evans, 1978).

Besides the social programmes and services arising from these three major Reports, the other significant aspect of the Sri Lankan welfare state relates to: *Housing, Public Utilities* (e.g., transport, water, posts and telecommunications, and electricity), and the *Personal*

⁴ Midgley cites the impact of the Beveridge Report on a number of colonial governments as a classic instance of the way in which 'developments in social policy in the metropolitan countries exerted an influence on the colonies' (1984a: 177).

Social Services. The latter were mainly services catering to the needs of disadvantaged and vulnerable groups (e.g., aged, disabled, handicapped children and youth, needy families, sick and injured). Housing, as a distinctive aspect of social policy, was relatively neglected in the early days of the welfare state and limited to the regulation of the rental markets and the promotion of housing investment. One of the main reasons for the low priority accorded to housing policy probably relates to the low rates of urbanization in Sri Lanka (e.g., an increase of only 1 per cent of the urban population over a 25 year period between the Census of 1946 and 1971). The absence of any pattern of rural to urban migration — contrary to other developing countries — is evident in the rural-urban structure of the country which has remained relatively unchanged throughout most of the 20th century (Marga, 1986).

Lacking any pressures for national housing development and social programs of urban renewal, the housing sector remained peripheral and residual to other public policies of social and economic development. The welfare aspects of housing policies were geared primarily towards alleviating hardships of the middle and low income groups in the urban sector. Thus, much of the housing legislation of this period was based on the *Rent Restriction Ordinance, 1942* introduced as a temporary wartime measure to clamp down on the excesses of landlordism. The early housing legislation, mainly focused on tenant and landlord relationships, especially the welfare of tenants, shows that there was little interest in the provision of shelter as a welfare entitlement or a social right.

Although housing did not rate highly as an element of welfare politics, the establishment of a separate Ministry of Housing in 1953, and the passing of the *National Housing Act 1954* marked a major breakthrough in moves towards the development of a national housing policy at a later date. One of the main policy initiatives of the new Ministry was to promote housing investment and increase the housing stock through government subsidies to consumers and suppliers of housing (Marga, 1986). Despite these initiatives, 'the expansion of the country's housing stock did not keep pace with the increase of population' (Pieris, 1993: 214). However, the housing sector was drawn more directly into the orbit of social welfare only under the neo liberal regimes of the 1970s. The 'Million Houses Development Program' (1977–1982) sought to provide low cost housing in the urban and urbanized rural sector, and for the first time initiated a national housing policy (Economic Review 1975).

The *Public Utilities* (water, transport, electricity, sewerage, etc.) unlike housing, were by nature universal and not limited by economic status. Public utility services such as water and sewerage associated with health and sanitation formed part of the welfare package. Likewise, transport services — which had been previously regarded as an important element of economic policy and geared to economic modernization — were now identified as a component of the social infrastructure. Thus, road services and the impressive network of state managed rail transport services (started in 1867), all of which were critical for the development of the lucrative colonial plantation economy, were reconstituted as a part of the welfare package.

In the heyday of the welfare state in the late 1950s and 1960s, the nationalization of road passenger services and the subsidy for transport was seen as having distinct social welfare benefits. There is no doubt that ‘the cheap and extensive transport network ... made education, health and other services more easily accessible and spread their benefits to the rural population (Alailima, 1981: 627). For these reasons, transport constituted a significant item of social expenditure and formed part of the demand politics of welfarism. Given that public utility services in developing countries have had a strong equity element and a redistributive impact, contrary to conventional theorising about social expenditure (OECD, 1985), transport subsidies should rightly be regarded as belonging to a package of universalistic welfare services, and taken account of under social expenditures.

The *Personal Social Services*, however, remained neglected as an aspect of public policy. Unlike the welfare system in advanced industrial countries, the personal social services failed to elicit much demand for intervention by the state mainly because they dealt with needs customarily provided for by the informal system of family and kin networks. Consequently, there were very few instances of ‘free standing services’ for special groups—such as the disabled, children, youth, or the aged—in need of rehabilitation, care and probation. In general, the role of the state in relation to the personal social services was that of a reluctant caretaker exercising regulation and control over others providing care and services. The total cost of public welfare and social security schemes constituted less than 1 per cent of public expenditure (Alailima, 1981). While the state could assist with emergency care and assistance, the main social responsibility for these services continued to be with family and kin networks (Economic Review 1978).

