

Welfarism and Politics
in
Sri Lanka



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Sri Lanka

Experience of a
Third World
Welfare State

Foreword: Gamani Corea



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For my family Rohini, Kanishka
and Pradeep
and my parents, Walter and Soma

‘Economic growth cannot
sensibly be treated as an end in itself’
Amartya Sen (1999)

‘Socially regulated forms of capitalism do
best in meeting human needs’
L. Doyal and I. Gough (1994)

FOREWORD

A number of indicators have ranked Sri Lanka high among the developing countries for her attainments in the social field. But this very experience has given rise to a number questions that are relevant to the link between economic and social development, to democracy and political stability. The economist, using the tools of his discipline, has for the most part been ambiguous about such relationships. His arguments have ranged from depicting social progress as a by-product of economic growth, to the advocacy of minimal safety nets and a kind of 'add on' to development policy to ward off social upheavals. The identification and elaboration of patterns of economic and social growth that serve to reinforce each other has yet to emerge as an aid to planners and policy makers.

The Sri Lankan experience provides material that is highly pertinent to such a task. The country's achievements in the social field, now stretching out over a half century, have not been matched by comparable progress on the economic front. Over much of this period, economic growth rates in Sri Lanka were broadly similar to those of other South Asian countries. What is more, market oriented economic policies and resource constraints stemming from the quest for accelerated growth have now begun to undermine some of the country's past social achievements, underlining thereby the urgency for new policy orientations. These and other facets of Sri Lanka's experience are relevant to the future linkages between economic and social policies not only in Sri Lanka but in other developing countries as well. It is true that at present social safety nets and attention to the underprivileged are getting a new recognition in the international dialogue on development policies. But this new focus, welcome as it is, needs to be combined with a renewed vigour in the wider field of international development cooperation. It must not become a soft option and a substitute for the hard core issues that touch on the 'raw nerves' of international economic relations.

The present volume by Prof. Laksiri Jayasuriya is an outstanding contribution to this entire debate. As a social scientist of wide experience he has the analytical background, the insights and the interest to weave together a narrative of the Sri Lankan story that is probably without parallel. The social, economic, political, and educational processes that have unfolded in the country over the years are described and analysed in terms of their interactions and in the light of the

author's deep commitment to equity, freedom, and progress. The book is a collection of essays and addresses presented over many years. This is, in itself, a merit because it recaptures the highlights and the concerns—academic as much as political—of the five decades that have gone by since Independence. But the spotlight is not exclusively on Sri Lanka. Developments elsewhere, and in the academic arena in particular, are also subjects of scrutiny and analysis enriched by the author's rich background of experience in the worlds and social science and higher education. The book is thus far more than a critical retrospect of past developments in Sri Lanka. It is a pointer to the way in which future challenges need to be faced throughout the developing world. One of its outstanding merits is the focus it puts on those dimensions of political, social, and economic change that have hitherto received too little attention in the literature on development policy and planning. More specially, it is a timely contribution towards the quest for a mutually reinforcing and integrated process of economic and social development. For all this Prof. Jayasuriya's work merits our appreciation and gratitude.

Gamani Corea

Colombo

PREFACE

This volume records the Sri Lankan phase of my academic career which was formerly terminated when I vacated the Foundation Chair of Sociology and Social Welfare at the University of Colombo in 1971 to accept an academic appointment in Australia at the University of Western Australia. I have, however, continued to maintain an abiding interest in Sri Lanka's social and political developments. My scholarly interests in Sri Lanka were fortunately reactivated in the 1980s by the award of an Australian Research Council (ARC) grant to undertake a study of comparative social policy developments in Sri Lanka, Thailand, and Indonesia. This project enabled me to initiate a study of social development in Sri Lanka in the post-Donoughmore period, i.e., since 1931. The primary objective of this research programme was to document and analyse the nature and character of the social welfare policy strategies pursued by successive Sri Lankan governments, especially in the post-independence period, i.e., 1948 onwards. Owing to my other academic and public commitments in Australia, much of the research material collected on this project remains unpublished except for one or two monographs. Some of the essays in this volume are, in fact, based on this unpublished research, others are taken from publications elsewhere and duly acknowledged.

The essays, in this volume focus on contemporary social and political developments in Sri Lanka, especially those pertaining to social welfare and social policy. In these several essays, I have endeavoured to sketch the history of contemporary social policy developments and outlined in Chapters 1-3 some of the emerging issues such as diversity and equity for the Sri Lankan welfare state. The politics of social welfare are explored in Chapter 4 in the context of Electoral politics in a post-colonial society committed to a democratic system of government. The concluding chapters canvass a theoretical rationale for social development (chapter 4) based on Amartya Sen's 'capability paradigm' and a policy framework for a new social democracy based on the "Third Way" (Chapter 6).

The notion of 'welfarism', which underlies the essays in this volume, has in recent times, following the crisis of conventional development theorising in the 1970s and 1980s, assumed special significance for the Third World. The re-emergence of the notion of 'social development' in development theorising, particularly after the *World Summit for Social Development (WSSD)* (The Copenhagen Summit) in 1996, has challenged development theorists and

practitioners as well as politicians to examine more rigorously, within the broader confines of contemporary social and economic theorising the meaning of 'social development' in all societies. The need for such a perspective has gained in momentum after the Asian currency crisis and collapse of neo-classical models of economic growth, characteristic of the Asian Tigers. The phenomenon of public squalor amidst private wealth has galvanised the aid agencies and international institutions to re-think the goals and objectives of economic growth. In this context, the Sri Lankan experience may well have considerable significance for other Third World countries, especially those in the Asian region. It is important to record that Sri Lanka has for a variety of reasons, for most part of this century, been a veritable social laboratory, providing opportunities for notable social innovations and experiments in a 'third world setting' (e.g. the adoption of universal franchise, liberal political and legal institutions, welfare statist policies etc.), Sri Lanka remains an unusual case of a 'welfare state' in a Third World context, and for this reason, has attracted much attention from development theorists and practitioners.

However, despite these pathfinding initiatives, the study of the Sri Lankan welfare state, still remains sadly a relatively neglected area of research by Sri Lankan social scientists. Barring the writings of a few outstanding Sri Lankan economists, Sri Lankan social policy developments have been researched and documented primarily by overseas scholars such as Amartya Sen, Osmani, Sudhir Anand and others. By and large, Sri Lankan social scientists have failed to focus on aspects of Sri Lankan social development, such as social policy, social welfare, the political welfare and the sociology of welfare. I trust that this domain of social inquiry may encourage Sri Lankan scholars to undertake rigorous research on contemporary aspects of Sri Lankan society, especially those which relate to the far reaching social and political transformations and structural changes of Sri Lankan society.

In compiling this volume, I recall with nostalgia and gratitude the encouragement and support that I have received over the years in Sri Lanka from many friends, colleagues and former students in Sri Lanka. My interest in social policy studies arose from my brief foray into the teaching of 'social administration' within the Department of Sociology at Peradeniya in the late 1950s and 1960s. It was this interest in social policy studies that led me to include 'social welfare' as one of the designated areas of study in the new *Department of Sociology and Social Welfare* at the University of Colombo to which I was appointed as the Foundation Professor. Given that I was by training a social psychologist, over the years I became more 'social' and learnt my 'sociology'

and ‘social policy’ at the coal face. I became a ‘generalist’ by the necessity of having to lecture on diverse topics in a small and expanding Department of Sociology, and this has stood me in good stead over the years as a social scientist. It was, indeed, a delight to have worked in a youthful, dynamic and vibrant department staffed by outstanding scholars and fortified by some excellent students (now scattered all over the world in elevated positions or placed in high positions in the Sri Lankan social and political life).

In my Convocation Address recently at the University of Peradeniya, I acknowledged the intellectual debt to the University of Ceylon (as it was then known). I am deeply grateful for having been exposed to the ‘culture’ of the Peradeniya campus; it is one which encouraged the committed but disinterested pursuit of knowledge and inquiry in the context of enriching liberal attitudes. It is my fervent hope that the essays in this volume will convey something of the spirit of inquiry and commitment to research which characterised the university community in Sri Lanka in its early years.

It would be remiss on my part if I fail to express my sincere thanks to my Australian colleagues who have assisted me in numerous ways to sustain my Sri Lankan research interests, over and above my heavy scholarly and public commitments in Australia. I trust that the publication of these essays of an expatriate Sri Lankan by an Australian University will serve to strengthen the goodwill and cordial relations that exist between Australia and Sri Lanka, especially in higher education. In this regard, I would like to express my appreciation and sincere thanks to Mr Michael Clare, Professor Jim Ife and other colleagues at the Department of Social Work and Social Policy, University of Western Australia for agreeing to undertake this publication.

I hope this volume would stimulate Australian universities and Australian researchers, particularly those in the expanding field of ‘Asian Studies’, to identify Sri Lanka as a worthwhile and attractive domain for scholarly research. As a unique post-colonial society in the Asian- Pacific region, Sri Lanka is worthy of special attention by foreign scholars drawn from a variety of social science disciplines - economics, politics, history, social policy, and sociology. Such internationally based research will hopefully provide support and encouragement for Sri Lankan social scientists, and at the same time, be of value to policy makers in matters of policy planning and development.

I am deeply grateful to Dr Gamani Corea, former Secretary-General of UNCTAD for contributing the Foreword. By virtue of Dr Gamani Corea’s distinguished contribution to the theory and practice of economic and social development in Sri

Lanka and internationally, his comments are very appropriate and greatly valued. At the same time I must also thank Dr Saman Kelegama, Director of the Institute of Policy Studies for numerous acts of help and assistance with this publication. I owe a special word of thanks to Craig Mackenzie, Manager, UNIPRINT, The University of Western Australia for his professional expertise and expediting the printing of this volume. I must also mention my appreciation of the technical assistance given by Alison Collins at UNIPRINT with the printing and the Cover Design.

Among many others who have contributed to the publication of this volume, I am thankful for the help given by Swineetha Chandrapala, Judy Grimshaw, Rosa Catalano, David Charnock, Amarawansa Elkaduwe, Ananda Jayawardana, Nanil and Anoja Jayasuriya; and also to Mr Waidyasekera, editor of publications at the Institute of Policy Studies, Colombo, for his professional expertise and help with the copy editing of the manuscript.

In publishing these Sri Lankan essays, I recall with affection and gratitude my dear parents, Walter and Soma Jayasuriya, without whose active support and encouragement I could not have entered the halls of academia and enjoyed the life of an academic. I owe a special debt of gratitude to my dear father who by his own example inspired me to pursue a life of research and scholarship, but one which was at the same time always imbued with a sense of social commitment.

Lastly, perhaps my greatest debt and thanks are due to my family, Rohini, Kanishka and Pradeep for their active support and encouragement over the years of my academic endeavours. They have been truly the silent (not always!) partners in this and my other academic activities, playing various roles as research assistants, critics or consultants. Indeed, my wife Rohini deserves co-authorship of this volume as she has, especially with her computer expertise, borne the main burden of putting together in a single volume several essays drawn from a variety of publications. In acknowledgment, I gratefully dedicate this volume to my parents, wife and family.

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SOCIAL POLICY AND SOCIAL WELFARE

‘Looking back over the past quarter of a century, it can broadly be said that remarkable progress has indeed been made [in Sri Lanka] on the social side.

But the transformation of the economy has lagged behind’.

Dudley Seers (1971)

‘Few would endorse Engel’s view that minority cultures and languages should be suppressed with "iron ruthlessness". There is broad agreement that cultural identities should be tolerated accommodated, at least to some degree in a free and democratic society ... [there are] two broad forms or models for accommodating ethnocultural diversity. One model rests on the "non discriminate principle" ...

neither supported or penalized by public policy ... [and] the expression and perpetuation of cultural identities should be left to the private sphere ... the second model ... involves public measures arrived at by protesting or promoting an ethnocultural identity [such as] language rights, regional autonomy, land claims, guaranteed representation, veto rights etc.’

Will Kymlicka (1995)

ONE **THE SRI LANKAN WELFARE STATE: RETROSPECT AND PROSPECT***

Introduction

Sri Lanka ranks as a test case in the literature on economic growth in developing nations for its unusual attempt to incorporate growth with minimum standards of welfare to satisfy basic needs, especially of the poorest. This is revealed in comparative studies which have sought to measure living standards on a range of social indicators in relation to economic development. Thus, for example, on the *Human Development Index* (HDI) which takes account of achievements in meeting basic needs such as education and health, developed by UNDP (1994), not only does Sri Lanka rank high in comparison with other developing countries, it also enjoys a relatively high standing for a country with a poor per capita Gross National Product (GNP).¹ Sri Lanka's achievement, relative to comparable countries on several social indicators (e.g., 87% literacy rate, mortality rate of 17 per 1,000 live births, life expectancy of 70 years) is remarkable, and warrants greater appreciation and understanding by policy makers, scholars and developmental theorists (World Bank 1988; Grandea 1993).

Despite these achievements, surprisingly the study and analysis of Sri Lanka's welfarism has been mainly confined to the domain of economic policy analysis. This too, barring some exceptions, has been carried out mainly by economists and developmental theorists attached to international agencies such as the World Bank, International Monetary Fund (IMF) and associated research institutes. The study of welfare as an aspect of *social* policy rather than *economic* policy (Boulding 1967) has been singularly neglected by Sri Lankan scholars as well as those overseas. 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' (Rein 1970, 4), and, is focused on the rationale, objectives and social consequences of public policies dealing with welfare — in the *how, why* and *what* of social policy. Indeed, as Titmuss (1950), one of the pioneers in the study

* This Paper is an extended version of a paper first presented at a Seminar organised by the Institute of Policy Studies (IPS) Colombo, Sri Lanka, on 9th August 1995 to mark the occasion of the 50th anniversary of the Kannangara Report on Education. I gratefully acknowledge the helpful comments of Saman Kelegama and colleagues at IPS, Gamini Fernando, and Kanishka Jayasuriya; the usual disclaimer applies.

of social policy, observed, 'social policy is concerned with social purposes', and should not be seen simply as a tool for reaching decisions.

This paper represents a foray into the relatively neglected domain of social policy analysis by looking at Sri Lankan welfare experience as the outcome of welfare state policies. As a preliminary exercise in social policy analysis, it adopts a distinctly historical perspective to the analysis of social policy in Sri Lanka. Thus, while not discounting social and cultural influences, social welfarism in Sri Lanka is seen as a legacy of its British colonial past when many of the social policies, programs and initiatives associated with welfare originated in the pre-independence period. With the exception of a few theorists who have examined the complex relationships between welfare and growth in Sri Lanka, this 'long history' (Osmani 1993) has not been properly understood and conceptualised. These historical influences are extremely important and need careful scrutiny by policy analysts as they provide an essential contextual background to understanding the logic and rationale of current policy strategies. To this end, the paper is organised around two major sections. One deals with the examination of the growth of welfarism, its rationale, policies and their overall assessment. The other, is more conjectural, employing a comparative social policy perspective. It outlines some of the theoretical perspectives currently available for the analysis and eventual restructuring of the welfare state.

The historical policy focus in the first section of the paper examines the how, why, and wherefore of social policy developments in Sri Lanka. This section identifies, in the context of the social and political development, the major factors responsible for the emergence of the Sri Lankan welfare state. Although the origins of welfarism are located in the recent colonial past (1931-48), it is suggested that the consolidation of the Sri Lankan welfare state, as a distinct aspect of co-ordinated state policy, occurred in the 1960s and was a major achievement of the social democratic parties of the Centre Left. Hence, the 'crisis of the welfare state', coincides with the decline of the social democratic state, and the coming into power in 1977 of a conservative neo-liberal government committed to economic liberalisation, an open economy, and the demise of the welfare state.

The second section briefly sketches recent developments in the analysis of welfare state policies in the developed countries of the advanced Western industrial countries with a view to suggesting alternative conceptual schema for evaluating the Sri Lankan experience of welfarism. It is argued that the lessons drawn from

recent comparative studies, though based on examples drawn from advanced Western industrial societies, may be valuable in offering the new coalition Centre Left government some guidelines for the restructuring of the welfare state by integrating the goals of economic and social development.

The Historical Origins of Welfarism

From the earliest days Sri Lanka as a British colony was a testing ground for British political ideals in a range of institutions, social and political. Hence, Sri Lanka was one of the first countries to have a jury system, grant universal franchise and introduce parliamentary institutions. Sections of the comprador elite of colonial Sri Lanka were imbued with the liberal social and political values of Victorian England and manifested a kind of utilitarianism in their social thinking. These ideals, bearing the imprint of liberal and Fabian socialist thinking were also reflected in colonial policy, as evidenced by the Donoughmore Report. The social legislation, promulgated during the Donoughmore period (1931–47), relating to child and family welfare, poverty alleviation, social security, education and health bears witness to the ways in which these ideological influences of visionary idealism of social justice and equality, influenced social and political development in the pre-independence period. In fact, much of the current social legislation is still based on these original formulations, most of which originated in the 1940s, and needs to be understood in the context of the evolution of welfarism and the welfare state in Sri Lanka (Warnapala 1987).

Foremost among the legislation introduced were several labour and welfare Ordinances enacted to safeguard the commercial interests of the expanding plantation economy promoted by the British colonial government in the latter half of the 19th century². The colonial economy which evolved in the 19th century was based on agricultural commodities such as coffee, tea, rubber and coconut and resulted in major changes in the economic and social structure of the country. Following the coffee blight of the 1890s, tea and rubber remained the mainstay of the export economy and also for much of the post-independence period well into the 1960s (Snodgrass 1966). The welfare initiatives of this period, such as those relating to labour welfare, were governed by the need of the state to bear a part of the reproduction costs of labour in the highly profitable plantation sector, especially in the tea plantations (Jayawardena 1972; Tinker 1974). The special treatment afforded to indentured Indian labour — all migrant workers recruited from South India — for work in the plantation sector was largely responsible for

'government intervention in industrial relations in Ceylon' (Kearney 1971), which led to the enactment of minimum wage legislation for Indian estate labour in 1927³. In fact, the growth of local trade unionism among the urban working class and the emergence of the labour movement may have been an unintended outcome of colonial policy relating to labour welfare; this was to be particularly important in the political development of the country. But, it was not until the early 1930s that organised labour through its association with Left parties began to make any direct impact on social and economic policy developments (Kearney 1971; Jayawardena 1972).

The semi-autonomous governments (1931–1948) under the Donoughmore Constitution of 1931, which were responsible for the grant of universal franchise, have been aptly characterised as a period of power without financial control. As foreshadowed by the Donoughmore Commissioners,⁴ the structure of the government under the new Constitution enabled the passage of much social legislation without any acknowledgement of how this package of social legislation was to be implemented in terms of social welfare programmes and services. The elected legislators were enthusiastic in recommending various economic and social measures for which they had no financial responsibility. These measures embodied in social legislation, once placed on the statute book, acquired a momentum of their own and led to further electoral pressures. This marked the beginnings of 'welfare politics' (see Jayasuriya 1995^a), and its subsequent linkage with electoral politics, which was to remain the legacy of this period of colonial rule for most of the post-independence period of Sri Lanka.

In the Donoughmore period the impulse towards social welfare manifested itself in two conspicuous directions viz: education and health; and to a lesser extent, in relation to public utilities (e.g., electricity and transport), and public welfare (e.g., social security and food subsidy) (Wickremaratne 1973). These developments, especially in the field of health care, acquired added significance by the need to mitigate the disastrous social effects of the Great Depression of the 1930s, which were compounded by the severe drought in the mid 1930s and the malaria epidemic. The response of successive Donoughmore governments to these adverse social and economic circumstances was contained in a number of official Reports, viz. the Newnham Report (1936) and the Wedderburn Report (1934) modelled on the UK Royal Commission style of inquiry as well as being influenced by Fabian models of social administration. These two Reports are significant for social policy development because they represent the first systematic attempt in Sri Lanka to

quantify the problems of poverty and unemployment and prescribe remedial measures. The Wedderburn Report, in particular, laid the groundwork for a system of welfare relief characteristic of the British Poor Law of the 1920s and was responsible for the introduction of the Poor Law Ordinance of 1939. This poor law orientation to poverty alleviation by providing social assistance and relief for the needy and destitute continues to dominate welfare policies to the present day. In another important Government Report, the Corea Report (1937), the problems of unemployment were subject to further scrutiny and transitional measures were recommended to deal with social distress created by the breakdown of family based support systems. These policy responses to poverty tended to regard social distress as an individual problem remediable by the allocation of social assistance.

Social assistance schemes based on the Poor Law ‘principle of less eligibility’ exemplify a selectivist approach to poverty alleviation (i.e., as a safety net for those most in need) which has influenced the manner in which welfare and income maintenance has been handled by nearly all governments in the post-independence period. This approach is still evident even in the more sophisticated policy responses of the post 1977 period, and, as Midgley observes, these schemes⁵ are:

descended from poor law principles in European states’ 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 (1984, 3).

Social welfare policies by 1947, though accorded low priority during the war period (1939–45), except for the decision to provide a food subsidy for the whole country, were responsible for the expenditure of just over 50% of total government revenue. Rice and flour were rationed during the war period and sold at controlled prices to stabilise the cost of living. The food subsidy which originated as an emergency wartime measure of public welfare, was destined later to become an institutionalised welfare measure of considerable social, economic and political importance. The food subsidy which as a wartime welfare measure led to the formation of the universalist character of Sri Lankan social policies reflects the rationale and philosophy underlying the expansion of welfare services in wartime Britain, namely, the need to make these policies ‘free of social discrimination and the indignities of the poor law’ (Titmuss 1950, 506), and to share social risk more broadly. The universalist character of Sri Lankan social policies was shaped by the universalist policies adopted in Britain in relation to health, education and income maintenance policies.

In Sri Lanka, the food subsidy, the single most important item of social expenditure in the Sri Lankan welfare state, varying between 4% and 5% of GNP during the period 1970–81, came to be regarded as the principal anti-poverty measure of all post independence governments until 1977, acquiring a special status in the whole scheme of welfare. For one thing, the food subsidy established the principle of material benefits, i.e., the provision of goods and services as the preferred policy strategy for achieving social goals of welfare such as income maintenance until it was radically changed with the resort to cash benefits or their equivalents such as food stamps in the post 1977 period. As we shall see later, this represented a sharp break with historical practices of Sri Lankan welfare policy and introduced a new welfare regime based on a selectivist policy and the targeting of welfare for those most in need.

The Evolution of the Sri Lankan Welfare State (1948–94)

Three Pillars of the Welfare State

It is generally accepted that the essence of the 'welfare state', as it has evolved in the industrial societies of the West, consists in 'government protected minimum standards of income, nutrition, health and safety, education and housing are assured to every citizen as a social right' (Wilensky et al. 1985, 1). The core programs and services of the welfare state differ from country to country, and in the case of Sri Lanka, it is clear that the 'welfare state', as a co-ordinated institutional system emerged only in the 1960s and 1970s under several social reform oriented coalition governments of the period.⁶ There is no doubt that the roots of the Sri Lankan welfare state dates back to the welfare initiatives of the pre-independence period (1931–47) and, the foundations of the Sri Lankan welfare state, comparable to the 'three pillars of the British welfare state' (Marshall 1973),⁷ may also be said to exist in three major social documents and Acts, relating to education, health and social services.

In this sense, the 'three pillars of the Sri Lankan welfare state', exemplifying collective action for social welfare, are represented by the *Education Act of 1945* (Kannangara Report 1943); the establishment of the *Department of Social Services*, 1948 (Jennings Report 1943); and the *Health Act of 1953* (Cumpston Report 1950). The implementation of these Reports in public policy terms established firmly the principle of collective provision for common human and social needs through state intervention. The importance attached to social welfare

initiatives arising from these Reports in the early days of independence is revealed by the fact that during the first two decades of independence (1948–68) the public expenditure on education, health, transport and food subsidisation and public welfare assistance amounted to approximately 40% of total public expenditure or 10-12% of Gross Domestic Product (GDP) (see Jayasuriya et al. 1985; also Marga 1974).

First and foremost, the Kannangara Report (1943) adopted a bold and radical approach to social policy by recommending a system of *universal* and *compulsory* free education from the Kindergarten to the University. This laid the foundations of Sri Lankan welfarism firmly in state based universalistic social policies, which remained a notable feature of the Sri Lankan welfare system until the radical policy shifts of the post 1977 era. The introduction of free education was not only the basis of the welfare state; by providing a degree of social mobility, it also ranks as the single most important determinant of the social and political transformation of Sri Lankan society. This unique and memorable Report, now lost in the dim mist of social history, outlined what the erudite Left wing politician, Dr N.M. Perera, in defending the proposal for free education from the kindergarten to the University, described as ‘amazing ... revolutionary objectives’ (Perera 1944). The Report, Dr Perera points out, state that among the objectives sought by this far reaching proposal 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 as none of these things can be fully realised without mass education we are of the opinion that free education must come first and foremost (Perera 1944, 5).

The national system of education that evolved in the 1960s stems directly from the Kannangara Report (1943), which is undoubtedly the main pillar of the Sri Lankan welfare state. Other educational reforms, all of which relate to the establishment of a national system of education, such as changes to the medium of instruction in education from English into Sinhalese and Tamil, establishment of state run Central schools in all provincial towns, the take-over by the State of denominational schools, and the expansion of higher education,⁸ were a direct and inevitable consequence of the social and political pressures arising in particular from the introduction of universal and compulsory free education (Jayasuriya 1969).

The language policies of the post-1956 era are also clearly linked with the political pressures arising from earlier educational reforms; but whatever their later consequences, these policies were politically and electorally a predictable outcome of the earlier far reaching educational reforms. However, it is questionable whether the goal of equal educational opportunity — in terms of guaranteed access to education as a public good equally available to *all* citizens — was achieved. There is a great deal of evidence (e.g., Jayaweera 1977a; 1977b) to show that the egalitarian objectives of these social policies in terms of distributive justice outcomes were only partially achieved.⁹ These policies were also highly significant because of the mobility created by these policies for significant social groups to move into occupational areas previously monopolised by landed upper classes. Following the introduction of the new economic policies of the post 1977 period, the social justice rationale of these policies as regards distributive justice and mobility has become more and more problematic (UNICEF 1985).

The Jennings Report (1947) on Social Services, unlike the Kannangara Report (1943) was essentially an academic exercise in social analysis, planning, and reporting, which did not get translated into identifiable social goals to be pursued by selected programs and services.¹⁰ Its main architect, Sir Ivor Jennings — a leading constitutional theorist, and later Vice Chancellor of the University of Ceylon and Cambridge University — was greatly influenced by the Beveridge Report and British thinking about social welfare.¹¹ The Jennings Report examined the questions of social policy relating to social security, especially unemployment, financial distress, old age and disability and destitution, and endeavoured to formulate its policy responses to these issues in the context of the Sri Lankan economy. The main recommendations of the report centre around the adoption of several social insurance schemes (e.g., health and unemployment and a national provident fund), all of which were to operate as contributory schemes based on employer and employees' contributions, again, an idea borrowed from Beveridge and the UK. But, Jennings warned that the income maintenance programmes recommended in the Report were costly and suggested that their implementation should be delayed. These insurance schemes were targeted mainly on the wage earning sector, i.e., urban middle class (approximately 6% of the population) and working class, and as a result, they had little relevance for the vast majority of the people, i.e., those living in rural areas.

In retrospect, it is clear that the Jennings Report was a conservative social document which in many ways hindered the subsequent implementation of social

security programs in Sri Lanka, and was responsible for the failure of the Sri Lankan welfare state to become a guarantor against social risks such as those arising from unemployment, sickness, disability, and old age. In brief, what evolved later, following social policies evolved under successive Centre Left coalition governments of the late 1960s and 1970s, was a highly limited scheme of social security based on employer-employee contributions targeted solely on the wage earning public sector.

The main beneficiaries of the limited social security that prevailed in Sri Lanka, particularly through the Employees Provident Fund (EPF) established in 1958 and covering all private and public firms, were the urban working class and public employees. Pension provisions exist only for the organised public sector employees.¹² In addition to the EPF, the wage earning working class, also benefited from labour welfare measures such as industrial safety and hygiene, workers' compensation, retirement gratuities and death donation schemes (see Jayasuriya et al. 1985). However, as regards the poor (urban and rural), social security and income maintenance was to be achieved mainly through a more equitable distribution of income and other resources as well as the income support gained from the food subsidy. The food subsidy, costing the government nearly 20% of all public expenditure or 5% of GNP, should therefore be rightly regarded as a significant income supplement. There were also several forms of social assistance and relief programmes such as drought and flood relief for those in rural areas and for the poor and needy.

The third pillar of the Sri Lankan welfare state relates to the health services. Here, the key document is the Cumpston Report (1950), which led to the *Health Services Act* of 1952. Dr 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. In Australia, Cumpston was 'a central figure in the development of collective responsibility for health care on a national basis' (Thome 1974, 348), i.e., the belief that health services should be readily available to all people. Although this Report was not as significant for the reform of the health services as the Kannangara Report was for educational development, it was, nevertheless, highly influential in the formulation of key social policy decisions relating to health care, especially in the allocation of resources and the organisation of the delivery of health care services. Admittedly, the basic policy framework for health care was already well established as a result of the progressive introduction of

Western medical services through a wide network of free medical institutions, including manpower for the health sector. For example, the formal training of doctors had started in 1870, of nurses in 1878, and the first health unit was established in 1926¹³ (see Uragoda 1987; Gunatilleke 1985; Carpenter 1988). This should however, be qualified by recognising that Western medicine existed alongside a well developed system of indigenous medicine (Ayurveda and Unani) which served, in particular, the medical needs of large sections of the rural population. This was especially significant in the treatment of mental illness where 'traditional practices are more widely accepted' (Carpenter 1988,71). In fact, the attempt to integrate these two systems of medicine was a welfare initiative of the Centre Left reformist governments of the post-1956 era (Simeonov 1975).

The major achievements of the Cumpston Report were threefold: the abolition of private practice for doctors in the state sector; enabling the development concurrently of preventive and curative services; and, setting out the rationale for an equitable universal health service as a matter of right. The most significant recommendation of the Cumpston Report was the abolition of private practice for doctors in the public sector. Cumpston was emphatic on the need to abolish private practice and argued that:

Upon no principle of which I am aware can the government 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 that exclusive group in a position to pay (sometimes large) fees (Cumpston Report 1950, 9).

This policy recommendation, fully implemented in 1972 (the 'Channelled Consultation' scheme of 1964 for specialist doctors in public service was only an intermediate step) was regarded as being central to the establishment of a state-funded system of national health care based on principles of equity and justice.

The Social Services, Housing and Public Utilities

Besides the social programmes and services arising from these three Reports, the other important aspects of the Sri Lankan welfare state relate to: *Housing, Public Utilities* (e.g., transport, water, posts and telecommunications, and electricity), and the *Personal Social Services* catering to the needs of disadvantaged and vulnerable groups (e.g., aged, disabled, handicapped children and youth, needy families, sick and injured). The latter are 'personal' in the sense that these services tend to be individualised and involve a relationship between the provider and the beneficiary of the service. These services are recognised as a disparate category with

amorphous boundaries and variously classified as care services, treatment programs or information services (see Rein 1970).

The housing sector was relatively neglected in the early days of the Sri Lankan welfare state and confined to the regulation of the rental markets (e.g., Rent Restriction Ordinance of 1942, and the Rent Act of 1948 which went through several amendments before radical changes were introduced by the 1972 Act to limit landlordism). There were also minor benefits through taxation and government assistance, all of which were confined to urban housing, mainly for middle and lower-middle income earners (Marga Institute 1986). The ceiling on residential ownership introduced in 1973 was perhaps the most significant housing policy measure before this sector was drawn more directly into the orbit of social welfare as a result of significant policy developments in the post 1977 period.¹⁴

The public utilities (water, transport, electricity, sewerage, etc.) were by nature universal and not limited by economic status.¹⁵ Welfare analysts in advanced industrial societies tend to regard this sector differently, and consider the users of these services as consumers rather than as welfare beneficiaries. However, in the context of a developing country, services associated with public utilities have a redistributive impact and are entitled to be regarded as belonging to a package of universalistic welfare services. Though in reality transport was an aspect of economic policy, it contained important social welfare policy overtones such as improved access to other welfare services. With the nationalisation of road passenger services and port of Colombo, transport formed part of the package of the social and economic reforms initiated by the reform oriented coalition government of 1956.

The personal social services however, remain the most neglected area of the Sri Lankan welfare state (Jayasuriya et al. 1985). As in most other developing countries, these services, despite the strong commitment to social welfare in Sri Lanka, are catered primarily by the informal system of family networks, subject to supplementation by acts of private charity and the voluntary effort of non-government organisations (NGOs). There are 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. The important role played by NGOs in relation to services for the physically disabled, the blind, deaf, and intellectually retarded, was recognised by the establishment of a Central Advisory Council on Social Services in 1946.¹⁶ More recently, legislative provision was made in 1980

to ensure the accountability of NGOs, including those personal social services, by requiring the registration of NGOs seeking access to public funds, or those channelled through foreign aid or international agencies.

Despite the active role played by the social service movement, which was closely linked with the nationalist movement (see Jayawardena 1972) of the early part of this century, in promoting social reforms, in more recent times voluntary organisations have rarely taken an advocacy role on behalf of disadvantaged and powerless groups. By and large, they have been reluctant to act counter to the self interests of the membership of these organisations drawn largely from the affluent middle class and religious bodies. A notable example of this is found in the complacent attitude of Sri Lankan middle classes to child labour, child cruelty and child domestic servants. No significant inroads have been made into this problem despite the social legislation designed to regulate these social practices and the good intentions and generosity of voluntary workers. Regrettably, private charity often tended to legitimise social practices such as child labour (Jayasuriya 1968). This incidentally stands in sharp contrast to the campaign against unfair labour laws waged by the Social Service League in 1915.

During the early days of welfarism, public welfare was conceived as a form of social care performed by two main government departments, viz., (a) *the Department of Social Services*, established in 1948, following its recommendation by the *Jennings Report (1947)*; and, (b) *the Department of Probation and Child Care*, established in 1959, following the *Hamlin Report (1957)* on Children's Services. Because the recipients of services offered by government departments tend to be devalued and stigmatised these public agencies failed to function as professional social welfare agencies staffed by qualified staff (e.g., social workers) and catering to specific client needs. For most of the recent past, forms of organised public welfare services remained minimal and functioned as non professional regulatory agencies and organisations rather than engaging in service delivery.

One of the main functions of the Department of Social Services was to provide for the national administration of schemes relating to the Poor Law Ordinance of 1939, social security schemes, and a range of personal social services (e.g., services for the aged and infirmed, disabled and handicapped). The Department, in managing the implementation of social assistance schemes, was responsible for making relief payments for designated groups (e.g., those suffering with

tuberculosis and leprosy, widows, aged, and disaster relief). Since 1984, it also has been given responsibility for the administration of the Workmen's Compensations Scheme. The main responsibility for the provision of welfare services for children and young people was vested in the Department of Probation and Child Care — another social policy initiative of the 1956 social reformist era. This department was mainly concerned with the treatment and rehabilitative functions arising from the administration of the juvenile justice schemes, especially the Children and Young Persons Act and the Vagrants Ordinance, the Orphanages Ordinance (1941) and the Adoption Ordinance (1941).¹⁷ Since 1975, this Department has also taken over from the Department of Social Services responsibility for supervising pre-school services (e.g., crèches and early childhood education programmes in the urban and rural sectors).

The personal social services of the Sri Lankan welfare state are, by and large, a patchwork of remedial services organised and maintained by the voluntary sector with some limited state assistance. The organised public welfare services providing for the problems of individuals in categories of special need resulting from such factors as incapacity due to illness, injury, disability or old age, are very limited and, where available, many of these are located in the capital city of Colombo or one or two large urban centres like Galle and Kandy. Here again, we note the urban bias of the welfare system in that the needs of the non wage earning sector, the predominantly rural population, which constitute the bulk of the population are totally neglected by the formal and informal welfare sectors. The role of the state in relation to the personal social services has been that of a reluctant caretaker exercising regulation and control over others providing care and services and in assisting with emergency care and assistance.

The adverse effects of these policies on the rural population were to some extent compensated by the package of rural policies introduced in the post 1956 era, such as liberal credit facilities, land reform and rural amenities, including housing, all of which were beneficial to sections of the rural peasantry (Marga 1974; Richards & Gooneratne 1980; Jayasuriya 1981; Moore 1985). These policies, introduced by the Centre Left coalition governments of the 1960s and 1970s, in addition to their economic rationale and consequences, helped to consolidate the Sri Lankan Welfare State within an institutional framework of a package of economic and social policies targeted regionally and sectorally.

However, the main beneficiaries of these rural policies were 'the new wealthy groups in village organisations [who were able to] deploy capital more effectively

than others to maximise returns in agricultural operations ... [and exert] influence on the performance of all village level organisation' (ARTI 1975). Importantly, these rural policies which had both economic and welfare components were also important for the predominantly rural population of the Jaffna peninsula, who were greatly dependent on the production of 'minor food crops, including bananas, tobacco, vegetables, potatoes, onions, chillies and fruit' (Moore 1985, 108). The predominantly rural Jaffna Tamils who were disadvantaged by the educational reforms in the post-1956 era (not just language policies but also others such as district quota admissions to universities, standardisation of marks, etc.) welcomed these rural policies as they offered some monetary compensation for the economic losses they suffered by becoming less competitive in the labour market, especially in the professions and the public sector. This was particularly significant because, as Tambiah points out, the representation of the Tamils had 'always been proportionately higher than their demographic size' (1986, 78) in the public sector which they had come to regard as the main source of employment for Tamil youth.

Moore (1985) underscores this by arguing that 'it is the Jaffna Tamils who have borne the material brunt [of] the "Sinhalaisation" of the state in both symbolic and material terms' (1985, 196). 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 liberalisation 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 Jaffna district fell sharply and caused extreme hardship (Moore 1985). This, therefore, suggests that in part, the ethnic accommodation of the immediate post independence period was to a large extent held together by the operation of the Sri Lankan welfare state.

In summary, we note that the conventional model of the Sri Lankan Welfare state, based on the foundations of the welfarism that emerged in the pre and post independence period (1932–56), were consolidated only in the post 1956 period by several Centre Left governments (1956-60 and 1960-65) (see Government of Ceylon 1963). The Sri Lankan welfare state which emerged in the 1960s as a result of the reformist policies of the post 1956 period was characterised by the following distinctive features:

- a) universalistic social policies in the field of health, education, subsidised food as an income supplement, and the public utilities, including transport;

- b) an income redistributive rationale for a high percentage of social expenditure relative to GNP (approximately 10-12% of GNP);
- c) absence of schemes of institutionalised social security and income maintenance;
- d) poorly developed selectivist 'personal social services', heavily reliant on private charity, benevolence and non professional human services;
- e) a pronounced urban bias in the delivery of most welfare services and benefits; and,
- f) a package of compensatory rural policies

The Crisis of the Welfare State (1970–94)

In many respects the Sri Lankan welfare state, both economically and politically, was an outgrowth of the colonial political economy of Sri Lanka. Economically the prosperous plantation sector provided the resources for the financing of the growing array of welfare services. Politically, the introduction of universal franchise and a competitive electoral system in the 1930s laid the political foundation for the compensation of the mobilised urban working class and the non plantation rural sectors by the influential middle class elite (Marga 1974). This historical pattern of social welfare which prevailed well into the early 1970s was based on the redistribution of the financial surplus appropriated from capital and labour in the plantation sector.

This economic ethos of the post independence period began to change during the 1970s due to the intractable economic problems facing Sri Lanka, especially galloping inflation, high unemployment and a stagnant economy (see Gunatilleke 1993). The growth of the economy had slowed dramatically (from 2.7% in 1973–75 as against 4.8% 1965–69) and a current account deficit running at nearly 4% of Gross Domestic Product (GDP). Interestingly, these characteristics — e.g., stagflation, large scale unemployment, fiscal crisis of the state, and breakdown of Keynesian forms of intervention — were also features of the 'crisis of the welfare state' in advanced industrialised countries (Mishra 1984; Offe 1984). As one writer put it, when foreign exchange reserves were depleted in the 1970s and the terms of trade turned against Sri Lanka, 'the fiscal burdens of a humane pattern of development came home to roost' (Herring 1980).

Although the gravity of the crisis of welfarism in Sri Lanka became apparent only after the introduction of the new policies of economic liberalisation in 1977, it was clearly evident when, in order to reduce fiscal deficits, social expenditure began to

be curtailed between 1971–77 (Jiggins 1976). Thus, for example, in 1972 the food subsidy was means tested for the first time and the free rice ration was withdrawn from income taxpayers and dependants (approximately 10% of the population). Ironically, these measures, resulting in the reduction of food subsidy and severe cuts in welfare expenditure, were introduced by a Centre Left government which included left wing ministers who had themselves played a key role in the consolidation of the welfare state in the 1960s.

However, the neo liberal conservative United National Party (UNP) government of 1977 seized upon the economic crisis to dismantle the welfare state and introduce a new economic regime based on economic liberalisation and an export led open economy. Although the argument that the growth debacle of the 1970s cannot be attributed to welfarism is highly contested (see Osmani 1993), it helped to generate the new economic policies leading to a dramatic shift in the philosophy and direction of welfare policies (Kelegama 1992; Gunatilleke 1993), especially by introducing a selectivist, targeted approach to welfare. These policies also importantly encouraged the commodification of the social ‘goods’ in relation to public utilities, social welfare, health care and education. Welfare expenditure as a percentage of total government expenditure fell from an average of 40% (10% of GNP) in the 1970–77 period to 11% (4% of GNP) in 1981. Most of this reduction is represented by the almost complete withdrawal of the food subsidy which was approximately 16% of total expenditure to 1% in 1981 (see Jayasuriya et al. 1985). This was also associated with a reduction of consumer subsidies on sugar, flour and petroleum products. Initially in 1978, the limited eligibility scheme reduced the beneficiaries of the food subsidy scheme by 50%, but this was subsequently further curtailed by a fixed value food stamp scheme introduced in 1979. This further strengthened the residualist approach to public welfare, i.e., as a safety net for the needy. In short, the crisis of the welfare state can be traced to the decline in the growth strategies that underpinned the economy in the post independence period (Jiggins 1976).

While the social policies introduced by the new policy regime of 1977¹⁸ indicate an abandonment of an ideological commitment to welfarism and a move towards the gradual dismantling of the welfare state, there is no question that the economic crisis was regarded as being responsible for the drastic curtailment of welfare expenditure. But the real motive force for these new policies was the new ethos of *laissez-faire* growth, inspired by the ideology of economic rationalism, and the practice of the free market economy to maximise investment — the main means of

income and employment generation — decreed by the international aid agencies such as the World Bank and IMF (see Lakshman 1986; 1989). The overall strategy adopted altered the policy mix of welfare and growth in favour of the growth and market oriented safety nets in accordance with the Structural Adjustment Programmes (SAP) of funding agencies such as the World Bank, all of which required significant reductions in public expenditure on social welfare by encouraging private capital to deliver social services (e.g., in education and health) and the adoption of residual welfare programmes such as the food stamp scheme. Thus, instead of public provision of services, the intention of the new policy ethos was to use the market as a mechanism for distributing services. In other words, the objective was privatisation.

The increased privatisation of welfare was most evident in the public utilities, particularly transport and the health care field. In the service sector (public transport) from 1978 onwards private sector competition was encouraged alongside state run road passenger services and this was subsequently followed by total deregulation and privatisation in 1990-91. The health care services witnessed partial privatisation with the expansion of private medical services, the growth of private medical practice for government doctors and the deregulation of the pharmaceutical industry (for the latter see Wijesinghe 1991). Likewise, in general education (see Government of Sri Lanka 1981) as well as higher education the public-private mix became diluted in favour of the private sector. The encouragement given to the establishment of a private medical school was perhaps the most visible example of this move towards privatisation of education and more generally of the social services (Rupasinghe 1985).

The food stamp scheme, which replaced the food subsidy, encouraged with direct subsidies individuals to use market mechanisms to meet their food needs. The new policy strategy was a 'form of cash transfer to low income groups' (Ministry of Plan Implementation 1981, 3), and served as a model policy instrument which encouraged the use of 'cash benefits' in the form of vouchers or stamps as a means of targeting resources on designated groups such as those considered to be below a designated income level (the poverty yardstick). Although surprisingly, in determining eligibility (i.e., income less than Rs 300 per month per household) by 1981, over half the population was estimated to be below this poverty line. One of the major shortcomings of the food stamp scheme was its adverse nutritional implications (see Sahn 1987; 1988) because the real value of the food stamps was drastically reduced by galloping inflation during the period 1978-88. It has been

estimated that approximately 5-10% of children below 5 years suffer from acute malnutrition (Gunatilleke 1982; Jayasuriya et al. 1985), and this in turn has been linked with a high child mortality rate (45 deaths per 1000 children under 1 year of age).

The residual/selectivist policy strategy of food stamps was subsequently expanded in 1989 to include a more broad based welfare programme known as the 'Janasaviya Scheme'. This was largely because of the failure of 'trickle down' as a means of poverty alleviation. This new programme, including a skills development plan and increased welfare expenditure — contrary to SAP criteria — was intended to enhance the quality of life of the poor by the grant of financial assistance. For this purpose, those selected under this programme were provided family allowances of Rs 2,500 per month to each family as a self-help economic measure intended to provide material incentives for personal betterment through income generating activities. The self-help element in this programme of micro enterprise development was consistent with the entrepreneurial ideology of a liberal market economy. In fact, the programme provided, albeit highly limited, access to the market rather than mobility through education and enhanced employment opportunities that was the distinguishing feature of the early welfare programmes.

Although the targeting objective of the Janasaviya Scheme was a fiscal measure designed 'to ensure the greatest *economy of resources by withholding* public support for less vulnerable groups' (Dreze & Sen 1989, 105), there is, however, little evidence that the intention of targeting was 'to provide redistribution by concentrating public support exclusively on' (p. 105) the most disadvantaged groups. This new philosophy of welfare, including its strong entrepreneurial self-help rationale, was clearly non redistributive. But it was somewhat ironic in that the main advocate of this new philosophy was none other than Mr J.R. Jayewardene, the leader of the new regime, who as first Minister of Finance in 1948 in independent Sri Lanka, justified expenditure of nearly 10% of GNP on social services in 1948 by stating that welfare was not a means of creating wealth but a question of redistributing it from the haves to the have nots!

In summary, the new approach to welfare during the post 1977 period was marked by:

- a) a significant reduction of social expenditure, including food subsidy;
- b) the gradual abandonment of investment in universalistic social policies and programmes; and the adoption of a selectivist residual strategy of welfare by targeting resources primarily on those in greatest need;
- c) the departure from a redistributive justice strategy of income distribution;
- d) the promotion of the privatised welfare, e.g., by the encouragement given to the delivery of social services on a commercial basis; and,
- e) an increased emphasis on modernising the rural sector through social programmes such as rural housing and electrification.