In sum, from the beginning of fully responsible self-government and electoral democracy in 1948, there were two dominant themes of competitive politics, which have continued to plague Sri Lanka, viz, ethnic and welfare politics. One was built around ethnic minority issues and the other on the question of social welfare policies. During the first and second decades, from 1948 to 1970, the electoral politics of all governments were plagued by welfarism and the growing tensions of nationalistic and ethnic politics. Cultural nationalist politics were linked to welfare politics since the constituency of the nationalists was drawn mainly from the powerless, socially disfranchised segment of society, i.e., those who did not belong to the Western educated middle class. But during the first two decades of post-independence, it was also a matter of political convenience that the culturalist nationalist forces were allied with the organized working class. The politics of this era, not surprisingly, combined welfare issues with linguistic nationalism on the grounds of ensuring a greater measure of distributional equity.

As a result, the welfare politics of this period, structured around a loose political alliance of nationalists and the radical Left, led to the consolidation of the Sri Lanka welfare state in the 1960s (Government of Ceylon, 1963). Continuing the legacy of welfarism of the late colonial state, a distinctive feature of the welfare policy strategy of independent elected governments, especially of the post-1956 era, has been to develop a package of rural policies. The rural component of these policies is evident in liberal credit facilities, land reform and rural amenities, including housing, all of which were beneficial to sections of the rural peasantry. In addition to their economic rationale and consequences, these rural policies helped to consolidate the Sri Lankan welfare state within an institutional framework of a package of economic and social policies targeted regionally and sectorally. These policies, introduced in the 1960s and 1970s, were intended in part to offset the urban bias of welfare policies. But, they also helped to consolidate the alliance politics of this period, representing the combined interests of the peasant rural sector and the urban working class.

It is often overlooked that this package of welfare state policies played a significant role in containing the ethnic politics of this period, and was markedly different to the politics of ethnic accommodation of the pre-independence period which continued into the first decade of independence. The electoral politics associated with welfarism became linked to ethnic politics mainly because rural policies had special significance for the Tamil people. The Tamil people who were mostly concentrated in the north of Sri Lanka were greatly

dependent on agriculture for their livelihood, especially the production of 'minor food crops, including bananas, tobacco, vegetables, potatoes, onions, chillies and fruit' (Moore, 1985: 108). Because of this, the predominantly rural Tamil people received considerable economic benefits from the rural policies of the state, which in turn helped to offset the economic loss they suffered when they were deprived of their main source of livelihood which had been in public sector employment. This disadvantage was a direct consequence of educational reforms introduced in the post-1956 era, making Sinhalese the official language, and leading to what was termed the 'Sinhalaisation of the State' (Moore, 1985).

The regional sectoral social impact of these controversial policies was reflected in changes to the pattern of university admissions as a result of the introduction of district quota admissions to universities, and the standardization of marks⁵ according to language medium — Sinhalese or Tamil — in 1974/75. These educational policies, all of which disadvantaged Tamil people in the labour market as a form of affirmative action, were intended to 'neutralize the superior performance of Tamil medium students' (de Silva, 1979), and their privileged position in the labour market. The latter, it was argued, was due to the regional disparities in educational opportunities which favoured Tamil students, especially in science subjects, largely because of their enjoying access to better educational facilities.

Against this background, the rural social policies of the welfare state offered the Tamil people some degree of monetary compensation for the economic losses suffered by their becoming less competitive in the labour market, and losing their previously privileged position in the professions and the public sector. It is well documented that until the late 1960s public sector employment had 'always been proportionately higher than their demographic size' (Tambiah, 1986). Therefore, the policy trade-off evident in the package of welfare state policies was particularly significant because the rural policies provided a highly lucrative alternative source of livelihood for their loss of employment opportunities in the public sector.

5. Standardization of marks was designed to correct examiner variability between the language media. The intention was 'to arrive at a uniform scale so that in the end the number qualifying from each medium would be proportionate to the number sitting the examination in each medium' (de Silva, 1978).

The economic benefits derived by the Tamil people from the rural social policies introduced in the 1960s were dramatically withdrawn when all import controls were removed as a result of the economic liberalization policies introduced in 1977, which included the removal of agricultural subsidies. Thus, with the fall in the price of minor food crops, agricultural production in the Tamil areas (the Jaffna district) fell sharply and caused severe economic hardship (Moore, 1985). This in turn exacerbated latent ethnic tensions and conflicts, and destroyed the ethnic accommodation of the immediate post-independence period, which was to a large extent held together by the Sri Lankan welfare state (Gunasinghe, 1984).

In summary, the welfare politics that evolved during the first two decades of independence endeavoured to combine the interests of the peasant rural sector and the urban working class. It was this powerful alliance of interest groups — the political alliance of nationalists and the radical Left — which led to the consolidation of the Sri Lanka welfare state in the 1960s (Government of Ceylon, 1963). The distinctive features of the Sri Lankan welfare state which emerged following the consolidation of numerous social measures in the 1960s may be summarized as follows:

- universalistic social policies in the fields of health, education, subsidised food as an income supplement, and the public utilities, including transport;
- an income redistributive rationale for a high percentage of social expenditure relative to GNP (approximately 10-12 per cent of GNP);
- a social assistance model of social security income maintenance;
- a poorly developed system of 'personal social services' heavily reliant on private charity, benevolence and non-professional human services; and,
- a pronounced urban bias in the delivery of most welfare services and benefits, mitigated by a package of compensatory rural policies.

We may also note in passing that the 'crisis of the welfare state', experienced in the 1970s and 1980s (Kelegama, 1998; Dunham & Jayasuriya, 2000; Jayasuriya, 2001; Sanderatne, 2000) was fuelled by the fiscal crisis of the 1970s and also linked with the decline of welfare politics. Indeed, while this may have signalled a shift from *welfare* to *warfare*, they serve 'identical and complementary ends ... [in that they both] derive from the same roots, dynamics, values and ideology' (Gill, 1977: 653).

5. The How and Why of the Sri Lankan Welfare State

The Sri Lankan welfare state of the 1960s was, by any reckoning, in conformity with the understanding of the welfare state as public provision for the protection of its citizens from the consequences of want, ignorance or sickness (Laybourn, 1998). The welfare state, as it evolved in Sri Lanka, was the product of several decades of British colonial rule, and was closely associated with the process of modernization and democratization, extending from the early to the late colonial state. The economic modernization of the country was central to the growth of welfarism and eventually the welfare state. It was the flourishing colonial economy, mainly based on commercial agricultural commodities which created conditions conducive to democratization, political reform, and welfarism. Political modernization through progressive constitutional reforms framed within the context of 'indirect' rule, uniquely associated with British colonization, provided the impetus to welfare reforms throughout the 19th and 20th centuries.

The democratization process itself was based on the assumption that the colonial state represented 'an absent ruling class' (Mamdani, 1976: 42), whose functions were exercised by the local indigenous bourgeoisie, a Western educated élite. The success of British colonial policy in Sri Lanka rested largely in creating and managing this local élite. Its policy was so structured to ensure that this local bourgeoisie, a comprador élite, was a geographical extension of the metropolitan political state. Accordingly, one of the objectives of education policy development in the late 19th century was to equip this local élite with knowledge, skill, and competence to represent the ruling class as administrators. This was achieved by transplanting British cultural values and liberal political ideas and creating a local ruling class of 'brown sahibs' who helped to sustain British colonial interests. From a reproduction theorizing perspective, the colonial school system was oriented primarily to:

the production of the right kind of labour power ... the school not only teaches basic skills, but also the rules of behaviour and attitudes appropriate for the positions in production the children are destined for, as workers or as agents of capital (Connell, 1980: 35).

The ideology of British liberalism transplanted and imposed on Sri Lanka in the early phase of colonial rule helped to shape the Sri Lankan political economy on the basis of three elements, also evident in British colonial policy in India (Stokes, 1959), viz., *free*

trade, evangelicalism, and philosophical radicalism. *Free trade*, based on the notion of *laissez faire* policies was critical to the colonial economy, and helped to foster an alliance with a local capitalist class. As in Britain, this was a qualified *laissez faire* which provided for a minimal role for the state in safeguarding society from disruption and institutional dysfunctional effects (crime and lawlessness, etc.). *Evangelicalism*, on the other hand, through the work of Christian missionaries, mitigated the adverse effects of unbridled growth by legitimizing the ‘civilising mission’ of colonial rule. The main function of missionary organizations was to provide social supports for colonial rule, enabling a greater degree of acceptance by the ruled. Christianization through education in Sri Lanka was not only an important avenue for social betterment and social mobility, but also directed towards cultural assimilation and co-optation of the educated class.