The Balance Sheet on Welfarism in Sri Lanka

A proper assessment of the welfare policies and practices of the past four decades, should, as we have argued, be undertaken within a historical perspective. In looking at the Sri Lankan state experience, the first question that arises is: why did Sri Lanka pursue the course it did in developing a welfare state?. Was it politically motivated, a planned process, incremental policy of social reform, an ideological commitment to socialism, or simply a result of the diffusion of ideas, the contagious demonstration effect of the British welfare state philosophy and liberal [social] political philosophy? Whatever the answers to these questions, it could be argued that the Sri Lankan welfare state, as it emerged in the late 1950s and 1960s, was an outcome of three major factors:

- a) the grant of universal franchise and the political mobilisation of significant groups in a competitive electoral system;
- b) the favourable economic conditions that created a significant surplus from the plantation sector; and,
- c) the ideological influence of Centre Left parties¹⁹ committed to centralised planning, state control and distributive justice.

The Sri Lankan welfare state at its peak in the 1960s was clearly an adaptation of the Beveridge style of welfare state of the UK (Marshall 1975) practised in a developing country, within a social democratic political order committed to welfare as a means of achieving a measure of distributive justice, in particular, ameliorating poverty, and maintaining — if not enhancing — the productive capacity of the nation. As in other welfare states, one of the political purposes of the Sri Lankan welfare state was that the social services (e.g., health, education

and nutrition) constitute a 'residual function of government' (Rein 1970), i.e., it was a burden carried by the productive sector of society. Thus, there was a clear legitimising function to the welfare policies of the pre-1977 period., viz., the need to mitigate the adverse consequences of capitalist expansion in a dependent colonial economy. Stated differently in the wider context of Sri Lankan politics, the package of welfare policies may be seen as a means of compensating the urban and rural middle classes from the resources generated by the plantation sector. There is no doubt that welfare policies²⁰ also had other political objectives in Sri Lanka such as patronage disbursement in clientalist politics (Jayantha 1992) minimising the tensions created by slow growth, an expanding population and increasing poverty, as well as to gain electoral advantage by policies promoting a measure of greater equality and increased social mobility.

The evaluation of the Sri Lankan experiment on welfare has been confined largely to an aggregate analysis of the consequences of welfare policies on living standards and economic growth. These macro analyses pertaining to growth, welfare and living standards have been carried out mainly by international agencies such as the ILO, IMF, the World Bank and development economists. These theorists have sought to examine, in terms of a range of welfare indicators pertaining to such aspects as health, education and fertility, the impact of Sri Lankan welfare policies on growth (Bhalla 1988; Isenman 1980; Sen 1981; Anand & Kanbur 1991). There is near unanimous agreement among these analysts that Sri Lanka offers a unique example of a country with a very low per capita income committed to interventionist policies, which has improved its living standards to an extent greater than those attained by comparable countries (Osmani 1993).

However, there is some disagreement as to whether the Sri Lankan case is exceptional, and more importantly, whether the commitment to welfare retarded growth (Kelegama 1987; Moore 1990; Osmani 1993). The disagreements on this issue (e.g., Sen 1981 vs Bhalla 1988) are partly due to differences in methodology adopted by analysts (Kelegama 1987); and, for this reason, Kelegama argues that Bhalla's analysis 'is defective ... from an econometric point of view' (1987, 3). Kelegama (1987) concludes by supporting Sen (1981) and Isenman (1980) that direct forms of welfare²¹ have been singularly effective in improving living standards. This controversy highlights the complexities of the broader issues relating to welfare and growth argument which are brought to the fore by the Sri Lankan experiment of growth with equity.

Osmani (1993), in a searching and definitive review of this controversy among development economists about the relation between welfare expenditure and growth (Bhalla & Glewwe 1987; Pyatt 1987; Isenman 1987; Bhalla 1988; Dreze & Sen 1989) demolishes, in a tightly argued essay, the various arguments used by the critics of Sri Lanka's welfare policies using aggregate data, who maintain that: a) a growth led strategy would have been more effective in improving living standards; and, b) welfare has retarded growth. Following a sustained and rigorous analysis, Osmani concludes that:

the general lesson that one can draw from Sri Lanka's experience is that even a poor country can bring about rapid improvements in the living standards of its people by adopting a judiciously designed welfarist strategy and further that the pursuit of rapid gains in this manner need not involve a conflict with growth and hence need not entail a loss of welfare in the long term (1993, 142).

While agreeing with Osmani's (1993) impeccable analysis and conclusion that 'a truly impartial jury must return [a] verdict of not guilty' (1993, 35), on the question of whether welfare has hindered growth, in evaluating the Sri Lankan welfare experience, it is still important to ask who were the beneficiaries of these policies. It is clear from the available evidence based on disaggregated data that, despite a greater measure of equality in income distribution (see Central Bank of Ceylon 1973, 1983; Jayawardena 1974; Alailima 1978, 1984) and an improvement in overall living standards, achieved as a result of welfarism, there still remain glaring inequalities, some of which are a direct outcome of the manner in which welfare policies were implemented (e.g., regional inequalities). There is substantial research evidence to show that the beneficial effects of welfare have been unequally distributed among different segments of the Sri Lankan population (Alailima 1978; 1984). The poorest segments, especially the rural poor (Lee 1977), have seen little change in their overall status; and furthermore, Alailima (1984) has shown convincingly that existing inequalities did not decrease by the margins suggested by the data on income distribution. As Alailima observes:

On balance, the poorest have not benefited as much as they should have because they did not have the purchasing power to obtain and retain a proportionate quality of these goods. Those who benefited most were the middle and upper income groups, particularly in the rural and estate sectors (1984, 24).

The above observations of Alailima are confirmed by the striking inequalities such as those relating to health status, malnutrition, and literacy which became evident when the data on income distribution are disaggregated by sectors and income groups (Central Bank of Ceylon 1978, 1984). On the basis of these findings, it has been suggested that the main beneficiaries of welfarism in Sri Lanka have been the

middle income segments which may be identified as the 'intermediate class'²² (see Shastri 1983; Jayasuriya 1981). The notion of the *intermediate class* is based on Kalecki's (1972) conceptualisation of the intermediate regime, which emphasises the political dominance of an alliance of the lower middle class or petite bourgeoisie and richer peasants. This class fraction, in the Sri Lankan context is comprised of the urban middle class, made up mainly of professionals and public sector employees, the trading class and the rich peasants, who have benefited greatly from the compensatory package of rural policies. Interestingly, this consequence of welfarism is analogous to the middle class capture of the welfare state in Britain and Europe, and warrants closer scrutiny (Le Grand 1982).

The architect of economic liberalisation in the period 1977–94, and the dismantling of the welfare state, Mr J.R. Jayewardene, the first President of Sri Lanka, in one of his grand utterances decreed that his government was destined to 'let the robber barons in' - and so he did! In so doing, he and his government committed the country to full scale development with foreign aid and private capital. An inevitable policy consequence of this new approach to development was the denigration of public intervention committed to the pursuit of social goals, especially social welfare objectives (Moore 1990). As suggested earlier, there is sufficient evidence to show that this era of neo liberal IMF orthodoxy of laissez faire capitalism, despite accelerated economic growth and a fall in rates of unemployment, has been highly inequalitarian.

Dunham & Kelegama (1993), in a review of the economic and social impact of these policies in the period 1977–83, observe that by the middle of the 1980s there was a growing body of evidence to suggest that the country's growth rate was accompanied by a persistent level of high unemployment and deteriorating standards of living. They go on to add that:

On the ... limited evidence available suggests that the benefits of reform were distributed unequally, heavily concentrated amongst the top 10% of all income receivers ... half a million out of a total employed population of about 5 million (UNCEF 1985; Jayawardena et al. 1987; Lakshman 1989). There was also evidence of a deterioration of real incomes of the poorest deciles, and of reduced caloric intakes significantly depressing nutritional levels (Jayawardena et al. 1987; Sahn 1987). More ruthless cuts in welfare expenditure would have had a high political cost (Dunham & Kelegama 1993, 13).

This is further confirmed by Cornia & Stewart (1988) who note that the adjustment policies associated with economic liberalisation

have also been associated with declining real wages and rising malnutrition in rural areas. Some of the progress achieved in increasing participation in education in the 1970s seem to have been halted, and possibly reversed. In the health sector, there has been rising investment in new buildings and sophisticated equipment, but morale and possibly standards in basic health services have fallen with restricted recurrent expenditures and increasing private practice. In the 1950s and 1960s, Sri Lanka was spectacularly successful in meeting human needs. With very low per capita income, literacy was high, and life expectancy near developed country levels. This achievement is being undermined by the policy of changes of recent years (1988, 122)

This general conclusion is borne out by Lakshman (1986; 1989) who after a careful analysis of the relevant data observes that 'there is no doubt at all about growing relative inequality in society after 1977' (1986, 31). Similarly, Jayawardena et al. (1987) observe that the greater distributive equality, measured in terms of income distribution, achieved during the period 1953–73 was reversed during the period 1977–82. They also make the interesting observation that the deterioration of incomes was greatest in the case of the urban sector except for the high income earners in the urban sector, mainly the business class, who had benefited from the new economic policies of the 1977 regime. But, as Lakshman points out, 'no serious effort has so far been made to examine the question of who are the real beneficiaries of the existing aid regime' (1986, 34), i.e., after 1977. Clearly, the evidence pertaining to the overall balance sheet on the Sri Lankan Welfare State is still meagre and incomplete, and awaits a more rigorous definitive assessment, especially for the period 1977-94 which witnessed the gradual dismantling of the welfare state. More generally, the Sri Lankan experiment in welfare and growth has served to highlight some of the complex conceptual and methodological issues surrounding the examination of the relationship between economic growth and social development (Newman & Thomson 1989).

Reconstructing the Welfare State

Comparative Studies and the Search for a New Paradigm

The new Centre Left coalition government which came into being in 1994 brings together a wide range of political parties, all committed to a social democratic form of government, but more willing to embrace the core elements of the previous conservative regime, particularly economic policies of export led growth, public sector reform, privatisation, preference for market based competition over state based monopolies, and liberalisation (Jayasuriya 1995). Although the new government, with its election slogan of 'structural adjustment with a human face',

appears to be committed to change the conservative welfare policies of the previous regime (1977–93), in its two budget statements (1994-95 and 1995-96) except for its *Samurdhi* programme,²³ there is little evidence of a social policy strategy, especially on the future of the welfare state.

The failure of the new government to enumerate its social policy strategy is understandable given the priority assigned to resolving the ethnic conflict. No doubt, any rational policy framework for welfare must await the outcome of nearly two decades of ‘warfare’ currently requiring an expenditure of approximately 5.5% of GDP (recurrent and current) on defence. Yet, there remains an implicit expectation, if not a commitment, that the new regime will undertake a restructuring of the welfare state in terms of its ideological commitment to the pursuit of the social goals of a social democratic government, such as distributive justice, greater equality and improved chances of mobility.

The restructuring of the welfare state should clearly be undertaken in the light of an analysis of a careful and rigorous earlier experience of welfare state policies in its early and latter phases. In this regard, it will be instructive for Sri Lankan policy analysts and decision makers to consider carefully the different models of welfarism that currently exist in the developed and developing countries. The British welfare state which served as a model for Sri Lanka represents just one type of ‘welfare regime’ (Esping-Anderson 1990),²⁴ but may no longer be attractive or relevant in the context of an expanding liberal economic system within a social democratic political order.

The growing literature on comparative social policy points to alternative policy frameworks and strategies evident in developed and developing societies (Wilensky & Lebaux 1965; Rimlinger 1971; Kahn & Kamerman 1980; McPherson & Midgley 1981; Midgley 1995). A critical review of this literature will generate a better understanding of the different ways in which social frameworks and strategies have evolved in different societies, and assist in fashioning policy strategies best suited for Sri Lanka in the context of its current development policies. Admittedly, these comparative studies have been mainly in advanced industrialised countries but with the increasing effects of globalisation, a larger global perspective to social policy is beginning to emerge, particularly through the work of international agencies such as the ILO, UNESCO, World Bank and the UNDP.²⁵

One of the earliest comparative studies introduced the theory of convergence, viz., that economic growth makes countries more alike, in welfare terms, as a result of the need to construct a safety level below which no one sinks (Wilensky et al. 1965; Wilensky 1975). As Wilensky observes in relation to his data from 64 countries, 'economic level is the root cause of welfare state development' (1975, 47). While this association between levels of economic development and welfare spending has been a dominant theme, subsequent studies have shown that variations in political structure influence levels of spending. Other comparative studies have adopted a case study approach based on measurable indicators ('social indicators') of policy outcomes such as levels of poverty, literacy, fertility, income inequality, and health status (Rodgers 1977) to demonstrate positive outcomes of welfare spending.

In all these studies, it is the *comparative method* which has gained ascendancy because of its potential to generate rigorous explanation of regularities and variations in terms of a mix of input/output analysis of variables relating to welfare. Thus, for instance, studies carried out by Wilensky (1975) and Castles (1978) have endeavoured to explain difference in *welfare efforts* in terms of non-economic factors such as the role of ideology in welfare analysis which is measured in such terms as the nature of the political parties and the party system. One theme which runs throughout these studies is that the ideology of welfare state reflects the tension between meritocratic and egalitarian values (Castles 1978). For example, it is reported that there is a trade-off between investment in higher education and investment in social security spending such that welfare laggards like the USA tend to be leaders in education.

An interesting trend in the recent comparative literature has been the consideration given to the impact of particular policy instruments (e.g., contributory insurance, means testing, extent of coverage of benefits etc.) on welfare outcomes. Other theorists have attempted to link welfare with 'corporatism'²⁶ which refers to the existence of a strong partnership between employers, trade unions and governments along with consensual models of policy formation, often associated with increased welfare expenditure (Castles 1978; Wilensky 1981; Mishra 1984). Accordingly, one study (Schmidt 1982) observed that strong corporatism is a sufficient but an unnecessary condition for low rates of unemployment and vice versa. Wilensky (1981), in fact, uses 'corporatism' to differentiate between three models of welfare states, viz. *democratic corporatism* (e.g., Scandinavian countries, Austria, Belgium); *corporatism without labour* (e.g., Japan, France and Switzerland); and, *least corporatist* (e.g., USA, UK and Canada).

All these studies, drawing heavily from the political science literature, have resulted in several new approaches to welfare analysis, all of which tend to locate social policies in the context of the relationship between political and economic development. From these studies which have considered the welfare state developments from a political economy point of view, it is possible to identify several alternative models of welfare systems, or 'welfare regimes' (Titmus 1973; Mishra 1987; Esping-Anderson 1990; Castles & Mitchell 1991).

Typology of Welfare Regimes

This taxonomic approach to social policy originating from the Titmuss (1973) three fold typology of welfare systems — *residual, industrial-achievement, and institutional redistribution* — has led more recently to more sophisticated and complex taxonomies. These have been greatly influenced by the Scandinavian theorists (e.g., Korpi 1980; and Esping-Anderson 1990), interested in linking welfare effort, *welfare instruments and welfare outcomes*. These studies have examined the impact of policy instruments (e.g., contributory insurance, operation of means tests, extent of coverage and degree of benefit equality), on a variety of social variables (economic and political), using different measures singly and/or jointly to characterise different welfare regimes. One of these measures relate to the redistributive potential of welfare policies, and the other, to the equality of status of recipients of welfare.

Taking redistributive outcomes as the key dependent variable and using a multiplicity of input variables such as different types of policy instruments, Esping-Anderson (1990) has constructed a typology of welfare states, which is illuminating and of heuristic value. In constructing this taxonomy, he uses two indices linked to welfare: an *index of de-commodification*;²⁷ and, a *measure of welfare based on social stratification* which 'denotes ways in which the welfare state serves to structure the quality of social citizenship' (Castles & Mitchell 1991) i.e., the nature and extent of social rights enjoyed by citizens. These indices yield the following types of welfare states:

Index of de-commodification.

Welfare is rendered as a matter of right and one can get by without relying on the market. The extent of de-commodification is measured

in terms of the level of benefits (low - medium - high). A low level of benefits is characterised by means testing, and residualist welfare; the *medium* level has contributory, earnings related schemes; and the *high* level is marked by universal benefits and a high degree of benefit equality.

Index of stratification linked to the welfare system.

This index, pertaining to the nature of access to benefits and extent of benefit equality which is regulated by status of recipients (e.g., as the poor citizens or employees and yields a 3 fold typology of welfare systems: *Liberal*, *Conservative*, and *Socialist* welfare regimes

- a) *Liberal welfare*. This is characterised by selectivist residual welfare which is a targeted means tested welfare for the poor and limits the realm of social rights (e.g., welfare recipients have relative equality, market differentiated welfare among the majority stratification means tested poor relief, private pensions and private expenditure on health). This is typical of the USA Welfare System which relies on a high degree of private market supplementation for those not entitled to benefits.
- b) *Conservative welfare*. Here, the state upholds status differences by linking welfare benefits ('social rights') to compulsory membership in occupationally differentiated welfare schemes, e.g., of social insurance. Accordingly, welfare outcomes are limited by income maintenance benefits, other corporatist contributions and earning related characteristics. This type of welfare regime based on employee rights and benefit adequacy is characteristic of the European Welfare Systems.
- c) *Socialist (social democratic) welfare*. This form of welfare is organised around universal benefits, or citizens with social rights having equal benefits. Importantly, these systems with a high degree of benefit equality do not regard equality in terms of minimal needs and what is more, avoids the dualism of state and markets. This is characteristic of Scandinavian social democratic states, and also the UK to some extent, where redistribution and social solidarity are major objectives.

The Table below shows the resultant 3 models of welfare states ('welfare regimes') based on each type of index.

Esping-Anderson's Three Worlds of Welfare Capitalism

De-commodification			Principles of Stratification		
Low	Medium	High	Liberal	Conservative	Socialist
Australia	Italy	Austria	Australia	Austria	Denmark
USA	Japan	Belgium	Canada	Belgium	Finland
NZ	France	Netherlands	Japan	France	Netherlands
Ireland	Finland	Norway	USA	Italy	Sweden
UK	Switzerland	Sweden			

Source: Castles & Mitchell (1990).

Admittedly, the models of welfare states examined in the comparative literature are drawn primarily from the advanced industrialised countries of the West. But, as Titmus (1973) reminded comparative analysts many years ago in a seminal paper 'some of the principles underlying [these] models can be found in different parts of the world...developing as well as developed countries' (1973, 4). The study of social policy in developing countries (e.g, McPherson & Midgley 1987; Midgley 1995;1999) though growing rapidly is still at an early stage of development and divorced from the more sophisticated comparative studies based on Western industrialised societies.

Conclusion

The foregoing brief discussion of 'welfare regimes' in the developed countries of the West²⁸ serves to indicate possible new directions of policy reform that may be gleaned from the comparative social policy research literature. The input/output variables examined in comparative studies of welfare systems such as ideology, role of political parties and models of governance, as well as an examination of policy differences that exist between good/poor economic performances are critical to understanding the appropriateness of different policy strategies when they are applied in the context of developing or developed countries. As suggested previously, in fashioning new social policy strategies for Sri Lanka, the comparative social policy studies may provide some valuable leads not just in

providing an assessment of Sri Lanka's welfare state experience, but also some guidelines for restructuring the welfare system consistent with the changes occurring in the economy. Indeed, as Wilensky et al. (1985) point out, 'only by comparison can we uncover the most and least effective mix of social and economic policies for democracies under pressure'.

The critical question facing policy makers of the present day is the functional integration of economic and social policies in the context of the new political climate that has emerged in Sri Lanka, in particular the decision of the new Centre Left coalition government not to make radical changes to the economic policies of the previous neo-liberal conservative governments (1977–94). However, the new government, in wanting to humanise capitalism, appears to recognise that social policies cannot be formulated without reference to economic policies for the simple reason that social policies are dependent on the economy for funding. Unlike the previous conservative regimes, the new government is committed not to entirely subordinate social policy to economic policy imperatives such as those of unrestricted capital growth and/or efficiency. Hence, the need for an integrated and co-ordinated approach to social policy requiring a need to prioritise social goals and determine appropriate resources, all of which presuppose a commitment to achieving some measure of equality and distributive justice.

It is unfortunate that having abandoned the Keynesian welfare state model of Britain, Sri Lanka appears to be in a policy vacuum for rethinking and remodelling the defunct welfare state. Too often the debate has been conducted in terms of the market or welfare rather than combining the two, as for example, in the form of the German model of the 'social market' (Emy 1993), 'social partnership' in Austria or the Scandinavian type 'welfare regimes' (Midgley 1995). Economic growth in relation to policies of stabilisation and adjustment, often determined by external agencies such as IMF/World Bank, requires the provision of adequate social infrastructure via the notion of the 'social market' rather than on huge reductions in social expenditure implied by the neo liberal IMF models of economic development. In short, Sri Lankan policy makers need to recognise that there are alternative models of policies and strategies for effectively linking welfare and the market, economically and socially.

From a policy strategy perspective, the institutional approach to social development outlined by Midgley (1995) offers several alternative mechanisms for pursuing a new model of welfare. According to Midgley, the institutional

perspective, 'seeks to mobilize diverse social institutions including the market, community and state to promote people's welfare' (1995, 139). One attractive institutional mechanism is to link the market and welfare through the provision of corporatist type arrangements (Pekkarinen et al. 1992). These arrangements not only allow for a more effective management of wage demands, but provide a mechanism to trade off increases in social welfare against neo-liberal income policies which are determined by market forces. Furthermore, corporatist arrangements have the virtue of enabling more effective democratic participation for corporate groups such as labour, professionals, and business in the policy making process (Mishra 1987; Midgley 1995).

In this regard, Kelegama (1987) is one Sri Lankan social theorist who, in his analysis of growth and equity in Sri Lanka, has recognised the need for a new approach to policy analysis by arguing that welfare analysts should 'concentrate on understanding the functional roles of various policy instruments rather than on proposing blind imitation of the instruments themselves' (1987, 101). He adds that, in understanding the different ways of improving living standards, what is important is to recognise that 'the precise combination of instruments and policies varies tremendously with the conditions in different economies' (1987, 101) and one could add, with social and political systems. Similarly, Anand & Kanbur (1991), after reviewing Sri Lanka's record of intervention and achievement in welfare, conclude that:

attention should now shift from the question of *whether* intervention can have a positive impact on basic needs to the more important question of the best patterns of combinations of social welfare expenditure to achieve the *maximum* impact on basic needs (1991, 90).

In the end, the achievement of meaningful and achievable social policies is a function of the political will and the planning skills of the political and bureaucratic elite. Sri Lanka should therefore endeavour, in the light of this analysis, to re-examine the philosophy and practice of its past endeavours as a welfare state, and develop a new policy rationale for a welfare state, including policy strategies and instruments for the achievement of identifiable welfare objectives such as distributive justice, social mobility, solidarity, equity and the amelioration of poverty.

Endnotes

1. On a comparison of HDI index and the income level index (i.e., per capita GNP ranking), Sri Lanka has a positive difference indicating that its quality of life (or living standards) is much greater than what one would expect in terms of its standing on income level. In fact, in 1991, Sri Lanka stood out as one of the most outstanding countries, except China, by having one of the largest differences between the two indices (Osmani 1993). However, Sri Lanka has fallen somewhat in this regard in 1994.
2. The recent neglect of the estate sector represents a significant policy reversal. During the 1960s and 1970s this sector has suffered heavily on nearly all social indicators such as rates of morbidity, literacy rates and measures of life expectancy (see for example, Gnanamuttu 1977; Haputantri 1979 Central Bank of Ceylon 1983; and Gunatilleke 1985), but has improved recently (Moore 1990).
3. The Minimum Wage Ordinance of 1927 was itself based on the several Labour Ordinances enacted after 1872 and consolidated in Ordinance No. 9 of 1912. The 1927 legislation was also responsible for setting up of Wages Boards and imposing a mandatory obligation on plantation owners to provide subsidised rice to all Indian labour on plantations, the main beneficiaries of the 1927 legislation.
4. Kearney (1971) observes that the Donoughmore Commission in recommending the franchise reform cited the 'backward character of social and industrial legislation' as an indication of the need for a drastic widening of the franchise (p.4). Incidentally, the Secretary of State for the Colonies who approved the recommendations for franchise reform was none other than the prominent Fabian socialist leader, Sidney Webb, later Lord Passfield.
5. Social assistance as a form of social security is defined by the ILO as a 'service or scheme which provides benefits to persons of small means granted as of right in amounts sufficient to meet minimum standards of need and financed from taxation' (ILO 1942, 84).
6. See Government of Ceylon (1963) for a succinct account of the complex array of social and economic policies that constituted the Sri Lankan welfare state at its peak
7. Compare the British welfare state which according to T.H. Marshall (1975) is based on three pillars, viz., the *Education Act* (Butler), *National Insurance Act* (Bevan), and *National Health Act* (Bevan).
8. Approximately 5% of GNP is spent on education and this compares favourably with many advanced Western industrial countries.
9. A notable example is the plantation sector, consisting mainly of Indian Tamil labour which has been denied the benefits of egalitarian educational policies, largely because of their anomalous citizenship status (Kodikara 1965).
10. *The Economy of Sri Lanka* by Sir Ivor Jennings (Jennings 1948), was in fact based mainly on the information collected by the author in the course of his work on the Social Services Report.
11. It is reported that Sir Ivor Jennings had discussions with Beveridge in the UK before finalising the Report
12. The ILO Report (1971) provides a concise outline of the social security provisions of the

- Sri Lankan Welfare State in the 1960s and 1970s. This Report also summarises the Draft Social Insurance Bill recommended by the Tiruchelvam Committee Report of 1969.
13. The standard history of medicine in Sri Lanka is Uragoda (1987). An informative history of mental health is provided by Carpenter (1988). A good review of health care policy is also found in WHO Report (Simeonov 1975).
 14. See Special Report on Housing Development (Economic Review 1975).
 15. Though this may well change with the move towards privatisation as in the case of energy.
 16. One of the earliest surveys of the NGOs was carried out by Jayawardene (1964) at the request of the Central Council of Social Services. For a more recent survey see the Report of the Ministry of Planning and Implementation (1984).
 17. Statutory provisions affecting the status and protection of children are embodied in over 50 statutes which provide for care and protection which include custodial care and forms of support in cash and services. Schemes for the implementation of these statutory provisions are non-existent or very limited.
 18. Anand & Kanbur (1989) provide an excellent overview of the social policy changes made in the post 1977 period.
 19. Moore (1985) rightly comments that the Left parties, as members of the reformist coalition government of the 1960s and 1970s, played a 'vanguard role' in the establishment and maintenance of the Sri Lankan welfare state.
 20. See Supplement to the Budget Speech of 1963 (Government of Ceylon 1963).
 21. Development economists use the terms *direct assistance* (welfare oriented) vs *indirect assistance* (growth oriented) to characterise the policy orientations of the pre and post 1977 welfare regimes respectively. The latter was advocated by the International Agencies in pursuing policies of structural adjustment policies of development.
 22. In this context, the question arises as to whether the Sri Lankan welfare state of the pre-1977 period may be regarded as an 'intermediate regime' defined as the 'rule of the lower middle class through state capitalism' (Skouras 1978, 631).
 23. The Samurdhi programme which is at best an adaptation of the earlier Janasaviya scheme making it less entrepreneurial and more equitable.
 24. Warnapala (1991) has pointedly made reference to the way in which the British brand of social democracy, especially Fabian socialist ideas, influenced the thinking about the welfare state in Sri Lanka in the 1960s and 1970s.
 25. See e.g., World Development Reports published by the World Bank, dealing with Human Development Policy and the Human Development Reports, also published by UNDP.
 26. For a discussion of the meaning and history of corporatism see Halevi (1987) and Midgley (1995) for the use of corporatism in theorising about social development.
 27. De-commodification occurs when service is rendered as a matter of right, and when a person can maintain a livelihood without reliance on the market (Esping-Anderson 1990).
 28. See Jayasuriya (1996a) for a discussion of a policy rationale and strategies in relation to social policy developments in Sri Lanka in the foreseeable future.

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TWO **THE SRI LANKAN WELFARE SYSTEM (1948-1981)** **AN OVERVIEW***

I. Social Welfare Administration: Statutory and Non-Statutory

The administration of the Sri Lankan social welfare system needs to be viewed as an aspect of the country's elaborate and well developed system of public administration. Various welfare services are, as functionally autonomous activities of government, controlled by an independent department or statutory authority under a responsible Minister of State. Sri Lanka, as a unitary state has a highly centralised system of government administration located in the capital, Colombo. But, there is some degree of decentralisation through a system of regional administrative structures, known as the 'Kachcheri', which divides the country into Revenue Districts. The Kachcheri tended to be regarded as a replica of the apparatus of Central Government. The powers of administration devolved on a Government Agent who as the representative of the Central Government had authority to control all aspects of administration in the district.

The Kachcheri system has undergone considerable changes as various Central Government departments themselves began to devolve their own administration independent of the Kachcheri at the District level. These regions of departmental administration, such as in the Health or Education services, often do not coincide with revenue districts and exist independently of the Kachcheri. Thus, the Health Department is divided into 15 Regions each under a Superintendent of Health Services who has responsibility for medical care, public health and laboratory services. In the case of Education, 17 Regional Directors are responsible for all aspects of educational services in their regions. In both Departments, there are specialized services such as teacher education, or malaria control which are managed directly from head office.

The public service, which is based on a 'generalist' system of competitive recruitment similar to the British public service, has operated as an independent and elitist bureaucratic structure. Moreover, this bureaucracy has become

* Edited and abbreviated from a chapter on 'Sri Lankan Social Welfare' by L. Jayasuriya, G. Fernando and Albrook, in J. Dixon and H.S. Kim (eds), *Social Welfare*, Croom Helm, Oxford.

politicized and came increasingly under political control especially with the establishment of a new structure of government, District Development Council (DDC). This regionally decentralized participatory body was intended to mediate between the people at the grass roots level and bureaucratic officialdom. An elected political office holder, an MP described as ‘District Minister’ was appointed by the President as a key member of the DDC and exercised a measure of influence sometimes exceeding that of the elected chairperson. Consequently, in the administration of these DDCs, local and national politics combined to subvert the traditionally independent role of the executive. The patronage of local politics looms large in the ostensibly national political process and government officials tended to become politically subservient and excessively dependent on their political overlords. This trend intensified after 1978 with the establishment of a Presidential Executive style of public administration.

Within this system of public administration the major state-based welfare services relating to education, health, aspects of social security including food subsidies, housing and public utilities (such as transport services) are the responsibility of appropriate Ministries. These various welfare services are, as functionally autonomous activities of government, controlled by an independent department of government or a statutory authority. As a general rule, statutory authorities, which have proliferated since independence, have been developed mainly to administer economic service and public utilities as in the case of road passenger transport (after nationalisation in 1958).

The poorly developed social care or ‘personal social services’ are to a lesser extent directly under government control as these have been increasingly administered by voluntary social welfare agencies or non governmental organisations (NGOs). These organisations, numbering over 700 according to a recent Directory display a wide range in their composition, objectives, strength and effectiveness, and complement government welfare services. They are grouped under a variety of national level co-ordinating bodies (for example, blind, deaf and mentally retarded). A Central Advisory Council on Social Services was established in (1978) to act as a forum and representative body for all NGOs in the country.

The NGOs have been largely responsible for the provision of institutionalized services for children deprived of a normal home life because of the loss of parents, neglect, or abandoned because of “dire poverty”. In addition they administer a few more specialized treatment centres, especially for runaway and vagrant children

and/or delinquents They have been actively involved in providing services for the aged and less frequently, for special groups, such as women and the physically and mentally disabled. However, until the advent of the influential voluntary community development organisation the *Sarvodaya Movement* (modelled on a similar social movement in India) - NGOs had little or minimal impact on the delivery of welfare services in the rural areas. The only exception to this was perhaps, a community women's organisation (the Lanka Mahila Samiti) which was active in promoting the welfare of women and the family, especially in the villages.

NGOs engaged in the provision of services that are sanctioned by legislation or approved by government regulations are assisted by government in a variety of ways, mainly through funding and support services (such as access to specialist services for children). Government funding only makes demands on external accountability of NGOs and imposes a limited degree of administrative and management controls.

There is, however, hardly any insistence on professional or internal accountability of these NGOs relating to the quality and standards of service delivery. This is largely because of the lack of trained social welfare manpower resulting from the low priority accorded to professional training for social welfare. It is only since 1964 that a relatively small School of Social Work has been operational, maintained by the Department of Social Services. Paradoxically Sri Lanka has a high standard of social welfare without an infrastructure of professional skilled staff in particular social workers. This is again a consequence of the unique development pattern of social welfarism in Sri Lanka which emphasises the development of universal services to the relative neglect of 'residual' services pertaining to 'personal social services'. As regards external accountability of NGOs, it is only since 1980 that some form of government regulation has been introduced. *The Voluntary Social Service Organisations (Registration and Supervision Act* (No.31 of 1980) required all such organisations to seek registration as a prerequisite for public funding or access to government controlled funds (such as funds channelled through aid organisations or foreign governments). This Act also provides for the appointment of a Registrar, who has extensive regulatory and inspection powers.

Social services directly managed by government may fall within the jurisdiction of more than one government department and may equally overlap several ministries. This is particularly the case when one adopts a target group classification of

personal social services. Thus, services for children cut across the Departments of Health, Education, Social Services and Child Care. The two latter Departments are particularly important in the administration of the statutory personal social services.

The Department of Social Services was established in 1948 following a recommendation in the Jennings Report (1947). The Department provides a centralised organisation for the administration of various social security schemes, social assistance and some personal social services (such as services for the aged and infirm, and for the disabled and handicapped), and functions through regional divisions attached to the 'Kachcheri'. A major task of the Social Service Officers located in Kachcheries lies in making relief payments. These may take the form of a monthly allowance allocated according to the circumstances of claimants, such as families in poverty, the aged widows with children, and TB and leprosy sufferers. In addition, the Department makes emergency payments to people affected by natural disasters; drought, fire or floods. A major function of the Department relates to the administration of the Workmen's Compensation Scheme, which it took over from the Department of Labour in 1948. A limited number of 'personal social services' also fall within the Department's responsibility.

State sponsored services for children are mainly the responsibility of the Department of Probation and Child Care. This Department too was established following a Government Report on Children's Services by Cyril Hamlin, an expert from the UK, in 1957 (*Sessional Paper VII of 1957*). Hamlin recommended the coordination and centralisation of children's services which previously had been fragmented between several government departments. Perhaps the least satisfactory feature of the Report was the proposed amalgamation of children's services with adult probation on the grounds of rationalizing scarce skilled manpower resources in social work and welfare.

Despite the predominantly rural nature of the population, it is noteworthy that the rural and estate areas are relatively poorly serviced, compared with the urban sector, in nearly all aspects of welfare. As regards the delivery of personal social services, the rural and estate sectors are hardly different from one another except that the former have been served to a limited extent by local government institutions and rural based NGOs such as rural development societies (RDSs) and the Sarvodaya movement. Local authorities at the village level, elected village councils, are charged with the responsibility to provide basic public utilities such

as roads, water, and to a lesser extent, social welfare amenities which might include facilities such as maternity and child welfare clinics. Sometimes these local government institutions co-operate with RDSs in providing public and social utilities and supportive services for state based services (such as acting as a mechanism for distributing relief). But, on the whole, personal social services at the village and estate level have to depend almost totally on the family and kin networks in catering to a variety of personal and communal needs regarding care and support. By contrast, in the urban centres, local government plays a more direct though still limited role in the provision of welfare services. This stems from the 1939 Poor Law Ordinance which made provision for the extension of poor relief on a local government basis. In practice, however, only the municipalities of Colombo, Kandy and Galle provide welfare services. These consist of:

- * relief for orphans and children and those otherwise unable to maintain themselves;
- * erection and maintenance of school buildings and orphanages;
- * establishing and maintaining institutions for poor persons, and
- * assistance to voluntary organisations.

Thus the Jennings Report's comments (p.22) of 1947 remain as true to-day as they were then:

‘We are ... in the curious position of having a poor law in Colombo, Kandy and Galle and no poor law elsewhere’.

The Colombo Poor Law is administered by the Charity Commissioner's Department of the Colombo Municipal Council which has a broad mandate to implement annually a scheme for the relief of poverty. This Department is divided into two sectors, a Public Assistance Division and the Play Grounds Division, and comes under the control of the Public Assistance Committee of the Municipal Council. The primary function of the former Division is the payment of poor relief by cash, the major categories of recipients being aged, both single and couples, the handicapped, the temporarily incapacitated, particularly those with children, and widows and orphans. In addition, payments may be made to deserted mothers, recently discharged jail inmates, and expectant mothers with children. Funds are also provided for institutional care, notably homes for the aged, orphans and wards (that is, children in need of care and protection) and creches. School text books for poor children are provided for, as well as assistance with funeral expenses and

some vocational training in the form of sewing classes for girls under the age of twenty one. Although similar provisions apply in Kandy and Galle, poor relief measure and more general services to ameliorate the extreme effects of poverty remain the province of the Department of Social Services and to some extent, the organised voluntary sector which as we have argued, is by and large more urban than rural based in its operations.

The most notable feature of the social security system is the limited nature of provisions for income maintenance. These are by and large confined to the mainly urban-based wage earning sector. A large proportion of the population, especially the rural peasants, is self employed and ineligible for most of these benefits which are based on a strict application of the employer liability principle (such as in compensation claims) and employee contributions. The means tested non-contributory social assistance programmes that exist only provide a poor law type of relief for limited categories of persons. Various proposals for a broad based social insurance scheme (such as Salgado 1974, Seers 1976) have been made from time to time but have not been implemented. A major reason for the delay in introducing such a scheme applying to both urban and rural sectors has been the existence since 1961 of a crop insurance scheme (*Crop Insurance Act, 1961*). This scheme which is heavily subsidised by Government is compulsory with regard to paddy and has been administered, since 1974, by the Agriculture Insurance Board. It is clearly seen as a social security measure which guarantees farmers a minimum income even in times of crop failure and lessens the need for 'distress credit'.

The Financing of Social Welfare

Information relating to the funding of social welfare is presented in Table 1 (see Appendix). From this it will be evident that government expenditure on social welfare was approximately 9 per cent in 1974/78 rising to a peak of 13.2 per cent in 1951/52 and falling to 10.4 per cent in 1977/78. In general there has been an increase in the years following independence until 1977. A feature of this pattern of social expenditure has been that while education and health accounted for about two fifths of the total, the major proportion was incurred for the food subsidy (roughly one tenth of government expenditure at its peak in 1952 and about one sixth thereafter). Table 2 (see Appendix) details the information on welfare expenditure for the decade 1971-1981 and shows the relative importance of education, health, food subsidy and other welfare payments in government expenditure and GNP.

The net food subsidy which was around 4-5 per cent of GNP in the 1960s has fallen as low as 0.5 per cent of GNP in 1981. This change highlights the policy reversal of the new Centre Right government of 1977 which now places a greater emphasis on the need to orient the expenditure or social overheads towards the enrichment of human resources which can be utilized in economically productive activities. So far the changes in policy have only restructured the welfare package but not dismantled it entirely. Even the reduction in the food subsidy expenditure may be somewhat misleading since it has been replaced by the less costly food stamp subsidy aimed at providing essential food items to those most in need. This selectivist policy nevertheless continues to be a part (but a less significant element) of the welfare budget as a transfer payment to households. These payments also include in 1978-80 payments for the Income Support Scheme for unemployed between the ages of 18-40. In 1980 this was 0.7 per cent of total recurrent expenditure and comprised 4.2 per cent of all transfers to households which amounted to Rs.2338 million. As a result total transfer payments increased from about 5 per cent of total current expenditure in 1975 to 15 per cent in 1980-81.

The low priority given to social welfare since 1977 is clear from the information in Appendix Tables 1 and 2. In addition, it may be noted that while total government expenditure as a proportion of GNP (at current factor cost prices) increased from 28.2 per cent in 1975 to 38.0 per cent in 1981, the proportion of welfare expenditure to GNP fell from 11.0 per cent to 8.1 per cent.

Unfortunately, it has not been possible to estimate the level of government funding for the personal social services as detailed expenditure relating to these programmes or a break down of cost by the key Departments which administered these services, in particular, the Department of Social Services and Probation and Child Care are not available. The published information as reported in Item 3 (b) of Table 1 Personal Social Services (see Appendix), includes expenditure of the Departments of Labour, Social Services, Probation and Child Care and Transfer payments (including the Food Stamp Subsidy after 1970). In general, approximately 5 per cent of government expenditure was devoted to these services till 1979, when following the introduction of the Food Stamp Subsidy they constituted about 16 per cent.

This form of social expenditure confirms the relative low priority accorded to these care and protection services which are rarely identified as 'free standing services'. These services, as we shall see, whenever provided are more likely to be

a part of other services such as health, education and social security, as in the case of services and programmes for the disabled and the destitute. Neither does fiscal policy through such measures as taxation benefits provide any financial assistance for the care and protection of vulnerable and dependent groups via the family.

Social Welfare Provisions

Personal Social Services

The category of welfare labelled 'personal social services' presents conceptual and practical problems when considered in the context of agrarian societies. In the Sri Lankan case they present a further difficulty because of the atypical approach to welfarism which gave priority to universalistic rather than selective services. Hence, 'residual' services as an institutionally organised response to specific needs of individuals and groups are either neglected or poorly developed. Without entering into a critique of the concept of 'personal social services' these services and provisions will be identified hereafter heuristically in terms of services and provisions for identifiable target groups *the aged, the disabled and handicapped, children and youth, needy families, unemployed, sick and injured*. This classification is arbitrary and does not easily fit into the Sri Lankan welfare scene. In particular, the needs of the latter three groups are catered for by universal social services and do not belong to 'personal social services'. For the purpose of this discussion, needy families and unemployed are categorized together and the 'sick and injured' are included, where appropriate, under aged, disabled or children and youth or the joint category of 'needy families and the unemployed'. Thus, relief payments for the 'chronically ill' as well as workmen's injuries are classified under the 'disabled' category.

In specifying the needs and correlated welfare provisions available to these categories of persons and/or groups, we will be dealing mainly with collective action taken directly or indirectly by the state in relation to these dependent and 'at risk' groups. Other informal and less institutionalized forms of caring and means of providing for these target groups will not be examined. Nevertheless, these modes of social welfare which emphasise primary group relationships need to be recognized as playing an important role, especially LDCs with an agrarian socio-economic structure. These may well turn out to be an enduring aspect of the systems of social welfare in these societies despite whatever social transformations that may take place. In confining our discussion to the more formal aspects of the

welfare system, we wish to reiterate the point made earlier that the whole ethos and policy orientation in Sri Lanka with regard to these types of services is still fundamentally that of British Poor Law and a stigmatised form of 'private charity'. Jennings' observations made nearly four decades ago and reproduced below still remain valid.

It is at first sight curious that legal provisions funded on the English poor law should be enacted in Ceylon just as the English poor law is disappearing. The explanation is to be found in the rudimentary character of the social services in Ceylon and the simplicity of its economy. In the rural England of the seventeenth and eighteenth centuries the poor law was adequate to its task and the parish and the country were the obvious units of administration. Similarly in rural Ceylon until a few years ago, and perhaps even now, a rudimentary system of assistance was adequate to its task and the village and the district were the obvious and inevitable units of administration (Jennings 1944: 23).

But with rapid social changes, this particular approach to public welfare is becoming increasingly outdated, irrelevant and non-functional. Legal provisions and services existing in this area, (such as child welfare legislation) even in its most rudimentary form, are heavily influenced by British experiences and practice and often appear unsuited to the needs of an agrarian social system undergoing rapid change such as Sri Lanka. The problems of welfare linked with urbanization and industrialization, such as, family breakdown, economic adversity and lack of kin support, are more increasingly apparent in the major cities and also in the developing semi-urban centres adjacent to new agricultural settlements. These problems however continue to be handled patchily and ineffectually by the Poor Law provisions which are statutorily only applicable to three Municipalities: Colombo, Kandy and Galle. Non-urban parts of the country, especially the rural and estate sectors, have their fair share of welfare problems which continue to be either 'hidden' or catered for in a traditional manner by familial, kin and other community arrangements. Where this informal system fails, particularly in the case of the poorest sections of the community, the state intervenes by providing a measure of assistance and relief. This usually takes the form of material and services in cash, rather than in kind, through various forms of public assistance, or by temporary custodial care arrangements.

There are very few instances of 'free standing services' for special groups in need of rehabilitation, care and protection such as the disabled, children and youth, or the aged. Services for these groups have characteristically developed in an ad hoc piecemeal manner as an adjunct to other universal public social services such as health and education or merely to reinforce informal systems of care. The few

independent 'personal social services' usually form a part of the NGO sector and these in turn tend to be urban-based and largely custodial in character. The delivery of these services is often non-professional because they are built around a bare minimum of trained skilled personnel and also highly status oriented. This broad context of service delivery and welfare provision, should be borne in mind when considering each of the target groups described below.

The Aged

Welfare provisions and services for the aged have received low priority largely because demographically Sri Lanka has a relatively youthful population with nearly 56 per cent under the age of 24 (1981). But with an increase in the life expectancy rate from 43 years in 1946 to 69 years in 1979/80, the proportion of the aged (that is, those over 60 years) has grown from 5.4 per cent in 1946 to 6.4 per cent in 1971 and 6.6 per cent in 1981. This is in itself a reflection of the improved standards of living and health care arising from the welfare statist policies pursued since independence. In turn, this has increased the dependency rate of old people and made the provision of social services and social security for old age an increasingly important consideration in the development of future social policies.

Nevertheless, services and provisions for the aged are still based on poor relief and social assistance and have barely changed since the days of the Jennings Report on Social Services. As far back as 1945, Jennings observed that nearly 50 per cent of Poor Law and 37 per cent of relief assistance recipients were aged persons. This no doubt influenced his recommendation for a non-contributory old age pension scheme. This proposal as well as other variants of it contained in several ILO Expert Reports on social insurance such as, Stack 1949, Higuchi 1965 etc., (see ILO 1971) have never been implemented. Instead, social security for the aged has taken one of several forms pension schemes for public servants and teachers in state schools, a contributory social insurance scheme of the provident fund type for the wage earning class, especially in the industrial and commercial sectors, and a means tested social assistance for the self employed, farmers and casual workers who constitute the bulk of the population. Social security provisions for the aged cover only those who have been employed on a regular, full-time basis, and may be either non-contributory or wholly contributory in nature. The former relates to public servants pension schemes and the latter to public and private Provident Funds.

All public servants - the largest single category of employees participate in a non contributory pension scheme¹, which provides for the security of persons in case of termination of service on account of age, abolition of office, ill-health or special cases of retirement. However, female employees in the public service may join the Provident Fund Scheme in lieu of the Pension Scheme. A minimum service of 120 months is required for entitlement to pension, except for termination due to a service-incurred injury. If the public servant has not completed the specified period on the termination of his service, he is entitled to a gratuity. Retirement is compulsory at the age of 60 and optional at 55. Government policy in recent years has been to retire public servants at 55 years of age so that more jobs are available for young people. The maximum pension payable after 35 years of service amounts to two thirds of the salary for the last three years, exclusive of cost of living allowances. In addition to the basic pension, however, cost of living and special allowances are payable at rates which tip the scales in favour of lower paid public servants. Part of the pension can be converted into a lump sum. A similar pension scheme operates for teachers and covers those who joined the government service after June, 1934. Under this scheme teachers contribute 2 per cent of their basic salary and are entitled to the same benefits as other public servants, except that less advantageous rules apply when part of the pension is commuted.

In addition, there are widows' and orphans' pension schemes providing for the widows and orphans of pensionable public servants and teachers. Both schemes are contributory and male employees pay 4 per cent of salary (exclusive of cost of living allowances). The contributions are not paid into a special fund but are credited to the Consolidated Fund, and the government assumes responsibility for payment of benefits provided under the scheme.

The Employees' Provident Fund (EPF) established in 1958 and amended in 1970, 1971 and 1981, is the main earnings related welfare measure maintained by the state. There are several private provident funds similar to the EPF operated by private organisations subject to state regulation. The EPF caters for the wage earning sector, private as well as public, not covered by these private schemes. Originally it applied primarily to agricultural and industrial establishments with fewer than five employees. Shops and offices with fewer than three employees, as well as casual employees were exempt until recently. Recent amendments to the Act formally extended coverage to all private employees including casual employees. The employer-employee contributions were initially set at six and four per cent of wages respectively, and paid into an individual account. These rates

were increased in 1981 to twelve and eight per cent. An employee may withdraw the sum credited to his account, which is subject to compound interest of 3.5 per cent per annum, on retiring from employment at 55 for males and 50 for females or total permanent incapacity for work, on leaving the country without intention to return, or, for female employees on ceasing to be an employee on marriage. Payment of the accumulated contributions is by lump sum only and is therefore considered unsatisfactory as a means of ensuring lifetime protection.

The Central Bank of Sri Lanka, which has overall responsibility for EPF invests funds and pays benefits. It reported that there were approximately 1.2 million employees registered in 1980. However this figure probably overstates the number of covered employees as it represents individual accounts and an employee who has changed jobs may have more than one account. The Department of Labour is responsible for personal records of employees, registration of employees and enforcement of the provisions of the EPF Act.

In 1971, the International Labour Organisation (ILO) noted that arrears of contributions, not including employers who evaded contribution by not submitting returns or by falsifying statements of wages, amounted to nearly Rs.12 million. It was pointed out that supervision of EPF appeared to be inadequate and this was attributed partly to staffing shortages. (ILO 1971, p.79). The benefits paid were also considered inadequate especially in view of the relatively high life expectancy in Sri Lanka. This was in spite of what the ILO noted to be a high contribution rate amounting to approximately 15 per cent of total wages.

The self employed and the non wage earning sector, particularly in rural areas, have few social security provisions except for social assistance in the form of casual relief or public assistance, such as monthly allowances from the Department of Social Services. The Department has also assumed limited responsibility for providing accommodation for the aged. The first State run home, a dormitory type institution, was opened in Koggala in 1951. This was followed by three similar institutions (Anuradhapura, Jaffna and Mirigama in 1952). In 1957 there was a change in policy and cottage type accommodation, originally recommended by Jennings, housing no more than 25 persons was established. These cottage homes which soon became the preferred mode of housing the aged, were established mainly by NGOs with government subsidies and to a lesser extent, by local authorities and RDSs. Meanwhile private homes for the aged mostly catering to the indigent continued to receive government assistance on a per capita basis.

There are in addition a few private commercially run homes which provide accommodation on the basis of the inmates' capacity to pay fees.

Clearly, there has been no attempt to determine an overall integrated programme to cater for the aged in Sri Lanka. The benefits available, such as, the many Provident Funds, are generally inadequate to provide for lengthy retirement and for long term care and protection. In essence, the same factors apply to the aged as when Jennings reported on the problem in 1944. More often than not, old people became dependent on their families for sustenance during the years of retirement. A relatively large proportion of the population is not covered by retirement schemes and became dependent on Poor Law relief or social assistance, and on State or private homes for accommodation. The lack of any form of income security for the non-wage earning sector is perhaps the most serious shortcoming.

The Disabled and Handicapped

According to the Consumer Finances and Socio-economic Survey Report of 1979/80, about 2 per cent of the sample population suffered from disabilities. This may be taken as a rough estimate of the number of disabled in the community. It was also noted that, as regards the distribution of disability, there were no sectorwise (urban/rural/estate) or zonal (that is, regional) variations. A noticeable fact was that blindness appeared to be slightly more pronounced in the estate sector which also stands out as the most disadvantaged on nearly all social indicators. Within this 2 per cent the most prevalent disability was mental retardation (0.55 per cent) with physical handicap accounting for 0.4 per cent, blindness for 0.21 per cent and the deaf and dumb for 0.25 per cent. The balance 0.58 per cent was classified as miscellaneous.

Supporting data on one group, the physically handicapped, is also available *from Statistics on Physically Disabled Persons* (Department of Census and Statistics, 1981). This Report identifies different types of disability categorised according to means of livelihood and source of support. It also distinguishes those living in institutions from those cared for elsewhere, mostly in the family. Of a total of 52,386 physically handicapped (that is, blind, deaf, dumb and physically disabled), about 7 per cent were in institutions and a large proportion of these were likely to be in receipt of some form of social assistance payments from the Department of Social Services. The vast majority of the handicapped living at home and elsewhere, however, do not benefit from such cash payments and are heavily

dependent (over 80 per cent) on family support. Furthermore, the general pattern appears to be one of low employment which ranges between 8-12 per cent. This data also shows that sectoral differences are apparent in the means of livelihood of the specified categories of the handicapped in that the numbers employed in the estate sector are far higher than in the urban and rural sectors.

Social welfare cash benefits available for the handicapped consist of social assistance, administered according to Poor Law criteria, and social insurance payments for permanent disability suffered in the work place through accidents. The provision of relief in the form of social assistance is distributed by Revenue Officers who are charged with a special responsibility to provide for ‘... The physically and mentally defective and their dependents’ who are eligible for this form of assistance which is available in the form of monthly allowances or casual relief payments. or incapacity...”. (*Poor Law Ordinance*, No 30 of 1939). Thus it is only the indigent disabled who are eligible for this form of assistance which is available in the form of monthly allowances or casual relief payments.

Payment of compensation for work related industries and incapacity in the public or private sector, is provided for by the Workmen’s Compensation Ordinance of 1934 (amended in 1957 and 1966) which has been administered by the Department of Social Services as one of its main functions since 1948. The provisions of this Act apply only to those earning up to Rs.500 per month in a selected number of eligible occupations, and such persons are considered as having a statutory claim upon their employers. The compensation payable is determined by a Commissioner of Workmen’s Compensation on the basis of wages earned in relation to loss of earning capacity suffered by an employee. An injured workman has the choice of making a claim under this Ordinance or filing an action for damages and compensation in a Court of Law. Initially insurance of the employer’s liability against these risks was not compulsory but this was enforced by the 1957 amendment. The premium varies with the degree of risk. Compensation usually takes account of the nature of the disability and its duration, and in the case of death, dependent survivors are entitled to a lump sum payment depending on the wages of the deceased. All these payments were subject to periodic revisions in accordance with changes in the cost of living. In the administration of this Act, Special Boards of Appeal were instituted to hear appeals on claims.

While the State through the Department of Social Services provides limited financial assistance for those claiming handicap or disability allowances

administered according to poor law criteria, it has also actively supported NGOs as providers of assistance and benefits through such measures as direct grants, provision of aids and appliances to indigent disabled persons as well as professional assistance. Most public assistance to voluntary agencies is channelled through three major Councils, The Ceylon Association for the Mentally Retarded, Sri Lanka Council for the Blind and National Council for the Deaf. A major shortcoming of these bodies is that they are located in Colombo and services are concentrated in that district and areas in its vicinity. This exemplifies the regional inequities in access to services. For example, the government supported accommodation facilities provided by the Colombo Friend-in-Need Society which runs a transit hostel are rarely available to those outside the Colombo metropolitan area. Similarly, the Audiology Centre, the only one for the whole country, maintained by the National Council for the Deaf with government assistance, is located in Colombo.

Services in kind available for the disabled have mainly taken the form of rehabilitation programmes inclined more towards vocational than medical aspect of disability. Hence, the Department of Social Services has, almost since its inception, fostered directly or indirectly the development of vocational programmes for the disabled. The Department was responsible for the establishment of the first Sheltered Workshop for the Blind in Seeduwa in 1949 and subsequently at Kandana in 1953. From 1972 these state training centres for the deaf as well as the blind have been organised as non residential training centres and a small training allowance has been paid by the Department of Labour to trainees participating in these programmes. A small number of disabled have also been taken into various Apprenticeship Schemes, both in the public and private sector, and these persons receive a daily government stipend for their expenses. Limited financial assistance may also be given to enable the disabled to pursue higher education. A few students have recently been assisted in this way to obtain tertiary level training.

Concurrently, the Department has encouraged voluntary organisations to provide vocational training and residential facilities for the disabled. It is of interest to note that unlike the services provided by the Department which are by and large, confined to the training of handicapped adults, the voluntary sector has established a number of institutions primarily for the care, education and training of disabled children (see section on Children's Services) The latter services are assisted with maintenance and ad hoc grants by the Department of Social Services, Rs.38.50 per

month for physically handicapped child and Rs.44 per month for a mentally retarded child. There are over 17 assisted institutions for the physically handicapped and over 10 similar institutions for the mentally retarded. In addition, special schools may be registered as Assisted Schools and become eligible for financial assistance from the Department of Education. In 1948 only two schools received grants for the teaching of deaf and blind children. There was a considerable increase in these facilities during the 1960s and currently over 12 schools are in receipt of assistance.

One of the major problems facing the disabled, in particular the less physically handicapped who are trained in a variety of crafts and skills in special centres such as at Ampitiya, is the lack of employment and placement after training. The state has however endeavoured to assist trained adult handicapped by the provision of a rehabilitation grant to set themselves up in a vocation or trade. A placement service for the disabled was originated as early as 1958/59 and a special officer designated to secure, employment for the disabled, especially those trained in state training centres.

The services and provisions for the physically disabled, especially the blind, despite their overall ad hoc, limited and inadequate nature, have received priority compared with provisions for the mentally handicapped. There has been little or no attention paid to the needs of the latter category, either as regards their medical or educational needs. As recently as 1967, a Committee of Inquiry into Mental Health Services in Ceylon was told by an officer of the Education Department that "...while the Department gave assistance to the training of the physically handicapped" no such assistance was given in the case of the mentally handicapped, and he added that "to the best of his knowledge, no request for such assistance had been made to the Education Department' (*Sessional Paper IV of 1967*).

The 1967 Report on Mental Health Services identified six institutions, both day care and residential, caring for mentally handicapped persons. Some of these accept private fee paying cases, as well as those referred to the Department of Probation and Child Care, receiving maintenance grants only for the latter category. The Report further notes that Children's Homes supported by the Government cater for "backward and neglected children", including some mental defectives. The Prithipura Home for Boys, run by a voluntary organisation, received such assistance in the running of its facilities which included a ward for

lower grade mental defectives. Subsequently this Home has become a model for other centres which have been established by voluntary agencies in Colombo and Kandy.

The State Health Services maintain three mental hospitals - all located in and around Colombo, but it is estimated that only 6 per cent of the 75 mentally handicapped per 10,000 population seek indoor treatment in these hospitals. Distance and inconvenience provide a partial explanation as the lowest admission ratio: 1.3 per 10,000 is from the Northern Province, geographically the furthest removed from the hospitals. This again highlights the regional inequalities in the delivery of these services which are in themselves extremely inadequate and restricted in scope.

While the Department of Social Services assists about 12 - 15 homes caring for mentally disabled persons, mainly children, by contrast with its commitment to assisting training centres for the physical disabled, '... there are no government training institutions providing training specifically for mentally retarded persons'. (Administration Report 1977, unpublished). Several Reports have drawn attention to these deficiencies by pointing to the need for assessment centres, day care facilities, guidance and counselling for parents and treatment facilities for the mentally retarded. But, so far little progress appears to have been made. A major limitation to the development and extension of these services is the lack of skilled manpower such as psychologists and counsellors. Surprisingly, there is still no provision for tertiary level training in psychology either as an academic discipline or professional course of studies.

Finally, relief payments administered by the Department of Social Services for the chronically ill, especially TB patients and leprosy sufferers may for convenience, also be categorised as a 'disability' welfare service. Recognizing that poverty and poor living conditions were primary causes for tuberculosis, a scheme of financial assistance to needy TB patients has been in operation since 1952. A monthly allowance of Rs.110 is granted to TB patients who are unable to support themselves or their families. In order to be eligible for assistance, patients are expected to follow medical advice and undertake prescribed courses of treatment. Similarly, a monthly allowance of Rs.110 to discharged leprosy patients was introduced as an inducement to non-infective patients to live at home and "free" hospital space for those at risk in the community. While the provisions of the Poor Law or the Public Assistance Scheme of the Department of Social Service apply to

other categories of chronically ill, it is unlikely that many of them receive assistance due to the range of claimants on these forms of relief.

In brief, this points to a major limitation of the Sri Lankan welfare system. It shows the extent to which the social security aspects of illness are neglected despite a universal health care system which is free and available to all citizens.

Children and Youth

A striking feature of Sri Lanka's population in the post-war period has been the relatively high proportion accounted for by the under 15 age group. In 1981 this age group constitute over 35 per cent, and combined with the 4 per cent in the over 64 category, resulted in a dependency ratio of 76.1 per cent. Consequently, universal institutional services and provisions for children, especially those relating to health and education, have been particularly important in the development of the Sri Lankan welfare state . However, the more remedial, selectivist type of children's services for the care, rehabilitation and protection of children who are deprived of a normal home life due to neglect, poverty or delinquency, developed slowly in a piecemeal and unco-ordinated manner. Statutory provisions affecting the status and protection of children are embodied in over 50 Statutes of which the most important are:

- a) Orphanages Ordinance (No. 22 of 1941)
- b) Adoption of Children Ordinance (No. 24 of 1941, amended in 1971)
- c) Children and Younger Persons Ordinance (No.48 of 1939)
- d) Youthful Offenders (Training School) Ordinance (No. 28 of 1939)
- d) Employment of Women, Young Persons and Children Act (No. 47 of 1956)

These Acts and Ordinances provide for the care and protection of children through courts and institutions for custodial care and treatment as well as other forms of support and services in cash and kind.

The main responsibility for the provision of welfare services for children and young people is vested in the Department of Probation and Child Care. The Department of Labour (child labour), Health (school health and dental services), Education (school meals, and special schools' and Social Services (social assistance provisions) are also involved to a lesser extent in providing these

services. In addition NGOs also play a critical role in service delivery, especially in providing custodial care and aid to children and families. This segment of the Srr Lankan Welfare System has grown more rapidly during the past decade, particularly following the reduction in public expenditure on welfare after 1977.

Young offenders who are usually cared under the Children and Young Persons' Act or the Vagrants Ordinance come to the attention of the Department of Probation and Child Care through the Juvenile Court system which was established in 1953 (Hamlin Report, 1957). These Courts which are found in nearly every judicial division operate under the direction of children's magistrates who are lawyers, but who may not always hold these positions on a full-time basis. A full-time children's magistrate is located only in Colombo. Thus the concept of the Juvenile Court is poorly developed and still exists only in a rudimentary form. These courts have criminal jurisdiction except for offences such as homicide and rape. They also have power to deal with children 'in need of care and protection' and 'beyond control', and in these cases perform a less punitive function.

The Department of Probation and Child Care, through its Probation Officers, play an important role in relation to the work of these courts. It carries out a two-fold task - a treatment and rehabilitative function. In performing a 'treatment function', the Department is heavily committed to maintaining a variety of custodial institutions to deal with offending children and young people. These are classified as Remand Homes, Certified and Approved Schools, Training Schools and Receiving Homes. There are four Remand Homes, three for boys and one for girls, which provide detention facilities for persons pending production in court or trial, five Certified Schools for boys and one for girls to cater for approximately 200-300 children in any given year. Committal to any of these institutions is made only for children between the ages of 12-16 years and does not exceed 3 years. The Department is also responsible for the supervision of voluntary remand homes, usually private residences nominated as places for temporary custody.

The treatment services provided in custodial institutions such as training Schools for Youthful Offenders (that is, those between 16-22 years) and Certified and Approved Schools for children are largely intended to be non-punitive. The programme of treatment includes education and vocational treatment and does not differentiate between offenders and children in need of care and protection. However, children who fall into the latter category may also be admitted to five Receiving Homes which operate under the Orphanages Ordinance and provide for

the temporary accommodation and short term care of children deserted, stranded or rendered homeless and awaiting suitable placement elsewhere. Longer term institutional care is provided by voluntary institutions which are partially supported by government through a system of per capita monthly grants and ad hoc grants for capital costs. In 1976 there were 134 such Assisted Homes providing accommodation for approximately 4000 children.

The Department of Probation and Child Care also has a major function in accepting responsibility and providing for the care of homeless, deserted or neglected children. To this end, it provides institutions such as orphanages which provide care for such children. It also has specific responsibility for administering and implementing the legislative provisions of the Orphanages Ordinance of 1941 and the Adoption of Children Ordinance of 1941. Both these Ordinances are obsolete in that many of their provisions are firmly based on concepts and practices of English law which themselves have long since been superseded.

The Adoption Ordinance regulates the procedure for the adoption of children below the age of 14 years. It requires the natural parents to surrender all rights and obligations to the child, with the exception of the rights of succession, and to transfer these rights to the adopter. It protects female children from sexual exploitation as the Ordinance prohibits adoption of a female child where the sole adopter is a male. Consent of parent and/or guardian is obtained where possible as well as that of a child over 10 years of age. Adoption procedures are administered by officers of the Department of Probation and Child Care who assess the suitability of the prospective parents and make recommendations to a Court which makes the adoption order. Since 1978 this responsibility has been vested in the Family Courts.

In general, there have been few local adoptions (averaging around 500-700 per year). A phenomenon of recent origin has been the large number of adoptions by foreigners which increased from 2 in 1971 to 679 in 1980, and latterly has exceeded the number of local adoptions. These have been permitted by law and follow procedures similar to local adoptions. But the rapid increase in foreign adoptions led to allegations of laxity in administration and disregard for the best interest and welfare of the adoptive child. Following an official inquiry by a committee on adoption of Sri Lankan children by foreign nationals, the Adoption Act was amended in 1977 to provide a greater degree of control over applications for foreign adoptions. It was specified in the amendment that adoption

formalities must be strictly adhered to and should take place only through official agencies both in Sri Lanka and the country of destination.

In fulfilling its child care functions, the Department has, since 1975, assisted voluntary organisations in organising and running creches for 3-5 year olds. (Prior to 1975 this function was performed by the Department of Social Services). *The Report on a Survey of Pre-Schools in Sri Lanka* (1979) indicated that approximately 6 per cent of children in the 0-5 year age group attend either pre-schools or creches, indicating a rapid and escalating growth in demand for these types of child care services during the period 1970-79. This has been largely due to two main factors. Firstly, the increasing participation of women in the labour force following the economic changes introduced after 1977, and secondly the active promotion of the hitherto neglected welfare services in the estate sector. Nearly two fifths of all pre-school facilities are in the estate sector and administratively under the control of estate management. Another two fifths, mainly in rural areas, are run by voluntary organisations. A large number of these are sponsored by the Sarvodaya Welfare Movement in the villages. The maintenance of the balance fifth of these services is divided equally between the Ministry of Local Government and the Department of Probation and Child Care.

This aspect of child welfare, which is scattered and poorly co-ordinated, is likely to be a key growth area because of “the need to provide satisfactory arrangements for the well-being and care of children of working mothers (*Report on Survey of Pre-Schools in Sri Lanka 1979*, p. 12). However, a major obstacle for a proper assessment of child care needs is the lack of reliable data. It is also difficult to differentiate at the level of service organisation and delivery between education, health and child minding needs. Surprisingly, the education sector has shown little interest in early childhood education and prefers to see it as an aspect of day care, mainly child minding.

From a health point of view, an important feature of child and family welfare dating back to 1921 is the concept of the employers liability for maternity benefit to female employees on estates. This was later extended to other establishments, excluding the mercantile sector, with five or more employees by the Maternity Benefit Ordinance of 1939 {as amended by Act No 13 of 1978} and the Medical Benefits Ordinance No.5 of 1912. The Shop and Office Employees Act (No.60 of 1957) was amended in 1957 to give mercantile employees the same maternal benefits, particularly 406 weeks paid maternity leave. By 1978 amendment of the Fraternity Benefit Ordinance provision was made for the establishment of child

minding facilities at the work place and women workers were allowed nursing breaks to feed infants under one year.

An aspect of child care on which there is some detailed information is in regard to the nutritional status of children under 5 years (*see Sri Lanka Nutrition Status Survey, 1976, HEW, US Govt.*) According to this survey and other data, there has been an alarming increase in the number of children suffering from malnutrition. It has been estimated that approximately 5-10 per cent of children below 5 years suffer from acute malnutrition. This has in turn been linked with the high child mortality rate (45 deaths per 1000 children under one year of age). As Gunatilleka (1981) observed: 'The problems of infant mortality and malnutrition are mainly concentrated in the low income groups – the bottom 25%' (p.37). He has also shown the existence of marked sectoral and regional inequalities as well as the deterioration of living conditions of both the urban and rural poor in recent years. In the case of the latter those living adjacent to estates have been particularly affected.

State intervention in the areas of nutrition and medical care has been largely through co-ordinated programmes of activities by the Departments of Health and Education to uplift the standards of nutrition among children. Income support measures such as the Food Stamp Scheme also formed part of this strategy. These interventions have been, as in the estate sector, linked with other child care services such as the establishment of Family Welfare Centres.

An important aspect to be noted in this context is the provision, since 1931, of free midday meals for children by parent-teacher associations with the support of local authorities. In 1949 this scheme was incorporated by the government into the evolving universal welfare services and was extended to cover an estimated 50 per cent of enrolments in government schools. From 1956 foreign aid through the United States Government's CARE organisation was used to supply the needed foodstuffs for this scheme. However, escalating costs in the late 1960s and 1970s led to a marked curtailment. As a result, its effectiveness as well as that of the closely linked school health programme including dental care was greatly restricted and reached only about 25 per cent of the school going population. Nevertheless, it is noteworthy that the limited services available did not get through to the most needy who, because of non attendance, were not in the school system.

Non attendance and a high drop out rate have been enduring characteristics of the education system despite its being free and nominally compulsory till the age of 14. It has been estimated that 11 per cent of children never enter school while another 30 per cent leave before attaining the secondary level of education. In a recent study (Karunatisa and Rupasinghe, 1982) it has been suggested that many families, especially, those with low incomes, see little benefit in maintaining their children at school, preferring to utilize their labour in household tasks, such as looking after younger children, and working on family allotments. As confirmation of this trend the authors cite a strong correlation between income level and school attendance. In addition, they highlight the nature of regional and sectoral inequalities in the distribution of resources and materials by drawing pointed attention to the fact that rural schools are so poorly equipped and staffed that children are not attracted to school. For these reasons there has been a strong plea in many quarters for achieving a target of universal primary education by the end of the 1980s rather than expanding the nature and scope of current programmes particularly at the higher end of the educational spectrum.

The low rate of participation in education among low income groups particularly the rural poor partially explains the high incidence of child labour and exploitation. Although various laws (See Employment of Women, Young Persons and Children's Act, 1956) and regulations (vide Gazette No.11,303 of April 25, 1958, Department of Labour) have been passed for the prevention and control of child labour, these have rarely been enforced. These include the absolute legal prohibition on the employment of children between the ages 12-14, and total prohibition on employment of children on estates, factories and shops. The 1971 Census indicated that there were about 200,000 reported cases of children under 10 who were employed, but according to one estimate the actual figure could exceed one million.

The same is true as regards the provisions of the Domestic Servants Ordinance. This provides some minimum safeguards against exploitation of children and young persons employed as domestic servants, a practice common among the middle and lower middle class in third world countries. However, the law as it stands merely restricts employment and builds safeguards against exploitation. Thus, while it is prohibited to employ children under 12 as domestic servants, those over 12 may be employed subject to certain conditions, such as a week's holiday every 3 months, 10 hours rest a day and schooling. Nevertheless, cases of cruelty, neglect and the exploitation of child labour by unscrupulous persons have

been brought to the attention of the public at different times in the recent past. But this has had little positive effect. Remedial action recommended as far back as 1933 by the Jayatillaka Report (*Sessional Paper* III of 1933) has never been implemented. This Report proposed the creation of a generalized child care service with a range of facilities such as family support services and types of substitute care for dealing with 'children who are deprived of a normal home life' and are at 'risk'. Like much of the progressive social legislation of the Donoughmore period it was an enlightened report which unfortunately languishes in history as a testament to posterity.

A further noteworthy feature of child welfare provisions is the special service for unmarried mothers and their children, and young girls in moral danger as a result of prostitution. The services for the former are provided through government assisted voluntary organisations. There are four institutions providing custodial services in the Colombo district which are supervised by the Department of Social Services. There is however no special provision for unmarried mothers and their offspring or for single parent families apart from the health and education services available to all citizens. Unmarried mothers who are destitute and indigent according to the Poor Law criteria, may be given special consideration in the granting of public assistance, through the municipalities or the Department of Social Services. As a rule, the material welfare of destitute children is expressly provided for under the provisions of the Poor Law which identifies two categories of children as in need of public assistance, that is, children of widows, and orphans up to the age of 16, including children rendered destitute and considered to be living below subsistence level.

Young girls in moral danger come to attention only if apprehended by the police and charged in court for offences under the Vagrants Ordinance of 1842 (with 11 amendments) or Brothels Ordinance of 1889. If the court sentences them they are admitted to an institution at Gangodawila according to the House of Detention Ordinance 1907. This House of Detention had been maintained by the Department of Social Services since 1948 and provides custodial care, training and rehabilitation. A parallel institution is the House of Vagrants which is the responsibility of the Salvation Army but controlled by the Department of Social Services.

As with vagrants, street dwellers and beggars sent to this institution, the programmes relating to girls in moral danger, despite references to rehabilitation, are dominated by the Poor Law concepts of apprehension² and punitive confinement. Similarly, in relation to child begging, estimated to be around 8-10 per cent of the total population of beggars, no firm action is taken except to admit

them to State Remand Homes, if apprehended by a policeman under the provisions of the Vagrants Ordinance.

While a rudimentary child care service has grown around the Department of Probation and Child Care, the services that have evolved unfortunately appear to have been tilted in favour of probation and custodial treatment of youthful offenders. A Children's Charter incorporating old and new legislative and administrative arrangements for children, and providing a blueprint for a new independent Department of Child Care, concentrating exclusively on child welfare, has been canvassed and promised for over two decades. There appears to be little prospect of its introduction let alone implementation in the foreseeable future. Whatever the fate of this Children's Charter, at least the shift of services for adult offenders from the Department of Probation and Child Care to the Department of Justice warrants high priority. At the same time, there should be some administrative separation of services to young offenders from those provided on behalf of children in need of protection and other types of child welfare services. A major shortcoming of the child welfare system is that child care services which provide for such matters as substitute care for children are performed inadequately by officials of the Department who remain basically Probation and Child Care Officers. This mixing of functions and roles, compounded by the fact that they also act as Adult Probation Officers, has been a major drawback.

The Report of the *National Symposium on Changing Needs of Children* (1981) — an important landmark in the evolution of the Sri Lankan Welfare State — outlined a new strategy of welfare development. This highlights the need to develop a comprehensive child development policy consistent with societal goals and values while at the same time rationalizing and co-ordinating the existing fragmented and overlapping programmes and services. But, perhaps, from a policy perspective, the most significant feature of this Report is the proposed radical re-orientation of social policy advocating a selectivist strategy in child welfare policy development. This new orientation in policy focusses attention on the groups most at risk such as those in the rural sector, the low income groups with poor nutritional levels, and on the need to redress the gross regional and sectoral inequalities especially in relation to the estate sector.

Needy Families and the Unemployed

It is difficult to discern fully the nature of 'needy families' as a special welfare category. Instead one could consider welfare service, and provisions concerned with, or having a direct bearing on the family per se. In the Sri Lankan welfare system there are two key facets of the welfare delivery system which focussed most directly on the family. Foremost are the Maternal and Child Health Services of the Department of Health. Since 1931, the Sri Lankan government has systematically developed these universal services in order to protect the family by concentrating on the health of the mother and child. To this end there has been established a vast array of Health Centres throughout the country where ante-natal and post-natal clinics are held. These Centres along with the school health system have provided the basis for a highly successful immunisation programme against small pox (totally eradicated), tuberculosis, polio, diphtheria and whooping cough. In addition, supplementary feeding for mothers and infants, especially nutritional supplements have also been provided. Thus, these Centres have played an important role in ensuring that primary health care and preventive services were available particularly at the rural level and more generally for low income groups.

With the formation of the Family Health Bureau in 1977, these Centres were integrated and co-ordinated with health education activities and the Family Planning Movement - a predominantly voluntary activity developed since the early fifties with state support. The Family Health Bureau has begun to assume an important role in the welfare system as it now administers the National Family Health Programme which deals with family and child health, nutrition and vocational training. Recently this programme has been closely associated with the development of welfare services in the estate sector, especially the establishment of Polyclinics or Family Welfare Centres on estates. These Polyclinics, usually established alongside estate creches are maintained by the State Corporations responsible for the management of estates. They provide the focus of the development of a variety of services for families and children of estate workers covering health, nutrition, education and family planning.

The other major family welfare policy development relates to the establishment of a system of Family Courts in 1979 under the provision of the Judicature Act No.2 of 1978. There are nine such courts functioning at present and with provision for a total of 45. Prior to this, legal matters affecting the family such as divorce, maintenance and adoption (but excluding matters coming within the jurisdiction of

juvenile courts) were dealt with by a multiplicity of courts. The rationale of these Family Courts borrowed from western countries has been to de-emphasise the strictly judicial aspects and stress the welfare of the family and children. Hence, family counselling becomes a mandatory requirement prior to Court proceedings in such matters as divorce, custody and access. The shift from a legalistic, formal, adversarial type of judicial procedure in the settlement of family and matrimonial disputes to a more open, consensus-oriented system of negotiation via a counsellor as an intermediary has not as yet been fully accepted and has been subject to sharp criticism. As in other areas of welfare practice, the imposition of an alien ideology of helping, such as counselling and professional social work may be incongruent with socio-economic realities and cultural values and mores (see Midgeley, 1982 for a similar viewpoint). Equally, the concept of the Family Court itself, its theory and practice, as borrowed from Western Societies may be quite irrelevant and unsuited to accepted social norms and conventions surrounding the resolution of family and marital disputes. It is, therefore, too early to foreshadow how this transplant will grow in the future.

Adopting a more orthodox economic perspective, the notion of 'needy families' can be linked to the nature and incidence of poverty. Without doubt, the Sri Lankan Welfare State has during the past three decades been able to reduce overall inequalities and raise the general standard of living of all persons. Yet this has by no means helped to eradicate 'poverty'. On the contrary, it may be argued with more justification that the various social welfare programmes instituted have merely succeeded in ameliorating some aspects of poverty and hardship for the bulk of the population. For example, it is claimed that universal health care services have only enabled the vast majority of low income earners to survive at lower levels of physical well-being and has not improved their quality of life. Alailima (1978) has in her incisive analysis of income distribution data based on the 1973 Consumer Finance Survey shown conclusively that the lower income earners tend to benefit little by comparison with the high income earners.

The portrait of poverty which emerges from a variety of sources of information (such as, Consumer Finance Surveys, the Socio-Economic Survey of 1969/70 etc), is one of increasing inequalities disproportionately distributed between sectors, regions and groups of people, creating a hard core of poverty. Gunatillaka (1981) basing himself on the most recent Consumer Finance Survey estimates that "nearly 25 % of the population live below the income level required for the satisfaction of basic needs", that is, at a subsistence level. This level of poverty is most marked

among the rural peasantry whose adverse circumstances of livelihood are compounded by a mixture of factors relating to landlessness, food insufficiency and a high ratio of dependents to income earners. In the estate sector, the pattern of poverty is characterized particularly by poor housing, education and health. These latter factors also afflict the hard core of poverty in the urban areas, especially in the shanty and slum population of Colombo who suffer greatly from the lack of regular cash incomes on which they are more dependent than the rural poor. Thus , it seems that the welfare system, especially as practised till recently, has only succeeded in containing extreme levels of poverty and made it more tolerable for those who still remain trapped within the broader structure of poverty.

Families in extreme poverty, especially the rural poor suffer a high degree of insecurity for which their only relief is the monthly allowance provided through the Public Assistance Programme. These are available according to the order and procedures of the Poor Law (operative only in Colombo, Kandy and Galle) and grants relief only to a minimum level of human subsistence. As these allowances are not payable to the able-bodied or professional beggars, they invoke the familiar distinction between the 'good' and 'bad' poor so characteristic of the Victorian British Poor Law. In the rural areas a similar scheme of assistance as well as a Casual Relief Grant operates. These payments are administered by the Department of Social Services according to strict and stigmatizing criteria, of eligibility and provides a very low rate of payment, (The maximum payment for families with 4 children under 16 is Rs,150/- per month). There is also provision since 1935 (See Newnham Report, *Sessional Paper V* of 1935) for the Relief of widespread distress caused by natural disasters. The upper limit of income for eligibility is Rs.500/- an extremely low rate of payment.

In 1972, the Department of Social Services launched a Public Assistance Rehabilitation Programme which provided a lump sum of money to those eligible for relief with a view to their rehabilitation by making them more self-reliant and capable of earning a regular income. But in the absence of supportive services to supplement this monetary assistance, a rehabilitative scheme of this nature is unlikely to make any significant or noticeable impact on the question of welfare dependency. It is also worth noting that the children of 'needy families' in the very poor category constitute the bulk of the non-school going population referred to previously. No adequate provisions exist to cater to their special needs. Here again the Poor Law Ordinance of 1940, casts an obligation, at least in law, on local authorities to provide relief to children of poor parents who are unable to maintain

their children in schools. In theory, this Ordinance also imposed a duty on fathers and mothers to maintain poor children. However, without funds and supportive assistance these provisions are totally ineffective.

In dealing with 'needy families' we also need to bear in mind the relationship between poverty and employment. Several commentators (such as Richards and Gooneratne, 1980) have noted that the poor have higher unemployment rates and that a large number of these are young. Although there has been a significant improvement in the unemployment position since 1977, (from about 24 per cent in 1973 to 15 per cent in 1980/81) due largely to the exodus of urban skilled and unskilled workers to the Middle East, little has changed in the attitudes to the poor.

Relief programmes for the unemployed have operated at various times since Independence, but these have tended to be piecemeal approaches to the problem. In general, the unemployed have been forced to depend on the relief provision of the Poor Law and on public assistance. However, coverage by these schemes has been inadequate, as their provisions specify target groups as being those with dependents, the aged, or orphans and children. This leaves the young unemployed population generally without any access to benefits, besides the Food Subsidy and more recently, the Food Stamp Scheme. In general, it could be argued that Sri Lanka's problem as an agrarian economy is more one of under-employment than unemployment. Furthermore, welfarism, in particular the extension of educational opportunities through a national system of free education, aggravated this problem resulting in many persons being employed in occupations far below their level of educational achievement. Thus, it is not surprising that little attention has been paid to unemployment as a welfare problem requiring state action to guarantee income security as in the more highly industrialized social system of the West. The only attempt at a scheme of formal unemployment relief payments was introduced in 1978, partly for political reasons to reassure the income earners after the withdrawal of the Food Subsidy Scheme. The Income Support Scheme proposed in the 1977/78 Budget took the form of a monthly payment of Rs.50/-. This was made to the chief householder of a family unit which included a person who was not gainfully employed, who is a citizen of Sri Lanka between the ages of 18 and 40 years and unmarried, provided the income of the family was below Rs.6000/- per annum. Payments were made generally in respect of one member of the family but when the family unit consisted of more than 5 members payment to a second member was permitted. This programme was shortlived and abolished in 1980 as an ineffective scheme.

Conclusion

Unlike most LDCs the social goals pursued by Sri Lanka, were overwhelmingly those of social welfare. These welfare policies, largely a legacy of British colonial policy, were oriented towards promoting institutionalized and universal state based services. The package of welfare policies which covered the basic needs of food, health and education also included public utilities such as transport. However, this was clearly not a 'basic needs' programme.

Until 1977 the unique feature of welfarism in Sri Lanka as a LDC had been its firm commitment to redistributive objectives, an attempt to achieve a more equitable distribution of income through the fiscal system rather than the market. This is evident in the relatively high level of social welfare expenditure as a proportion of GDP (see Table 1, in Appendix) particularly for an LDC economy. However, this does not reflect the extent of government activity in Sri Lanka because much of the social expenditure is made up of transfer payments. This may exaggerate the importance of activity in social and economic policies. But, there is no doubt that not only have these welfare statist policies contained the otherwise intolerable and damaging social effects of poverty in a country with a low rate of growth and an expanding population, but they have also brought some small measure of equity in income distribution (Alailima 1978).

Nevertheless, glaring inequalities and marked pockets of extreme poverty still remain among certain categories of the population, especially the rural poor and the estate sector. After the reversal of welfare policies in 1977, the heavily welfare dependent urban middle class, the main beneficiaries of the policies of the last four decades, have also suffered marked setbacks. Examining the sectorwise effects of social policies, it is clear that those in the urban centres have had a disproportionate share of state welfare services, especially in terms of access and quality of services compared with the rural sector. The latter, however, have been compensated by a package of economic policies, liberal credit facilities, land reform and rural amenities as manifested by a favourable shift of the internal terms of trade towards this sector. But, these benefits have in turn gone mainly to the rich peasants, the "kulaks", who in Kalecki's terms comprise the 'intermediate class' along with the urban middle class. (Kalecki, 1972) On the other hand, the estate sector, the pathfinders of early colonial welfarism, has suffered heavily and is markedly disadvantaged on nearly all social indicators relating to welfare (for example rates of morbidity, life expectancy and literacy rate). Recognizing these

sectoral, regional and class inequalities, the post-1977 conservative approach to social welfare has cut back on universal policies, especially food subsidies and endeavoured to redirect resources within a more selectivist policy strategy. Gunatillaka (1981) rightly warned policy makers that:

If there is a major cutback on welfare programmes before the lowest income deciles have been able to increase their earning capacity and to rise above the poverty line, the low income groups are likely to suffer a significant decline in living standards, and in the process the most vulnerable part of the population, the children in these groups, would be worst affected. Therefore, the government's pursuit of policies designed to allow for the free play of market forces and the removal of subsidies would have to be managed with great caution if the major achievements in the field of literacy and physical well-being during the last 30 years are to be preserved and taken forward (p. 9).

In opting for universalistic rather than selectivist social policies Sri Lanka has adopted, for reasons not easily understood, a somewhat aberrant welfare state model. A major characteristic of this approach was the low priority afforded to human problems of individuals in categories of special need arising from such factors as incapacity due to illness, injury, disability or old age. Organised social provisions for these needs are at best minimal and are left to the informal system of social relations.

The role of the State in this regard has been that of a reluctant caretaker exercising regulation and control and providing assistance only in emergencies, situations of dire poverty and where there is a threat to the moral order of society. Thus, the typical 'personal social services' of the welfare state are remedial measures left to the family, kin groups or government assisted forms of private philanthropy. Hence, state intervention in income maintenance and social security is more the exception than the rule.

As a consequence an institutionalized concept of 'social security' is almost non-existent. There are only limited instances of income maintenance based on a social insurance model. The latter applies only to the wage earning class (approximately 6 per cent of the population) who are predominantly urban based and are already the privileged recipients of numerous welfare benefits. There is total neglect and lack of income security for the non-wage earning sector who constitute more than nine tenths of the total population. Like many other similar societies, Sri Lanka has, despite its ideological commitment to welfarism, failed to come to terms with the issues of social security and income maintenance, and the challenge of providing a social wage for persons in agrarian societies. It is true that rural social

policies of credit and subsidies including crop insurance have some merit and promise as being potentially effective initiatives. In the long term, however, income maintenance and the well-being of the rural sector will depend on the social and economic transformation of the peasantry through structural changes.

As regards the conventional 'personal social services', as understood in the sense of the western welfare state, there is little besides private and organized charity which in itself is extremely limited and poorly developed. The forms of organised charity, however, remain status-oriented, almost feudal, paternalistic and personalized to the extent that recipients tend to be devalued and stigmatized. Private charity rarely acts counter to the self-interest of the 'givers' and this makes voluntary social service organisations develop 'blind spots' about distress, misfortune and hardships that exist in society. A dramatic example of this is found in the complacent attitude of middle class Sri Lankan society to child labour, child cruelty and child domestic servants. Private charity tends more often than not to legitimize these practices, and, in general, the voluntary sector of welfare has rarely advocated social reform or assumed an advocacy role on behalf of the disadvantaged and powerless groups. The meagre services cast in the mould of the orthodox British poor law also appear to be bureaucratic, and oppressive. What is more, they often reflect the values and ideology of benevolence and private charity characteristic of the voluntary services. However, it is questionable whether the imposition of the ideology of helping and service delivery characteristic of Western oriented social work and 'social services is a preferable and realistic alternative for societies such as Sri Lanka.' Midgley's (1981) trenchant critique of western professional social work as an inappropriate 'human service' technology for 'third world' countries may serve as a timely warning to countries like Sri Lanka. Human and social needs of people in such societies as well as demands for equity and social justice may be met in a variety of ways and the welfare state model of advanced industrialized societies presents but one alternative model. Sri Lanka's experience as an unusual and atypical case of a welfare state based on the philosophy and rationale of the West warrants greater attention and scrutiny in comparative social policy studies as it may contain important lessons for the development of social welfare in third world countries.

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1. This scheme was not operative for entrants who joined after 1972. But the pensions rights of this category were restored in 1975.
 2. The Vagrants Ordinance of 1841 was based on the English Poor Law Act of 1824 and provides for punishment by imprisonment for the offence of begging.

Table 2: WELFARE EXPENDITURE RELATIVE TO GOVERNMENT EXPENDITURE AND GNP (1970/71-1981)

Year	Education		Health		Net Food Subsidy	
	Government Expenditure (Rs. m.)	% of Total Government Expenditure % of GNP	Government Expenditure (Rs. m.)	% of Total Government Expenditure % of GNP	Government Expenditure Rs. million	% of Total Government Expenditure % of GNP
1970-71	527	13.3 3.9	266	6.7 2.0	536	13.5 4.0
1971-72	569	13.2 3.9	280	6.5 1.9	526	12.2 3.6
1973	609	11.9 3.4	299	5.9 1.7	579	13.5 3.8
1974	624	10.7 2.7	329	5.6 1.4	952	16.3 4.1
1975	708	09.9 2.7	410	5.7 1.6	1,230	17.1 4.8
1976	911	10.5 3.2	500	5.8 1.8	938	10.8 3.3
1977	976	11.1 2.8	498	5.6 1.4	1,424	16.1 4.1
1981	1712	06.2 2.2	832	2.8 1.0	*309	1.0 0.3
Total Welfare						
Expenditure (Rs. m)	Other Welfare		Total Welfare			
	% of Total Government Expenditure	% of GNP	Expenditure (Rs. m)	% of Total Government Expenditure	% of GNP	
309	7.7	2.2	1,638	41.2	12.1	
357	8.2	2.4	1,732	40.0	11.9	
400	7.9	2.2	1,980	39.3	11.2	
435	7.4	1.8	2,340	40.2	10.1	
517	7.1	2.0	1,638	39.9	11.1	
735	8.4	2.6	3,084	35.6	10.9	
702	7.9	2.0	3,600	40.8	10.4	
407*	1.3	0.5	3,260	11.1	4.1	

** Provisional; ** Voted expenditure. Source: Central Bank of Ceylon, *Review of the Economy, 1970-1981*

APPENDIX

Table 1
Welfare Expenditure in Relation to Total Government Expenditure and GNP

	1975	1976	1977	1978	1979	1980	1981
1) GNP at current factor cost prices (Rs. m)	25,478	27,750	34,432	40,242	49,542	61,814	77,625
2) Govt. current expenditure (Rs m)	5,265	5,601	6,554	10,522	11,588	13,535	16,222
3) Proportion of current welfare expenditure in total current expenditure (%)							
a) General welfare services - Health, Education, Food subsidies & Pensions	48.2	44.5	48.1	39.1	40.2	23.3	22.7
b) Personal , social services (1)	05.1	08.1	05.3	12.2	6.7	18.0	16.2
c) Total	53.3	52.6	53.4	51.3	46.9	41.3	38.9
4) Govt. capital expenditure (Rs.m)	1,987	2,676	2,194	5,424	7,729	11,957	11,776
5) Capital expenditure on social services as a proportion of total capital expenditure(%)	10.1	11.4	10.9	11.3	16.6	10.4	6.2
6) Current expenditure on welfare as a proportion of GNP (%)							
a) General welfare services	10.0	9.0	9.2	10.2	9.4	5.1	4.7
b) Personal social services	01.0	01.6	01.0	03.2	01.6	03.9	03.4
c) Total	11.0	10.6	10.2	13.4	11.0	9.0	8.1

Note: 3b (1) Includes (a) expenditure of Depts. of Labour, Social Services; Probation & Child Care; Rehabilitation; (b) Transfer payments; (c) Distress relief payments, midday meals, TB allowances and so forth; and (d) Food stamp subsidy after 1979.

Source: *Annual Reports*, Central Bank of Ceylon.

THREE **DIVERSITY AND SOCIAL JUSTICE IN THE ASIAN REGION***

Introduction

The terms — diversity and social justice — are clouded in a haze of theoretical, philosophical, and ideological confusion. Hence, the need to pay more heed to systematic issues and recognize that the plethora of concepts in the social science literature are problematic and warrant careful scrutiny. As we shall see later, one such concept is ‘equality’ which the Timms (1977) describe as a ‘muddled belief’ subject to different interpretations. Relevant and effective practice, therefore, requires that we be alert and critical about the knowledge we use as a basis of social practice. This Paper is primarily an attempt at clarifying the terms ‘diversity and social justice’ as well as examining the nature of the relationship between ‘diversity and social justice’, particularly as it relates to countries of the Asian region. A secondary objective will be to speculate on some meaningful ways in which Asian social work can orient itself to the issues involved. Some of these issues are clearly of an ideological nature and require, as Myrdal (1968) argues, the adoption of a value stance because we are dealing with social issues subject to the political will.

One reason for being hesitant and tentative is the difficulty of characterising the broad terrain covered by the construct ‘Asian Region’. Contrary to popular belief, there is very little homogeneity especially of a social or political nature, unlike say, the Latin Americas or Europe. Hence, there are very severe limitations to generalising about the countries of the Asian Region. But, in so far as we can discover some relevant characteristics that these countries share in common, propositions of limited generality may be permitted and enable us to discuss the theme of ‘diversity and social justice’ cross-nationally. What, if any, are some of these general features, relevant to our purpose?

The ‘Asian’ Region

In economic terms, the great majority of these countries can be identified as Less Developed Countries (LDCs). As such they are characterised by low rates of

* The text of a paper presented at an International Social Work Conference on ‘Diversity and Social Justice’, organised by the Association of Asian Regional Social Work Educators (ARASWE) in Melbourne, 1979.

growth, measured in terms of GNP, high rates of population growth, high mobility rates, a low expectancy of life at birth, and low rates of investment. Though these countries are being increasingly industrialised, they remain predominantly agrarian subsistence economies heavily dependent on foreign trade for import of consumption goods and export of agricultural products. But over and above all these factors, the most striking characteristic is the extent of absolute poverty prevailing in these countries. The sheer material deprivation suffered by large segments of the population, in some instances as high as 40%, presents itself as the single most important problem facing these countries and all other issues are constrained by this overriding issue. At the same time there is a prosperous segment of the population—an affluent class—typically a westernised, urbanised, middle class, who have ownership of local resources, and act as the economic allies of foreign investors. Wealth and income are heavily concentrated in this class who comprise less than a fifth of the total population in most of these countries and constitute politically the ruling class. Disparity in standards of living—the phenomenon of private affluence and public squalor—is the dismal picture – the economic reality one encounters.