The third element — *philosophical radicalism*—gave British liberalism a solid intellectual basis for its social and political commitments. Thus, the utilitarian thinking which guided the political reforms of 1833 had a lasting influence on all aspects of political and social development. The increased commitment to social development as an aspect of colonial state policy was a direct consequence of the impact of the progressive ideas of the British liberal political culture on colonial administrators as well as the local élite. As a result, democratic ideas, values and institutions took firm root in the Sri Lankan polity.

In short, the social and political institutions of Sri Lanka, including the welfare state of the 1960s lie firmly anchored to the social and political ideology of British colonialism (Jupp, 1978). Consequently, the evolution of the Sri Lankan welfare state of the 1960s, being rooted firmly in British colonial policy, draws heavily on the intellectual ideas and belief systems derived from Bentham through to Keynes, Beveridge and the Fabian socialist style collectivism. These ideas and belief systems were clearly in the forefront among the western educated élite who were largely responsible for social policy initiatives from the days of the late colonial state to the consolidation of the welfare state in the 1960s.

However, the liberal progressive ideas and political agendas of the political élite were not solely a question of being ideologically driven, but also one of pragmatic convenience to promote measures for greater equity and justice. Indeed, as some analysts have rightly argued, the leading politicians of the post-independence era of welfarism ‘were not philosophically committed to redistribution of wealth’ [but were cast more in the role of]

'paternalistic public benefactors' (Manor, 1989: 195). It is somewhat ironical that the conservative politicians who gained political power from the colonial rulers happened to be strong advocates of social liberalism manifest as welfarism, largely to 'ward off attacks from the Marxist Left' (Manor, 1989: 177) or as 'a populist strategy to retain or win political power' (Marga, 1976: 17).

In this sense, the pursuit of the welfare state ideology was merely a political strategy of convenience, a way of using redistributive objectives of welfare policies to their political advantage. On the other hand, the leaders of the political Left in Sri Lanka in loose alliance with the cultural nationalist movement, were more ideologically predisposed to politically radical ideas and intellectually committed to the pursuit of the social objectives of equity and justice. There is little doubt that the Centre Left and the radical Left parties in the post independence period were adept in using the electoral processes to gain political advantage by espousing welfare statist policies. The working class based Left wing political parties who had a strong ideological commitment to progressive social reforms, and a strong public sector in the mixed economy, combined with the 'intermediate class' (Jayasuriya, K. 1981) (e.g., those who represented the rural middle class interests) and other less radical groups to maintain the welfare state.

In other words, the 'alliance politics' of the nationalists and the Left (1956–65), strategically used the package of welfare policies—urban and rural welfare measures—to gain political ascendancy in the heyday of 'welfare politics'. At the same time, as some social analysts (e.g., Lakshman, 1989) have pointed out, the very sustenance of the bourgeoisie state required 'social welfarism' in order to keep the masses quiet to avoid revolutionary struggles. Or stated differently, there was a clear legitimising function for the welfare state, namely, the need to mitigate the adverse consequences of capitalist expansion in a dependent economy (Jayasuriya, 1999). This interpretation exemplifies a combination of the 'elitist' and the pluralist models of social policy, and sees political outcomes as a matter of competition between powerful interest groups (Crowther, 1988; Goldthorpe, 1964).

However, with the crisis of the welfare state and also the collapse of the Westminster style political institutions in the 1970s, there has been a fracturing of the social justice rationale of the earlier welfare state policies (e.g., the greater degree of social mobility, distributive justice and equity evident in the lowering of income inequalities). The deepening crisis of

the welfare state and liberal democracy, coupled with the sense of cultural alienation felt by the disempowered indigenous élite (e.g., the failed youth insurrection of the 1970s), has brought to the fore the contradictions and tensions of post colonialism.