The various paths of economic development pursued by these countries may be classified as varying ‘styles of development’, but the most common pattern is the capitalist, laissez-faire dominated, mixed economy. The planning thrust in general, according to O. Mehmet (1978), is that of ‘income maximisation via industrialisation’ regarded as the panacea to break the poverty trap in which these LDCs found themselves owing to the existence of a large and stagnant subsistence sector. Growth and not distribution of the accumulated product is the prevalent idiom of the day. Politically, these countries may be classified as newly emergent post-colonial states which have over approximately two decades of sovereign rule evolved discernible political structures and modes of government. These vary from western-style constitutional democracies through oligarchies to autocratic military regimes. The nature and extent of political and civil rights—as well as the conditions of their exercise—differs markedly and does not necessarily bear any particular relationship to the mode of government since political repression is evident in the so-called democracies as well as the blatantly dictatorial type regimes. Clearly, there is no visible pattern of ‘political development’ as is sometimes claimed by modernisation theorists.

Over and above all these factors, there remains one socio-economic feature, viz., the claim that the great majority of these societies are ‘plural societies’. By ‘plural’

is meant that these societies are compartmentalised or divided by ‘segmental cleavages’ into sub-systems. The ‘segmentation’ is social and cultural; and, typically the social differentiations are based on such factors as race, religion, ethnicity and sometimes cultural/regional identities. These ‘segmental cleavages’ are not always structurally compartmentalized as would be the case with ‘social’ or ‘structural’ pluralism wherein the differentiations are institutionalised. Thus, ‘cultural’ rather than ‘social’ pluralism is more typical of the region and, where evident, this pluralism manifests itself in the assertion of cultural distinctiveness and the search for group identity. As Geertz¹ remarks, the ‘primordial loyalties’ underlying this sort of diversity are extremely strong and have deep roots in historical tradition. Invariably, the interests of these minorities clash with those of the majority group, who very often comprise the ruling class. As Furnivall² observed in his pioneering study of pluralism these majority groups are the dominant super-ordinate groups who regulate segmental minorities. The potentiality of violence is inherent in this situation. The group conflicts evident in communal clashes and race riots are extremely violent and threaten the stability of the civil and moral order to an extent that the social cohesion and solidarity is put at risk. In the end the integrity of the nation-state itself is at stake.

David Lockwood (1970) in his sociological critique of the nature of conflict in ‘plural societies’ notes that conflict centres primarily on the systems of dominance. He adds that the object of the conflict, unlike in class societies, is not ‘the alteration in the structure of power and deference’ but ‘the usurpation of power and deference by one section of the community to the disadvantage of the other’.

The resolution of conflict in ‘plural societies’ is ultimately a political one—the determination of a political system able to contain and to accommodate the competing interests. The solutions proposed range from ‘total’ assimilation to the ways of the dominant groups and acceptance of the existing political structures of control and authority to the extreme of partition or secession designed to preserve segmental autonomy via Federal type political arrangements or total independence for a plural subsystem. An in-between solution known as ‘consociational democracy³’ is characteristic of political pluralism and is aimed at unification and stability via a grand coalition of competing élite groups. This political arrangement

1. See Lijphart (1977) for an elaboration of Geertz's view.

2. Furnivall's classic statement about the nature of pluralism is presented cogently by Sheila Allen (1979) in a timely restatement of the original meaning of the term as used by Furnivall.

3. This concept is discussed extensively by Lijphart (1977).

openly accommodates sectional and segmental interests on some basis of proportionality. While these alternatives do not exhaust all the possibilities inherent in the situation, they need to be evaluated against other criteria and considerations which are not exclusively of a political nature e.g., political stability.

Diversity and Ethnic Minorities

Leaving aside the political problem of ‘plural societies’, the overriding sociological fact—and what is central to our discussion—is that ethnic and cultural diversity in these new nations exacerbates the structural inequalities which beset these countries. Structural inequalities—i.e., those arising directly from the structure of the economy and the nature of social stratification—are typified by the extent and level of absolute poverty in many of these countries. Linked with the pervasive economic inequalities, which arise from a variety of factors including foreign exploitation and sectoral imbalances in the economy, are the social inequalities which are portrayed vividly in the denial of basic needs of sustenance and health, rampant illiteracy, poor housing and cumulative denial of opportunities to large sections of people. Most of these societies are rigidly stratified, with little mobility and capital, as noted earlier, and are concentrated in a tiny affluent, well-to-do class who enjoy a disproportionate share of the social product. Put simply, these are iniquitous and unequal societies. An analysis of the nature and scope of ‘private affluence and public squalor’ is beyond the scope of this paper but what we do need to recognize is the nature and scope of these widespread and pervasive social inequalities.

Abundant sociological evidence testifies to the fact that economic disadvantage, poverty and social inequity, discrimination and exploitation are proportionately greater among the ethnic and cultural minorities in these societies than among the disadvantaged sections of the majority groups. As a result minorities are particularly vulnerable to various forms of discrimination and exploitation. The net effect of economic and social disadvantage is to place minorities on the periphery of society and exclude them from participating in the ‘centre’ — the mainstream of social and political life of the country. In extreme instances, this can take on a political form when ‘citizenship status’ itself is denied (e.g., Sri Lankan estate labour) to these groups. This denial and the resultant isolation and exclusion from mainstream society is fundamental to understanding the nature of minority status in these societies—in particular, their sense of aggravated frustration and despair.

A difficult and somewhat perplexing question is the nature of the relationship between the minority group status and the system of social stratification in terms of the conventional dimensions of class, status, and power. We need to know whether stratification theory alone explains adequately the effects of minority status on the social and economic life of minority group members. If so, then the fact of minority status whether it be due to race, religion or language becomes a mere epiphenomenon of basic class characteristics and is devoid of intrinsic significance as an independent sociological category. Lockwood (1970) argues for the orthodox sociological viewpoint that minorities, as 'status-disqualified' groups, can be parsimoniously explained by the sociological concepts, of class and class relations.

Another version of a similar viewpoint is expressed by writers like Sheila Allen (1979) who, without wishing to regard race or colour fully as an autonomous factor, nevertheless, are willing to accept and work with the phenomenal reality of these social differentiations—a view which resembles that of 'cultural pluralism'. Notwithstanding these differences of interpretation, contemporary sociological studies on race relations in the West point conclusively to empirical evidence that race and class are interrelated to an extent that economic injustices and social disadvantages (e.g., lack of employment and poor social mobility facing minority groups) can be understood in terms of discrimination and exploitation practices by the dominant strata of society. The low economic status of minority groups (e.g., of migrants in many western nations) is simply a function of their exploitation by the high status groups — the dominant élite in these societies. This is certainly true of migrant status in Australian society. Thus, it is argued that ethnic minority groups (e.g., the Blacks in USA) constitute a marginal working class holding the comparatively less desirable jobs, receiving low wages and having less stable employment terms. This 'labour reserve' phenomenon generates a special kind of poverty among such immigrant groups. Presumably this type of interpretation has relevance for understanding the position of certain minority groups in Asian societies.

It is, however, questionable whether minority status due to race, religion or language, is, in all circumstances, simply reducible to that of class or some other sociological factor. This must, therefore, remain for the present an unresolved systematic issue, especially as it pertains to minority group relations in the newly emergent states of Asia. It is a lacunae of knowledge which seriously hampers our thinking about minority group relations. But, there is no doubt whatsoever that cultural minorities are particularly vulnerable to economic and social discrimination

and that this is a function of both their minority status and their position in the social system. It should be noted, however, that not all minority groups suffer these disabilities and inequalities to the same degree or extent. Different kinds of segmental cleavages produce different patterns and structures of inter-group relations. These minority groups themselves are differentially related to one another and are arranged in hierarchical order by the dominant group. On occasion, minority groups in some societies have suffered and evoked the hostility and envy of dominant groups because of their pre-eminence or superiority currently or historically in some aspects of social life (e.g., the Tamils in Sri Lanka during the colonial period of British rule). Hence, the danger of misplaced generalisations in this area.

There are several conclusions to be drawn from this brief overview of minority groups. First, for theoretical as well as empirical reasons poverty, as a social phenomenon, needs to be viewed as an integral element of minority status. Secondly, we note that minority groups identified in terms of ethnic and/or cultural diversity are susceptible to social inequalities and a variety of degrees of disadvantage, as for example access to community structures and services in health, education, housing, employment, etc. Thirdly, minorities are convenient 'scapegoats' and often end up as the victims of acts of violence, intimidation, labelling and discrimination. Finally, as social mobility and economic opportunities are very limited to minorities, they enjoy low economic and social status and often end up among the poorest of the poor. It is against this background that one has to examine the role of social activists, especially in espousing the cause of minorities, as disadvantaged groups, in their quest for justice and equality. Central therefore to our understanding of the racial, ethnic or linguistic discrimination, exploitation of minority groups and social inequities affecting minorities is the abstract ideal of justice, especially that of social justice.

Conceptions of Justice

'Justice' is basically a complex philosophical notion with a variety of applications in such areas of inquiry as jurisprudence, political and social theory. A derivative notion is that of 'social justice' which is fundamentally a normative concept intimately related to the understanding and analysis of social policy. Hence, we could profitably examine the nature, scope and consequences of social policy relating to minority groups as a test of social justice. As 'social justice' is a somewhat vague and ambiguous concept with strong ideological overtones, it is

necessary to specify in what sense we propose to use the concept in fashioning minority group relations, both as regards social policy and practice. Do we regard justice as a principle or an end-state value objective or as an ultimate moral ideal akin to the usage 'just society' as a characterisation of the ultimate good? For all intents and purposes, we employ it in the more limited sense as a principle or end state value against which practical policies can be evaluated.

Probably what is most significant to note at the outset is the intimate link between the concepts of equality and social justice. Hence, the view, especially among egalitarians (i.e., those who have a strong moral commitment to explore ways and means of removing or lessening the inequalities among men) such as Runciman (1965) that 'the notion of social justice is somehow implicit in every account of how people feel about social equality', that the 'concept of justice involves that of equality'. Since justice involves equality, acts and policies which lead to greater 'justice' automatically involve a diminution of social inequalities. To strive for justice is equivalent to the search for equality. Consequently, we find that the bitterest political arguments are still about equality and justice, and it is as true today as it was for Aristotle, that 'men become divided in their striving over equality and inequality'. In so far as questions of welfare and social policy are about equality and justice, we cannot avoid the realms of political disputation and dialogue. By the very nature of the argument, those who are committed to welfare objectives, are politicized and there is no way out.

To elucidate the meaning of 'social justice', we may reasonably examine the concept of 'equality' especially as it relates to issues of social policy. Weale (1979) takes up this issue in his searching analysis of *Equality and Social Policy*, and we borrow his conceptual framework to elucidate the concept of equality. According to Weale, there are two contradictory versions of the principle of equality and for this reason, it would be a gross simplification to understand the meaning of equality exclusively in one sense. One meaning of equality refers to what he calls '*Procedural Equality*', that is the way in which we go about making decisions, rather than the content of decisions. It is essentially a formal principle of equality of *treatment* and not one of *distribution*. What this version of the principle of equality states is: a) that like cases be treated alike, and unlike as unlike; b) that there should be 'good reason' for treating like cases differently. Procedural equality implies *sameness* and pertains to equality of treatment (or an equality of consideration and *not* an equality of distribution) To use Bedau's (1967) illustration of this point, to say that 'negroes deserve equal opportunities with whites', means that negroes

deserve the same opportunities (jobs, educational, etc.) as whites. Denial of the 'equal treatment' rule, i.e., an imposition of inequality, imposes a burden of proof on those claiming or professing inequality of treatment. There must be 'good reason' for departing from the equality of treatment rule.

The other version of equality is what Weale (1979) calls '*Substantive Equality*'. This deals with distributive issues and provides a rationale for the justification of inequalities of distribution. The meaning of equality in this sense, Weale (1979) argues, can be understood only in terms of a theory of justice. To this end, we turn to the history of political theory to discover that there are *three* well established criteria by which we can justify a particular kind of equality and this applies to procedural as well as substantive equality. These are the criteria of *need*, *merit* and *contribution to the common good*.

The relative emphasis given to these three criteria in defining the meaning of justice has yielded two main theories of justice—the classical utilitarian view and the more egalitarian Rawlsian view. The orthodox liberal formulation, stemming from Benthamite political theory, stresses a combination of merit and the contribution to the common good, and provides the basis for the utilitarian theory of justice. According to Rescher (1974), this characterises the modern utilitarian viewpoint and is understood as providing a meaning of justice which takes account of the general good. The essence of this view is that the 'disadvantages of those in one position are outweighed by the greater advantages of those in another position'. Highly congruent with this model, is of course, the competitive market ethic of capitalism incorporating other related values such as efficiency and incentives for endeavour as well as the satisfaction of rewards which are seen as being essential to the determination of justice as 'general welfare'. Thus, Rescher (1974) justifying inequalities on the grounds that 'we have to recognize the superiority of 'unfair' distribution whose unfairness 'pays for itself' by bringing greater advantage to all'.

The utilitarian view of justice is complemented by the notion of equality of opportunity or equality of access. What this signifies is an equal chance in life to achieve valued social objects ... it guarantees and safeguards competition as the basis of the capitalist laissez-faire ethos of individual advancement. While it ensures an equal start, it clearly serves to legitimise unequal outcomes and hence the equal opportunity principle serves to perpetuate the very structures of inequality built on a basis of market competition and emulation. Schaar (1967) in a damning criticism of the equal opportunity principle describes it as 'the product of a

competitive and fragmented society in which individualism is the reigning ethical principle'. Its wide acceptance, Schaar (1967) contends 'extends the market place mentality to all spheres of life' and vitiates the true meaning of democratic equality.

Tulloch (1978) rightly argues that such 'liberal' justifications of equality via utilitarianistic criteria such as merit and contribution to the common good provide a 'rationalization and not rational grounds for inequality', and she adds, pertinently, that 'utilitarianism is basically "a theory of rewards"'. The more compelling point made by Tulloch (1978) is that utilitarian arguments in defence of justice such as equality of opportunity and freedom of choice have often provided 'a thinly disguised rationalization of the status quo, viz., that larger shares go to the more powerful'.

The second theory of justice, described by Macpherson (1977) as a 'revisionist liberal view' is distinctly more egalitarian. This view stems mainly from the influential work of Rawls (1972) and is reminiscent of Kant's theory of 'justice as fairness'. Rawl's view of 'justice as fairness' is evolved on the basis of a model which assumes a contract between free and rational individuals who decide on 'principles by which social systems are to be regulated before they know either what their own system would be or what would be their own place in it'. It is basically an intuitive conviction which is based on two basic principles. These have been interpreted by Jones et al. (78) as yielding three distinct ideas ranked in the following order:

- a) Equality in basic liberties, which precedes all other equalities especially in conflict situations;
- b) Equality of opportunity for advancement—the conventional liberal principle guaranteeing equal access to socially valued objects; and
- c) Positive discrimination in favour of the underprivileged to ensure equity i.e., fair shares for all. This is the unique egalitarian proposition propounded by Rawls.

All in all, Rawls provides the most rational and egalitarian interpretation of liberal theories in that it places for explicitly rational reasons a premium on the 'just distribution' of all social benefits— i.e., constitutional rights and liberties, social status and economic welfare. What is more, it highlights the importance of the criteria of need over either merit or contribution to the common good in matters of distributive justice. Accordingly, the notion of distributive justice inherent in this

view enables people with special needs to have compensatory provision. In general, this theory is fairly radical as regards economic welfare and has been widely espoused by the egalitarian economists for whom the ultimate test of inequalities of wealth and income is whether they can be justified to the loser not the winner.

Inequalities of power would also be subject to the same test and presume legal equality, the enjoyment of basic freedoms and civil rights by all. Authority, then would be regarded as legitimate if it is exercised freely on behalf of 'the common good', and involves consent. This would be achieved by some degree of sharing or participation in decisions surrounding the use of power.

With regard to inequalities of status, Runciman (1965) has made a significant contribution to Rawls' theory by making a distinction between praise and respect. The maxim which emerges is 'free inequality of praise, no inequality of respect'. Thus, while we may or may not praise a man because of his religion, or the language he speaks, we should not respect him more or less because of these personal characteristics. Egalitarian social theorists like Steven Lukes believe that Rawls' theory hinges on the equality of consideration or respect. Lukes (1976) comments that 'on this view all human beings have certain basic features, e.g., capacity to act with relative autonomy, capable self development etc., it is these characteristics which entitle them to be considered or respected as equals'. The acceptance of this principle as an end in itself has enormous practical implications for social, economic and political equality.

The 'equality of respect' notion modifies in significant ways the 'equality of opportunity' principle, which is central to all liberal views of social justice. Lukes (1976) believes that equality of respect goes beyond equality of opportunity by emphasising social co-operation rather than antagonism, and above all a collectivist sentiment rather than a narrow self interest, typical of individualism. The 'strong' egalitarian view is concerned not so much with increasing competition for scarce social rewards and creating a meritocracy but in equalizing the systems of rewards attached to different social positions. Thus, for the radical egalitarian it is not simply an either/or question, i.e., a question of either equality of opportunity or equality of outcomes. The latter is interpreted by theorists like Halsey (1972) as equality of average outcomes for a particular social group. However we define outcome, the egalitarians seek both equality of access and outcomes. Thus, in the educational sphere it is suggested that the goal sought after is increased equality in terms of attainments and performance, and not just in terms of starting

opportunities. This distinction was implicit in Tawney's oft quoted contrast between 'the claim of the open road to individual advancement' (exemplified by the equality of opportunity) and the desire to 'narrow the space between the valley and peak' (more akin to equality of outcome).

From a practical point of view, as Weale (1979) comments, one needs to pose the question as to why justice as 'substantive equality' should be regarded as the key value in real life decisions about economic and social welfare. It is necessary to recognise that there are other ideals or end-state values that could be pursued e.g., individual freedom, economic efficiency, maintenance of legitimate expectations and so on. Hence, there is here not only a matter of value of choice and possibly a schematic ordering of values but also more seriously the question of value conflict. One such possible conflict we have already recognised in discussing the utilitarian theory of justice which accommodates for incentives efficiency principles in determining justice. If value choices are involved, the conditions governing a preference for one value, say justice over efficiency, need to be made explicit in policy formulation.

Interestingly, Weale (1979) in analysing the conflict between justice and efficiency in social policy in advanced industrial societies, maintains efficiency may be more attractive to a developing economy on the assumption that there is a need for incentives to capitalise on skills, talents and abilities necessary for growth. In opting for efficiency over social justice, Weale (1979) tacitly assumes the inevitability of the liberal view of an individualistic market-incentive model of economic growth characteristic of the early development phase of capitalism in Western societies. This is a dubious assumption because we can readily conceive of alternative models of economic growth. A socialist egalitarian model of growth would presuppose a different answer to the alleged value conflict between justice and efficiency.

The foregoing discussion is intended primarily to show the complexity of the concept of social justice as a philosophical idea and also expose some of the ideological presuppositions, e.g., liberalism vs. different shades of egalitarianism, or between individualism and collectivist perspectives. Though the discussion has been somewhat cursory, enough has been said to indicate the significance of the proper conceptualisation of the concept of social justice for any practical social policy dealing with minorities, especially in the context of Asia. The issues involved in defining social justice assume considerable importance when they are applied not just to a specific problem area as minority group relations but in a

context quite different to that in which these ideas themselves have been evolved and applied — viz. man and society in the post-renaissance Western world. Perhaps these ideas have universal validity, a timeless character but even a cursory reading of the literature on the sociology of knowledge warns us that we should not take this assumption at face value. As we shall argue later, at least we need to be able to insist that these ideas be re-examined and re-worked in different social or cultural contexts such as Asian society which has a markedly different cultural tradition and socio-economic order. The least we could say is that the promotion of ‘social justice’ in the context of the sort of diversity in social life that we have examined i.e., the multi-ethnic, multicultural society, is not by any means an easy straightforward task of pursuing clear-cut self-evident objectives.

One further point made by Runciman warrants emphatic restatement especially as it concerns the promotion of social justice. This is the fact that even if we know what sort of justice we wish to achieve, such knowledge does not tell us by itself how we could secure justice or a just social order. The means-end dilemma—a proverbial one—remains with us and one could ask whether there are ‘socially just’ mechanisms for achieving the just distributions that we wish to achieve. We know that inequalities against minorities are intolerable and that it is a travesty of justice; but there is little consensus about how we should achieve the justice we desire. One cannot but agree with David Harvey (1973) that it would be foolhardy to expect ‘socially just’ ends to be achieved by ‘socially unjust’ means.

Minorities and Social Justice

In the light of the above, we might briefly look at the position of minorities in the Asian region vis-a-vis the principles of social justice and of equality. As a heuristic device we might borrow Marshall’s (1963) concept of welfare as rights of citizenship. to isolate some of the critical issues that social work professionals in particular, are likely to encounter in promoting social justice for minorities (see Jayasuriya 1993).

Marshall’s (1963) concept of ‘citizenship rights’ consists of three distinct aspects, viz., civil, political and social rights which are basically norms defining membership status in a nation state. Though the theory was evolved in the context of a Western industrial society, its categories of analysis may be generalised to other societies. The essence of the theory is that it is concerned with the development of ‘citizenship rights’ and their relationship to social inequalities. One of the major

limitations of the theory itself is that it minimises economic rights and only requires a 'modicum of economic welfare and security'. What this 'development' involves is a lessening of inequalities in each segment as, for example, the guarantee of civil rights, legal equality, and political freedom (right to vote, freedom of speech) for all citizens.

There is here a sharp difference between civil and political rights and social rights. Mishra (1977) interprets this to imply that civil and political rights 'set the rules of game' whereas 'social rights' refer to the outcome of the game and has special reference to the distributional issues of the social product. Civil and political rights provide certain regulative norms and, indeed, it has been argued that without a guarantee of these as the minimal requirement of a social justice, we cannot reasonably talk about 'distributive justice' and the elimination of social inequalities. This linear developmental view of social equality which stresses individual freedom and equality of basic liberties is in accord with the orthodox liberal theorists who attach 'special importance' to political freedom over other equalities. Consequently, issues of 'distributive justice' take second place and in the linear developmental perspective, presumably based on the 'Western model' of economic and social development, they are seen as emergent issues at a later stage of development.

Opposed to this somewhat conservative viewpoint, is the radical contention that we need to impose restraints on the more powerful by denying certain freedoms and privileges in order to protect the weak and disadvantaged. This is contrary to the linear developmental view but more interestingly, it poses the question of a possible conflict of values between liberty and equality. However, from the standpoint of achieving social justice for minorities it would be futile and counter-productive to present this as a dilemma — an either-or issue. The choice will depend very much on the particular circumstances of the group we are dealing with and also to some extent on the nature of the inequality involved. To strive for civil and political rights always as a first priority in dealing with minorities is often a dilatory tactic cleverly used by dominant groups against the legitimate claims of minorities to defuse an embarrassing situation which requires the grant of basic economic rights and social privileges to a particular group. Formal legal concessions, as is often the case with anti-discrimination legislation or legal policies of affirmative action, are conceded with relative ease because they are not enforceable. Even when formal legal status has been achieved through such measures, disadvantaged minorities have little to gain unless there are adequate social supports built into the system. Changing the law is only a limited objective unless the socio-economic conditions

which sustain discrimination are also dealt with and this requires attention to matters of 'distributive justice' relating to matters of social policy in a variety of areas such as health and education. It is for this reason that the radical egalitarian social theorists insist on economic and social equality as a *precondition* of effective and realisable political freedom. What we observe here is the existence of differing and competing ideological perspectives in attempts to realise the abstract ideal of social justice. The zealous social reformer often fails to recognise this ideological substratum and acts self-righteously.

The pursuit of social justice as far as minorities groups in the Asian region is concerned, it can be argued for several reasons, is better achieved by paying more attention to issues of distributive justice the questions of 'fair shares' with reference to social rights. Unlike Marshall's 'social rights', these do not pertain only to statutory social services but cover the broad gamut of 'the social division of welfare' posited by Titmuss (see Mishra 1977) so as to include occupational benefits and fiscal measures in addition to the 'social services'. The main reason for advocating this stance is because most countries in this region have so far pursued a policy of capitalist economic development based on some version of political liberalism which by and large has failed to eradicate poverty, ignorance and disease. This was essentially a 'trickle down' theory of growth which has proved a total and abject failure. What the orthodox economists of the Western aid-giving countries preached and, indeed, continue to practice is that the subject matter of economic planning is growth - i.e., maximisation of GNP, and not distribution. The consequence was income concentration at the top and a disproportionate accumulation of wealth, status, and power by the dominant elite. As O. Mehmet (1978) so vividly describes:

In most LDCs the political and governmental machinery is dominated by self-seeking élites and privileged classes. In the post-war period, these groups have successfully utilized economic planning and foreign aid for their enrichment and have effectively resisted egalitarian reforms likely to weaken their dominance of the status quo. There is little hope that in the future they may voluntarily introduce redistributive programmes in aid of the poor.

The minorities, as pointed out earlier, belong to the dispossessed poor, whose standard of living in a relative sense continues to be eroded by the inequalitarian economic policies pursued in these countries and based on the orthodox liberal ideology of individualism. This is the stark phenomenon of growth without social justice that one encounters in Asia. Hence, the increasing plea from planners and economists for what Mehmet has vividly described as 'egalitarian planning', which is based on at least an ideology more akin to the liberalist ideology characteristic of

Rawls concept of social justice. Mehmet (1978) states that ‘an economic policy measure....would be judged socially justified on equity grounds....if it increased the standard of living of at least one individual while harming no one’ and, if there is a welfare loss for some ‘the gainers ought to be potentially capable of compensating the losers’ (p.30). The difficulty is, we must confess, that Mehmet like many other visionary reformers, fails to offer us an account of the social and economic organization and political structures required to attain and maintain this point of view.

The Indian economist, Kurien (1978) has, in a trenchant critique of the Indian planning experience, made a similar point but adopted a more radical argument for ‘distributive justice’. This challenges sharply the view that distributional justice for minorities and others similarly placed in the LDCs can be achieved by concentrating on the *mechanism of distribution*, e.g., some kind of ‘welfarism’ without altering radically the allocative procedures as they relate to the means of production. Kurien argues strongly that no matter what type of distributive strategies relating to the social product are followed by LDCs they would still not succeed in overcoming the daunting problem of absolute poverty unless the means of production were themselves more equitably distributed and controlled in the interest of common good so that production is related to needs of the many rather than the few. This is, of course, a radical egalitarian viewpoint which is collectivist and focussed sharply on the needs of social justice. In similar vein Harvey argues, the divorce of distribution from production is a characteristic of liberalism, and he asserts from a strictly Marxist point of view, that production is distribution. If it is social justice that we pursue, then the social reformer in the Asian region must be frank and candid in facing up to the logic of this debate which is far from closed. The choice between alternative strategies of development is not a question of pragmatics but a question of ideologies.

The Canadian political scientist, Macpherson (1977) has highlighted the critical importance of *ideology* for the Third World, especially on socio-political issues, which he characterises as ‘a systematic set of ideas about man’s place in nature, in society and in history’. Macpherson makes the valid observation that the ideological path followed in most Third World countries is neither a Marxist nor a Western Liberal-Democratic version but represents a borrowing from both these traditions. What is strongly rejected—and for very practical, functional reasons—is the fairly conservative ideology of liberalism based on: a) individualism which as a philosophy asserts that the individual is human qua proprietor of his own person,

and that the human essence is freedom from any but self interest contractual relations with others; b) the capitalist ethic of competitive individual advancement based on the interplay of market forces; and, c) pluralist political philosophy which highlights a consensus view of equilibrium in society through a process of conflict accommodation through checks and balances between interest groups. He goes on to point out that the Third World ideologies appear to borrow from Marxism a collectivistic and radical egalitarian ideology while rejecting the monolithic forms of political and social control. In short, the preferred ideology according to Macpherson and others appears to be ‘an egalitarian humanism’. It is a humanism which pursues social justice as equality, i.e., an equality of respect and endeavours to provide an equality of access as well as outcomes. This raises the question whether a non-market democratic theory which retains some of the ethical principles of humanism such as value of human freedoms and equality of respect is not only desirable but lies within the realm of the possible. My own answer, nay hope, is strongly in the affirmative but it is more an act of faith.

The crucial question here is to determine how we can assure social justice for minority groups within a socio-political orientation which is clearly at variance with the dominant ideology of Western liberal democracies. This ideological shift must surely influence the specific strategies and policy options available to those who are engaged in minority group relations work in the Asian region.

Asian Social Work and Social Reform

In conclusion, we may extend the argument made so far by focussing more directly on the role of Asian social work and Asian social work in striving for social justice, in particular the response of social work to issues of ethnic and cultural diversity. In Western social work this role has been controversial, but nevertheless belongs to social work’s historic role in promoting social change and reform by espousing the cause of disadvantaged groups. If Asian social work is to build its theory and practice of minority group relations around the notion of social reform and a strategy of change, it needs to develop a clear and sensitive understanding of the current social and political realities surrounding diversity.

Reformism, in the context of Western social welfare theory, has, according to Galper (1975), been frequently associated with incrementalism, i.e., improvement through small and modest changes in the system; but reformism is more significantly linked with the underlying tenets of political liberalism and pluralism

characteristic of these societies and is described as ‘the heart of liberal ideology in the Western world’. What Asian social work should understand above all is that an uncritical borrowing of Western social work theory and practice, amounts to an implicit acceptance of a strategy of reform and an alien ideology which may be totally irrelevant and dysfunctional for the nations of Asia. As we have previously argued in clarifying the concept of social justice, the ideological issue again emerges as a critical issue on which Asian social work cannot opt out. The value commitments entailed have to be met rationally and honestly. The choices made must in the last resort be defensible and relevant in the context of our particular societies, rather than alien ideologies or the needs and dictates of professional peers — locally or overseas. Indeed, an excessive professionalism is often counter productive and Asian social workers need to be forewarned.

In this connection, Galper (1975) has very pointedly argued that the reformist strategy has an important limitation viz. that ‘it fails to understand that social problems are rooted in the social structures of society and, consequently, confuses dealing with the symptoms of problems with the problems themselves’, (p.81). Hence, the strategies of reform pursued to achieve social justice in situations of diversity must, as we have indicated earlier, at least by inference if not directly, begin by properly locating the problems of minorities within a particular socio-cultural context. We need to comprehend the value systems and social structures in which the problems of minorities are enmeshed, if we wish to ameliorate the disadvantaged conditions of individuals in minority groups. This mode of thinking leads us to look upon the strategies of reform as lying primarily within the larger system rather than in the limited confines of minority groups structure, i.e. the subsystems or within the behaviour systems of individuals. Consequently, social reform in the interest of minorities is not to be equated with such things as provision of social services, behavioural and attitudinal change or formal legislative action, but more fundamentally with ‘social transformation’, i.e. the question of effecting radical changes in the structures of society itself. To put it more poignantly in the language of Galper (1975), ‘Reform is an illusion (... unless it deals) with the well springs in the basic dynamics of society’.

The adoption of the reformist viewpoint, is substantially consistent with Khinduka’s (1971) plea that third world social work should repudiate the traditional function of Western social worker as a therapeutic agent—a repairman of social casualties. Instead, social work he argues should adopt a ‘social developmental’ perspective with a special interest in social policy and social planning in so far as these are

linked with an overall developmental planning strategy for the society as a whole. This plea is not dissimilar to a demand in the Western societies for social workers to be more actively involved in social policy and planning issues. This newer perspective merits serious consideration by Asian social work educators as it calls for a radical restructuring of social work curricula to emphasize social policy and planning and cognate fields of study such as politics, economics and sociology which are currently sadly deficient in most social work curricula. Adler and Midgley (1978) in a critique of Khinduka's plea for a developmental planning approach has questioned its appropriateness on several grounds. They question in particular the capacity of third world social workers to pursue these new roles. Admittedly, this shift of emphasis will require major changes in education and measures to establish its legitimacy in society. These are, however, not insuperable difficulties and there is evidence of their successful adoption in some third world countries, particularly in Latin America. Even in the Western world the 'duality' of social work practice — the distinction between 'direct' and 'indirect' service practitioners — draws attention to similar issues about the role of social work and the relevance of educational curricula.

Underlying the widely debated issue of the nature of social work in Asian countries and its proper role as regards basic objectives, is the equally controversial, and perhaps more fundamental issue about the ethnocentricity of social work knowledge relevant to the theory and practice of social work. Systematically, given a sociology of knowledge approach, social work is to be regarded as part and parcel of the Judeo-Christian tradition, the bedrock of post renaissance ideology of Western Man, and therefore lacks any claim to universality. Angeline Alamanzor (quoted in Adler and Midgley 1978), has, for example, demonstrated that the Western value of individualism which permeates so much of the mythology of Western social work philosophy is not only irrelevant to Asian societies such as the Philippines, but alien to the indigenous value systems of many old and established cultures. The growth of social work 'ideology' in the third world countries (for that is what it is: ideology and no more) reflects 'the intellectual dependence of colonial social science on Western models' which has continued even long after these countries gained independence.

The disastrous consequences of this dependency, this cultural hegemony of the West, has been recognised by Myrdal (1968) in one field, viz., economics. And in sociology Jan Szezepanski (1968), a former President of the International Sociological Association (ISA) states that the task of sociology in the Third World

'is to build(ing)up their own systems of sociology capable of providing a set of concepts and theories that will permit more adequate description of their societies than do the concepts and theories developed in Europe and America'. He adds that 'it is in this endeavour that (third world sociologists) see the different specifics of their sociology'.

The intellectual reaction of non Western peoples to the ill considered and arrogant claims of 'cultural imperialism' in a variety of fields, especially in the applied social sciences, should, alert applied social scientists in the Asian region to be more cautious before assuming universality out of hand and honest enough to question some of these 'sacred cows' of social work. There is to the best of my knowledge, no evidence of such an undertaking least of all in social work which is saturated in the ideology of Western social science and more particularly a Western ideology of man presented as a universalistic theory. Adler and Midgley (1978), in similar vein has recently observed that 'social work's tenacious association with Western theory must be severed', so that social work roles in these countries could be properly redirected and transformed to meet appropriate contingencies such as the gross inequalities of poverty. The 'indigenisation' of social work that is taking place in Latin America could serve as a valuable model of how to proceed in this difficult task in which one expects the 'experts' of the Western world to show a greater degree of tolerance and understanding of alternative viewpoints. This is not a plea for an extreme relativism nor for establishing a parochial body of knowledge steeped in jingoistic excesses of national pride, but more simply a sober and modest reaction against the excesses of cultural imperialism.

In these terms, regrettably Western social work has little to contribute directly to the theory and practice of minority group relations in the Asian region, but certainly we have much to learn by engaging creatively and imaginatively in utilising existing knowledge. We must pause to reflect, soberly and patiently, before we act, out of a sense of false knowledge, improperly perceived reality or a visionary idealism bordering on fantasy. It is our prime duty as educators to pursue knowledge fearlessly with integrity and commitment as a basis for praxis — and we should always remember that misguided and misplaced action is fraught with untold adverse consequences — for society as well as individuals.

ELECTORAL POLITICS AND WELFARE

‘There is one important problem facing representative parliamentary government in the whole world where it exists ... that is, how to reconcile parliamentary popularity with social economic planning ... how to persuade the people to forego immediate satisfactions in order to build up the economic resources of the country ... ’

Aneurin Bevan (1971)

Ceylonese politics since ... independence has been characterised by intense party competition, a multiplicity of rival parties, and the frequent transfer of control of the government between rival parties.

R. Kearney (1971)

Introduction

The recent Sri Lankan Elections (1994), resulting in a peaceful change of government, deserves close scrutiny and analysis by countries like Australia, as a case study in the adoption by a developing country of the principles of liberalism characteristic of Western democracy. When the relationship between political liberalisation and economic reform, especially those which lead to market liberalisation and structural adjustment in the fast expanding economies of the Asia-Pacific region is engaging the interest of political analysts and social theorists, the Sri Lankan experience in the growth of electoral democracy stands out as a very special case. Sri Lanka denotes the evolution of a post-colonial state, wherein economic performance has had to be based on, or some would say, constrained by, the existence of a democratic polity – democratic political institutions, constitutional conventions and political practices that have gained (e.g., regular elections and a high degree of political participation) wide acceptance over six decades or more.

The processes by which freedoms and rights are entrenched within a set of 'political rules' relating to the exercise of political power and the democratisation process, are linked to economic reform is a complex and controversial issue.⁹¹ Sri Lanka – despite the political instability arising from the ethnic violence of the last decade – presents itself as a country which has experienced rapid growth with some political costs. It would be rewarding and instructive for researchers to consider Sri Lankan political developments in the context of the relationship between rapid economic growth in a developing society and democratisation.

More generally, Sri Lanka stands out as a unique case for students of developing countries. Although classified as a poor country (GNP per capita \$470), Sri Lanka boasts a level of social development far ahead, even of some advanced countries of the world. For a country with approximately 25 per cent below the poverty line, Sri Lanka is still able to record a high level of literacy (rate of 89% for adult literacy), school enrolments, a noticeably declining population growth rate – currently about 1 per cent, and good health indicators (e.g., life expectancy of 71 years and infant mortality of 25 per 1,000 live births). On the UN Human

* Reprinted from a Monograph published by the Center for Development Studies, Edith Cowan University, Perth, Australia 1995.

Development Index (HDI), based on measures of development relating to basic human needs, education and health, Sri Lanka ranks 76 among 160 countries (see Grandea 1993). The relevance of this data for this Paper lies in the fact that the *politics of welfare*, along with *ethnic minority politics*, lie at the heart of Sri Lanka's political democracy, as it has evolved over 10 General Elections since the achievement of independence from British colonial rule in 1948.

The importance and significance of minority politics arise from the fact that, as Rubishka & Shepsle have observed, (1972) Sri Lanka is a plural society⁹² with marked ethnic (cultural) and religious diversity, and prone to political instability.

Table 4.1 : Composition of Sri Lankan Population

Ethnicity	%	Religion	%
Sinhalese	74.0	Buddhists	69.3
Sri Lankan Tamils	12.6	Hindus	15.5
Indian Tamils	5.5	Muslims	7.6
Moors	7.1	Christians	7.5
Others	0.8	Others	0.1

Source: Census 1981

Table 1.1 shows that the majority community, the Sinhalese, account for approximately 74 per cent of the population; they are also predominantly Buddhists. The Tamil community – largely Hindus by religion – is made up of the Sri Lankan Tamil community (approximately 13%), concentrated mainly in the North and East (see Table I and Figure I in Appendix), and the Indian Tamils (approximately 6%). There is also a sizeable Muslim community of about 7 per cent, in the East (see Mohan 1987), concentrated mainly in the Eastern Province, with pockets in parts of the Western and Southern Provinces.

Table I and Figure 1 in the Appendix, portray the geographical distribution of the ethnic groups, and is particularly useful in understanding minority politics as it shows the concentration of the different ethnic communities according to their Census location by Provinces/Districts. Just over half the Sri Lankan Tamil community live in the Northern Province, with another 20 per cent in the Eastern Province. The balance 25 per cent is scattered throughout the country. The Indian Tamils are found mainly (90%) in the Central Province, and to a lesser extent in

the Uva and Sabaragamuwa Provinces, all of which are mainly tea growing areas in the plantation sector. They are the descendants of indentured plantation labour brought by the British capitalist class in the 19th century to work on the prosperous tea plantations. This community is distinct from the Sri Lankan Tamils currently fighting for an independent homeland.

The 1994 General Election (94 GE) demonstrates the continued persistence of *minority politics* and the *politics of welfare* – the two dominant features in Sri Lankan electoral politics in the evolution of the Sri Lankan polity. Electoral success, has in one way or another, been markedly influenced by the way in which these two dominant features, viz., minority politics and welfare politics, have been effectively manipulated by emergent political parties. However, the 94 GE marks an important developmental phase in the growing political maturity of Sri Lanka as a liberal democracy.

The paper, in addition to analysing the results of the 94 GE, will endeavour to demonstrate that the recent election Sri Lanka is noteworthy for four important reasons. The first relates to the changing social composition of the main parties. The Sri Lanka Freedom Party (SLFP), working as a broad coalition, has strong claims to be regarded as a *national party*. This broad coalition includes segments of the minorities, the 'new' urban middle class and the rural middle class, its traditional base which it has reclaimed to a large extent from the United National Party (UNP). Second, the paper examines the reasons for the changing fortunes of the dominant party, the UNP and draws attention to the flawed political strategies it pursued in the period immediately preceding the 94 GE. Third, it is argued that one of the main reasons for the success of the SLFP in the 94 GE was because it appears more confident in confronting forcefully the two defining features of Sri Lankan politics – minority and welfare issues. Finally, Sri Lanka is an instructive example of a country that has managed to retain liberal democratic elements while at the same time pursuing an economic reform programme. This balancing act between economic reform and democracy is likely to be the major task of the new regime.

This paper is in two parts: Parts A and B. Part A , provides an overview of the key events and elements of the political process which, since the days of colonial rule, have served to establish a liberal plural democracy. This section outlines briefly the pre-independence period (1931-48) and then proceeds to recount the salient features of the evolution of Sri Lanka's political system during the period

after the grant of independence by the British in 1948. In this period, extending over nearly four decades, there are four significant phases. The most recent phase, 1977-94 is important for analysing the outcomes of the 94 GE as it provides a critical commentary on the radical political and economic changes introduced during this period.

Part B of the paper deals with the events leading to the 94 GE and the main issues of the election campaign. The focus is mainly on analysing the pattern of voting as revealed by the elections results, with a view to discerning any emergent trends. This part concludes with a comment on some of the main issues facing the newly elected government in the immediate future.

The Pre-Independence Period (1931 - 48)

The Beginnings of Electoral Politics

Electoral politics in Sri Lanka dates back to the early part of this century with the gradual introduction of self-government by the British colonial administrators.³ The period 1931-48, immediately preceding the grant of independence in 1948, marks the inauguration of a fully elected self governing Parliament with universal franchise, but still under colonial rule. The achievement of partial self government and the grant of universal suffrage in 1931 (just 3 years after it was introduced in Britain) has influenced every aspect of political development and dramatically transformed the history of the country (see de Silva, K.M., 1981). It is worthwhile noting that Sri Lanka was the first Asian country to enjoy the exercise of universal suffrage; and this included votes for women, which were not enjoyed at that time by many Western liberal democracies.

The adoption of universal suffrage was partly intended to overcome the tensions created by minority representation in the early stages of partial self-government granted by the British in the early part of the century. But, on the contrary, this form of representation only served to articulate more forcefully, sectional communal interests throughout the last four decades. However, as (de Silva K.M., 1981) has rightly observed, universal franchise, achieved in 1931, is the most durable characteristic of the Sri Lankan democratic system, and constitutes its foundation. The right of the people to exercise their vote, to elect a government, is

the key to understanding electoral politics in Sri Lanka. There were three General Elections in this early period, and as Sri Lanka mastered the basic principles of electoral democracy they have learned to use the vote precisely in the way Macaulay feared. As foreshadowed by Macaulay, by giving

votes to all ... you must expect the instinct of self interest – that same self interest which Adam Smith counted on to work in the economic sphere of laissez-faire – to lead to state interference with the inequality of incomes and prosperity (quoted in Fonseka 1989, p. 9).

Sri Lankan politicians have, as 'political entrepreneurs' (see Rabushka & Shepsle 1972), used the popular electorate effectively to woo Sri Lankan voters who have learnt to use the ballot box skilfully to achieve their political demands such as increased representation or a greater measure of equity and justice. Not surprisingly, the foundation of Sri Lanka's welfare system, especially in the areas of health and education were laid during the pre-independence colonial period (see Wickremaratne 1973; and Jayasuriya 1986).

Equally, this period also saw the beginning of minority politics (communal politics) in a plural society, with claims by the Tamil community for a greater degree of political representation, and more equal access to benefits.⁴ Parity of representation in the form of the slogan 50:50 (popularly known as fifty-fifty scheme) expressed the growing strength of organised minority opinion – Tamils as well as Muslim interests – which manifested itself politically. This envisaged the allotment of half the seats to Sinhalese and the other half to minority groups. The beginnings of Sinhalese nationalist politics, in response to Tamil demands and expressions of nationalist sentiment (see Wriggins 1960; also Jupp 1978) which were manifest in the Buddhist revivalist movement, became evident during this period and influenced later developments.

The Post-independence Period (1948-94)

Phase 1 (1948-56): Elite Politics of Independence

With the grant of independence from British colonial rule in 1948, the Constitution of 1948 established a Westminster style system of government with an elected Parliament with a Senate and a House of Representatives. Only the Lower House – the House of Representatives – was an elected chamber. Elections to this chamber were through single member territorial constituencies with additional provision for several multi-member constituencies designed to cater to minority interests. At the

same time, with a view to giving adequate representation to sectional interests, there were several nominated members in the Lower House. Further safeguards for minority and sectional interests were provided by legislative provisions relating to principles that were to be followed by subsequent Delimitation Commissions to ensure that proper weightage was given to interest groups, in the carving of electorates. This clearly shows that minority issues were well into the fore in the first phase of Sri Lankan political development, extending from 1948 to 1956.

At the same time, the framers of the 1948 Constitution purposely deviated from the principle of one man, one vote, one value, to give weightage to sparsely populated and backward areas. This period also witnessed the development of a body of electoral laws to prevent voting abuse. By virtue of these procedures, electoral abuses were greatly minimised, and as a result, Sri Lanka has today an unenviable record of a system of efficient and fair elections which has in turn, generated considerable public confidence in the fairness of the electoral system.

Politically, this period was noted for the skilful management of the previously identified dominant themes of electoral politics, namely, minority and welfare politics. Welfare politics led to the establishment of a universalist welfare state system which 'guaranteed access to three basic amenities – 'food, health care and education' (Osmani 1988, p.74). This was based on free food, free rice, subsidy on other essentials, free education from the Kindergarten to University, and free health in a system of public hospitals. To this must be added subsidised public transport and several social assistance programs for those in special circumstances.⁵

This phase of Sri Lanka's political development also marked the emergence of political 'parties', initially as loose associations of personalities, dominated by the 'old guard' – the comprador elite – who negotiated the transfer of power from the British colonial rulers. It is a phase characterised by relative economic affluence in a dependent economy which was based primarily on the exports of agricultural commodities (tea, rubber and coconut). In fact, the plantation economy served to underwrite welfare policies and public programs which were mostly beneficial to the urban sector.

On the question of minority politics, the governments of this period espoused an 'integrative secularism', based on an alliance between the elite of the dominant and minority groups, all of whom were drawn from urban, western educated classes.

According to one commentator (Wilson 1988), this was a period of 'responsive cooperation' between two Western educated groups, this is best described as 'elite accommodation'.⁶ Its success at this time was because it represented a class alliance between two Western educated élite groups, with common interests in maintaining relative peace and stability.

From the outset, the dominant themes of competitive politics were built around minority and welfare issues. Welfare politics was also the means through which an assertive left wing was kept at bay. Furthermore, in a period of economic affluence, governments were also able to make skilful use of welfare statist policies as a method of state regulated control of the wider population.

Phase 2 (1956-70): Nationalist and Welfare Politics

In the next phase, extending from 1956-1970, we begin to observe the first manifestations of competitive electoral party politics,⁹⁷ and in particular, the evolution of a bi-polar political system. While there are many reasons for this development, it is widely agreed that the two-party model was in many ways an inevitable result of the 'plurality' system of elections, i.e., voting by the first past the post voting system. To quote de Silva C.R.:

any electoral system based on a plurality system generally confers disproportionate benefits on parties with the highest poll ... [Thus] a party with much less than 50 per cent of the vote could obtain a majority of seats and form a stable government (1981, p.121).

Accordingly, there emerged two main party blocs. One, the *United National Party* (UNP), essentially a non-sectarian Centre-Right patrician party whose leadership was comprised of the comprador élite, 'the old guard' of Sri Lankan politics, representing the landed aristocracy, the bureaucracy and big business. The UNP, in this early stage, was paternalistic in its approach to politics and was led by a highly westernised middle class who were however plagued by schisms and family 'squabbles' (the clash of cousins for leadership). As the political analyst, Kearney (1973) rightly points out, they were, in these early days, essentially a 'pragmatic party with little sense of mission or dedication to the pursuit of social or economic goals'.

The main opposition Party to the UNP, *Sri Lanka Freedom Party* (SLFP), was formed in 1952 and was initially a collection of breakaway politicians from the UNP. It was led by a brilliant patrician politician, S.W.R.D. Bandaranaike.

Bandaranaike – described by Manor (1989) – in his authoritative study of Bandaranaike and his politics as 'a complex, inconstant, visionary' – remains a pivotal figure in the politics of Sri Lanka. In 1952, Bandaranaike broke away from the UNP with a small band of followers to form a Centre party with strong nationalist leanings. Bandaranaike's guiding ambition as a political leader was in his own words, 'to capture the national imagination' which he said had not preceded independence as Sri Lanka had achieved freedom without a national struggle. Hence, the SLFP's resort to cultural nationalist sentiment as a means of gaining popular support.

Though billed as a party of the 'common man' with a strong rural power base, it was not a peasant party nor a party of the peasantry; it was more truly representative of the Sinhalese rural middle class, such as village leaders,⁹⁸ which included teachers, the Buddhist clergy, indigenous physicians, and petty landowners. One of the main aims of the SLFP as a political party was the destruction of the privileges of the establishment class – the western educated ruling elite – through a series of nationalist and egalitarian social reforms such as the removal of English as the official language, land reform measures and agricultural tenurial policies, and social welfare measures to ensure a greater measure of distributional equity for the rural sector. In short, the SLFP, in its search for political power, alongside its strong expression of Sinhalese nationalist sentiment, vigorously espoused 'welfare statist' policies and state intervention in the management of the economy.

At the same time, the SLFP, soon recognised that it could not gain political ascendancy through the ballot box without the support of the more urban rural-urban, voters – particularly the urban working class and lower middle class which formed the power base of several well established Left parties (Trotskyists and Communist).⁹ These parties had a sizeable electoral base, approximately 20 per cent, especially in Colombo, its environs and the Southern region, areas marked by urbanisation, high levels of education and wage employment. The SLFP's pursuit of equity and justice, through welfarism, was directed mainly at the urban middle and working class groups,¹⁰ and was greatly influenced by the Left parties. Hence, the SLFP negotiated 'electoral pacts' during this period, 1956-1977, as a necessary condition of its gaining political power within the parliamentary system. The support of the Left parties has been a key factor on every occasion the SLFP has gained power.

Its triumphant entry into government in 1956 was a watershed in Sri Lankan politics because it ushered in a new regime which was to alter the course of Sri Lankan politics for the next few decades. Whether in office or out of office, the SLFP – largely because of the Left party influences – maintained a strong commitment to progressive social reform, and the maintenance of a strong public sector within a mixed economy. Unlike its rival, the UNP, it was avowedly an interventionist party.

However, the achilles heel of the SLFP, in its claim to recognition as a *national* political party has always been its vacillation on ethnic minority issues – its inability to command any confidence from the minority parties, especially the Tamil parties, that had come to the fore during this period. However, one of its notable achievements was the successful resolution of the question of the status of the 'stateless' Indian Tamil plantation workers in 1964-65 as a result of the Sirima-Shastri pact (1964).¹¹ As a result, over time, a substantial number of Indian Tamils gained citizenship status, and the Indian Tamil question has become a 'non-issue' in Sri Lankan politics.

With the coming into being of the two party blocs – the UNP and the SLFP – the minority parties and other smaller parties had declining fortunes with few opportunities to bargain with the two main party blocs. One direct consequence of this changing political scenario in the 1970s was to use the constitution as an instrument of social and political change. The more recent phase of Sri Lanka's political development, especially since 1970 is dominated by the way electoral politics has been fashioned by constitutional changes which in turn have had important implications for the evolving political process in Sri Lanka.¹²

Phase 3: (1970-77): The Social Experiment and its Aftermath

The third phase of Sri Lanka's recent political history extending from 1970-1977, saw the return of the SLFP government for the third time. This relatively short, but important phase typifies Sri Lanka's 'turnover' pattern of politics, which is revealed in Appendix I, Table II showing the strength of the parties in the 10 General Elections since 1947. As Dissanayaka (1994) notes: 'in the entire third world only Jamaica has a comparable "turnover pattern" in a country with a two-party system. The landslide victory of the SLFP in 1970, as in the 1956 Election, was again not in its own right, but in coalition with a group of Left parties. Although the coalition gained a massive majority of seats, it should be noted that the outgoing

UNP, despite the small number of seats (17 out of 168), still obtained a larger percentage of votes than the SLFP (UNP, 38%; SLFP, 37%). In the evident bipolarisation of the political spectrum, the 1970 results clearly indicated that the electoral fortunes of the SLFP depended heavily on the success of electoral pacts with minor parties such as the 'left parties' whose traditional electoral strength has traditionally been in the South.

Importantly, it was this alliance with the 'socialist left' in 1970 that served to transform the SLFP into a genuine Centre-Left Party of social reform firmly committed to maintaining a strong public sector in a mixed economy and continuation of welfarism. More importantly, the 'left' influence on the SLFP served to mitigate, if not to control, the extreme nationalist elements within the SLFP. In short, the 'left' parties, were not just the soul of the SLFP as a progressive force in politics, but also became the 'theoreticians' of the new government.¹³ One of its main achievements was to introduce a new 'socialist' constitution in 1972, the Republican Constitution of 1972 which replaced the Constitution of 1948, with an autochthonous Constitution.¹⁴

The 1972 Republican Constitution was also 'in many ways a symbolic assertion of nationalism' (de Silva K. M. 1977), and reflected the dissatisfaction with the conservative and pragmatic Constitution of 1948, a legacy of British colonialism (Jupp 1978). The main criticism of the earlier Constitution was that it was a conservative document which did not guide policy makers towards any progressive social and economic changes. It merely served to reinforce and sustain Westminster traditions and practices such as a bi-cameral legislature and the Queen as the nominal Head of State. Thus, the 1972 Constitution, was an 'indigenist constitution' which, in addition to establishing a President as the nominal head of State, ventured – through its statement of Principles of State Policy – to enshrine socialist principles such as full employment, distributional equity and a state regulated economy – in justification for the expansion of the public sector in a carefully regulated and planned economy. It was, in essence, meant to be an expression of a new nationalism as well as the embodiment of progressive socialist ideals of people's power and centralised planning.

Perhaps, the most significant feature of the 1972 Republican Constitution was that, 'the National State Assembly as the supreme instrument of State power of the Republic was vested with the legislative, executive and judicial power of the people' (Zafrullah 1981, p. 20). Zafrullah adds that, in theory, this envisaged a

fusion rather than a separation of powers' (p. 21). The supremacy of the legislature, embodying the power of the people, was to be exercised through the National State Assembly which had ultimate power over the judiciary and the bureaucracy. As Jupp (1978) observes, 'the placing of bureaucratic and judicial posts within the political area [was] more in the American than the British tradition of constitutional government characteristic of the 1948 Constitution'. In the words of Jupp (1978), 'the colonial Platonism' which had inspired the architects of the 1948 Constitution 'was replaced by a cruder, but more politically realistic assertion of majority domination' (p. 25). Not unexpectedly, the conservative UNP vigorously resisted the concentration of all power in the National State Assembly and decried the principles and constitutional practices of the 1972 Republican Constitution.

The 1972 Republican Constitution in effect, as I have argued elsewhere (Jayasuriya 1977), established a 'legitimised dictatorship' of Parliament which led to a blatant misuse of political power by the curtailment of individual liberties and freedoms through the use of political patronage and favour, as well as government control of, and interference with, the independence of the judiciary.

Politically, this period also witnessed the 1971 Youth Revolt, a radical revolutionary youth movement in the southern parts of the country led by the JVP or People's Liberation Front founded in 1969. This was, probably, the first significant attempt in recent times, before the 1983 Tamil revolt, and the later JVP insurrection of 1987-1989, to gain 'extra-parliamentary' control of government.¹⁵ This revolt was sparked off by the intractable economic problems confronting the Sri Lankan economy, especially galloping inflation, high unemployment and a stagnant economy whose rate of growth was rapidly falling. Although the economic system was strained to the utmost, it did not reach a point of collapse because of the continued maintenance of welfare policies and programs which enabled the vast majority of people to survive in 'relative poverty'.

These adverse social and economic conditions of this period also contributed to the growing disenchantment of the Tamil community with mainstream Tamil political parties, all led by affluent, western educated urban middle class professionals, mainly located in Colombo. A relatively strong economy had previously enabled nationalist politicians to ameliorate these forces. However, the increasing state domination of the economy in the 1970s led to the politicisation of distributional issues on ethnic lines. This was evident in the opposition of Tamil parties to the standardisation of University entrance marks and the introduction of district quota

system for University admission as evidence of discrimination. It is significant that the mainstream Tamil parties, though demanding a Federal Union, remained committed to a unitary state. They nevertheless vigorously opposed the provisions of the 1972 Constitution which they argued relegated the Tamil language to a secondary status.

The coalition government – influenced by its left allies – attempted unsuccessfully to build bridges with the Tamil minorities by such acts as the appointment of Tamil politicians to responsible positions and the grant of concessions for the use of the Tamil language in official matters. Even the co-optation of Tamil politicians into the Cabinet, conciliatory moves on University admission, as well as the establishment of a University Campus in Jaffna catering to Tamil interests proved utterly ineffective in appeasing Tamil opinion which remained resolutely opposed to the SLFP government.

Ethnic relations continued to deteriorate sharply and the Tamil leadership began to shift away from the mainstream Tamil parties to young, educated militants in the traditional homeland of the North, who were committed to violence and secession. With this shift in the power base of Tamil politics, a new chapter in ethnic relations was beginning to emerge, but the Sri Lankan government failed to grasp its significance and respond meaningfully to these new and powerful minority interests which had made the Colombo based Tamil leadership ineffective and irrelevant.

Phase 4 (1977-94): The Politics of Economic Reform

The 1977 General Election marks the beginning of the fourth and most recent phase of Sri Lanka's political evolution which lasted for 17 years until the UNP defeat at the recent General Election of August 1994.¹⁶ In 1977, the UNP, under the able leadership of the astute patrician politician, J.R. Jayewardene, a master political strategist, inflicted a crippling electoral defeat on the SLFP government, which had broken its alliance with the 'left parties' in 1975. He was the dominant political figure of this era whose 'overriding goal appeared to be to preserve and extend his own personal predominance regardless of the costs to Sri Lanka' (Moore 1990, p. 381). Besides the personality cult politics of this era (that of Jayewardene and Premadasa), this period is significant for many social, political and economic changes. Some of these include the radical constitutional changes; the introduction of new economic policies, the growth of the Tamil secessionist

movement, and above all, the militarisation of Sri Lanka. The latter was a consequence of two events of historical significance in the political development of Sri Lanka: the armed revolt of Tamil groups in the North and East, and the radical insurrection in the South – the JVP revolt (1987-89).

One of the first acts of the new government was to introduce a radically different constitutional structure by introducing fundamental changes to the Westminster style of parliamentary government that had existed from the grant of independence in 1948. This second Republican constitution of 1978 was a complex and sophisticated document which has attracted considerable interest among constitutional theorists and in particular, analysts of political developments in developing countries.¹⁷ The 1978 Constitution stands out on account of several key features such as an elected President, introduction of proportional representation, and the Referendum principle. These constitutional changes have transformed the political system in a significant way, and in their practical implementation have had many adverse effects on the democratic process.

The first and most significant and visible feature of the 1978 Constitution is the establishment of an Executive Presidential style of government modelled on the Fifth French Republic. Although the Parliament was retained, the locus of power shifted from the Parliament to an Elected President (for a six year term) who was endowed with wide ranging powers. Except for the power of Parliament, with respect to appropriations, the powers of the President are extensive and virtually unlimited (e.g., the President appoints Prime Minister and other Ministers, can remove them, appoints Secretaries to Ministers, grants pardons, etc.). Clearly, the Executive has displaced the legislative arm of government. The whole system, according to Zafrullah (1981), was, 'a curious combination of the presidential and parliamentary systems' in which there was to be an 'organic' separation of powers between the executive and legislative branches of government (i.e., the fact that the same person/s do not form a part of more than one of the 3 organs of government).

The *raison d'être* of the new government was the need to create political stability in order to facilitate rapid economic development and modernisation. This was the guiding credo of the UNP throughout its 17 years of government. To this end, the new government readily embraced the new economic doctrine of the West, and also of aid agencies, viz., economic liberalisation and establishment of market driven growth with minimal state intervention. But for all this to happen rapidly,

the government needed, not just political stability, but a form of administration which, despite checks and balances, would still permit 'decisional mobility', the ability of the Executive to make quick and effective decisions. The 1978 Constitution was the political instrument that the new government evolved to facilitate these social and economic changes. Hence, the constitutional document of 1978 and the manner in which it was implemented by the previous regime is central to understanding the fourth phase of Sri Lanka's political development (1977-94).

By the concentration of power and decision making in one person – the Executive President – despite the existence of checks and balances (e.g., parliamentary control of finance, restrictions on extension of the term of office etc.) there arose a monolithic authoritarian structure of government with the potential for blatant misuse and abuse of power. However, as Jain (1979) and others have commented, the fault lay not so much with the Constitution itself, but in the manner in which it was implemented. Despite protestations of benevolence and commitment to liberal conceptions of democracy, the two incumbents of Presidential office during this period (President Jayewardene 1978-89, and President Premadasa 1989-93) have consistently violated basic human rights, freedoms, and the rule of law. They have acted with little or no accountability, more in the style of a Lee Kuan Yew or Marcos, than a democratically elected leader, having to be contend with dissent and an Opposition.

Even according to Jeyaratnam Wilson (1988), who was sympathetic to these constitutional changes, and acted as a political adviser to President Jayewardene, this 'omnipotent Executive' could only be said to have created a 'bonapartist state'. More recently, Moore (1994) has aptly compared this form of political structure with the system of 'guided democracy' in Taiwan as it possesses characteristics such as the existence of close links between state structures and the party in power, access to economic resources by the ruling state party apparatus and political patronage.

The other key feature of the 1978 Constitution was the introduction of the method of Proportional Representation (PR) to replace the 'plurality system' (first past the post voting) for the election of members of Parliament. The method of PR adopted was the *Hamilton Method* (also known as the *Method of Largest Remainder*) in apportioning seats in Electorates. (Appendix V describes PR in greater detail.) This also meant the adoption of the List system whereby electors vote a nominated

member of the party of their choice on a list of names. The resort to this method is particularly significant because it serves to lessen the independence of ordinary members who no longer have a local power base. What it does is to effectively strengthen the power of the party machine and additionally, the strength of Executive power – providing further evidence of the increased authoritarianism inherent in the 1978 Constitution. This was a marked departure from traditional electoral practices which encouraged members of Parliament to become involved in local issues. The new Constitution went even to the extent of forbidding by law practices such as canvassing votes in the homes of electors.

According to the method of voting, the cut-off point determining whether a party was eligible to gain a seat was originally set at 12½ per cent of the votes cast (later reduced to 5%) in an electorate. This requirement, even after the lowering of the cut-off point, has effectively disfranchised the smaller parties and interest groups, and encouraged them to negotiate electoral agreements with the larger parties.

The third key feature of the 1978 Constitution was the introduction of the Referendum principle. This, along with the inclusion of fundamental rights and minority rights, was one of the most innovative and progressive features of the 1978 Constitution. The Referendum principle, according to de Silva, C. R. (1979), had a three-fold role. It was: essential for constitutional amendments to entrench clauses of the Constitution; a means of testing public opinion; and, a way of resolving conflicts between the President and Parliament. So far there has been only one Referendum – in 1982– to extend the life of the 9th Parliament elected in 1977, for a further period of six years until 1989. This was successful but bitterly criticised by the Opposition parties on the grounds that it infringes a basic right of the people in a democracy to periodically elect a government of their choosing. This particular use of the Referendum principle only served to confirm the fears many people entertained about the growing impotency of parliament and concentration of power in the executive arm of the government.

It is clear that the motive for these constitutional changes was the desire on the part of the government to create the best political climate to attract private investment for rapid market driven economic growth. As one bitter critic observed, the 1978 Republican Constitution 'was an attempt to introduce authoritarian rule under the pretext of economic necessity' (Fernando, 1993, p. 33). Likewise, the primary object of PR system – as intended by the architects of the 1978 Constitution – was to prevent the instability arising from 'pendulum swings'. The rationale was that

such shifts were not conducive to the stability and continuity considered essential for long term policies of economic development.

In fact, from a policy perspective, the most distinctive feature in the 1977-1994 period of political development was the transformation of the economy from a closed economy to an open economy characterised by export-oriented growth based on private investment of local or foreign capital.¹⁸ There were radical changes in the Sri Lankan economy with the introduction of economic liberalisation, consistent with the constraints imposed by multilateral agencies such as the World Bank. With these new policies, especially in the period 1977-1989 the UNP, as a conservative party of capital and vested interests bent on rapid economic development, consolidated its traditional power base in landowners as well the financial and business sector located within the urban sectors, predominantly, Colombo. The UNP has recently extended its support to include the new urban-centred middle class composed of the new rich, as well as the professions, and the bureaucratic-technocratic class. This new elite group has played an influential role in fashioning the politics of this period.

Of greater significance is the fact that the UNP has been able to acquire a strong broad based electoral base by making significant inroads into the traditional power base of its opponents – the SLFP – in the rural sector. Moore (1994) refers to this as the 'ruralisation' of the UNP. This was largely due to the clever populist strategies of President Premadasa, first as Prime Minister 1977-89, and later as President during the period 1989-93, who responded to the needs and aspirations of the rural sector through a variety of economic policies, such as the Mahaweli Scheme and colonisation of the dry zone farming areas.

More significant were the social policies such as village level programmes for rural electrification and housing, all of which had a great deal of mass appeal, and in particular, were aimed at the socially disadvantaged groups in society (e.g., low caste groups). While being firmly committed to the doctrinaire economic policies of the right, President Premadasa, unlike his predecessor, showed that he was not averse to the softer politics of welfare, decried by his party colleagues. In devising his social assistance package (the janasaviya scheme) as a 'safety net' for the poor and needy, he not only defied his political advisers, but also challenged the influential aid agencies.

The late President Premadasa, during his tenure as Prime Minister during 1977-89, as well as of the Presidency from 1989-93, though a product of the urban working class, by virtue of his plebeian social origins, was rejected and despised by the Colombo based urban elite; he was the butt of drawing room jokes in Colombo's Flamingo road – Colombo 7. His passage through the UNP was not an easy one, for he was considered an 'interloper' by the UNP establishment because of his origins. Not unexpectedly, he showed a greater degree of empathy with the rural peasantry and the ordinary people. By these acts, he maintained a populist image as a national leader. This mix of politics greatly enhanced the electoral prospects of the UNP in the 1980s (as in the Presidential elections of 1982, 1988). The electoral success of this political strategy is also evident in the Provincial Elections of 1993.¹⁹

The net effect of these policies was to strengthen the new rural middle class, the rural elite, especially drawn from the small business rural sector (partly as a consequence of the success of the Green revolution and growth of the agricultural sector), and the village level bureaucracy. This rural elite became the power brokers at the village level following the District Councils Act (1980), and schemes for decentralisation through which state benefits are distributed to the peasantry. In this system, village level intermediaries act as agents of the national elites (see Warnapala & Woodsworth, 1987, p. 14), the power brokers of the governing class. This new class began to shift its political allegiance from the SLFP to the UNP, and expected to be rewarded with distributional benefits. In so doing, although Premadasa, more than any other UNP politician, radically changed the power base of the UNP; he also created social tensions within the party, between the 'old' – the Colombo élite – and the new, more nationalistic, rural élite, which have continued to destabilise the UNP in the post-Premadasa era.

The progressive populist welfare measures of President Premadasa also served to soften the public perception of himself as a ruthless autocrat who would go to any lengths – including blatant violations of basic human rights, to protect himself and party in power. His role model was Lee Kuan Yew (see Jayasuriya 1989), and like his esteemed model, while working towards a consensus model of elite accommodation, emphasised a highly coercive state structure based on strict discipline and unity. In short, he was both a complex and astute politician whose tragic death at the hands of an assassin plunged the country into a crisis – really a crisis for the entire political system, the style of leadership and the structure of

political institutions, that had evolved in the post-1977 period. This crisis remained unresolved until the General Election of 1994.

The Elections after an unexpected Interlude

The entirely fortuitous and unexpected appointment of President Wijetunga (the Prime Minister appointed by President Premadasa) to succeed the assassinated President in May 1993 created overnight a new political scenario. The new President, an old style politician from the 1950s, lost no time to show his distaste for the authoritarian excesses of his predecessors, and expressed a preparedness to return to the quiet and more orderly processes of a liberal democracy. Accordingly, he removed overnight many of the glaring abuses of power, such as the existence of a secret police unit, and unauthorised surveillance. However, the new President, being ill equipped and inexperienced for the high office he inherited, soon fell a victim to the mischievous manoeuvrings of party loyalists, functionaries, and entrenched bureaucrats who sought to maintain the core elements of an 'omnipotent executive' with only cosmetic changes.

President Wijetunga's political judgment faltered on several occasions, most notably in his misuse of Presidential power such as in the exercise of Executive pardon²⁰ for convicted offenders, and the removal of an independent Provincial Governor and the Bribery Commissioner. He also erred by his imprudent handling of the ethnic conflict by denying that there was an ethnic problem, and taking a chauvinistic stance with a view to gaining the support of Sinhala nationalists. In so doing, he virtually foreclosed the prospects of a negotiated political settlement and appeared to be captive to the military. He also proved utterly inept in handling corrupt bureaucratic practices, party squabbles and disputes with the long time ally of the UNP, the Ceylon Workers Congress (CWC).²¹

The resultant erosion of public confidence in the capacity of the UNP to govern effectively was most evident in the failure of the UNP at the Provincial Council Election in the Southern Province in May 1994 (see Abeysekera 1994). The President and the UNP as a whole appeared to have committed a grave error of political judgment in deviating too sharply from the populist welfare policies of the late President, as this perceived shift in policy may have been one of the many reasons for its loss of government in the Southern Provincial Council.

This was an ominous sign that the tide had turned against the national government. In this context, the decision of the President to call a General Election in August 1994, before the Presidential election, and six months in advance of its scheduled date (early 1995), still remains shrouded in mystery. Some suggest that this decision may have been made for the President in an ethereal sphere!

Once the Election campaign got going, it was soon apparent that the main issues the Elections had to confront were four-fold. First, and foremost was the resolution of the ethnic conflict in the North and East, and prospects for peace. The expenditure on the war estimated at Rs 50 million daily, or about 17 per cent of government expenditure (4 percent of GDP), was a severe drain on the economy. But more importantly, the untold human cost of lives lost and displaced persons in refugee camps had cast a heavy gloom on all aspects of Sri Lankan society. It is estimated that over 100,000 service personnel drawn from all districts (barring the Northern and Eastern Provinces) are exposed to the perils of war. Hence, the UNP's performance over 10 years in this senseless war was bound to come under very careful scrutiny.

Secondly, the future of the open economy and its management were important issues for determining economic policies. Given the success of these new policies in stimulating growth, and in the light of the dismal record of the SLFP government during its previous period in office in 1970, this issue was bound to rate highly as an election issue. It was not only the policy issues which were at stake, but also the performance record and the capability of the respective parties to manage the economy. The elections raised critical questions relating to some aspects of the open economy, such as the adverse effects on some sections of the population (e.g., the dry zone farmers who were badly affected by the withdrawal of fertilizer subsidy). These were mainly due to the structural adjustment policies imposed on the Sri Lankan government by multilateral agencies such as the World Bank and IMF.

A third issue of considerable importance was that of bribery and corruption, as well as the abuse of political power, and blatant infringements of the rule of law. Charges of crony capitalism were rampant as a result of the unbridled rapid growth of the economy and politics of patronage. The new economic ethos of competition and greed had led to many unsavoury business practices as well as vulgar, conspicuous and ostentatious displays of affluence by those in power – politicians, bureaucrats, and other lesser officials. All these incurred the wrath and justifiable

hostility of large sections of the population. It was common knowledge, as one commentator put it, successive administrations since 1977 'have had a pathetic record in dealing with corrupt members' (Dissanayaka, p. 76). The arrogance of the government in suddenly removing a public official, the Bribery Commissioner, who had initiated action on corruption charges relating to politicians, only served to put the spotlight on bribery and corruption as a major election issue. It was, therefore, no surprise that the Opposition SLFP and its allies made the corruption issue a focal point of their campaign (this was ironic because similar charges were made against the SLFP in the 1970-77 period).

Finally, there was the undeniable factor of the rising cost of living, The real wages of the public sector, in particular, were far below what they had received five years ago, and even for the private sector there had been only a marginal increases. High levels of unemployment, despite economic growth, and collapse of the public sector, especially in health and education, had imposed a heavy financial burden on many segments of society – urban and rural alike. In short, besides the misery and burden of a civil war, the politics of petty patronage, corruption, and the abuse of power were foremost election issues as against the question of economic policy and management and falling standards of living for large sections of the populace.

The 1994 General Election: Outcomes, Trends and Prospects

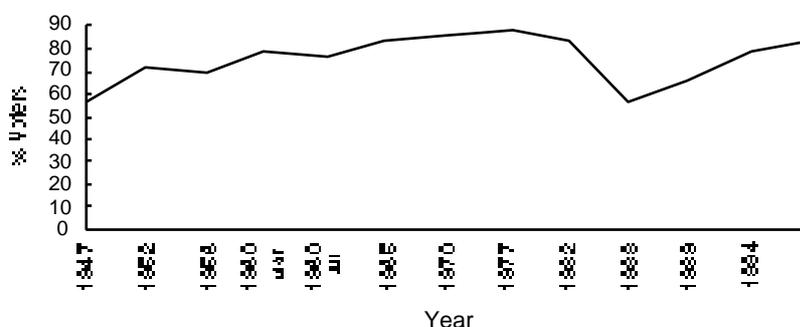
Voter Participation and Minority Voting Trends

Following a spirited campaign, and despite being obviously weighted in favour of the government in power (consisting of 91 Ministers !) with ready access to a vast political apparatus, independent observers have reported a free and fair election. One of the most revealing features of the Election is the high degree of voter participation on this occasion (see Table 4.2 and Figure 4.1). This confirms the overall pattern of voter turnout at General Elections since 1947 barring elections held between 1987 and 1989 which were characterised by internal strife and reports of voter intimidation.

Voting proceeded peacefully in all Provinces except the Northern Province. In the Eastern Province there was a voter turn out of about 75 per cent. The voter turn throughout the country was quite high (the nationwide turnout was 76 per cent); approximately 82 per cent cast their votes outside of the North (i.e., in 20 out of 22

Figure 4.1

Voter Participation in 1947 - 1994 Elections



electoral districts). Figure 4.1 below shows the consistent trend for a high voter turnout except for 1988-89. The high level of voter participation clearly indicates the political maturity of the electorate and preparedness of the Sri Lankan voter to exercise the privilege of the ballot freely and purposefully.

Table 4.2 : Sri Lanka Voter Participation In Parliamentary Elections, 1947-94

YEAR	Total Votes	%	% Invalid Votes
1947	3,048,145	55.8	na
1952	2,990,913	70.7	na
1956	3,464,159	69.0	na
1960 March	4,724,507	77.6	na
1960 July	3,724,507	75.9	na
1965	4,710,887	82.1	na
1970	5,505,028	85.24	na
1977	6,667,589	86.7	0.53
1982 ^{a b}	<i>6,602,617</i>	81.16	1.22
1988 ^a	<i>5,186,223</i>	55.32	1.76
1989	5,962,031	63.6	6.13
1994	8,344,095	76.24	4.80
		(81.2) ^c	

Notes:

^a: 1982, 1988 Presidential voting highlighted in italics; ^b In the 1982 Referendum, 70.82% votes were cast; ^c Results mainly of 20 out of 22 districts; na: not available.

Source: Wilson (1974) Dept. of Elections, 1977; de Silva, GPSH, 1979; K.M. de Silva (ed.) 1981, and Ceylon Daily News, 1989.

Table 4.2 also shows the extent of voter invalidity due to rejection. The proportion of rejected votes compared to previous elections is much less (4.80 in 1994 compared with 6.13 in 1989), but it is still a cause for concern, especially in a country which has a high adult literacy rate (approximately 89%). Some outlying rural areas have recorded a very high level of rejected votes (e.g., Moneragala, 9.5% and Badulla 7.8%). Allowing for the fact that this level of voter invalidity may be partly due to deliberate spoilage, this data suggests that the complex PR system of voting introduced with the 1978 Constitution is gaining greater acceptance and is better understood.

The only exception to this pattern of high voter participation was the results of the Jaffna District in the Northern Province. Here, voting was virtually paralysed (only about 8 per cent of registered voters cast their votes) because of the existence of a state of siege.

Table 4.3 Jaffna District Vote by Polling Areas

Polling Areas	Total Votes	Polled	EPDP	SLMC
Jaffna	50,045	1,208	40	1,15
Kayts	49,504	11,263	9,978	819
Vadukkodai	58,949	964	556	5
Kankesanthurai	60,417	121	93	5
Chavakacheri	51,717	79	62	-
Kopay	56,496	57	40	-
Killinochchi	55,995	66	2	56
Point Pedro	40,336	34	3	-
Nallur	62,372	19	8	-
Manipay	58,382	12	4	-
Uduppidi	52,153	8	5	1

Note:

This includes refugees who voted in Puttalam and Colombo. Polling was held only in the islands off Jaffna and the cleared areas of the peninsula.

Source: Jayanath (1994).

Table 4.3 gives the results of voting in Jaffna which has the highest concentration of Sri Lankan Tamils (See Appendix: I Table 1). These results are somewhat farcical in that, the elections were boycotted by the Liberation Tamil Tigers of Eelam (LTTE), the dominant Tamil party which has de facto control of the Jaffna District. Not surprisingly, only 2.32 per cent of the voters participated and this too mainly in the islands off Jaffna and the 'cleared' areas such as Kankesanthurai and Palali. As Jaynath (1994) observed:

Some of the winning EPDP candidates polled 'nil' votes in most of the booths. If they obtained, say, six votes in all, they were declared elected under the system of proportional representation (p. 11).

The EPDP led by Douglas Devananda contested as Independents in Jaffna and won 9 out of the 10 seats. It is a nondescript Tamil Party opposed to the LTTE which, it is reported, 'has been assisting the security forces in the maintenance of law and order' in the 'safe' areas. The Sri Lanka Muslim Congress (SLMC) won the other seat mainly on the strength of Jaffna voters who were refugees in camps in Puttalam and Colombo. The representative of the major parties at a meeting, summoned by the Commissioner of Elections in August 17, 1994 immediately after the Election, agreed that the Jaffna results should not be annulled. However, there is some prospect that the results from the Jaffna Electoral district may be challenged in the courts.

The 94 GE continues to exhibit anomalies and shortcomings of the PR system adopted in Sri Lanka (i.e., the *Hamilton Method of Largest Remainder*). This is mainly because the voting is not constituency based but on a party and a candidate for an electoral district (see Appendix I: Table III). Thus, it may be that, even if a candidate is not directly elected, he could still get elected on a District basis, i.e., in terms of the system of bonus seats allocated to a party in terms of the voting strength in the District. To give a hypothetical example, it does not matter whether a candidate, say, from the UNP in the initial votes cast polled much less than one from the opposing People's Alliance (PA) provided that this UNP candidate ranks within the number of bonus seats to be allocated to the UNP in that particular District. For example, as happened in the Trincomalee District, even though 'the UNP did not win any seats (in a direct election), it took two of the four seats because, overall it polled the largest number of votes in the district' (Jaynath 1994, p. 11). The Election Manifestos of both the UNP and PA appeared to be cognisant of these anomalies, and have indicated that they would make amendments to the PR system if elected to office.

Table 4.4 Distribution of Seats by Parties

Party	District Seats	National List	Total
People's Alliance (PA)	91	14	105
United National Party (UNP)	81	13	94
Independents (Jaffna)	9	-	9
Muslim Congress	6	1	7
Tamil United Liberation Front	4	1	5
Democratic People's Liberation Front ¹	3	-	3
Sri Lanka Progressive Front (JVP) ²	1	-	1
Independents (Nuwara Eliya)	1	-	1

Source: Uyangoda (1994, p.12)

Notes:

- 1 All from the Vanni District in the Northern Province
- 2 From the Hambantota District

**Table 4.5 General Elections (1977-94):
Distribution of Votes and Parliamentary Seats by Parties**

PARTY	1977 ^a		1989 ^b				1994 ^b			Total Seats
	% Votes	Seats Elected	% Votes	Seats Elected	Seats National List	Total Seats	% Votes	Seats Elected	Seats National List	
UNP & CWC	51.92	141	51.92	110	15	125	44.04	81	13	94
SLFP +	29.73	8	36.39	62	11	14	50.74	97	15	122
LEFT	7.00	-	-	-	-	-	-	-	-	-
TULF + TC	6.40	18	3.84	9	1	10	2.37	16	1	5
Others	5.60	1	7.85	15	2	16	2.85	2	0	14
Total	100.00	168	100.00	196	29	225	100.00	196	29	225

Notes:

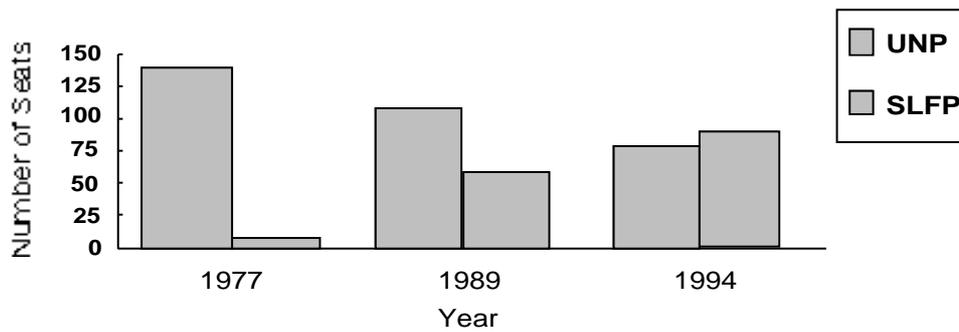
- a: Voting based on First Past the Post voting;
- b: Voting based on PR system;
- SLFP + is a coalition in with Left (1989, 1994) and SLMC (1994)

Source: See Table 4.2

Table 4.4 shows results of the 94 GE in terms of seats gained by the parties. Table 4.5 gives the additional the percentage of votes gained by the main parties in 1994 and the number of seats secured. Table 4.5 also presents a comparative overview by giving comparable data (votes gained and number of seats) for the previous two General Elections, noting that the 1977 Election was based on First Past the Post Voting and for a lesser number of parliamentary seats. Figures 4.2 and 4.3 below depict the changing fortunes of the two parties in terms of the number of parliamentary seats obtained and percentage of votes cast in the Figure 4.3 also contains results for the Presidential Election of 1988-1989.

Figure 4.2

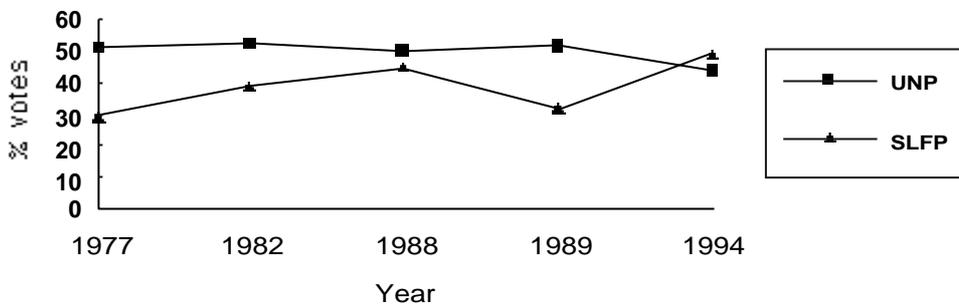
UNP & SLFP Number of Seats Won in Three General Elections: (1977 - 1994)



Source: as for Table 4.2

Figure 4.3

UNP & SLFP % of Vote in General & Presidential Elections: (1977 - 1994)



Source: as for Table 4.2

The data in Table 4.5 shows that the SLFP and its allies in the form of the People's Alliance (the PA) gained, for the second time in its history, over 49 per cent of the total votes cast. The total votes for the PA, along with those for the SLMC votes give a total of 50.74 per cent votes for the coalition parties in the new regime. This would be marginally more if the votes cast for the Independent (Nuwara Eliya) member (Upcountry People's Front) supporting the PA in government are included. When compared with the UNP voting strength (44%), the difference is sizeable and convincing though not expressed similarly in the number of seats won by the PA (See Table 4.4; Figure 4.2 & 4.3). Not surprisingly, the Leader of the PA (Mrs Chandrika Kumaratunga) complained bitterly that, despite gaining 49 per cent vote, the system of voting devised by the UNP had, deprived her of an absolute majority of seats.

**Table 4.6: Hypothetical Results of a General Election
on the basis of First Past the Post Voting**

Party	89 GE	94 GE
UNP	131	44
SLFP	5	
PA		94
DUNF		
SLMC		9
TULF		4
Jafna		5
Other	24	5

Note:

In the 94 GE, the combined PA and SLMC would have $94 + 9 = 103$.

Source: Sahabandhu (1994)

Table 4.6 shows the hypothetical distribution of seats if it was based on First Past the Post Voting as in 1977 and previous elections. This data certainly lends some credence to Mrs Kumaratunga's complaint that she has been somewhat unfairly treated by the prevailing system of elections. The contrast between the two main parties (UNP and PA) is more pointed – a difference of 50 seats. However, what stands out from the overall pattern of results is the distinct bi-party polarisation of

the Sri Lankan electorate. This confirms a trend evident from 1956 onwards and firmly establishes the future direction of Sri Lankan electoral democracy and party politics.

Two other key features characterising the Election results, evident from Table 5, warrant comment. They both relate to the way the minority vote has manifested itself in this Election. The Muslim vote (approximately 1.8%) has gone to the SLMC which was first established in 1987. This party gained 2 seats in the 1989 General Election, and has improved its position considerably in the 94GE, with a total of 7 seats and forming part of the new government. It is destined to play a critical role particularly in view of its strength in the Eastern Province, which is likely to be the sticking point in any negotiated settlement on the Tamil conflict involving a devolved system of administration for the North and East. The support given by the SLMC to the PA is also likely to be a determining factor in the eventual pattern of negotiations and they may well be able to gain maximum advantage for the Muslim community, not just the East, but nationally.

Mohan (1987) in his pathfinding study of the Muslims in Sri Lanka, makes the perceptive observation that there has always been 'two distinct segments of Muslim society in Sri Lanka, viz. the Eastern Province and the West Coast Muslims' (p. 115). Over many years the Muslim leadership has rested more with the elite and affluent West Coast Muslims who have, according to Mohan, regarded the Eastern Province Muslims as 'inferior - a poor relative' (p. 115). In the past, the East Coast Muslims had 'acquiesced in the political leadership of the West coast Muslims', who in turn had established close alliances of varying duration with the two main parties – the UNP and SLFP. But, the reverse may be true today in that the SLMC – the new party of the Muslims – led by Mr Ashraff (the grandson of the veteran Eastern province politician, Gate Mudaliyar Mr Kariapper). The SLMC, as a result of the 94 Election, has emerged in a strong bargaining position not just in the resolution of the Tamil conflict, but also in determining the future directions of Sri Lankan politics.

Equally, the other main group in minority politics in recent times, viz. The Indian Tamil community, has also shown signs that its leadership is no longer safely ensconced in the CWC, the long-standing Trade Union cum political party. The CWC, led by octogenarian, Mr S. Thondaman, a skilful and charismatic leader, for over four decades has bequeathed – in dynastic succession style – the leadership to his grandson, Mr Arumugam Thondaman. But, the success of Mr Chandrasekeran,

representing the Upcountry People's Front as an Independent (Nuwara Eliya) member, as well as the growing disaffection in the ranks of the CWC spearheaded by its former General Secretary, Mr Sellasamy heralds an uncertain future for the CWC.

The CWC will no longer be able to play the pivotal role it has played in Sri Lankan politics for the last three decades, and has greatly helped to keep the UNP in power as the governing party. It is true that in the past 'the CWC needed the UNP and the UNP needed the CWC' (Dissanayaka 1994, p. 92). But, within CWC, its new forces – the youthful militant segments – have challenged the orthodoxy of the CWC and its conventional style of leadership.²² In the inevitable restructuring of the CWC, which is likely to occur in the foreseeable future, the SLFP, more than the UNP, stands to benefit from any realignment that may take place in the political forces within the Indian Tamil community.

Voting Pattern by Electoral Districts

The shift in the minority vote provides only a partial explanation of the obtained national pattern of voting results. To gain a more accurate picture, it is necessary to examine the voting pattern in the 22 Electoral Districts classified by Provinces. The data in this respect for all three recent General Elections is given in Appendix I: Table III, as well as Appendix II: Charts 1-9. Table III and Charts (arranged by Provinces) portray the voting pattern and trends for the Districts in each Province. Charts 1-9 invite comparison with similar charts provided by de Silva K.M. et al. (1981) in their analyses of District level voting patterns from 1947-77. The changing pattern of voting between the 1989 and 1994 General Elections (both based on the PR system) for the country as a whole, is portrayed in Figures (Maps) 1-4 Appendix III + IV. Figures 1 and 2 show the percentage votes for UNP and SLFP for the 1989 Elections. These may be compared with Figures 3 and 4 respectively for the 94 GE.

Without entering into a detailed statistical analysis of this data, the following general conclusions may be drawn:

- * In the 94 GE, the UNP was able to carry decisively only 4 Electoral Districts, located in the Central Province, and Sabaragamuwa, viz., *Nuwara Eliya, Badulla, Kandy and Kegalle*, all of which heavily reflect the Indian Tamil Plantation workers' vote (see Appendix II: Figure 4). In the Nuwara

Eliya District, the Indian Tamil vote counts for more than half; in Badulla for about one quarter, and about one eighth in the Districts of Kandy and Ratnapura. It should be noted that the dissentient Indian Tamil vote in the Nuwara Eliya District enabled Mr Chandrasekera of the Upcountry People's Front to be elected as an Independent member.

- * At a District level, it is apparent that there are marked differences in the pattern of voting compared to that of previous years (see Appendix II: Figures 2-5). In one obvious respect, it is abundantly clear that there has been a massive change in the political fortunes of the two main parties. The UNP was successful only in 44 electorates compared to the 92 gained by the PA. The significance of this shift at the District level may be gleaned by the fact that in the 1993 Provincial Council Elections the UNP had 104 out of 136 electorates outside the North and East compared with only 29 for the PA. Abeysekera (1994), analysing these figures, argues convincingly that 'the PA's ascendancy was partially facilitated by grabbing the larger proportion of the 14.5 per cent of the floating Democratic United National Front (DUNF) vote' (p. 5).

- * The 'DUNF factor' is an important feature of the 94 GE. The DUNF which came into being in 1992 is a breakaway group from the UNP, following the failure of the impeachment proceedings in Parliament against President Premadasa in 1992. As a nascent political party, the DUNF was ideologically very similar to the UNP, except that it represented a strong anti-Premadasa sentiment. In essence, as Prakshepana (1993) has pointed out, the DUNF drew its support base from both main parties – those defecting from the UNP and those dissatisfied with the family squabbles and factional fighting within the SLFP. It was clear from the outset that the DUNF itself, was not a cohesive party. There were two blocs: one representing the late Mr Lalith Athulathmudali, and the other Mr Gamini Dissanayake**, both belonging to the urban middle class élite. With the tragic death of the former, the more forceful and charismatic personality at the hands of an assassin, the divisions between this party were more difficult to contain. It was not entirely unexpected when Mr Gamini Dissanayake, a former Minister in the UNP Administration, chose to return to the fold of the UNP and assume overnight a leadership role – a fact which in itself served to highlight the weakened position of the UNP as a political party, following the assassination of President Premadasa.

** Mr Gamini Dissanayake was assassinated prior to the 1994 Presidential Election for which he was a candidate. This article was written prior to the 1994 Presidential Elections

- * The net effect of the disappearance of the DUNF from the political spectrum in the 94 GE was to give added support to the SLFP – some of whose followers had joined the DUNF – and enable the SLFP to regain much of its traditional support base. This appears to have occurred mostly in the agricultural dry zone farming areas of the North Central Province and North Western Province (e.g., in electoral Districts such as Puttalam, Kurunegala, Anuradhapura and Polonnaruwa). Not surprisingly, the Electoral Districts in these two Provinces gave substantial support to the DUNF as Mr Gamini Dissanayake was at one time Minister for Land Development, and was responsible for land settlement, the colonisation programs and the Mahaveli irrigation scheme, all of which were particularly relevant in these areas.

However, during the 94 GE, the fact that Mrs Athulathmudali, wife of the late leader of the DUNF, openly supported and campaigned under the banner of the PA greatly strengthened the siphoning of DUNF support to the camp of the PA. Mrs Athulathmudali, who also polled strongly in the Colombo District, has been suitably rewarded for this support by her appointment as a key Minister in the new government with responsibility for Transport and Highways, the Environment, and Women's Affairs. She is likely to play a major role in the future. Abeysekera (1994) confirms this voting trend by showing that wherever the two factions of the DUNF clashed, the PA gained much more than the UNP (for a succinct analysis of the DUNF factor see Abeysekera 1994, p. 5).

- * Several commentators, notably Abeysekera (1994), Sahabandhu (1994) and Uyangoda (1994) have argued that the voting pattern at a District level suggests that the chauvinistic, pro-Sinhala campaign of the UNP and some smaller parties (such as the MEP) has failed to draw any substantial response from voters in the overwhelmingly Sinhalese electorates. According to Abeysekera (1994), this chauvinistic campaign failed to enthruse the average Sinhala voter who was war weary and did not wish to be continually reminded of the tragic events of the war and its disastrous consequences. Sahabandhu (1994) endorses this interpretation of the national voting pattern by drawing attention to the fact that two Districts closest to the war zone in the North (i.e., Anuradhapura and Polonnaruwa), had shifted markedly in support of the PA at the 94 GE though these areas consistently supported the UNP at the 1989 General Election.