In the new post colonial state, the nation has been enmeshed in ‘two cultures’, and ‘two societies’. The ‘two cultures’—that of the westernized vs. the traditional or indigenous—with cross cutting linkages to all other social divisions, ethnic, cultural and regional, is probably one of the lasting legacies of British colonial rule. These ‘two cultures’ are now confounded with the ‘two societies’ -- the haves and have nots. This is a legacy partly of neo-liberalism and a declining welfare state, which has led to a sharp differentiation between the haves and the have-nots, the affluent rich and mendicant poor, capital and labour.

These dramatic social changes, alongside a new political ethos, have witnessed the transformation of the Sri Lankan polity from *welfare* to *warfare* in the post colonial era. The militant post colonial discourse which emerged from the 1970s has been framed within a culture of an illiberal politics (1977–94), economic liberalism and the dominance of ethnic identity politics over the welfare politics of the earlier era. Although this new ethos was partly reversed in 1994 with a return to the earlier liberal political culture and a moderate form of collectivism, much uncertainty surrounds the Sri Lankan polity in the context of globalization and the ‘new politics’ of 9/11.

6. Conclusion

In summary, in charting the evolution of the Sri Lankan welfare state, the Paper identifies three distinctive features of its British colonial legacy — the influence of a liberal ideology, processes of democratization and the relative autonomy of the late colonial state. First and foremost, was the impact of the ideological milieu of British colonial policies, as well as the worldview of colonial administrators and local political élites. The late colonial state of the 20th century witnessed the dominance of the ideas of social liberalism and early Fabianism, particularly as they related to notions of modernity and development. This ‘welfarist’ understanding of the purposes of colonial rule continued to influence governments of all political hues in the first two decades. Clearly, a key feature of the late colonial state was that the Sri Lankan polity was regarded largely as an agency of social development.

Second, one of the central features of the late colonial state was its partial democratization—through the granting of universal franchise and limited indirect rule. Welfarism which dominated the electoral politics of the late colonial state was the product of the complex interplay of partial democratization and the search for some degree of political legitimacy. Aspects of this unfolding political dynamic of welfare expansion, stoked by the weakening embers of the late colonial state, continued to reverberate even louder during the first two decades of independence (1948-70).

Thirdly, the relative autonomy of the late colonial state was reflected in the growth of a vibrant civil society in the last decades of colonial rule, the period of partial self-rule. This was manifest in the growth of a working class movement, trade unions, and a range of nationalist/religious/voluntary organizations. This ‘civil society’ was ‘a public sphere constituted through patriarchal discourses’ (Srivastava, 1998: 2), and served to exercise considerable pressure on the state to expand its social commitments dramatically in the first two decades of independence. It was these influences that helped to move Sri Lanka from a piecemeal ‘welfarism’ to an integrated ‘welfare state’, an exceptional institutional structure for a ‘developing society’ in the 1960s and 1970s.

Despite the foregoing analysis, there still remain many challenging, unanswered questions in understanding the evolution of social policy in Sri Lanka. From a comparative perspective, perhaps, the most problematic of these is the difficult question as to why this form of British colonial rule — a classic instance of a benevolent paternalism—took firm root in Sri Lanka. In other words, how does one explain the success of this novel experiment of British colonial policy in using Sri Lanka as a social laboratory and effecting rapid social changes? Part of the answer probably lies in deep rooted cultural influences emanating from Sri Lanka’s rich socio-political history, one endowed with a highly developed literate civilization extending over 2000 years (Siriweera, 2002).

But more importantly, it needs to be borne in mind that prior to British colonial rule, Sri Lanka had been greatly influenced in a variety of ways by two centuries of European colonization – first by the Portuguese followed by the Dutch (Goonewardene 1958). Thus, for example, the Dutch who preceded the British as a colonial power ‘bridged the gap between medievalism and 19th century colonial rule in Ceylon with a pioneer structure

which the British modernized' (Ludowyke, 1967: 134). Sri Lanka, therefore, had been already subject to a modicum of 'westernization' before British colonial rule. This still fails, of course, to answer why the modernization process, when compared with other British colonial settlements, was so easily accomplished in Sri Lanka. The answers to this, however, may have to be located within the broad domain of theorizing about the processes of social and cultural change, in particular, contested notions of traditionalism and modernism (Eisenstadt, 1967-68; Horowitz, 1972). These complex questions, along with the more specific issue of the fate of social development and welfarism in the post colonial era of the last three decades presents a challenging research agenda for the future.

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