This shift cannot, of course, be wholly attributed to the desire for a change in the national policy on ethnic conflict and the war in the North. For instance, there is no doubt that the events surrounding the suicide of some peasant farmers in the dry zone farming area on account of the financial problem created by the withdrawal of agricultural subsidies (for fertilizers) had an obvious effect on the outcome of the election in these areas, as well as more generally, in the rural farming areas of the country. It was symptomatic of the erosion of support for the UNP in its rural power base – one which had been carefully cultivated and built up by the late President Premadasa's rural upliftment strategy – a strategy which had been neglected by his successors.

- * The voting pattern at District level also underlines the extent to which the highly discriminating and volatile Southern vote (i.e., in the Districts of Galle, Matara and Hambantota) went decisively in favour of the PA (gaining 20 out of the 21 electorates and approximately 56% of the votes). These results only served to confirm a trend first evident in the May 1994 Southern Province Provincial Elections and appeared to foreshadow the emerging pattern.²³ This Southern belt, the traditional home of radical left wing parties, and locus of the 1971 Youth Revolt, and the violent youth armed insurrection of 1987-89, while giving strong support to the PA., did not completely erode the UNP support base in these two Districts. The UNP support remains around an average of 38 per cent.

The Southern voter – a most discerning and sophisticated voter – also provides substantial evidence of the influence of the personality factor, viz., the charismatic and courageous skill displayed by Chandrika Kumaratunga to inspire voter confidence. By her actions and policy speeches which scrupulously avoided any chauvinistic or sectarian sentiments, she made it clear that she represented a new look 'clean' SLFP, devoid of family squabbles, and committed to secular progressive policies, including a political settlement of the ethnic conflict in the North. She was not just leader of the SLFP but the undisputed leader of the PA Front.

- * It also seems significant that a fair proportion of the urban centred bureaucracy, professionals and technocratic class, and even the armed forces and police may have voted with the PA. Perhaps, a part of this vote came

from the ranks of the DUNF, as it had a fair degree of support in the 1993 Provincial Council Elections (especially in the two Districts, viz., Colombo and Gampaha) in the areas in which this urban elite were mainly located. It appears that this urban élite group may have switched support to the PA at the 94 GE. Given that this vote had previously gone the way of the UNP, and/or DUNF, this change in voting pattern is of special significance because of the active and decisive role played by this class fraction in the growth of the open economy.

- * By withdrawing its support from the UNP, these groups – the urban based middle class and associated élites groups – who helped the UNP to manage the processes of change, were making a critical comment, not so much on the policies they helped to initiate, but more on the management and the procedures of implementation of these policies. It may well be that this defection has no lasting significance because it was more in the nature of a protest vote against the open and flagrant abuse of political power by the party apparatus of the ruling party. It should not necessarily be interpreted as a positive endorsement of the economic policies of the PA, but an expression of their willingness to accept the bona fides of the PA manifesto's acceptance of the open economy concept. To this dissenting group of voters must be added a sizeable youth vote which, according to some pre-election polls, may also have gone over to the Chandrika led SLFP and PA.

Future Prospects

To sum up, considering the overall trend of voting at a national level, the SLFP and its allies, have reclaimed a sizeable section of their traditional power base located in the Southern Province and the rural hinterland, especially the dry zone agrarian belt in the North Central and North Western Provinces. The latter areas (e.g., Puttalam District) contains a sizeable proportion of Sinhalese Christians, and is indicative of the way the minorities voted in this Election. Perhaps, for the first time in Sri Lankan electoral politics, the minority vote, viz., of the Muslims, Indian Tamils and Sinhalese Christians, appears to have been fairly well divided between the two main parties. In the past, the minority vote has gone convincingly and overwhelmingly to the UNP. This is probably the single most important outcome of the 94 GE, and one which needs to be monitored carefully.

The SLFP, previously tagged as a narrow sectarian party, predominantly Sinhalese and Buddhists, has, under the dynamic and forceful leadership of Chandrika Kumaratunga, come to be seen as a broad based *secular national party* with distinctive policy objectives. The SLFP also has cast off its previous image of being a strongly interventionist party in economic policy, and appears, more willing to embrace the core elements of economic liberalisation. The Economic Statement of the new Government confirms this new policy stance. While the SLFP still remains vulnerable in areas dominated by the urban middle class, influential elements of the capitalist class have been prepared to lend it qualified support as its economic policies appear to be more pragmatic and less doctrinaire than its previous regime during 1970-77.

By contrast, the UNP suddenly appears to be a rudderless party which has lost its confident sense of being the party 'born to rule'. For a party which, since its inception waxed eloquent in the rhetoric of liberal democratic values, and in particular, its policy of 'integrative secularism' on minority issues, its record in office (e.g., violation of basic rights and freedoms), and its campaign performance on minority issues (e.g., the negative campaign on the ethnic issue) received a savage indictment from a mature and discriminating political electorate.

Ironically, there has been a marked image reversal of the two main parties: the UNP appears to have been cast in the mould of the old nationalist SLFP and the SLFP now champions the secularism of the earlier UNP! It is worth noting that Singer (1964), a perceptive observer of the Sri Lankan society, in his study of the Sri Lankan élite foreshadowed these changes. First, he predicted that the UNP would begin to acquire the image of the SLFP as a nationalist party; and secondly, that, though 'the very success of the SLFP depended on an image of "Sinhalese-nationalist-socialism", the sheer pressure for survival may push the SLFP to both a more traditional and more leftist stance' (p. 47.) This is certainly evident in the 94 GE, and confirms the insightful observation of Singer as far back as the 1960s.

Furthermore, if, as Manor (1985) argued, the dilemma for the SLFP since its inception has been its failure to resolve the dominant themes it inherited from its founder, S.W.R.D. Bandaranaike, namely, 'Sinhalese parochialism and cosmopolitan reform'; then ironically, the daughter of the founder appears destined to resolve these tensions and carve out a new path for the SLFP. Unlike the father, Chandrika Kumaratunga is well grounded in Western liberal democratic values and practices, and is intellectually well equipped (being a graduate in political science from

Sorbonne) to adapt these principles and associated political institutions and practices creatively to the needs of a developing country in the late 20th century.

Despite the battered image of the UNP as a non-sectarian party committed to liberal democratic values, and its many electoral losses such as in the rural areas, it still remains the dominant party. It has a strong power base in the urban areas, and continues to enjoy the support of large sections of the new middle class (both urban and rural), the beneficiaries of the new economic policies promoted by the UNP in the last few years. The UNP will have to undergo considerable soul searching on policy issues (such as minority politics and welfare issues) and also resolve the damaging internal frictions which have a bearing on the leadership issue, before it can return more assertively and positively to the political stage. There is a public perception of a leadership vacuum, which has generated a loss of confidence, and until this is resolved the party is unlikely to become an effective Opposition.

At a national level, what we observe as a result of the 94 GE is a new balance of political forces (see Bastian 1994). There has been a major shift in the electoral base of the two main political parties, and a significant re-alignment of the minority interests in the political domain. However, as the Sri Lankan political scientist Uyangoda points out, perhaps what is:

of lasting political importance is the total rejection by the Sinhalese electorate of narrow Sinhalese chauvinism which the UNP resorted to in desperation, during the last two weeks of the campaign (Uyangoda 1994, p12).

He adds that 'the maturity of the Sinhalese electorate is amply demonstrated by the fact that the 17 Electoral Districts where the PA enjoyed sweeping support are Sinhalese majority areas' (1994). Other commentators, notably Abeysekera (1994), argues that the 'limited swing' in favour of the PA was largely determined by the 'peace-vote' – the desire in the villages to stop the unending flow of coffins'. If this be the case, the question remains whether the new government will be able to walk the tight rope and produce a pragmatic and lasting political solution. There is however, no doubt that this is the best chance for peace.

Other critical issues which will confront the new government are the economy, the reform of the Constitution, restructuring of the welfare state, the restoration of the rule of law, and ensuring public accountability. Foremost is the management of the open economy – not the policy of an open economy, but its *management*. The one thing in favour of this government is the wealth of talent at its disposal in

reshaping the economy and also the Constitution. The new government has drawn on the considerable talents and skills of the intelligentsia and also expatriate Sri Lankans, and this augurs well for the future. However, its most difficult task will be to restructure the welfare system as its proposals for change (e.g., large increase in social expenditure) may incur stiff opposition from economic purists and free marketeers, as well as the mandarins of aid agencies, such as the IMF and World Bank. The continued support of the latter is absolutely essential for maintaining the rate of growth – roughly around 4-5 per cent – of the Sri Lankan economy.

One recalls, in this context, that the first President, Mr J.R. Jayewardene, in one of his grand utterances, decreed that his government was destined to 'Let the Robber Barons in' – so he did! In doing so, he pledged the country to full scale development with foreign and private capital.²⁴ Clearly, this era of unbridled laissez faire market capitalism was highly inequalitarian; some got rich, others managed to just get by while some got poorer. The new regime, like many other countries similarly placed (e.g., Latin American countries such as Brazil and the return of the Social Democratic Party to power in Sweden), the new regime in Sri Lanka is likely to follow a less aggressive and more disciplined approach to economic growth and social welfare which is more equitable. This was clearly the message of the new government: that, while guaranteeing it will not dismantle the existing market economy, it will pursue policies of 'structural adjustment with a human face'.

Venturing to make a crystal ball type prediction, I suggest that welfarism in a market economy in a country like Sri Lanka may take on more the character of the Northern European model of *societal corporatism* rather than a continuance or modification of the earlier British model of welfare based on universalism and state regulated welfare programmes. Societal corporatism is a multi dimensional concept which has evolved mainly in the advanced industrialised societies of Europe. Its main objective is to bring together key actors in the economic system – employers, workers and the state – through a system of consensus building and cooperation. The state plays an active role in bringing together the different actors, and in jointly evolving acceptable modes of operations in such areas as industrial relations, and welfare benefits. The aim is to restructure economic and political institutions so as to maintain the market economy alongside a strong trade union movement and a 'welfare state' structure. Societal corporatism, rather than state

corporatism, arising out of liberal democratic practices and involving business, labour and the state in the formulation and execution of economic and social policies, is likely to be the basis of a new philosophy of development in Sri Lanka.

This is a challenging idea which warrants examination in the context of the management of a developing economy and welfare system such as in Sri Lanka. In this regard, it is worth noting that one of the leading economic advisers to the new government, the economist, Dr Lal Jayawardene (former head of UN's influential World Institute for Development Economic Research (WIDER), observed that 'developing countries could do well to emulate examples of the successful corporatist countries, in building the necessary institutions at an early stage of their development' (Jayawardene 1992, p.vi). It may well be that Jayawardene, in his key role as an Economic Adviser, may experiment with corporatist notions in rebuilding the growing Sri Lankan open economy without sacrificing the achievements of welfarism.²⁵

Over the past decade, Sri Lanka has suffered greatly due to the ravages of political violence and state sponsored repression arising from the long drawn out ethnic conflict and radical youth insurrection of 1987-89. For many societies, the contradictions inherent in the adaptation of Western political values and practices in a developing country would have meant the demise of democracy and political disintegration, pregnant with the imminent danger of creating another Cambodia or even Burma, with the imposition of a ruthless military regime. Although liberalism and its cherished political liberal values were negated and gravely violated, as the British political analyst Moore (1994) argues, it did not eventuate in a 'process of political decay'.²⁶ Despite the contradictions of the Sri Lankan political process and the need to maintain political stability within a framework of a democratic society in an atmosphere of violence, the results of the 94 GE gives renewed confidence that Sri Lanka would continue to grow as a liberal democracy in a developing society; and that its undoubted political and social achievements would not be sacrificed easily.

As James Manor (1994) comments: 'Sri Lankan troubles are not over. But, for the first time in more than a decade, there is hope that the island may return to its democratic traditions and that terror, hate, and war will no longer dominate its politics' (p.6). Sri Lanka appears destined to continue its historical engagement with democratic institutions and practices, and create its own distinctive contribution to the theory and practice of political development in developing countries.

Endnotes

- 1 Moore (1990), in a challenging, but unconvincing essay, attempts to argue that economic liberalisation - as practised in Sri Lanka - was 'not primarily responsible for the onset of political decay' - referring to the 'dismantling' of liberal democracy during the Presidential era.
- 2 Sri Lanka qualifies as a plural society, and not just a *pluralistic* society because of the long tradition wherein the practice of politics has been on ethnic lines (Jupp 1978; Thambiah 1986).
- 3 de Silva, K. M. (1977) gives a historical account of these early developments; see also Wriggins (1960) and Singer (1964) for more analytical accounts of these developments.
- 4 Russell (1982) provides a useful overview of the development of communal politics during this period.
- 5 See Jayasuriya et al. (1986) for an account of the growth of welfarism in Sri Lanka.
- 6 c/f Lijphart's (1977) notion of 'consociational democracy'. See Jayasuriya, L. (1979) for its application in the context of conflict accommodation in plural societies; also more recently, Uyangoda (1994) examines the consociationalist thesis in the Sri Lankan context.
- 7 Peiris (1988) provides an excellent bibliography on political parties and studies of electoral politics in Sri Lanka.
- 8 Jayasuriya, K. (1981), in his analysis of rural policies in Sri Lanka, compares the rural middle class to Kalecki's reference to the 'kulaks' as the 'intermediate class'.
- 9 For an account of the role of the Left Parties in Sri Lankan politics, see Samaraweera (1981).
- 10 Alailima (1978) demonstrates that the main beneficiaries of Sri Lanka's welfare policies were the urban and rural middle classes.
- 11 See Kodikara (1965) for an authoritative account of this issue. These matters were not fully resolved until the passage of the Amendment to the Citizenship Act of 1988, which granted citizenship status to 94,000 remaining 'stateless' Indian Tamils.
- 12 See Coomaraswamy (1984) for a good analytical account of Sri Lanka's constitutional developments; see also Jayasuriya, D. C. (1982).
- 13 Peiris (1991) expresses a similar point of view and contends that 'all aspects of the social welfare system are directly attributable to the dedication and social sensitivity of the leadership of the LSSP' – the main Trotskyite Marxist party in Sri Lanka.

- 14 Coomaraswamy (1984) cites a copy of the Constitution; and Jayasuriya, D. C. (1982, Chapter 3) gives a descriptive account of the essential features of the 1979 Constitution.
- 15 The extensive literature on the 1971 Insurrection is reviewed by Goonetilleke (1975) in a useful bibliography. Also Jupp (1978), Kearney (1980); and Halliday (1971) provide good overviews and critical analyses of the Youth Revolt which resurfaced in more violent form in 1987-89.
- 16 For analyses of the 1977 elections, see Jayasuriya (1977); Russell (1978); and, Samaraweera (1977).
- 17 For an account of the 1978 Constitution and its significance, see Wilson (1980); and, Coomaraswamy (1984).
- 18 Dunham & Kelegama (1993) outline these economic policies; and Goonetilleke (1993) examines the economic record of the government and the impact of these policies up to 1993.
- 19 Appendix I Table IV gives the results of the Presidential Elections of 1982 and 1989, which show the success of the UNP candidate at the polls. For the results of Provincial Council Elections of May 1993, see Prakshepana (1993).
- 20 See Dissanayaka (1994, p. 26), for details of this pardon.
- 21 President Wijetunga's rejection of the CWC demands on behalf of the Indian Tamil Plantation workers for worker concessions and welfare benefits such as a guarantee of 300 days work, ownership of housing on estates, etc. created a serious rift between the UNP and the CWC. This was patched up only just prior to the elections.
- 22 Kanapathipillai (1994) examines the reasons for the dissatisfactions within the CWC, and identifies current concerns such as the demand for vesting of house and garden plots to estate occupants, welfare payments, and poor educational facilities.
- 23 Abeysekera (1994) in his analysis of the results of the Southern Provincial Council Poll of 1994 argues convincingly that there was a massive shift of votes from the DUNF to the PA.
- 24 See Coomaraswamy (1984), p. 54.
- 25 The proposed *National Development Council* for economic policy development is likely to be an important structural concept for a 'societal corporatist' type of policy regime.
- 26 Moore's (1994) more recent references to 'guided democracy' appears to throw a different light to the views he expressed earlier (Moore 1990) on the vexed issue on whether there is 'a positive symbiosis between the liberal economy and the liberal polity' (Moore 1990, p. 341). Moore (1990) suggested that economic liberalisation alone could not account for the political deterioration, if not decay, with the authoritarianism that had crept into Sri Lanka's political development.

APPENDICES

Appendix I

- Table 1: Percentage Distribution of Sri Lanka's Population by Ethnicity and Districts
- Table 2: Strength of Parties - Sri Lanka General Election (1947-1994)
- Table 3: General Elections 1977-1994: Percentage Votes cast by Parties and Electoral Districts and Provinces.
- Table 4: Presidential Elections 1982-1988: Percentage Distribution of Votes by Parties.

Appendix II

- Charts 1-9: Voting Trends by Electoral Districts (1977-94)

Appendix III

- Figures 1& 2 (Maps): Percentage of Votes by Electoral Districts (1989)

Appendix IV

- Figures 3&4 (Maps): Percentage of Votes by Electoral Districts (1984)

Appendix V

- Note: Proportional Representation Scheme

APPENDIX I

Table 1

**PERCENTAGE DISTRIBUTION OF SRI LANKA'S POPULATION:
BY ETHNICITY AND DISTRICTS**

Provinces	District	Sinhalese	Sri Lanka Tamils	Indian Tamils	Moors	Burghers	Malays	Others
		%	%	%	%	%	%	%
1. Western	Colombo	77.9	9.8	1.3	8.3	1.1	1.1	0.5
	Gampaha	92.2	3.3	0.4	2.8	0.6	0.6	0.1
	Kalutara	87.3	1.0	4.0	7.5	0.2	0.1	0.0
2. Southern	Galle	94.4	0.7	1.4	3.2	0.0	0.1	0.2
	Matara	94.6	0.6	2.2	2.6	0.0	0.0	0.0
	Hambantota	97.4	0.4	0.1	1.1	0.0	1.0	0.0
3. Central	Kandy	75.0	4.9	9.3	9.9	0.2	0.2	0.4
	Matale	79.9	5.9	6.7	7.2	0.1	0.1	0.1
	Nuwara Eliya	35.9	13.5	47.3	2.8	0.1	0.2	0.2
4. Uva	Moneragala	92.9	1.8	3.3	1.9	0.0	0.1	0.0
	Badulla	68.5	5.7	21.1	4.2	0.1	0.2	0.2
5. Sabragamuva	Kegalle	86.3	2.1	6.4	5.1	0.0	0.0	0.1
	Ratnapura	84.7	2.3	11.1	1.7	0.1	0.1	0.1
6. North Western	Kurunegala	93.1	1.1	0.5	5.1	0.0	0.1	0.1
	Puttalam	82.6	6.7	0.6	9.7	0.1	0.2	0.1
7. North Central	Amuradhapura	91.3	1.4	0.1	7.1	0.0	0.0	0.1
	Polannaruwa	90.9	2.2	0.1	6.5	0.0	0.1	0.2
8. Eastern	Trincomalee	33.6	33.8	2.6	29.0	0.5	0.3	0.2
	Batticaloa	3.2	70.9	1.2	23.9	0.7	0.0	0.1
	Ampari	37.6	20.1	0.4	41.5	0.2	0.0	0.1
9. Northern	Jaffna	0.6	95.3	2.4	1.7	0.0	0.0	0.0
	Mullathivu	5.1	76.0	13.9	4.9	0.1	0.0	0.0
	Mannar	8.1	50.6	13.2	26.6	0.0	0.0	1.4
	Vavuniya	16.6	56.9	19.4	6.9	0.0	0.0	0.2
TOTAL		74.0	12.6	5.6	7.1	0.3	0.3	0.1

Source: Census Statistics

Table 2**STRENGTH OF PARTIES - SRI LANKA GENERAL ELECTIONS (1947-1994)**

ELECTION	YEAR	TOTAL SEATS	UNP & ALLIES ^a		SLFP & ALLIES ^b		LEFT WING PARTIES ^c		TAMIL PARTIES ^d		OTHERS ^e %	
			SEATS WON	% VOTES	SEATS WON	% VOTES	SEATS WON	% VOTES	SEATS WON	% VOTES	SEATS WON	% VOTES
1.	1947	95	42	39.81	-	-	18	20.51	13	8.19	22	31.50
2.	1952	95	54	44.08	9	15.52	13	18.89	6	4.72	13	16.69
3.	1956	95	8	27.44	51	39.96	17	15.05	11	5.77	8	11.78
4.	1960 March	151	50	29.62	46		23	25.74	16	7.00	16	16.52
5.	1960 July	151	30	37.57	75	33.59	19	13.70	17	8.73	10	6.41
6.	1965	151	66	38.93	41	30.24	15	12.89	17	7.80	12	10.14
7.	1970	151	17	37.92	116 ^f (91)	48.80 ^f (36.63)	- (25)	-	16	7.29	2	5.98
8.	1977	168	141	50.90	8	29.7	-	7.00	18	6.40	1	5.60
9.	1989	196	110	51.92	62	36.39	-		9	3.84	15	7.85
10.	1994	196	81	44.04	97	50.74	-	-	16	2.27	2	2.85

Source: See A.J. Wilson (1974) for Elections 1-7, and Ceylon Daily News 1977-1989 (various issues) for Elections 8 & 9; Table 3 for Election 10.

Notes

^a ^b: for UNP and SLFP Allies See Table 3

^c mainly LSSP and CP (1947-70)

^d FP and TC (1952-70); TULF and TC (1977, 1989); TC (1994-7); mainly TC and EPDP (1994)

^e as listed in Table 3

^f Total SLFP + Allies 116; (SLFP = 91 seats and Left = 24).

Table 3 : GENERAL ELECTIONS 1977-1994
Percentage votes cast by Parties & Electoral Districts/Provinces

ELECTORAL DISTRICT (ED) BY PROVINCES	UNP + ALLIES ^b			SLFP + ALLIES ^c			TULF + TAMIL PARTIES ^d			OTHERS ^e		
	1977	1989 ^b	1994	1977	1989 ^c	1994	1977	1989	1994	1977	1989	1994
Western												
1. Colombo ED	57.9	52.65	41.77	34.1	43.31	50.94			0.12	8.1	4.04	7.17
2. Gampaha ED	54.6	55.62	41.91	45.0	44.38	56.79				0.4		1.30
3. Kalutara ED	53.8	50.34	43.75	42.3	45.62	53.77				4.3	4.04	2.48
Central												
4. Mahanuwara (Kandy)	54.0	62.12	52.35	34.1	33.46	46.43				11.9	4.43	1.22
5. Matale ED	62.9	65.50	48.61	35.7	34.50	49.85				1.5	-	1.54
6. Nuwara Eliya ED	43.6	63.34	58.12	35.7	29.61	32.35		6.06		20.7	0.99	9.53
Southern												
7. Galle ED	54.2	51.52	41.24	40.8	47.38	56.39				5.0	1.10	2.37
8. Matara ED	55.4	57.93	37.43	42.4	42.07	59.90				2.1		2.67
9. Hambantota ED	55.8	55.92	38.67	43.1	43.83	53.51		28.35		1.0	0.25	7.82
Northern												
10. Jaffna ED	2.6	2.28		2.6		15.56 ^f	72.1	31.51	1.95	22.6	66.20	2.32
11. Vanni ^a ED	28.1	19.74	8.47	1.0	3.63	27.07 ^f	54.5	39.99	63.56	16.4	36.64	
Eastern												
12. Batticaloa ED	25.8	7.28	13.35	28.3	2.66	28.92 ^f	45.9	35.49	56.52	0.0	54.57	1.21
13. Digamadulla ^a ED	44.8 ^g	29.29	32.72	26.4	21.69	53.68 ^f	21.9	20.32	11.93	6.8	28.69	1.68
14. Trincomalee ED	47.3	22.10	29.17	24.6	22.89	42.35 ^f	27.3	12.56	27.48	0.7	42.46	1.00
Western												
15. Kurunegala ED	57.0	61.07	47.02	39.8	38.94	51.87				3.2		1.11
16. Puttalam ED	55.8	63.13	45.48	40.3	33.75	53.65				3.8	3.12	0.87
Central												
17. Anuradhapura ED	53.5	57.24	43.45	44.9	40.29	55.19				1.6	2.47	1.36
18. Polonnaruwa ED	58.0	65.10	47.62	40.1	34.89	51.18				1.8	-	1.20
Northern												
19. Badulla ED	60.2	61.41	54.04	38.2	38.59	43.48				1.5	-	2.48
20. Moneragala ED	55.0	52.42	43.81	42.8	46.67	50.40				2.1	0.91	5.79
Southern												
21. Ratnapura ED	53.0	58.28	47.96	45.9	41.49	50.77				1.1	0.23	1.27
22. Kegalle ED	55.3	66.05	51.24	43.5	33.96	47.91				1.2	-	0.85
Total	50.9	51.92	44.04	36.6	36.39	50.74	6.5	3.84	2.37	5.9	7.85^d	2.85
				(29.75) ^f	(31.96) ^f	(48.94) ^f						

Notes: a: In 1977 Vanni ED = EDs of Mullativu, Mannar & Vavuniya; Digamadulla ED = ED of Amparai.

b: Allies were CWC (1977) and also ELJP in 1989).

c: Allies were LSSP, CP & MEP (1977), and United Socialist Alliance (USA) and MEP (1989); includes SLMC (1994).

d: Mainly TULF, FP and TC (1977-1989) also DPLF in 1989; mainly EPDP and DPLF (1994).

e: Others in 1989 were SLMC (Total vote = 3.63%) and Inds in N and NE Provinces, only Inds for Jaffna in 1994.

f: Total SLFP vote.

Source: As for Table 4.2

Table 4

PRESIDENTIAL ELECTIONS 1982-1988:
Percentage distribution of votes by parties

Party	1982 %	1988 %	1994 %
UNP	52.90	50.43	35.91
SLFP	39.10	44.95	62.28
LEFT PARTIES	1.16		
TC	2.67		
JVP	4.19		
IND			1.08
SLMP		4.63	
OTHER*			0.73
Total %	100.00	100.00	100.00
	81.06% (6,602,617)	55.32% (5,186,233)	70.52 (7,713,232)

Notes: OTHER* = SLFP & SMBP (1994)

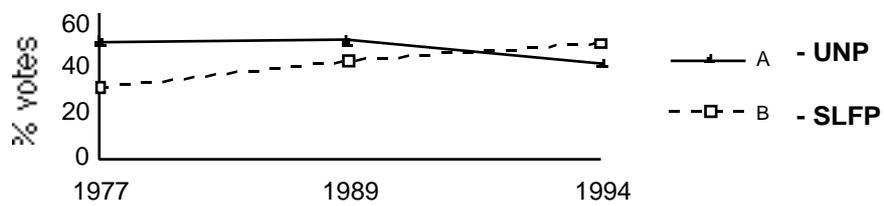
Source: As for Table 4.2

CHARTS 1 - 9

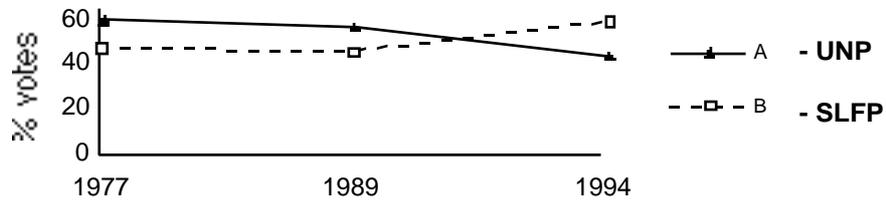
EXPLANATORY NOTE:

- The Voting trends for the UNP and SLFP in terms of percentage votes cast at the three General Elections (1977-94) are depicted in Charts 1 - 9 for each of the Provinces by Electoral Districts.
- The data on which the Charts are based are taken from Appendix I Table III.
- The trends for the Northern Province (1989 & 94) and the Eastern Province (1989) need to be interpreted with caution because of low voter turnout arising from unsettled conditions.
- Chart 1 - Western Province
Electoral Districts - Colombo, Gampaha and Kalutara
- Chart 2 - Central Province
Electoral Districts - Mahanuwara (Kandy), Matale and Nuwara Eliya
- Chart 3 - Southern Province
Electoral Districts - Galle, Matara and Hambantota
- Chart 4 - Northern Province
Electoral Districts - Jaffna and Vanni
- Chart 5 - Eastern Province
Electoral Districts - Batticaloa, Digamadulla and Trincomalee
- Chart 6 - North Western Province
Electoral Districts - Kurunegala and Puttalam
- Chart 7 - North Central Province
Electoral Districts - Anuradhapura and Polonnaruwa
- Chart 8 - Uva Province
Electoral Districts - Badulla and Moneragala
- Chart 9 - Sabaragamuwa Province
Electoral Districts - Ratnapura and Kegalle

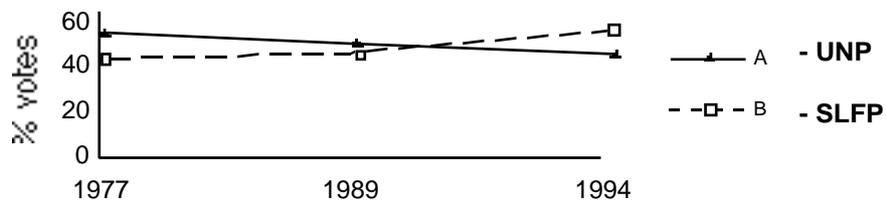
General Elections 1977 - 1994
 Percentage Votes Cast for Colombo
 District



General Elections 1977 - 1994
 Percentage Votes Cast for Gampaha
 District

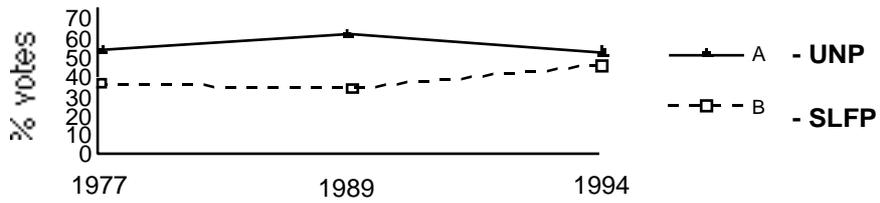


General Elections 1977 - 1994
 Percentage Votes Cast for Kalutara
 District

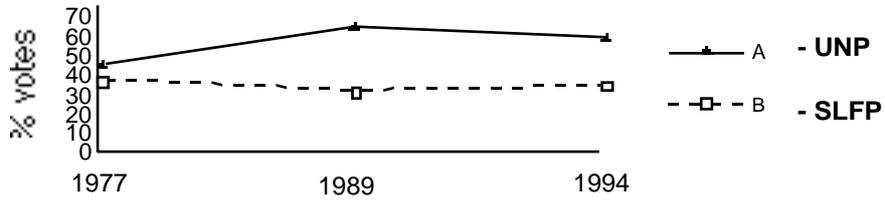


**CHART 2
CENTRAL PROVINCE**

**General Elections 1977 - 1994
Percentage Votes Cast for
Mahanuwara District**



**General Elections 1977 - 1994
Percentage Votes Cast for Nuwara
Eliya District**



**General Elections 1977 - 1994
Percentage Votes Cast for Matale
District**

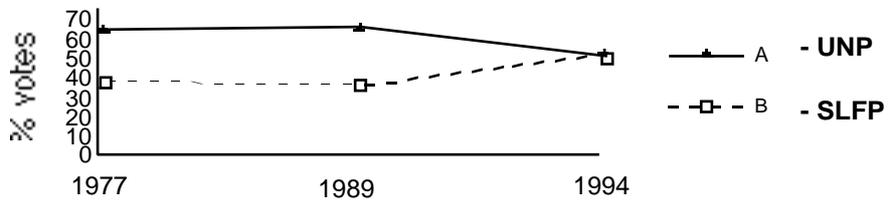
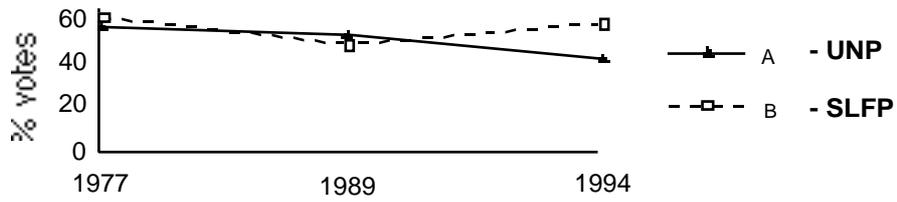
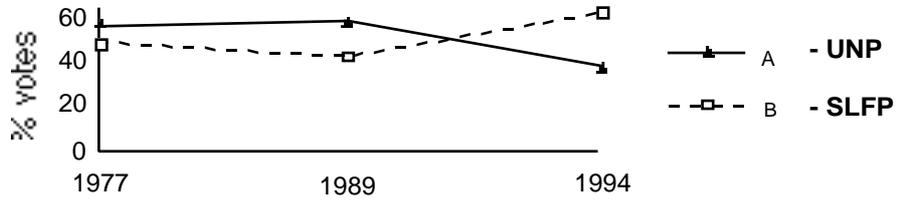


CHART 3
SOUTHERN PROVINCE

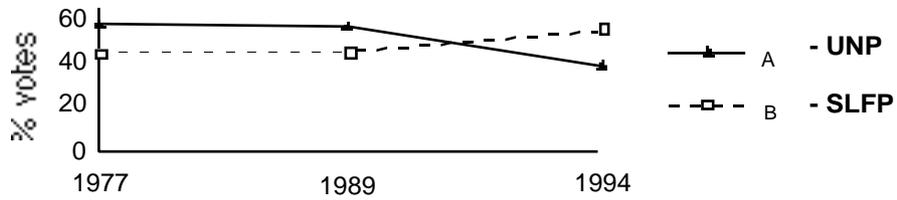
General Elections 1977 - 1994
Percentage Votes Cast for Galle
District



General Elections 1977 - 1994
Percentage Votes Cast for Matara
District

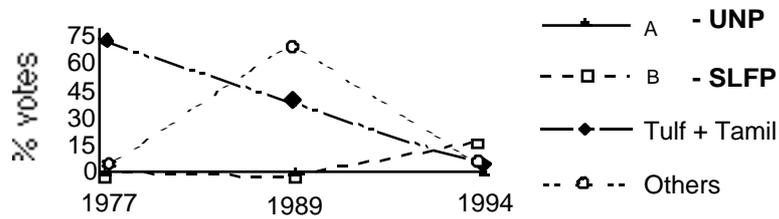


General Elections 1977 - 1994
Percentage Votes Cast for
Hambantota District

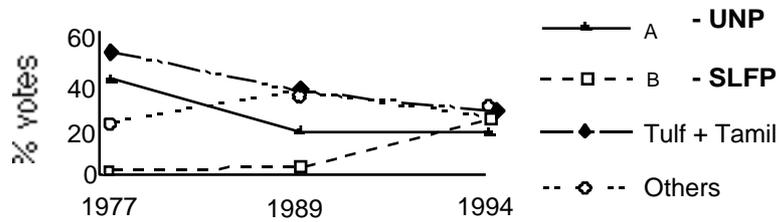


**CHART 4
NORTHERN PROVINCE**

**General Elections 1977 - 1994
Percentage Votes Cast for Jaffna
District**

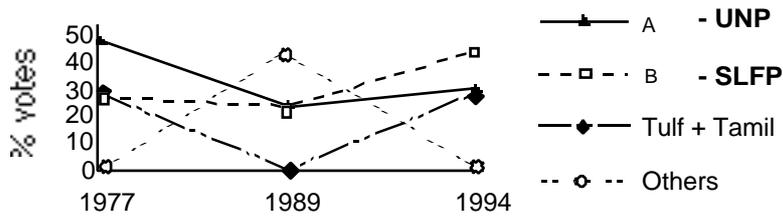


**General Elections 1977 - 1994
Percentage Votes Cast for Vanni
District**

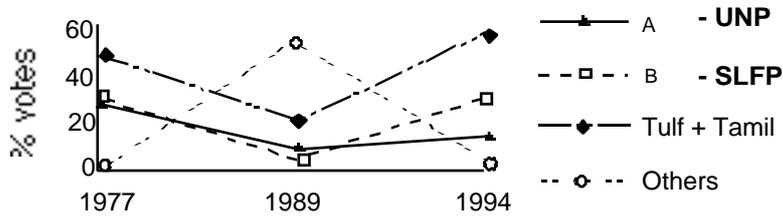


**CHART 5
EASTERN PROVINCE**

General Elections 1977 - 1994
Percentage Votes Cast for
Trincomalee District



General Elections 1977 - 1994
Percentage Votes Cast for Batticaloa
District



General Elections 1977 - 1994
Percentage Votes Cast for
Digamadulla District

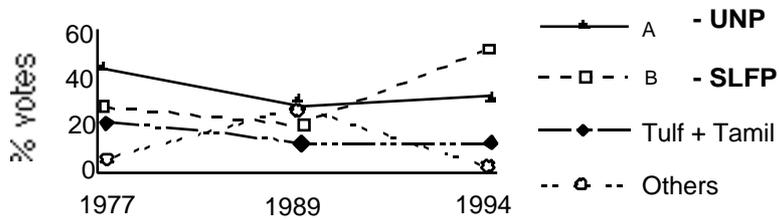
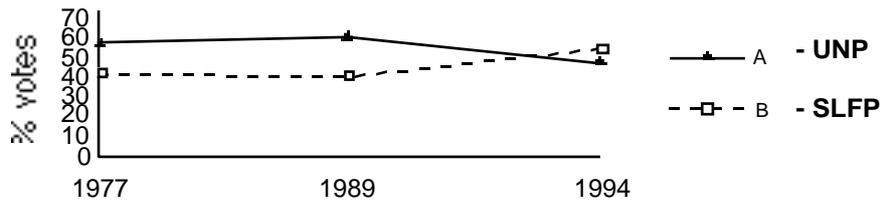


CHART 6
NORTH WESTERN PROVINCE

General Elections 1977 - 1994
Percentage Votes Cast for
Kurunegala District



General Elections 1977 - 1994
Percentage Votes Cast for Puttalam
District

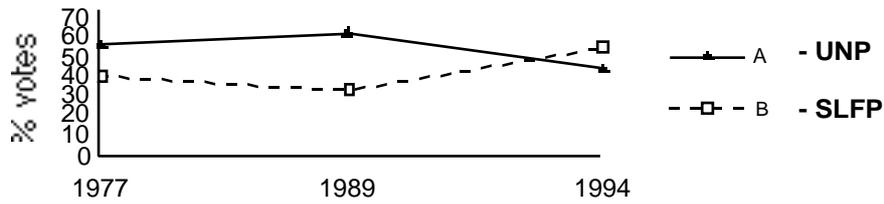
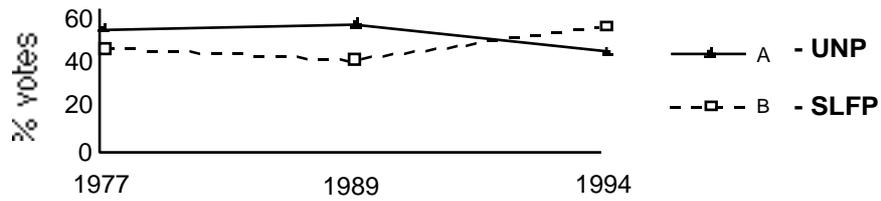


CHART 7
NORTH CENTRAL PROVINCE

General Elections 1977 - 1994
Percentage Votes Cast for
Anuradhapura District



General Elections 1977 - 1994
Percentage Votes Cast for
Polonnaruwa District

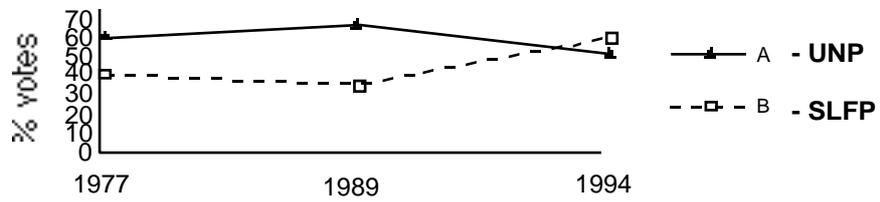
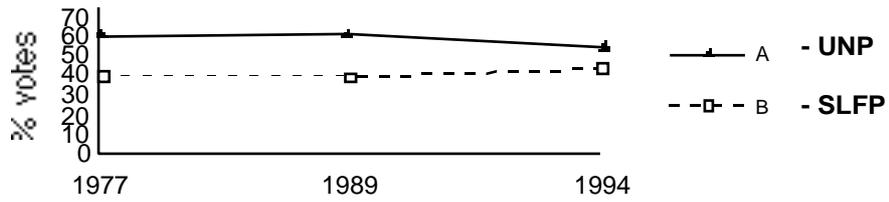


CHART 8
UVA PROVINCE

General Elections 1977 - 1994
Percentage Votes Cast for Badulla
District



General Elections 1977 - 1994
Percentage Votes Cast for
Moneragala District

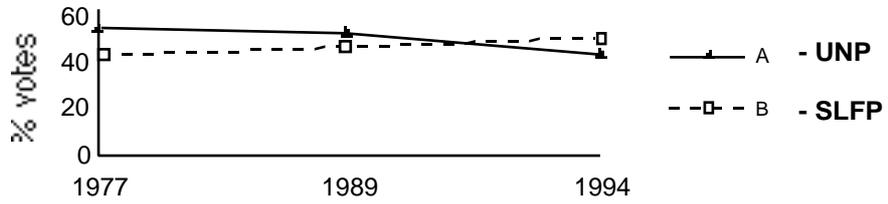
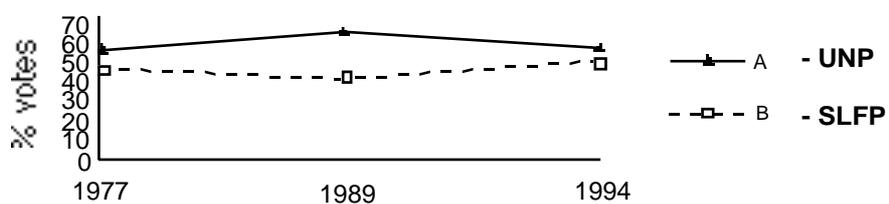
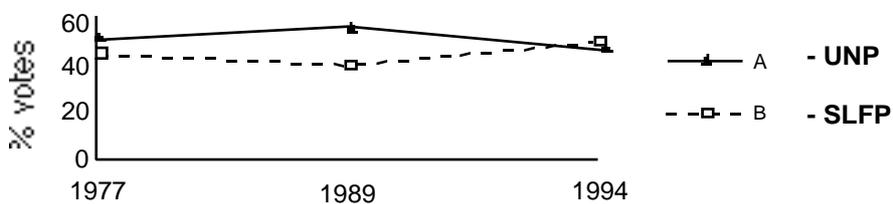


CHART 9
SABARAGAMUWA PROVINCE

General Elections 1977 - 1994
Percentage Votes Cast for Kegalle
District



General Elections 1977 - 1994
Percentage Votes Cast for Ratnapura
District



APPENDIX III

FIGURES 1 & 2 (MAPS)

PERCENTAGE OF UNP AND SLFP VOTES

BY ELECTORAL DISTRICTS GENERAL ELECTION 1989

Figure 1 - UNP and Allies

Figure 2 - SLFP and Allies

Source: Based on Maps produced by the Regional Development Division (GIS Project),
Ministry of Policy Planning and Implementation, Government of Sri Lanka, 1989.

Figure 1
PERCENTAGE OF UNP VOTES BY ELECTORAL DISTRICT

General Elections 1989

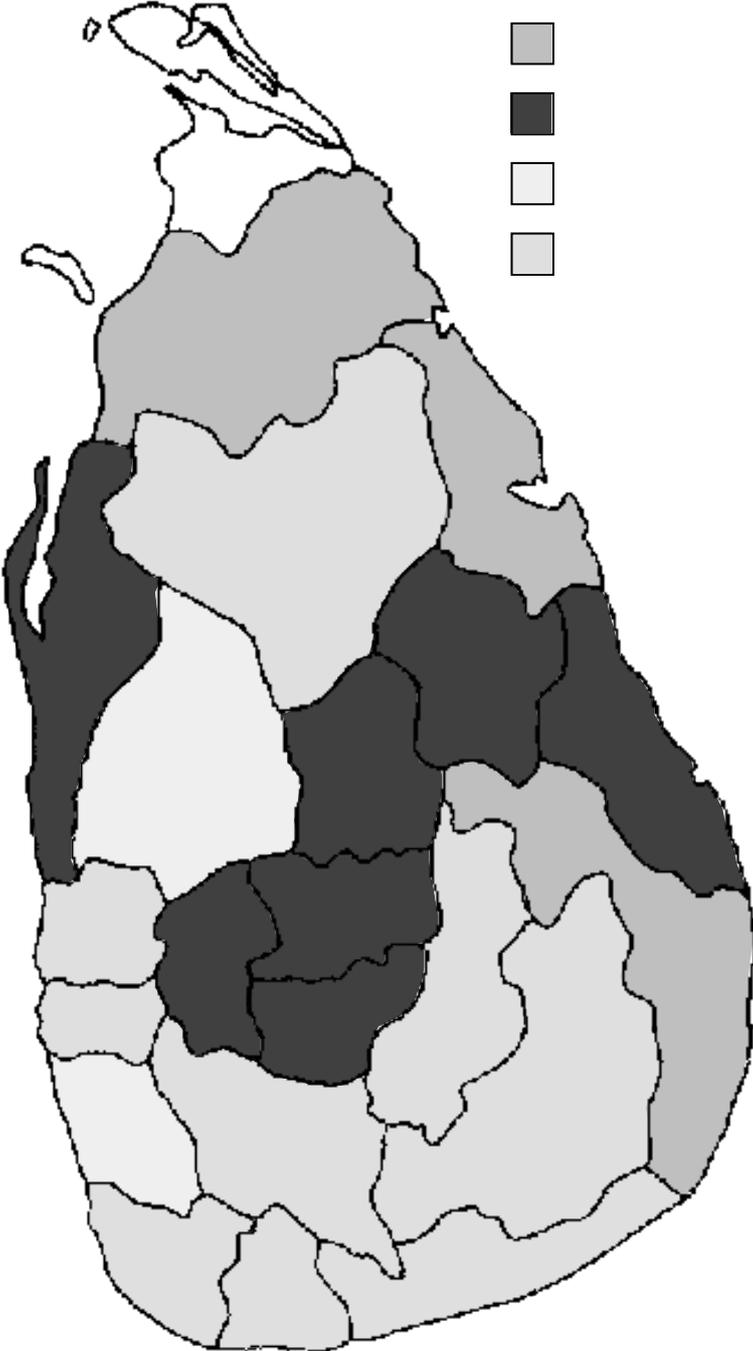
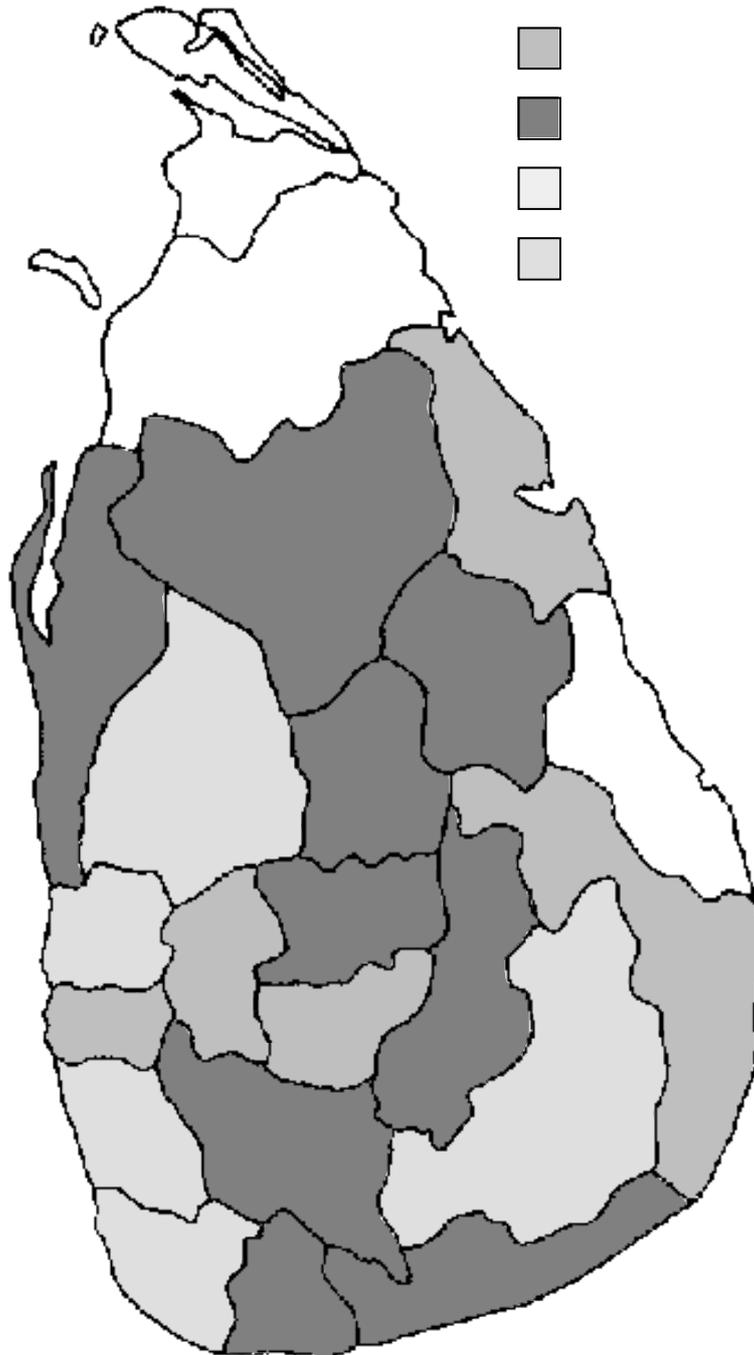


Figure 2
PERCENTAGE OF SLFP VOTES BY ELECTORAL DISTRICT

General Elections 1989



APPENDIX IV

FIGURES 3 & 4 (MAPS)

PERCENTAGE OF UNP AND SLFP VOTES

BY ELECTORAL DISTRICTS: GENERAL ELECTION 1994

Figure 3 - UNP and Allies

Figure 4 - SLFP and Allies

Source: Based on Data in Appendix Table III

Figure 3
PERCENTAGE VOTES FOR UNP AND ALLIES
BY ELECTORAL DISTRICTS, 1994

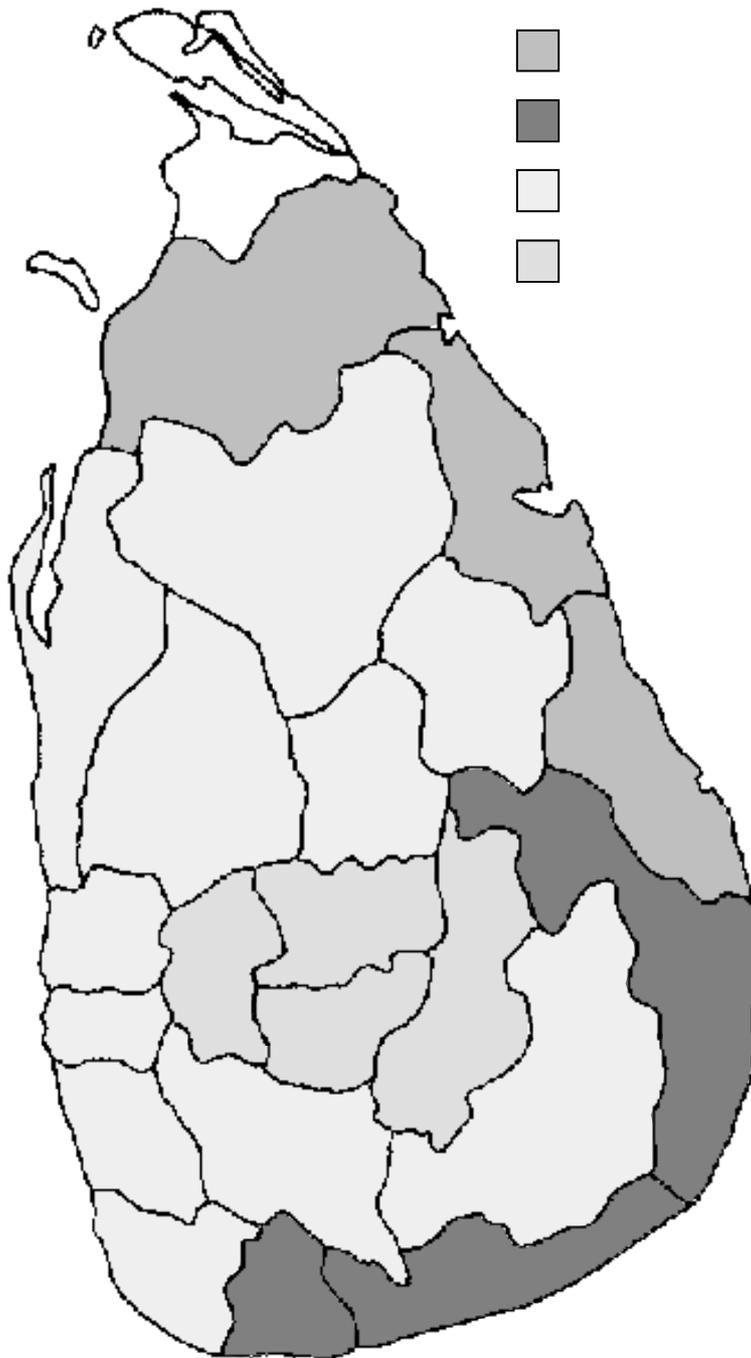
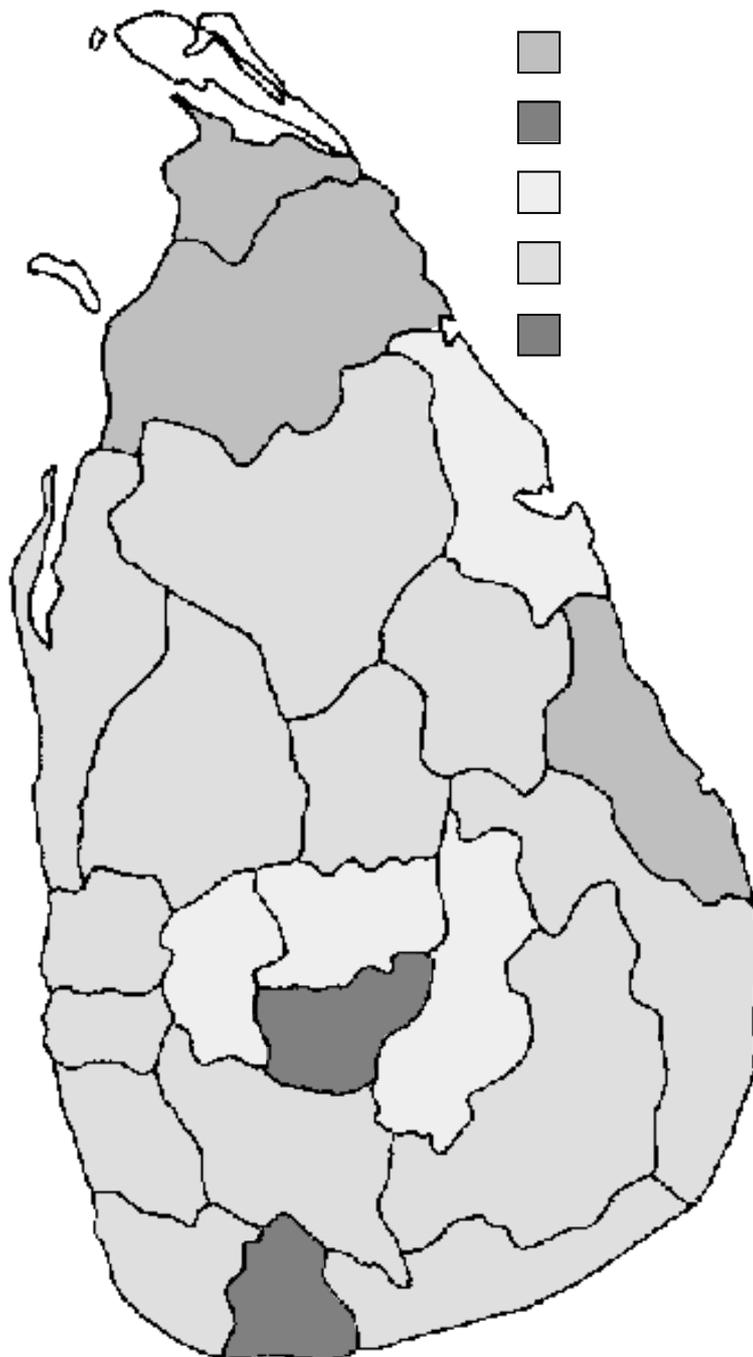


Figure 4
PERCENTAGE VOTES FOR SLFP AND ALLIES
BY ELECTORAL DISTRICTS, 1994



APPENDIX V

Note on Proportional Representation Scheme

Details of PR.

Extract from: C.R. De Silva (1979) 'The Constitution of the Second Republic of Sri Lanka (1978) and its Significance'. *Journal of Commonwealth and Comparative Politics*, Vol 17 (92).

The system of proportional representation that was eventually incorporated into the Constitution is what is normally referred to as the 'list system'. As the specifics of this scheme as applied in Sri Lanka are not widely known it is perhaps best to go into them in some detail. All citizens over eighteen years of age and of sound mind are eligible to participate in the electoral process unless they have been deprived of political rights for offences laid down in the Constitution. The whole country is to be divided into electoral districts, each electoral district being identical with an existing administrative district or a combination of them. The constitution specifies that the number of such districts be decided by an independent commission. The distribution of the other 160 seats is determined as follows: The total number of registered electors (voters) in the country is obtained from the register on the basis of which the election is to be held (e.g. in 1977, 6,667,589 electors). The total is divided by 160 and the result raised to the next highest whole number (e.g. for 1977, 41,673). This is termed the 'qualifying number of electors'. Each electoral district is entitled to one member of each 'qualifying number' in the register of electors for the district. On this basis, in 1977 Jaffna district with 408,261 voters would have been entitled to a minimum of nine members. Matale with 148,244 could have claimed at least three members. If the total numbers thus assigned to all electoral districts come to less than 160 however, the electoral districts having the largest residues of votes for which members have not been credited will be allotted them in succession.

Once the number of members to be elected from each electoral district is known any recognised political party (or any group of persons wishing to contest as independent candidates) can submit a nomination of paper giving a list of candidates in order of priority. If any such list contains less than one-eighth of the total poll that list is discarded and the votes polled for those candidates are regarded as invalid. (NOTE: This has been reduced to one twentieth or 5% cut-off).

FUTURE DIRECTIONS OF SOCIAL POLICY

‘If individuals do ... incessantly and uncompromisingly advance only their narrow self-interests, then the pursuit of justice will be hampered at every step by the opposition of everyone who has something to lose from any proposed change.

If, on the other hand, individuals as social persons have broader values and objectives, including sympathy for others and commitment to ethical norms, then the promotion of social justice need not face unremitting opposition to every move’.

Amartya Sen (1990)

‘Third Way insists that the welfare state stands in need of radical reform but [does not wish] to reduce it to a safety net’

Anthony Giddens (1999)

‘The current economic crisis of capitalism invests the idea of citizenship with a new significance.

Against the ascendancy of the economic (i.e., market) principles citizenship can be invoked in defence of the socio-political notion of equal consideration as a member of the societal community.

Ramesh Mishra (1981)

FIVE **AFTER THE COPENHAGEN SUMMIT: TAKING SOCIAL DEVELOPMENT SERIOUSLY***

Introduction

It is just over an year since the World Summit for Social Development (WSSD)¹ met in Copenhagen (hereinafter referred to as the Copenhagen Summit) to discuss the seriousness of the development crisis — a crisis marked by the persistence of:

- a) the growth of poverty globally and the marginalisation and social exclusion of groups of people - the young, the unemployed, women and the ethnic minorities; and
- b) the social conflicts and civil wars leading to increased militarisation and warfare.

The backdrop to this crisis was of course, Agenda 21 and the Rio Summit on the Environment, which documented forcefully the ecological crisis — the irretrievable destruction of natural resources and ecological vandalism. The Copenhagen Summit was, above all, an occasion to assess the state of affairs 50 years since the end of World War II and the coming into being of the UN and its various agencies which were established to usher in an era of peace, harmony and prosperity not merely for the victors but for all humanity.

The Copenhagen Summit sought to develop a new paradigm of development which would ensure a greater measure of peace and security within a framework of sustainable development, i.e., one which is socially just and ecologically defensible. It was the quest for ‘sustainable development’ which sought to give the highest priority to poverty reduction, productive employment and social integration as the core issues of social development. The re-emergence of the notion of social development, offering a more inclusive approach to development theory and practice, if not an alternative development paradigm, forces us to scrutinise more closely the meaning of the elusive and amorphous term, ‘social development’ which has been inextricably linked with economic development theorising since the 1950s. The success or failure of this exercise remains to be

* From *Social Development Issues* 19 (2/3) 1997.

determined in the foreseeable future. But, whatever the eventual results of the deliberations of the Copenhagen Summit, there is no question that it has served to place on the political agenda of all nations — the countries of the North and South — the critical issues of ‘social development’.

In seeking to understand the new thinking about social development and, if we are to take social development seriously, we need to articulate and defend the logic and rationale of social development. But first, we need as a preamble, to situate social development within the broader ambit of development theorising, reformulate the notion of ‘social development’ within development theory by evolving a defensible rationale for ‘social development’. These issues are addressed in the paper, which in its first section considers how social development has fared in development theory and practice. This brief overview serves to contextualise social development within development theory and practice as it was considered by the Copenhagen Summit; the next section which constitutes the core argument of the paper, endeavours to sketch the outlines of a normative rationale for social development. To this end, it focuses on key concepts and approach of Amartya Sen to development theorising as providing a theoretical framework, and in particular, a normative rationale for social development.

Social Development in Development Theorising

In situating social development within the corpus of knowledge relating to development theory and practice, it is as well to recall that the term ‘underdeveloped’ first came into prominence when in 1949 President Truman in his inauguration speech defined a large part of the world as ‘underdeveloped areas’. This usage ushered a new world view built around the concept of development and the conventional picture of three (or four) ‘worlds’ (Sachs 1992). There is no doubt that ‘development’ became a pivotal concept of international relations in the post-World War I period of 1950s and 1960s, especially in relation to post-war reconstruction plans and de-colonisation which brought to the fore the economic and political problems of ex-colonies. This early phase of development theorising, roughly from 1948–1973, was marked by Bretton Woods and the new internationalism built around the UN and its agencies and cognate institutions, in particular, the World Bank and the International Monetary Fund (IMF).

The meaning attached to *development* in economic theory, originating from the classical school of economic thought (e.g., Adam Smith, Ricardo, and Malthus) as

well as the later modifications (e.g., Keynesian economics), has always been about 'enhancement of living conditions' (Sen 1988, 11). The problem of underdevelopment for development economics² was essentially about poverty reduction conceived primarily in terms of 'increased productive capacity as well as raising per capita income' (Chenery & Srinivasan, 1988, xi). Therefore, capital formation through savings and incentives took centre stage and, indeed, inequalities were justified on the ground that this is the only route to greater savings by providing financial incentives to those entrepreneurs, be they farmers, industrialists, or traders, who risk their resources, personal and material, for rich rewards, the tangible profits gained from any enterprise.³ Moreover, it was justified on the grounds that in the long run, inequalities will be rectified by trickle-down of growth, formation of linkages and so on. In short, the climate of development thinking, in what has been termed the first 25 golden years of 'development' (Singer 1989), was heavily influenced by Bretton Woods and Keynesian economics.

In this period of the First UN Development Decade, development theorising with its emphasis on physical capital accumulation maintained a strong adherence to the philosophy of 'economic growth' as an end itself (Lewis 1955; Bauer 1963). This was characteristic of the 'commodity approach', the orthodoxy of early development theorists and practitioners, which sought to identify certain goods or commodities as essential and 'good' or valued because they were critical for economic growth. Accordingly, the objectives of development policy, economic and social development were measured and evaluated in terms of income (as per capita GNP) or production, measured in terms of the total aggregate of goods and services (GDP).

The 'ideology of development' (Sutton 1971), characteristic of this period, was rooted in the belief in progress, efficacy of rational solutions, a unilinear pattern of development and a profound faith in a humane egalitarianism. An implicit assumption underlying this standpoint in development theory and practice has been that the desired socially beneficial effects such as improved living standards would automatically flow from enhanced economic growth. In other words, the expectation was that there would be a 'trickle down' effect of improvements in material well-being leading to measurable changes in aspects of 'social development' such as improvements in levels of literacy, mortality rates and health status. These socially desirable outcomes were regarded chiefly as a by-product of growth, at best, incidental and peripheral; they were not the principal concerns of economic growth.

Social development in this early phase was narrowly confined to remedial social welfare, and was seen sectorally as an aspect of development planning through the provision of social services or fostering community development programs (Marsden 1990; Midgley 1995). In short, social development was for, all intents and purposes, synonymous with economic growth. At best social development was acknowledged as a component of a 'holistic' approach to development drawing its inspiration from 'the tradition of political economy' (Marsden 1990, 5). Accordingly, economic and social development was seen as being inter-dependent, integrated and unified. But, even then, social development policies were subordinate to the operatives of economic planning determined by standard measures of economic growth such as per capita GNP, and GDP and supplemented by measures of income distribution and incidence of poverty.

The decade of the 1970s, the Second UN Development Decade, beginning with the oil crisis of 1973, saw the breakdown of the Bretton Woods financial system, and this, among other things, helped to create a greater awareness of the limitations of equating development with economic growth per se (Singer 1989). The failure of the 'ideology of development', despite the green revolution, was evident in the increased incidence of poverty and unemployment and the decline in agricultural productivity. As a result, development strategies pursued by international agencies such as the World Bank, paid greater attention not just to economic objectives but to broader human (e.g., human well-being and welfare) and social goals (e.g., poverty and inequality). At one level this was evident in the resort to utilitarian moral theory which paid attention to utility interpreted as personal satisfactions of well-being or happiness arising from the outcome of welfarism.

An alternative approach focused on the achievement of social goals through such measures as the generation of employment objectives and achieving a better income distribution.⁴ The New International Economic Order (NIEO), the Brandt Report (Brandt 1980), and more particularly at a policy level, the ILO inspired *Basic Needs Strategy* (ILO 1976) were promoted during the 1970s by the World Bank. Though these initiatives differed in their diagnosis of underdevelopment, all denote a stronger insistence on social goals as a part of development planning. According to Paul Streeten, one of the chief exponents of the philosophy of the Basic Needs strategy, 'the basic needs concept is a reminder that the objective of the development effort is to provide all human beings with the *opportunity* for a full life' (Streeten 1981, 21). These sentiments were echoed by Robert McNamara, a former head of the World Bank, who argued that:

development has far too long been expressed simply in terms of growth of output. There is now emerging the awareness that the availability of work, the distribution of income, and the quality of life are equally important measures of development (McNamara 1971).

This approach to development policy and planning, indicative of a philosophy of *growth with equity*, was influenced by the writings of Seers, Jolly, Singer, and particularly, the classic work of Gunnar Myrdal (1968; 1970). Myrdal's notion of integrated development required greater emphasis on structural changes and distributional issues in economic planning, and was characteristic of this phase of development theorising (Chenery et al. 1974). This mode of thinking was evident in two competing schools of thought — modernisation revisionists such as those espousing a 'basic needs' philosophy, and the 'dependency theorists' who challenged the unilinear views of development (Higgott 1983; Hettne 1990). However, theorists of both schools agreed on the need to locate problems of development within a broader structural framework e.g, organisation and structure of services catering to needs and overarching institutional constraints such as gender inequalities. In many ways, this shift in development theorising reflects a growing awareness of the 'vulnerability of Western industrialism, limitations of natural resources, growth and power of transnational companies (TNCs) and the failure of nation states to cope with changes in the world economy' (Hettne 1990).

The optimistic scenario of the Second Development Decade changed sharply with the onset of the world economic recession of the late 1970s leading to a decade of crisis and economic recession for many developing countries. With the growing dominance of 'neo-classical economics', development thinking received a serious setback. As a result, the development rationale and policies of the 1980s began to be characterised by the importation of a package of economic measures such as those directed towards debt settlement, stabilisation, liberalisation of trade, regulation, and adjustment associated with structural changes. Thus, in the early 1980s, the World Bank and the IMF under the guise of 'structural adjustment' actively promoted development strategies consistent with the monetarist policies of the advanced Western industrialised countries, and endorsed by neo-liberal ideology. This structural adjustment program (SAP) was intended to:

to provide for an orderly elimination of the imbalance between aggregate domestic demand and resource availability before the point at which the economy becomes seriously distorted and external resources are exhausted (Khan 1986).

The objective of a SAP was to establish a sustainable current account position in the balance of payments and to redirect the level of inflation consistent with a

stable and high rate of growth which allows for steady improvement in per capita consumption. For this reason, SAP promoted policies which contained aggregate demand and at the same time increased the availability of resources (i.e., effect improvements on the supply side). Inevitably, this new policy regime, by cutting heavily into public investments, especially social expenditure, brought to an end the short lived social development initiatives of the 1970s. In general, these policies which also signified a shift away from import substitution industrialisation in the Third World, reflected the prevailing ideologies of neo-liberal economic and social policies of Reagan and Thatcher in the USA and UK respectively.

Towards the end of the 1980s there was a re-examination of the social and economic effects that resulted from a rigid adherence to adjustment policies, and these policies began to be modified in such a way as to stimulate, rather than hinder, economic growth (Toye 1993). Thus began the current phase of development thinking, described as '*adjustment with growth and equity*'; or, put differently, as evidence of greater concern for the 'human face' of economic development (see Cornia et al 1988). This shift in thinking is indicative of a growing resistance to the neo-liberal ideologies which emerged in the 1980s and the need to pay greater attention to 'social development', and the non-economic aspects of growth. It also reflected the reality that adjustment policies needed to be politically acceptable. According to Hans Singer:

the road of the 1990s ... is away from NRNG (i.e., neither redistribution nor growth) through AWHF (adjustment with a human face) to resume RWG (redistribution with growth), and on to a real Bretton Woods (Singer 1986).

The UN Agency — the United Nations Development Programme (UNDP) — primarily responsible for development work, became the standard bearer of this more radical approach to development theorising. The work of the UNDP itself was influenced by a new breed of development economists, such as Amartya Sen, who were in the forefront of critiquing orthodox development theorising. The pathfinding UNDP report of 1990, partly authored by the Harvard economist, Amartya Sen, gave concrete expression to this new philosophy which declared unhesitatingly that development is *not* the same as growth. This report states that development, as measured by GNP, refers only to a limited aspect of development, viz., economic growth, and argued the case for an alternative index relevant to 'social development' and measuring standards of living and human 'well-being'.

A direct outcome of this people-centred approach to development theorising was

the impetus it has given to developing alternative development indicators (see the Caracas Report 1990) to the conventional macro aggregate measures such as GNP, savings, and other components of national income accounts (System of National Income Accounting - SNIA). These alternative indicators were intended to give due recognition to the 'human dimensions' by measuring the social effects of development policies; in short, the 'quality of life'⁵ (Lane 1994). Following the early work on social indicators by the United Nations Research Institute for Social Development (UNRISD) and other international agencies (Westendorff & Ghai 1993), the UNDP introduced in 1990 the Human Development Index (HDI) which is an aggregate index based on three key factors, namely, *life expectancy*, *education* and *adult literacy*. What indices such as HDI, which rank countries by performance on the three selected variables, have been able to document are the costs and benefits of economic growth by exposing the complex relationship which exists between conventional indicators of economic growth (e.g., GNP per capita) and those based on social indicators such as PQLI or HDI (Dreze & Sen 1989). For instance, Dreze and Sen (1989) discuss several cases where there have been rapid gains in per capita GNP without much reduction in the levels of poverty, e.g., Brazil from 1960-70 experienced fast rapid growth, but left the poor untouched.

A classic instance of the disjunction between these two sets of indicators is revealed by the performance of a country like Sri Lanka (Sen 1984; Osmani 1994; Jayasuriya 1996a, 1996b; also Lakshman 1996). Though ranked as a low-income country in terms of per capita GNP, Sri Lanka shows a level of achievement on social indicators such as those relating to life expectancy, literacy, or health status, which are, far better than or on the same level as those classified as middle-income countries. Likewise, Costa Rica, a middle-income country like Iran and Iraq, has much less on income level than either of these countries, but enjoys a life expectancy which is eleven times greater than Iran and Iraq, and an infant mortality rate which is less than a third as great. Perhaps, sadly, what accounts for this discrepancy is that Iran and Iraq spend a large part of their wealth on military expenditure. For theorists such as Sen and Ul Haq, these disjunctions between economic and social indicators only serve to confirm the shortcomings of the conventional approach to development which equates economic growth with development.

The debate about human costs of economic development is nowhere better stated than in the UNDP Report of 1994 in its analysis of the world situation as a

preamble to the Agenda of the Copenhagen Summit. This Report states that:

what emerges is an arresting picture of unprecedented human progress and unspeakable human misery, of humanity's advance on several fronts mixed with humanity's retreat on several others, of a breathtaking globalisation of prosperity side by side with a depressing globalisation of poverty' (UNDP 1994, 1).

Or, as Ul Haq, who is acknowledged as one of the leading exponents of this new thinking, puts it forcibly and dramatically: 'in many societies GNP can increase, but human lives can shrivel' (1990, 18). These critics of orthodox development theorising argued that hereafter any concept of national development must encompass the human factor signifying the inclusion of factors pertaining to 'human development' which is often synonymous with the term for 'social development'. According to Ul Haq this approach to development regarded, as 'development *of* the people, *for* and *by* the people (UNDP 1992), was seen as:

a revolutionary way of recasting [the] conventional approach to development [by ensuring that] ... human beings finally become [the] principal object and subject - not a forgotten abstraction, but a living operational reality, not helpless victims or slaves of the very process of development they have unleashed, but its master (Ul Haq1990).

Against this background, if we are to take social development seriously, there is an urgent need to re-formulate and re-frame the concept of social development in a manner consistent with current political and economic realities. In particular, a new rationale for theorising about social development has to be one which no longer equates development with economic growth, and seeks to find a solution to the deteriorating contemporary human condition as a global malaise. Dahrendorf (1996) for one, writing from the standpoint of the First World, urges the prevailing language of public discourse surrounding the concept of 'economism' which creates a fetish of GNP growth, should hearken to the voice of a new breed of development economists like Amartya Sen (1999), Meghnad Desai (1996), and Partha Dasgupta (1993). In a similar vein, Ryan (1995) commends the work of Dasgupta (1993) and Sen (1992) for their respective contributions in bridging the gulf that has existed between economics and ethics. These economists serve to bring to the fore normative issues that exercised the minds of the classical political economists, including most famously Adam Smith. They have, each in his own way, steadfastly sought to incorporate notions of 'well-being', the quality of life or 'social well-being' as an essential integral component of the development economics discourse — a discourse which importantly no longer arbitrarily creates a space between the economic and the social domains.

Towards a Normative Rationale: The Work of Amartya Sen

In seeking a new rationale for social development we need to first and foremost, recognise that development is a normative concept which is heavily value laden (Seers 1969; Sen 1988;1999). When development is seen as a *means*, as in conventional theorising, there is always ‘something else’ which, as Crocker (1992) observes, concerns human ‘well-being’, ‘quality of life’, or ‘standard of living’. But more importantly, all of these concerns central to social development theorising, involve matters of values and moral assumptions. What counts as a good outcome such as the achievement of a better life, or well-being depends on a whole series of moral assumptions we make about the goals of development, either explicitly or by implication. This growing awareness of the moral and value assumptions has led to an expanding literature on the ethics of development which cannot any longer be ignored by the science of economics; nor can they be disregarded by the more down-to-earth development practitioners whose goodwill and homespun recipes for development are often misplaced or ill-conceived.

In this connection, the seminal work of the economist, Amartya Sen, along with the philosopher Martha Nussbaum, stand out for their pathfinding and intellectually challenging contributions to the ethics of development. Sen and Nussbaum, jointly and severally in their writings (see the listing given by Crocker 1992) have, over the last two decades, signalled new directions for development theorising which are especially valuable in arriving at a defensible logic and rationale for social development. Clearly, if we are to take social development seriously, it is imperative that we should pay greater attention to exploring the ‘ethic of development’ in re-conceptualising development theory and generating morally defensible and realistic policy strategies.

The key to understanding Sen’s approach to development lies in recognising his long-time engagement with the problems of equality and its absence (Sen (1992). These considerations — those relating to equality — are after all, as Seers (1969) correctly observed nearly two decades ago, the most central and enduring concerns of development theorising. They point to significant issues that need to be addressed in any re-conceptualisation of social development. In this regard, a key question posed by Sen is to determine how one measures the presence or absence of equality. In what respect are people to be accounted as being equal or unequal? The way in which we answer this basic question will surely determine the policy responses we make in minimising inequalities or increasing equality.

As Cohen (1994) argues in a perceptive and insightful review of Sen's recent study: *Inequality Re-examined* (Sen 1992), the response given by Sen in his famous Tanner Lecture (Sen 1980), was to pose the question: Equality for what? This response was no doubt influenced by his classic work on famine and hunger (Sen 1981a, 1981b; Dreze & Sen 1989) where his focus was on poverty. Therefore, in pursuing the more basic question of how to identify the poor and measure inequality, he proffered the view that in determining whether people should be regarded as equal or unequal what matters is *capability*, and not some measures of utility income, command over goods and services, or some subjective measure of utility or welfare such as well-being. The concept of *capability*, refers to what a person is able to *do* and to achieve valued objectives which in turn are related to the different forms of life that are possible for an individual. This is what matters, according to Sen in judging how well a person's life is going to be, i.e., in determining a metric of advantage. The focus is on what life we lead and on 'what we can or cannot do, can or cannot be'.

The concepts of *capability* and *functionings* are, therefore, central for an understanding of how inequalities take place. What matters in determining a 'metric of advantage' is a person's capabilities and functionings and not just goods, income, or resources; in other words, the emphasis is not on resources or supply or output, but on what they enable a person to do (Cohen 1994). This perspective has far reaching implications for any policy strategies that have to do with poverty alleviation, or improvement of 'social well-being'. Thus, the fracturing or withering of entitlements and the curtailment of one's capability and functionings is what creates inequalities or poverty.⁶ As Cohen explains, in the context of poverty analysis, it is

not low income as such but income adequate to sustain basic capability in given circumstances [that] has considerable practical significance (1994, 120).

Therefore, the policy instruments we devise in dealing with inequalities are those that enable an expansion of capabilities of people, and these may not necessarily be a question of the quantum of income that one has but rather improvement in conditions of living which enhance capability - and these for Sen includes inequalities of self esteem which may arise from difference in income, power, differential achievements and ideologies of inequality (e.g, a caste system). As Sen puts it:

The process of development is not primarily one of explaining the supply of goods and services but of enhancing the capabilities of people (Sen 1984, 529).

To grasp the meaning of this concept of capability from a systematic standpoint, we need to look more closely at Sen's pathfinding work on hunger and famine and the associated notion of 'entitlements'. According to Sen (1981a; 1981b), famines are not simply a question of food availability or population size. Starvation, hunger and famine are 'ultimately concerned with what people can do, or cannot do'. The point Sen is making is that famines can occur even when there is an ample supply of food simply because the 'entitlements' of a class of people have fallen. In other words, it is people's *entitlements* which are critical in understanding the dynamics of famines, the politics of hunger and deprivation., and of poverty.

The notion of 'entitlements', central to Sen's theorising (Sen 1981a) refers to the set of alternative commodity bundles that a person can command in society, using one's totality of rights and opportunities. These 'commodity bundles' are 'endowments' which are critical for determining one's entitlements. These are in turn governed by a whole set of circumstances prevailing in a socio-political context, including political and social rights which may entitle a person to such things as employment and income maintenance in the form of social security, as well as other social and cultural influences, e.g., land tenure, rules of exchange etc. By exchanging commodities, one is able to command an alternative bundle of commodities which are known as one's 'exchange entitlements'. The latter refers to a whole set of goods and services that one can command. Thus, for example, when a peasant's exchange entitlements are not sufficient to meet his actual needs and requirements, he lapses into a condition of poverty.

In brief, Sen's notion of entitlement concerns failures of both supply and demand structure, as the main cause of poverty. Gaspar (1993), in a review of Sen's concept of entitlements, observes that it can be utilised in a number ways without losing the original insights of Sen in using this concept. By and large, it has become a synonym for 'purchasing power or rights, or trade derived income' (Gaspar 1993, 710). From Sen's theoretical perspective, the notion of entitlement acquires meaning and significance only in relation to his two other key concepts, namely, *capabilities* and the correlative notion of *functionings*.

For Sen, development, meaning 'human development', refers to 'the enhancement of certain human *functionings* and the expression of human *capabilities* to so function' (1984, 586). In other words, we are talking about what humans can do and be respectively. The capability to so function is central because human development is seen as 'the expansion of basic human capabilities and the

promotion of valuable human functionings' (Sen 1987). The concept of 'functionings' refers to the various living conditions we can or cannot achieve, all of which pertain to the needs of a person regardless of goals or desires. These 'functionings', (Sen 1992) observes, vary 'from most elementary ones such as being well nourished, avoiding escapable morbidity and premature mortality, etc. to quite complex and sophisticated achievements such as having self-respect, being able to take part in life of the community and so on' (Sen 1992, 5). The listing varies but usually refers to material, biological or subsistence needs such as a nutritious diet, health care, shelter and sanitation. Importantly, Sen expands this list to include the need for self-respect and self-esteem which he regards as being critical for sustaining the autonomy and the reality of choice.

What is attractive about Sen's 'capability paradigm' or 'capability ethic' of development is its ability, to extend and modify other dominant perspectives such as the commodities, welfare utility, and basic needs approaches to development theory and practice. As a strong critic of 'economism', Sen has drawn pointed attention to one of the main shortcomings of the 'crude commodity approach to development which, as indicated previously, was favoured by the First development decade. This pertains to the fact that this mode of theorising invariably leads to a form of *'commodity fetishism'*, that is, a valuation of goods as being intrinsically good in themselves instead of seeing them as means towards other ends. What is needed for Sen is to determine what goods 'can do for people, or rather what people can do with these goods and services' (Sen 1984, 510). As an illustration, Sen points out that 'a disabled person may not be able to do many things an able bodied individual can, with the same bundle of commodities' (Sen 1985, 10). In other words, one of Sen's main objections to the commodities approach is that it fails to recognise the value of people, especially the human factor of agency. At the same time, he draws attention to the variations among individuals such that the same bundle of goods and services may not always promote well-being. By this criticism, he reiterates one of the dominant features of his theorising, namely, the need to take account of the needs of different people. Indeed, as Ian Hacking (1996) has rightly observed, the 'diversity of human beings is Sen's watchword' in his theoretical writings on both equality and the practice of welfare economics.

The logic of these criticisms of the crude commodity approach is also, according to Sen, equally relevant when one considers the more sophisticated account of the commodity approach provided by Rawls (1971) in terms of his theory of primary

goods as a basis for his 'Theory of Justice' based on the 'difference principle'. Rawls's list of 'primary goods' which refer to 'basic rights and liberties' (meaning negative freedoms which are constraints on action) as well as powers and opportunities, income and wealth and self-respect' regarded as a *means* for realising the democratic ideals of human freedom within a political conception of 'justice as fairness', i.e., by a just and fair distribution of goods and services. In this regard, Sen acknowledges 'an enormous personal debt to Rawls for generating a renewed interest in normative issues, especially the ethical and political issues of freedom and justice' (Sen 1984, 30). In particular, Sen applauds Rawls for doing justice to the factor of human agency, thereby affirming the significance of freedom, autonomy, and choice. But, at the same time, Sen, along with Nussbaum, has taken issue with Rawls on several grounds,⁷ but primarily because for Rawls 'primary goods can be valued only instrumentally and very contingently' (Sen 1984, 320). In justification of the criticism that Rawls too sometimes tends to regard 'primary goods' as *means* to an end, i.e., the functionings of persons to achieve human freedoms, Sen makes pointed reference to Rawls's ambiguous characterisation of his list of primary goods. This is apparent for example, when Rawls vacillates in describing the primary good of 'self-respect' sometimes as 'the social basis of self respect', i.e., as a means to achieving valued human freedoms (Sen 1984, 321). Sen argues that when Rawls's 'real concern [is] about the primary good of 'self-respect'' the focus is on what primary goods enables people to do, the implication being that Rawls is 'really after something like capabilities' (Sen 1984, 320)

Similarly, turning to the welfare utility approach to development, Sen's objections are directed mainly on aspects of utilitarianism, characteristic of neo-classical economic theorising. Here again, Sen is not entirely dismissive of this form of thinking, in particular, of the consequentialism implicit in utilitarian thinking, i.e., the view that the value placed on any act, the rightness of an act, is determined by the consequences, its goodness or badness. What he objects is two-fold: first, the emphasis on achieved results rather than the freedom to achieve; and secondly, the welfarism of the utility approach which regards that happiness or the fulfilment of one's desires as providing a satisfactory account of 'personal well-being', or deprivation as the case may be. Sen's main point in rejecting the welfare utility approach is that subjective preferences such as happiness or the fulfilment of one's desires are often a very poor, and sometimes misleading measure of 'well-being'. To make his point, Sen suggests that people may be seriously deprived, e.g., the poor, the exploited, or overworked, and yet be quite cheerful, if they are satisfied because of social conditioning. As he puts it, the:

battered slave, the broken unemployed, the hopeless destitute, the tame housewife, may have the courage to desire little, but the fulfillment of these disciplined desires is not a sign of great success (1987, 11).

Of course, in addition to this ‘false consciousness’ which permits the acceptance of acute inequalities by underdogs who become accomplices, allies of an unequal unjust social order, Sen agrees that even the affluent may be unhappy. This is, in short, Sen’s critique of ‘utilitarian methods of moral accounting’, and his assertion that the human good cannot be identified with well-being. For Sen, the utility (welfarist) approach to well-being ‘at best captures part of the good life but at worst justifies severe deprivation and inequality’ (Sen 1984, 607).

Although Sen’s ‘capability paradigm’ — his ‘starting point (Lane 1994) — stands closer to the basic needs approach than either the commodity or welfare utility approaches to development theorising, he is critical of the basic needs approach mainly on the grounds that it too is prone to the same errors of the commodities and utility (or welfare) approach, namely, commodity fetishism and being culturally and socially constrained. In addition, there are, according to Sen, two other respects in which the capability ethic differs from a ‘basic needs’ approach: one, that it is committed to specifying a minimal threshold of need satisfaction; and the other, that the concept of needs is a passive concept. According to the former, basic needs (usually confined to material or substantive needs) specifies a quantitative (survival) level of achievement whereas the capability approach is more qualitative and implies a condition of capability, equality, and optimum level of freedoms and valuable functionings. The ‘passivity’ criticism of basic needs suggests that the main concern is with the fulfilment of needs (what can be done for the person) whereas Sen’s capability notion is seen as being more proactive and signifies an active agency aspect of personality.

Stated differently, the capability ethic is seen as enhancing people’s capability (what can the person do?), including capability of choice as autonomous self-reliant persons. Sen’s key contention, in his notion of ‘capability of choice’ is that people should be truly free in their choices of what to value, what to do with their freedoms. Sen offers his capability approach as a supplement to the basic needs approach by rephrasing ‘needs’ as ‘capabilities’ to provide a firmer foundation for the rationale of the basic needs strategy. According to Crocker, Sen’s justification for this recasting of the needs concept is to provide a moral basis for regarding basic needs as ‘a category more fundamental than commodities, utilities, human functionings or rights’ (Crocker 1992, 604).

Summary and Conclusion

It is abundantly clear from the foregoing review of development theorising, that the Copenhagen Summit has re-opened the question of not merely the operational significance of social development within development theory and practice, but its systematic status as normative concept. Social development has had, as we have seen, a very uncertain and chequered history in development economics. For the last twenty five years, the notion of social development was at best, an appendage to economic growth in a paradigm of development theorising which regarded the amelioration of social conditions. e.g., poverty alleviation, as an inevitable and necessary outcome of rapid economic growth. Although this model of growth maximisation was supplemented by policy strategies involving direct and indirect approaches to raising levels of income (e.g., redistribution of income or increasing employment opportunities), it has had little success globally in combating poverty and destitution.

With the resurgence of interest in social development in the 1990s, over and above a concern with the need to specify more clearly the goals of social development and determining appropriate policy responses (Midgley 1995), there has been a strong interest in reconceptualising the concept of social development (Marsden 1990). This reformulation and re-framing of social development within development theory has a critical bearing on determining effective intervention strategies. Put simply, there is no way out of the means/ends dilemma. The danger at all costs to be avoided is in making a fetish out of instrumentalities; and more seriously, of mistaking *means* for *ends*. It is in this regard that the work of Amartya Sen stands out for his refreshing and challenging approach to development.

Importantly, Sen rejects forcefully the view that economic growth is synonymous with development, and regards 'human development' as the expansion of basic human 'capabilities' and the promotion of valuable human 'functionings' bearing on human freedoms, rights and justice which are integral to an acceptable view of development. Here, there is a more explicit characterisation of the *ends* of development, states of 'well-being' and the freedom to achieve these states, which are 'the ultimate basis of judging the nature of development ... [and what is more] values are not just instruments, but also views about what should or should not be promoted' (Sen 1988, 3).

Sen's approach is distinctive in that it represents a forthright and sustained argument on the need to acknowledge more clearly the moral assumptions that have for long been implicit in development policy making and social action strategies. Sen's 'capability ethic' is theoretically significant because the point of view advanced acknowledges the strengths and weaknesses of the previously dominant development approaches — such as the commodity, the welfare and utility and 'basic needs' approaches.

Furthermore, within this perspective, the understanding, analysis and measurement of inequality becomes central to articulating effective and meaningful policies of social and human development. Admittedly, the arguments for and against the pursuit of equality, the libertarian and egalitarian points of view, are, if we are to accept Sen's analysis, not to be resolved by the science of economics. To quote Desai:

The desirability of equality is both supportable and refutable depending on one's philosophical and moral standpoint (Desai 1996, 14).

It is in this context that Sen, along with Nussbaum, has made a profound difference to our thinking about issues of human and social development by his exposition of the moral argument in favour of a development ethic. This is one, which by enhancing 'capability equality', is likely to lead to an egalitarian and redistributive ethic, and one which at the same time, is also committed to enhancing freedom and autonomy.

This mode of theorising and conceptualising *human development* has important implications for development policy and practice. What is important are policies, programs and services that serve to enhance the capability of people to undertake valued functionings. These are not necessarily those promoting utility maximisation or income equity. In the end, as the UNDP Report saw it, 'human development is defined by the formation, expansion and use of human capabilities' (UNDP 1990).

If one of the main objectives of social development is to attain an adequate standard of living⁸ then, the focus has to be on one's capabilities and functionings. Therefore, the need is for development policies and practices which enable the enhancement of the capability of people to undertake valuable functionings, and it is for this reason that Sen recommends the pursuit of 'participatory growth strongly supplemented by adequate social support' (Sen 1994, 79). Against this

background, we are now in a better position to comprehend fully the exposition of 'human development' given in the UNDP Report of 1992 which states that:

Human development is a process of enabling people to have wider choice. Income is one of the choices but is not the sum total of human life. Health, education, a good physical environment and amount of freedom of action and expression are as important (UNDP 1992, 3).

Ironically, the new breed of philosophically minded development economists like Sen and Dasgupta are wont to reclaim the moral sentiments and purposes espoused by the pioneers of modern economics. McNally has drawn pointed attention to the fact that Adam Smith, in advocating the merits of a commercial society, sought to defend 'the liberal reward of labour in terms of straightforward justice and equity' (McNally 1993, 52). We can do no better than, in taking social development seriously, recall the words of no other than Adam Smith:

No society can surely be flourishing and happy, of which the greater part of the members are poor and miserable. It is but equity, besides, that they who feed, cloathe and lodge the whole body of the people, should have such a share of the produce of their own labour as to be themselves tolerably well fed, cloathed and lodged (Adam Smith 1937, 96).

Endnotes

1. See Disney (1995) for a statement on the 'Principal Commitments of the World Summit'.
2. See Hirschman's (1984) classic essay: 'The Rise and Decline of Development Economics' (1982) for alternate views on the status of 'development economics' as a sub discipline of economics.
3. Seers (1969) interestingly observed that he remained unconvinced by this well known argument suggesting that inequality can provide the incentives necessary for economic growth in the Third World.
4. Commenting on the issue of income distribution, Sen (1984) makes the valid point that a rise in income does not necessarily enhance one's 'entitlements', e.g., as in education or health care (1984, 499). Streeten (1981) who also argued that there was no necessary connection between increased income and need satisfaction. For Streeten the form of service provision such as equitable access were more central to social development.
5. Lane (1994) notes that whereas the social indicator movement was interested mainly in the quality of life as an aspect of subjective well-being, the economists viewed it as consumers' command over resources. Lane adds that philosophers like Nussbaum and Sen have greatly enriched this discussion of 'quality of life' by examining how it is influenced by the 'qualities of persons'.
6. Sen is sharply critical of the social relativity theories of poverty of Townsend (1985), and argues that poverty exists in an absolute sense. This difference in conceptualising poverty arises because, for Sen, one's standard of living is not judged by a quantum of goods, commodities, but by what one is able to do with these goods - i.e., in terms of capabilities and functionings.
7. See Crocker (1992) for a well-documented analysis of the points at issue between the theorising of Rawls and Sen on theory of primary goods.
8. See Article 25 of The Declaration of Human Rights 1948, which states that: 'Everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing, housing, and medical care and necessary social services'. See Copp (1992) for a searching and critical examination of this right; also Streeten (1981) for an illuminating discussion of basic needs and human rights.

Introduction

One of the distinctive features of Sri Lanka as a post-colonial society since the achievement of independence in 1948 has been its overall commitment to liberal democratic institutions such as the rule of law, electoral politics, liberal political institutions, a high degree of political participation along with a dynamic civil society. But more importantly, Sri Lanka had, for a long time, the unique status among developing countries as a social democracy pursuing welfare state ideals of equality and justice, a characteristic feature of many developed industrial countries of the West.

The conjunction of democracy and welfare in the West has yielded a variety of m conservative through liberal to socialist models of the welfare state (Esping-Anderson 1990). The model of the welfare state, characteristic of the Scandinavian countries and the UK is marked by the collective provision of welfare with a view to achieving distributive justice and social solidarity. Thus, in these countries 'social democracy is virtually synonymous with the welfare state' (Esping-Anderson 1985: 14). The social democratic tradition of politics, unlike the orthodox liberal democratic form of government is committed not only to the protection of individual liberties and freedoms (civil and political rights) but more importantly to the pursuit of social equality through some measure of distributive justice in matters of resource allocation. In short, it is the commitment to the achievement of equality and justice as a collective responsibility which confers a valid interventionist role for the state in public policy.

Nearly all social democracies, i.e., countries governed according to the tenets of political liberalism, have in the recent past. been severely fractured due to the incompatibility between the pursuit of egalitarian goals and objectives of welfare (greater equality through redistributive measures) and the inherent inequalities of the market forces of neo-liberal capitalism. The orthodoxy of the economic philosophy, which emerged in the 1970s was based on the logic of a free market, economic individualism, a minimal state and an autonomous civil society (Giddens 1998; Hargreaves and Christie 1998). This neo liberal thinking has, indeed, gained

philosophy, which emerged in the 1970s was based on the logic of a free market, economic individualism, a minimal state and an autonomous civil society (Giddens 1998; Hargreaves and Christie 1998). This neo liberal thinking has, indeed, gained the status of being the dominant economic paradigm in the developing countries as well as the developed countries. As a consequence, the economic foundations of social democracy built on the beliefs of full employment, a mixed economy, Keynesian demand economics, and an interventionist state were severely damaged by the conservative politics of neo-liberal economics, exemplified by the political regimes of Margaret Thatcher in the UK and Ronald Reagan in the USA.

In the West, the dissolution of the ‘welfare consensus’, born out of the ‘social contract’ of the post-war period, was due to the final discrediting of Marxism and the profound social, economic and technological changes arising from globalisation or global capitalism (Giddens 1998). In particular, the impact of globalisation (e.g., by integrated capital markets and floating exchange rates) has severely restricted the capacity of social democratic countries in the West ‘to pursue their redistributive programs through the use of the standard repertoire of Keynesian policy instruments (Jayasuriya 1999: 27). It is this decline of social democracy, along with the dismantling of the welfare state which has led to the search for an alternative policy paradigm that could accommodate the philosophy and rationale of the welfare state (e.g., greater equity and justice) with neo-liberal economic thinking. The various forms of revisionist social democracy that have emerged have come to be generally known in the West as the ‘third way’. The ‘third way’ eschews the extremes of the New Right and the Socialist Orthodoxy of the Left, and aims to reconcile the realities of the international economy, global capitalism and market efficiency with issues of social justice—‘the cornerstone of the social democratic project’ (Giddens 1998; Jayasuriya 1999).

A primary consideration of a political regime committed to the ‘third way’, to ‘humanistic capitalism’, lies in its ability to achieve a balanced integration of economic and social policies. Accordingly, the distinctive feature of ‘third way’ politics in Europe, has been its endeavour to demonstrate how the idea of the welfare state, based on equality, can be reconciled with market forces which are by nature inegalitarian (Giddens 1998). This new thinking requires, first and foremost, a defence of the principles and values of the welfare state against its philosophical rejection by neo-liberal conservative governments.

In Sri Lanka, the orthodoxy of the Keynesian welfare state—a legacy of British liberal political thought—nurtured in the unusual environment of a non industrialised,

liberal political thought—nurtured in the unusual environment of a non industrialised, partially modernised economy of a developing country, was placed under severe strain following the crisis of the welfare state in the 1970s (Kelegama 1998). The welfare state ideology promoted by Sri Lankan governments since the grant of independence from colonial rule in 1948 was emphatically rejected by the neo-liberal regimes of the post 1977 era of Sri Lankan politics (Dunham and Kelegama 1997). The economic philosophy of the post-1977 political order, committed to a non interventionist open market economy, was based on the principles of market efficiency and unrestrained economic growth, all of which were hostile to the earlier policies of the egalitarian welfare state ideology. The impact of the new economic policies of liberalisation had a critical impact on the public sector where state based services were increasingly privatised and the welfare sector severely downgraded except for ‘safety net’ programs of social assistance and income support (Kelegama 1998; World Bank 1998). Not surprisingly, the Sri Lankan public sector was characterised by a social philosophy bordering on ‘private affluence and public squalor’.

Against this background, the emergence of a new political regime in Sri Lanka, following the 1994 General Election, committed to restoring social democracy, poses the question whether this also entails an equal commitment to the restructuring of the welfare state as a basis for reclaiming the lost traditions of the Sri Lankan social democratic state. In short, the political rhetoric of the current Sri Lanka Centre Left coalition—for instance, the desire to ‘humanise capitalism’ (i.e., structural adjustment with a human face)—contains an implicit recognition of the fact that social policies cannot be formulated without reference to economic policies. It is the latter which provides a solid economic foundation for the implementation of social policy objectives such as those of guaranteed social security and well-being (Kelegama 1998).

A key proposition of the paper is that the crisis of the welfare state in Sri Lanka is synonymous with the crisis of the social democratic state in Sri Lanka; or stated differently, the decline of the welfare state has also witnessed concurrently a negation of democratic values and principles. Therefore, there is a need to re-think and re-state the values and fundamental principles of social democracy and the welfare state—those of freedom, equality and justice—which have been seriously damaged in the recent past. However, any such program of political and social reform is predicated on the urgent need to enunciate and articulate the values and principles of social democracy in a manner relevant and meaningful to the present political cir-

political circumstances of Sri Lanka, viz. a fragile diverse and plural society undergoing rapid economic change in the context of globalisation.

In this context, it will be argued that the ‘third way’ thinking being promoted in the West may, indeed, be relevant to the restoration of social democracy in Sri Lanka. In brief, the contention is that refashioning the social democratic state is fundamental to the future well-being of Sri Lanka as a liberal plural society. Furthermore, in this endeavour the restructuring of the collapsed Sri Lankan welfare state stands out as a logical corollary to restoring social democracy.

In pursuance of this argument, the first part of the paper will endeavour to identify the political fate of the social democratic state in Sri Lanka by a) presenting an account of the experience of the Sri Lankan welfare state since its consolidation in the post-1956 era; and b) documenting the ‘dismantling of democracy’ (Tambiah 1986) which has been largely due to the ongoing ethnic conflict – one which has seriously damaged and weakened the political institutions and social fabric of Sri Lankan society. In other words, the reconstruction of the welfare state and restoration of social democracy, has to be contextualised and located within a political framework, a foremost consideration in this regard being the resolution of the deep-seated tensions and conflicts inherent in a diverse plural society.

In the second part, the paper will seek to justify, in the light of current political and economic realities, the continuing validity of the welfare state ideal by outlining a defensible political rationale for the Sri Lankan welfare state and social democracy. A conceptual framework for a new social democracy in Sri Lanka will be sought in a radical concept of citizenship and the doctrine of ‘market socialism’. This exposition addresses the proverbial ‘means-end’ debate about welfare by identifying a policy framework which is able to realistically confront the needs of welfare in a market economy.

In short, the challenge of the ‘third way’ as a basis for reclaiming social democratic ideals lies primarily in its ability to incorporate social objectives of equity and justice within the economic imperatives and political realities of a low to middle income developing country committed to economic growth. In this respect, the proposed blueprint for a ‘third way’ in Sri Lanka gains added significance because of its potential for incorporating diversity and pluralism within the social and political structures of a new social democracy by constitutional reform (Jayasuriya 1999).

The Sri Lankan Experience of Social Democracy

The Sri Lankan Welfare State: An Overview

In tracing the evolution of Sri Lankan social democracy, and in particular, its commitment to the achievement of freedom, equality and justice, it is important to note that over and above the influence of the liberal tradition of politics, coming from the British colonial past, the single most important political force has been the Sri Lankan labour movement and concurrently the impact of the associated left political parties, especially their commitment to the collective provision of welfare (Kearney 1971, 1993; Jayawardena 1973). This commitment to the pursuit of social objectives makes the fate of the welfare state central to the experience of social democracy in Sri Lanka.

The ideology of the welfare state, as it evolved through the 1960s and 1970s was fashioned and constructed primarily by the Left coalition governments of the post 1956 era. This policy regime was in the main an outcome of three major factors: the grant of universal franchise in the pre-independence period, a buoyant economy based on a prosperous plantation sector providing resources for financing welfare, and the ideological influence of Centre Left parties based on a strong labour movement committed to centralised planning, state control and distributive justice.

The Sri Lankan welfare state, modelled mainly on the British welfare state and containing a mix of Fabian socialism and Beveridge style collectivism, was built around a social democratic political order based on the rule of law, constitutional government, and liberal political institutions. In pursuing welfare objectives, e.g., of equity and justice, the favoured policy strategy was based on a universalism of rights and entitlements funded on a system of progressive taxation and transfer payments. The political economy of welfare in Sri Lanka, though nominally a mixed economy, was heavily influenced by the belief that the state was the only agency capable of achieving an equitable allocation of resources. Hence, not just the social services but also the productive enterprises were almost exclusively located in the public sector.

The strong emphasis on the public sector was intended primarily to achieve the egalitarian objectives of a greater measure of equity and justice by minimising market inequalities associated with private ownership. The main components of the

the social sector expenditures were health, education, social services and the food subsidy—really a form of income support. This was markedly evident in the pattern of social investment, where, for example, the social expenditure commitment of the government during the period 1960-79 averaged around 10% of GDP (Alailima 1995).

The analysis of the balance sheet on the Sri Lankan experience as a welfare state until its decline in the 1970s is still meagre and incomplete. Much of the assessment currently available is confined to an analysis of changes in the patterns of social expenditure (e.g., Alailima 1998; Alailima and Sandaratne 1997) and is of limited value in gaining a proper understanding of the full impact of these welfare policies on aspects of social and political life such as social mobility, solidarity and integration in a plural society. As a rule, the majority of the available literature which has examined the welfare state experience of Sri Lanka has been from two main perspectives, viz., the effects of welfare on living standards and the relationship between welfare and growth.

On the question of the impact of welfare policies on living standards, Sri Lanka rates highly on a range of social indicators such as the Human Development Index (HDI) of UNDP (1994), pertaining to health, education, infant mortality, etc. when compared with other similar countries ranked in terms of aggregate income levels such as per capita GNP (Sen 1988; Osmani 1994; ; Jayasuriya 1996; Kelegama 1998). There is near unanimous agreement that the welfare state experiment of Sri Lanka offers a unique example of a country, committed to interventionist policies, which has achieved a large measure of equality in the allocation and distribution of resources. Welfare policies have undoubtedly improved living standards of the people of Sri Lanka to an extent greater than that attained by comparable countries (Sen 1988). According to Osmani (1994), the Sri Lankan experience shows that:

public interventions can enable a country to bring about significant improvement in the basic capabilities of its people relatively quickly, without waiting for growth of income to deliver the goods in the long haul of time (1994, 5).

However, despite an improvement in overall living standards, and also a greater measure of equality in income distribution (Central Bank of Ceylon 1983, 1973; Jayawardene 1974; Alailima 1978, 1978), all of which were achieved as a result of welfare state policies, there still remain glaring inequalities. Some of these are, of course, directly related to the manner in which welfare policies were implemented (e.g., an urban bias in resource allocations leading to disturbing regional inequali-

inequalities). Alailima (1984), for instance, has shown convincingly that existing inequalities did not decrease by the margins suggested by the data on income distribution, and concludes that:

Those who benefited most were the middle and upper income groups, particularly in the rural and estate sectors (1984, 24).

Pending further confirmation of this finding, it may be argued that the main beneficiaries of welfarism in Sri Lanka appear to have been the middle income segments identified as the 'intermediate class' (Kalecki 1972). This 'intermediate class', comprised mainly of the urban middle class, was made up mainly of professionals and public sector employees, the trading class and the rich peasants, all of whom have benefited greatly from the compensatory package of rural policies (Jayasuriya 1981). The emergence of this class also created a measure of social mobility that was crucial to democratic stability in the post-1956 period. Interestingly, this aspect of welfarism in Sri Lanka is analogous to the middle class capture of the welfare state in Britain and Europe, and warrants closer scrutiny (Le Grand 1982).

There are, however, some sharply divergent views as to whether the commitment to welfare retarded growth (Kelegama 1998). In fact, the post-1977 conservative governments, along with international aid organisations, have sought to justify the dismantling of the welfare state largely on the grounds that welfare policies have retarded growth. Following Osmani (1994), we can identify two facets of this argument. One is the 'short trade off' argument which states that Sri Lanka would have been better off if the money spent on welfare was spent on investment. This point of view was strongly advocated by the World Bank and the free marketers who came to power in 1977. These critics of welfare statism also enthusiastically subscribed to the second argument—the 'long trade off argument'; that is, that in the long term, 'there won't be enough money in the kitty to pay for welfare, as the level of expenditure rises with growth of welfare (Osmani 1994). In other words, it is claimed that the economic costs of reducing inequality (e.g., alleviating poverty etc.) have had an undesirable effect on the economy.

Considering the broader issues on the welfare vs. growth argument which are brought to the fore by the Sri Lankan experiment of growth with equity, Osmani (1994), in his searching and definitive review, maintains that:

the general lesson that one can draw from Sri Lanka's experience is that even a poor country can bring about rapid improvements in the living standards of its people by adopting a judiciously designed welfarist strategy and further that the pursuit of rapid gains in this manner need not involve a conflict with growth and hence need not entail a loss of welfare in the long term (1992, 419).

On a careful assessment of the available evidence there are no good grounds for disputing Osmani's (1994) succinct analysis of the issue of welfare vs. growth and a balanced assessment, namely that 'a truly impartial jury must return the verdict of not guilty' (1994, 414).

What is particularly important for our purposes is to acknowledge that it was the ideological commitment to the values and principles of social democracy—equality and distributive justice—which sustained the welfare state in Sri Lanka. But from an operational policy perspective, what was distinctive about the welfarism of the social democratic state in Sri Lanka was its strong adherence to the:

- principle of state ownership and/or control of productive enterprises,;
- strong belief in centralised state planning, 'planning for equality';
- principles of universalism and equity in the allocation of resources by the state;
- and,
- a commitment to achieve distributive justice by the pursuit of equality of opportunity, not so much as equal shares for everyone (substantive equality) but as fairness or equity (procedural equity).

Overall, as in Western welfare states, in Sri Lanka too, there was a clear legitimising function in the welfare policies of the pre 1977 period, viz., the need to mitigate the adverse consequences of capitalist expansion in a dependent colonial economy. Stated differently in the wider context of Sri Lankan politics, the package of welfare policies was a means of compensating the urban and rural middle classes from the resources generated by the plantation sector. Similarly, welfare policies also had other political objectives in Sri Lanka such as minimising the tensions created by slow growth, an expanding population and increasing poverty, and providing a social patronage for the political parties in electoral politics.

Decline of the Welfare State: 1970 Onwards

What eventually led to the ‘crisis of the welfare state’ in the 1970s was essentially a collapse of the post World War growth strategies (which relied on a surplus from the plantation sector of the post-independence period) that led to a fiscal crisis (i.e., growing budget deficits, drain on foreign exchange, increasing public expenditure, and high taxes) to which the state responded by significantly reducing social expenditure as a means of dealing with fiscal deficits (Kelegama 1998; Lakshman 1997).

The decline of the welfare state, ironically begun in the period 1970–77 by a Centre Left coalition government (Alaililma and Sandaratne 1997), was hastened by the advent of a Centre Right conservative government promoting neo-liberal policies of economic liberalisation hostile to state welfare. This new ethos of ‘productivism and consumerism’ (Giddens 1994), was to a large extent inspired by the dictates of international aid agencies such as the World Bank and IMF which encouraged the practice of a free market economy to maximise investment and encourage growth (Lakshman 1997). In short, the overall strategy recommended by these bodies—in accordance with the orthodoxy of the structural adjustment program (SAP)—was to alter the previous policy mix of welfare and growth, in favour of one based on market oriented growth and ‘safety nets’, all of which required a curtailment of public expenditure, or at least a channelling away from welfare objectives.

The dramatic changes in all aspects of the political, economic and social life of the country introduced by the neo-liberal/conservative regimes during the period 1977-94 led to a sharp disjunction between economic and social policy. This in turn heralded the demise of the Sri Lankan welfare state of the 1960s, which had played a significant role in shaping political and social changes, especially in sustaining an influential middle class élite. By contrast, the social policy changes introduced in the post-1977 era rejected the previous welfare ethos and sought to create an unbridgeable chasm between the electoral politics of the post-1956 and 1977 era. The regime change, in short, threw into sharp relief the nature and significance of social policy – the difference was between a policy ethos governed by redistribution of financial surplus and one directed towards maximising production and investment, the main avenues of income and employment generation.

In restructuring welfare policies, the post 1977 neo-liberal regimes departed from a redistributive strategy, abandoned universalistic social policies, encouraged the delivery of welfare by the private sector, and adopted residualist welfare measures

In restructuring welfare policies, the post 1977 neo-liberal regimes departed from a redistributive strategy, abandoned universalistic social policies, encouraged the delivery of welfare by the private sector, and adopted residualist welfare measures (e.g., food stamps) to relieve poverty—what Townsend (1979) refers to as ‘conditional welfare for the few’. The emphasis placed on modernising the rural sector through social programmes such as rural housing and electrification demonstrates the neo-liberal social policy strategy of subsidising welfare to promote production. This policy strategy was based on an anticipation of the benefits of trickle down and the objective of promoting self reliance as against welfare dependency.

As previously indicated, this ideological rejection of ‘state welfare’ also meant a clear departure from the principles of social democracy, viz. a commitment to equality and distributive justice, principles of co-operation, sharing of risks and solidarity. As elsewhere, we find that the crisis of the welfare state encompasses the competing forces of growth and welfare as well as the conflict between the inequality, generated by the logic of market forces and the social democratic emphasis on welfare consensus and solidarity. In this regard, it is apparent that the fundamental differences between conservatives and social democrats are essentially value based and ideological with differing emphasis being placed on values such as equity, individualism and social solidarity as well as liberty and freedom (Bean et al. 1985; Giddens 1998).

Basically, the conservative critique of the welfare state takes two forms: the view of the classical liberals or neo-liberal and the more conservative New Right. The neo-liberals, cast mostly in the mould of orthodox political liberalism, reject the coercive intrusion of the state into welfare but concede that welfare is a ‘public good’ which is best catered within the private sector. The more orthodox conservative forces of the New Right are more strictly laissez faire, market oriented and subscribe to an economic individualism which subordinates welfare to the so-called ‘rationality of market forces’, and is governed not by considerations of equity or justice but by those of efficiency in maximising private profit. Accordingly, welfare is simply a matter for individuals to secure by their own efforts with minimal state assistance—a matter of personal responsibility.

In Sri Lanka, the Centre-Right conservative regimes of 1977–94 represent in varying degrees both forms of conservatism. Whereas the Premadasa regime (1989–93) tended to take more of the form of a neo-liberal conservatism, the Jayawardene regime of 1977–89 appears to be more in accord with the theory and practice of New Right conservatism. However, common to both was a deep distrust of state ownership/control of the means of production, a strong insistence on self reliance,

distrust of state ownership/control of the means of production, a strong insistence on self reliance, the virtues of individual effort and initiative, and a rejection of any form of 'state welfare'.

The market oriented 'safety-net' welfare programmes pursued by the conservative regimes of the post 1977 period with an expenditure of around 2-3% of GDP (see World Bank 1998) was essentially a poverty reduction programme. It was no better than a form of institutionalised charity and clearly demonstrates the differences between the earlier institutional welfare system based on universal rights and the conservative residualist/selectivist welfare policies. The latter, infused with a heavy component of social mobilisation activities were, at best, a more sophisticated version of the hated British poor law or charitable assistance for those living on the margins of destitution. The state sponsored social welfare schemes (Janasaviya and later, Samurdhi) such as the food stamps and other income support schemes (e.g., school meals programs, kerosene oil, etc.) were conceded only as a matter of pragmatic political convenience, as a transitional or provisional measure linked to productive enterprises.

In summary, the new approach to welfare during the post 1977 period was marked by:

- the departure from a redistributive justice strategy of income distribution;
- a significant reallocation and targeting of social expenditure following the reduction of income transfers (e.g., removal of the food subsidy);
- the gradual abandonment of investment in universalistic social policies, and the adoption of a selectivist residual strategy of 'safety nets' as a poverty reduction strategy;
- the promotion of privatised welfare, e.g., by the encouragement given to the delivery of social services on a commercial basis; and,
- an increased emphasis on social programmes, e.g., rural housing and electrification, as a production and investment package.

Ethnic Conflict and the Dismantling of Democracy

The rejection of the welfare state ideology by both conservative regimes (i.e., Jayawardene and Premadasa) importantly entailed a 'dismantling of democracy' because the new policy regime of economic liberalism was willing to curtail liberty and freedom in pursuing growth objectives. In the other words, though ideologically rejecting statist approaches to welfare, they were quite prepared to pursue policies of statist intervention for economic purposes. However, the dismantling of democracy (which was also apparent even in the early 1970s as a response to civil

response to civil disorder) was intensified after the race riots of 1983 (Moore 1990). The escalating ethnic conflict from 1983 onwards, leading to conditions of civil war, has had far reaching consequences for welfare policies as well as for the political fate of democratic principles and institutions.

The restructuring of public welfare policies has had a detrimental impact on different segments of Sri Lankan society. One noticeable consequence of these social policies was the social exclusion of some groups such as the rural educated unemployed and some ethnic minority communities. For example, the economic benefits derived by the Tamil people in the Jaffna peninsula from the rural social policies of the pre-1977 era were dramatically withdrawn when all import controls were removed, without any compensation. This was a direct consequence of the policies of economic liberalisation policies introduced in 1977, which included the removal of agricultural subsidies and protection for the rural farmers (Moore 1985). In fact, it was this policy strategy of the neo-liberal conservatives, which tore apart the ethnic accommodation which had taken place throughout the post independence period. It was an accommodation that was largely held together by the Sri Lankan welfare state, which also included access to health and educational resources as a matter of universal rights and entitlements. The profound social and political impact of these new conservative policies which entailed a rejection of welfare ideology, characteristic of the Sri Lankan social democratic state has, regrettably, been poorly examined in understanding the complex social dynamics of the ethnic conflict.

Clearly, this was an era in which there were serious breaches of human freedoms—a political culture characterised by infringements of the rule of law, the exercise of arbitrary executive authority, the politicisation of the judiciary and bureaucracy. Above all, the suspension of civil liberties and citizen's rights as well as press freedom, curtailment of worker's rights, rights of assembly and protest highlights the curtailment of the civil society imposed by sections of the political elite who vigorously pursued authoritarian policies. In justification of the denigration of democratic processes such as this denial of freedom and curtailment of liberty, neo-liberals lean on Hayek, who argues that

when an external enemy threatens, when rebellion or lawless violence has broken out, or a national catastrophe requires quick action by whatever means can be secured, powers of compulsory organisation which nobody normally possesses must be granted to somebody (Hayek 1979: 124).

Whatever be the neo-liberals (usually depicted as champions of liberty) defence of 'regimes of exception'—either as a defence of authoritarianism or of dictatorship—based on a doctrine of a just war or for reasons of state, as Loveman rightly points out, they tend to 'make the unthinkable not only thinkable but doable and to result in tyranny' (1993: 404). There is no doubt that the post 1977 governments, as 'regimes of exception' in Loveman's sense, established a constitutional foundation for an oppressive anti democratic political climate and helped to secure what Giddens has aptly called 'the unhappy neo-liberal marriage of market principles and authoritarianism' (1995, 32).

The reaffirmation of the democratic processes of the state requires not just the return to the rule of law, and the removal of oppressive and discriminating legislation and emergency provisions, but also the reconstruction of Sri Lanka as an ethnically diverse, and democratic plural society. Above all, it requires the grant of adequate representation to ethnic minority interests in the democratic state; this includes granting these groups equal rights and the fullest degree of participation as fully fledged citizens in determining the destiny of the nation. Shastri (1998) correctly observes that there are some signs of progress in this regard. For instance he observes that:

Proportional representation has been established in the national legislature. Tamil has been accepted as an official language at the national level ... above all [the] comprehensive reform [package of the 1994 Centre-Left Coalition government offering] a decentralised structure, individual rights, and democratic checks and balances ... provides for a devolution of power that would allow the different peoples who make up Sri Lanka's plural society ... govern themselves in important respects (Shastri 1998: 163).

The development of constitutional rules and strong political institutions is a first step that may lead to a resolution of ethnic conflicts and tensions. The model of constitutional reform, proposed by the Centre-Left coalition of 1994, guaranteeing devolved power to constitutionally defined 'regions', territorially demarcated as areas of ethnic concentration, is a step in the right direction (Jayasuriya 1995). The long-term success of any proposals for constitutional reform directed towards resolving the ethnic conflict will depend on how far these reforms will be able to achieve social solidarity and integration. As will be argued later, one effective strategy for ensuring these objectives of solidarity and integration is to restructure the lapsed social democratic state, according to the tenets of a radical concept of citizenship, one which explicitly recognises the 'politics of difference' (Mouffe 1992; Taylor 1992; Jayasuriya 1993, 1995^b, 1999; Husband 1998). In short, the reformu-

reformulation of the concept of citizenship, it will be argued, is critically important not only for redeeming the lapsed social democracy and the welfare state, but also for facilitating the integration of minority politics and welfare politics—the two sub-themes of Sri Lankan politics, which have dominated Sri Lanka since the achievement of independence from colonial rule (Jayasuriya 1994).

Towards a New Social Democracy: Charting a ‘Third Way’

Defending Welfare: the Idea of Citizenship

We may pause to ask what is the justification for the welfare state in a social democracy. Any defensible rationale of the welfare state within a social democratic state has to be one which recognises that the rights and entitlements of citizenship, include not just civil and political rights (political citizenship) but importantly, also social rights (social citizenship). Whereas civil and political rights guarantee liberty and freedom in a political democracy, social rights on the other hand, provide such benefits as equitable access to health care, education, shelter and social security. By virtue of one’s social rights, a citizen is deemed to have moral claims on the state through one’s membership in a political community (which may, in fact, be membership in a diverse plural society). Citizenship bestows not only personal and legal protection in terms of one’s civil and political rights, but also social protection from ‘diswelfare’—the adverse deleterious effects on individuals from such things as disability, environmental hazards or unemployment for no fault of their own. This sense of shared, collective responsibility is what confers a sense of fraternity and social solidarity – an altruistic concern for one’s fellow beings.

How one secures this collective responsibility results in two themes common to welfarism and the social democratic tradition: a) that distributive justice, not benevolence, is a matter of rights and entitlements; and b) that the social democratic state is redistributive and committed to an equitable distribution of resources. There are several justificatory principles that can be cited in favour of redistribution such as freedom and autonomy of individuals, equality and sense of community (Drover & Kerams 1993; Jayasuriya 1993). But, perhaps the most significant fact is that the principles of redistribution arises from a strong commitment to cater to human and social needs. In short, collective responsibility and the need to achieve this by an equitable distribution of resources is an ethical moral issue. In the words of Plant:

If the welfare state does not have the function of increasing freedom, rectifying injustices and responding to the moral claims based upon need, it hardly seems worth defending (Plant 1985: 3).

If the welfare state does not have the function of increasing freedom, rectifying injustices and responding to the moral claims based upon need, it hardly seems worth defending (Plant 1985: 3).

Using Marshall's theory of citizenship, Plant goes on to suggest that 'meeting needs is a basic requirement of citizenship' (Plant 1985, 13). The idea of citizenship, as a basis of welfare, originates from the seminal work of Marshall (1950; 1973; 1975), who focussed on the rights of citizenship in characterising the moral foundations of the welfare state. In this formulation of the philosophy of the welfare state, Marshall defines citizenship as

a status bestowed on those who are full members of a community. All who possess the status are equal with respect to the rights and duties with which the status is evidence' (Marshall 1950, 84).

The Marshallian concept of citizenship provides all citizens with an equality of status as well as an equality of rights (civil, political and social rights). Collectively, the civil and political rights—the rights of political citizenship—are 'negative' rights because they imply a corresponding obligation on others to refrain from interference in the enjoyment of these rights. For conservative liberals and libertarians, the essence of citizenship lies in the defence of liberty and freedom in a democracy. This is, of course, a function of enforcing the rights of political citizenship which grants full and equal membership to all citizens without distinction (Jayasuriya 1993).

On the other hand, social rights, which form the basis of social citizenship, are more problematic because they constitute claims against the state, 'a claim on the resources of others using the tax system' (Plant 1988, 10), and refers to the right to a 'social minimum'. The latter is achieved through an array of programmes and social services (e.g., access to education and health care, social security, adequate housing and income maintenance), all granting a measure of social protection to all citizens. The question whether these rights constitute individual entitlements or merely a general duty or obligation cast on the state to provide collective services in areas such as education, health and general welfare, is disputed and controversial. Social rights are said to be 'de-commodified', when they become the responsibility of the state in varying degrees, depending on the political and economic context.

What is particularly significant about the Marshallian citizenship paradigm is that, while remaining firmly committed to issues of freedom, justice and rights (Miller 1989), it acknowledges the economic component of welfarism, and permits the incorporation of market forces—the logic of the market. In the words of Marshall, ‘the taming of market forces was an essential pre-condition for a just society’ (Bottomore 1992, vi). Hence, Mishra (1984) aptly describes Marshall as a ‘moderate collectivist’ for whom the limits of welfare are constrained by the economy such that there is not an optimum standard of welfare but a national minimum for ‘state welfare’.

According to moderate collectivists who are not ideologically committed to universalistic benefits and services, there are a variety of ways in which social rights could become enforceable. Rules and procedures governing the benefits associated with these rights (cf. the conditions governing entitlement to free medical services or access to care in public institutions). For example, the grant of some social rights are conditional; social security benefits may be dependent on work tests for employment. Clearly, the conditionality of rights points to a re-definition of rights and obligations, and is central to what is being identified as ‘third way politics’ in Europe (Giddens 1998). Importantly, for the ‘third way’, these rights and obligations attach equally to individuals and governments.

Whatever be the politics of welfare in implementing social rights, the conceptualisation of social rights as being inherent in citizenship is central to welfare state theorising. The concept of social rights embodied in the traditional Marshallian welfare state ideology was intended to act as a compromise between the contrary principles of the democratic polity and the capitalist market. The welfare state then, becomes a mechanism which is expected to intervene and correct the structures of inequality by some measure of redistribution; the extent of redistribution permissible being constrained by political and economic conditions.

In summary, the essence of the argument advanced here is that citizenship theory is significant chiefly because it offers a rational and ethical way of dealing with inequalities, the inevitable consequence of capitalist markets. In addition, it provides for an accommodation of market and welfare; or stated differently, a way of reconciling the drive and productive outcomes of a market economy with the values of welfare namely, equality and justice. Hence the relevance and significance of citizenship theory for the social democratic point of view, as well as for the ‘third way’ political theorists, particularly those identified with the doctrine of ‘market socialism’. (e.g., Miller 1989; Harris 1987). The latter are primarily concerned with

primarily concerned with reconciling collectivism and solidarity with individual achievement and economic competitiveness.

Market Socialism and Societal Corporatism

The doctrine of market socialism, originating from the classic work of the Polish economist Oskar Lange, and developed recently by such theorists as Miller (1989) and Harris (1987) provides a conceptual framework for those in search of a ‘third way’—one which avoids the excesses of the New Right and the Left Wing theorising—in liberal democratic societies. For instance, the liberalised East European states, anxious to adhere to socialist values of equity and justice without necessarily subscribing to the policy prescriptions of the ‘second way’ (e.g., the socialist orthodoxy pertaining to state ownership, nationalisation, and the state control of the means of production and distribution) have been attracted to market socialism as a ‘third way’.

Market socialism as advocated by theorists such as Miller (1989) promotes a ‘moderate collectivism’ (Mishra 1984), and includes such features as public sector ownership of resources (e.g., public utilities), the adoption of the ‘politics of dialogue’ and a regulatory role for the state. Stated differently, market socialism, while remaining firmly within a liberal democratic tradition of liberty and freedom, reaffirms the ‘core socialist ideals’ of co-operation, freedom, solidarity, equality and justice which are integral to the ideology of the welfare state. In this policy paradigm, the state acquires a special role as a facilitating and regulatory structure functioning to achieve co-operation, cohesion and solidarity by safeguarding the public interest as evident in the public sector.

Miller’s account of market socialism is characterised by two distinct features crucial to the delineation of ‘third way’ politics. These refer to the distinction between the economic domain and the social-political sphere and the adoption of corporatism as an institutional device to achieve the ideals of the welfare state ideology. The crucial point being made by the distinction between the two domains of political and social life—the economic vs. the social political sphere—is that each domain is governed by its own distinctive logic and norms. Thus, the logic of markets is concerned with the criterion of utility or price, and norms of efficiency and cost benefit outcomes. The latter which dominates the economic domain do not necessarily apply to the social-political sphere—the sphere of welfare and non economic activities governed by the criterion of need (Pinker 1979; Burch 1999).

The social-political sphere structured within the rights of social citizenship and a communitarian ethic entails consideration of the public interest—the public good. In other words, the ‘social sphere’, in catering to servicing human needs, is bound by communitarian relations, i.e., those pertaining to co-operation, equality, fairness, altruism and sharing, all arising from ‘communal participation’. This domain is clearly not bound purely by considerations of profit, efficiency, or self-interest as is the logic of the economic domain in a market economy.

Implicit in this theorising is the conception of the ‘the state as an instrument which allows ... citizens to mould the world in accordance with one’s ethical belief’ (Roberts 1995: 16), such as a ‘sense of service’, the spirit of the community, or simply a disinterested concern for the well being of others. This mode of theorising distinguishes market socialism sharply from libertarian and neo-liberal conservative viewpoints. As Roberts expresses it, ‘we eliminate poverty not because it is in our interest to do so but because we ought to do so whether it is in our interest or not (1995: 15). Similarly, Raz answers the question why we care about equality by stating that:

What makes us care about various inequalities is the hunger of the hungry, the need of the needy ... the fact that they are worse off in the relevant respect than their neighbours is relevant. But it is relevant not as an independent evil of inequality. Its relevance is in showing that their hunger is greater, their need more pressing, their suffering more hurtful and therefore it is our concern for equality that makes us give them priority (1986, 86).

Societal corporatism, not state corporatism, is the other key feature of market socialism which is especially relevant to ‘third way’ politics (Pekkarinen et al. 1992; Midgley 1995; Halevi 1995). Following Emy (1993) ‘corporatism may be defined as ‘a strategy for constructing agreements on broad policy, obligating interested groups to contribute to the development of policy and sometimes assist with its implementation’ (1993: 204). In other words, societal corporatism, is a means of ensuring a broad participation, whilst at the same time, integrating the social and economic spheres by harmonising group relationships.

Societal (democratic) corporatism has three distinct features: the organization and representation of the major interest groups (e.g., labour and capital); incorporation of interest groups with the political process (e.g., of political parties) via bargaining; and, an ideology of social partnership integrating sectional interests with the public interest (Gough 1993). The presence or absence of a strong labour movement also

movement also helps to distinguish between two forms of ‘societal corporatism. Underlying corporatist thinking is the assumption that the social contract recognises the political culture of consensus as a means of arriving at decisions in matters of common concern or the public good. As an institutional mechanism, societal corporatism is a ‘pragmatic approach to integrative problems of the political economy of advanced capitalism’ (Mishra 1987: 102), which enables the effective co-ordination of economic and social policy, which are distinct but interdependent.

In corporatist societies characteristically ‘governments do not own or control the economy [but] ... are far more interventionist and committed to diverting economic and social policy in coalition with labour and industry’ (Midgley 1995, 147). The social framework built on the consensus of corporatism is achievable only through a sense of citizenship that facilitates the equality of status as a citizen to be compatible with inequality in the market operations of the capitalist economy (Pekkarinen 1992). In other words, the consensus idea which was also implicit in the Marshallian view of citizenship, links the three sub systems—the *polity*, *market* and *welfare*. Rights and duties persons share by virtue of their citizenship status provide the foundation of equality on which the structures of inequality could be built, i.e., those deemed to be acceptable inequalities as against undeserved inequalities (Marshall 1973).

Market socialism, when based on an instrumental framework of societal corporatism, provides a conceptual framework for the achievement of equality (of status and of rights). In achieving equality, the object of welfare, it is argued, is to ensure a minimum standard of material well-being, one that does not entail an antipathy to markets. This is, of course, subject to the proviso that market outcomes can be modified with justice and fairness so that citizens are guaranteed their rights as members of a political community.

This understanding of the notion of equality in market socialism bears comparison with the Marshallian view that the welfare state provides ‘ameliorative measures which affect only the consequences of inequality, not its foundation’ (Bottomore 1992: 60). Or, as Giddens (1998) puts it, the Beveridge model of the welfare state was only a transitional point in achieving a ‘welfare society’, that is, a society which sees welfare not in any economic sense (e.g., as a question of economic maintenance), but as one of ‘well-being’ through an investment in human capital. The pursuit of the ‘welfare society’ ideal offers a new social policy paradigm away from a utilitarian concept of the welfare state (i.e., as one providing benefits or advantages)

from a utilitarian concept of the welfare state (i.e., as one providing benefits or advantages) to a 'welfare society' as a 'social investment state' (Giddens 1998).

According to Jayasuriya (1999), the 'social investment' model of welfare is associated 'with radical changes in the mode of welfare delivery' (e.g., the privatisation of services), all which point to 'a contractual bargain between the welfare recipient and the welfare agency'. Although this signals a significant change in social policy for rights and entitlements, Jayasuriya, quoting Yeatman (1998) concludes that this contractualism has the 'potential to significantly enhance the rights and capacities of contracting parties ...' (Jayasuriya 1999: 30) by laying greater emphasis on 'capital building' and agent centred rationality to buttress a post-industrial welfare society' (Jayasuriya 1999: 30). In short, this model of welfarism may provide the outlines of a new paradigm of economic and social policy for Sri Lankan social democracy.

Market Socialism and Citizenship

In reconceptualising the notion of welfare, the doctrine of market socialism also maintains that the rights of social citizenship are intimately bound up with an individual's membership in a shared community and the obligations associated with such membership, particularly those of sharing, caring and solidaristic virtues. This posits a distinct view of citizenship similar to that espoused by communitarian theorists such as Etzioni (1989), Walzer (1983; 1990), MacIntyre (1984) and Barber (1984), all of whom have drawn pointed attention to the neglect of the notion of *community* in a liberal political philosophy steeped in individualism.

Accordingly, it is the sense of membership of a political community which strengthens the claim to welfare of its citizens. When viewed in this light, the entitlements and claims citizens make on the state acquire a different significance and meaning in that the rights of citizenship are not regarded simply as individual rights as in the orthodox liberal democratic view of citizenship. Thus, the moral justification of welfare goes beyond one narrowly based on individual rights or an enlightened self-interest. Indeed, as Keynes warned us, contrary to the claims of liberal democratic theorising 'enlightened self interest does not always operate in the public interest. Nor is it true that self-interest generally is enlightened' (quoted in Bean et al, 1985, 119). Rather, it is suggested that the 'common good' is located within the concept of citizenship, in the politics of common citizenship.

The 'common good' of citizenship in the Marshallian sense, is premised on mutual

The 'common good' of citizenship in the Marshallian sense, is premised on mutual aid and a mutual concern for others, along with a high degree of moral consensus about the desirability of welfare. For this reason, social rights (such as access to health care, shelter and welfare services) may be said to arise from moral rights inherent in individuals by virtue of membership in a political community. Tony Blair's 'third way' for New Labour in the UK sums up this perspective on welfare admirably by arguing that what underlies the pursuit of equality and social justice is the belief that:

We are members of a community and society as well as individuals alone and a conviction that it is, in part at least, through acting together, collectively, that individual freedom and aspiration are advanced. That is the principle from which notions of social justice and equality gain practical strength (Blair 1993, 14)

The critical point to note here is that welfare is about the collective provision of human and social needs, considered essential for individual well-being within a given community. This then becomes an obligation cast on the state to ensure the availability of a range of welfare services catering to human needs, but not necessarily one of providing for these services.

However, the incorporation of citizenship theory into market socialism which links the pursuit of the 'common good' with the collective provision of human needs through participation becomes somewhat problematic in a plural society, that is, one differentiated in terms of diverse groups and interests. This requires re-theorising the concept of citizenship in a manner that it acknowledges that 'when a society is socially differentiated, then citizenship must be equally so' (Phillips 1992). In other words, it is only by acknowledging the notion of a 'differentiated citizenship' (Husband 1998) that one is able to acknowledge and accommodate the existence of mixed identities and multiple allegiances that may exist in a multicultural nation. Hence, the need to acknowledge that citizenship in a plural society is about equal membership in a pluralistic community, i.e., a differentiated citizenship in which differences are explicitly recognised (Husband 1998; Jayasuriya 1993).

Given that the idea of citizenship creates a common identity in a political, not a cultural community; citizenship is seen as facilitating social integration. To quote Plant:

A common identity of citizenship [is] a way of tying a pluralistic society together while pressing the richness of group life within that set of constitutional, and social rights and entitlement (1994, 83).

In other words, in a diverse and plural society, the ‘common good’ and the ‘common identity’ resides in the *political nation* rather than *cultural nation*. Furthermore, the identity of citizenship in a social democracy, which relates to the political nation, resides in the civic culture of a plural society. This presupposes a vibrant and autonomous civil society, understood as ‘a way of referring to the terrain of voluntary associations that exist between the economy and the state’ (Phillips 1999).

A civil society which embraces a ‘civic culture’ (Hall 1994) is something which has been sadly lacking in Sri Lanka since the 1970s (ICES 1996). The restoration of this emasculated civil society requires not only a defence of fundamental freedoms and political liberties which reside in citizenship theory, but also more importantly, a reconstitution of social trust and co-operation between individuals and groups in the political community of a plural society. As Phillips (1999) expresses it, the notion of the civil society endorses the democratic view that ‘people need forms of association not regulated by either the market or state’ (Phillips 1999, 56). Hence, citizenship theory, in this more radical sense, as applied to a plural society, is pre-eminently one which is capable of accommodating difference within the institutions of society.

The notion of citizenship adopted by the doctrine of market socialism also attaches special significance to *participation* as a key element of citizenship theorising. In a liberal democracy which is ‘essentially a system of representation’ (Giddens 1995, 112), citizenship rights ‘are essentially concerned with the notion of social participation of persons within the community as fully recognised legal members’ (Turner 1986, 134). Interestingly, in the light of the distinction in citizenship theory between *political* and *social* citizenship (Jayasuriya 1993), the notions of political and social participation have attracted the attention of liberal democratic political theorists (e.g., Held 1989). This is because *political citizenship* (civil and political rights), being a form of power, is regarded as achieving a pre-condition for *social citizenship*—such as individuals’ claim on the right to welfare and economic security. While the exercise of power derived from political citizenship was essential for social participation, it was equally true that economic security and social well being were a precondition for effective political participation. Thus, if the idea of citizenship is to provide an intellectual and moral basis for social democracy, it

social democracy, it needs to go beyond the conventional understanding of citizenship as a legal status and a passive bundle of rights (Held 1989). Hence, radical citizenship theorising regards participation or ‘the involvement of people in the community in which they live’ as being fundamental to the idea of citizenship.

This broader view of effective participation in a liberal democracy is particularly relevant for a plural society since participation is vital for realising the rights of citizenship of diverse groups such as ethnic minority groups. This also serves to underscore important point that in a liberal democratic order the ‘politics of dialogue’ is essential for enhancing the effective participation of *all* its citizens. In this sense, participatory citizenship becomes a necessary condition for achieving equality in a plural society. Citizenship is, therefore, regarded as a ‘social process’ which through participation, enhances the status of citizenship and enables the exercise of one’s rights. For this reason, Dahrendorf (1978) maintains that ‘citizenship is not mainly about *where people stand*, but about *what they do*. *It is about participation*’.

This more radical view of citizenship, also brings to the fore the ethical principle of *subsidiarity* (Ranjault 1992). Subsidiarity refers to the extent of local level participation which requires delegating responsibility for action to the level deemed most appropriate in a particular society. This is particularly relevant for a devolved system of administration applicable to a pluralistic society ‘consisting of hierarchical or concentric grouping’. For this reason, the principle of subsidiarity is compatible with differentiated citizenship in a diverse and plural society as it implies a commitment to citizens’ rights on the path of decentralisation and eventually of solidarity. The imperatives of effective participation clearly requires the recognition and involvement of a range of groups located within the structures of the civil society. But it should be noted that this does not involve any ‘conflict in principle between individual responsibility and collective social responsibility: the two coexist as different expressions of the principle of subsidiarity’ (Emy 1993, 112).

Summary and Conclusion

On the assumption that the values and principles inherent in welfarism—*freedom, equality and justice*—are central to social democracy, a central feature of the foregoing discussion has been to develop a policy paradigm which effectively links welfare and the market. The critical question facing policy makers in Sri Lanka in restoring the lapsed social democracy and the welfare state is to seek a policy rationale for integrating economic and social policies without subordinating social policy objectives to economic imperatives, unlike the policy strategy promoted by neo liberal conservative governments. Since the abolition of the market is sheer ‘utopism’ (Miller 1989), a social democratic political order has to learn to live with the logic of markets. The doctrine of market socialism, though developed in the context of economic and political changes in Europe, may in the current economic and political climate, provide a developing country like Sri Lanka with an attractive theoretical framework for re-negotiating the principles of the welfare state in a social democracy.

The practice of market socialism views the welfare state primarily as a way of ameliorating market inequalities and achieving a measure of distributive justice in a neo-liberal economic order. Hence, the task confronting the new social democracy of the ‘third way’ is to develop a policy paradigm which accommodates the principles of the welfare state with neo-liberal economic thinking. This new policy paradigm is labelled a ‘third way’ because it eschews the extremes of conservative liberal democratic theorising as well as those of the ideology of the welfare state, characteristic of the socialist left (the ‘second way’).

A new social democracy, if it is to provide a solid political foundation for the diversity and pluralism of Sri Lankan society, is one likely to be based on the social objectives and values inherent in the welfare state ideology, but firmly located within the principles of market socialism and linked to a radical concept of citizenship. This quest for a ‘third way’, a revitalised social democratic order, in which there is a balance of economic and social objectives, is to be achieved by articulating *three* key elements: i) separating the logic and rationale of the economic domain from that of the social-political sphere; ii) the adoption of a radical concept of citizenship which recognises ‘difference’; iii) and societal corporatism. In other words, the reconstruction of the welfare state will be seen as a way of concurrently ameliorating market inequalities and achieving a measure of distributive justice in a neo-liberal economic order. This has to go hand in hand with building a new political order

with building a new political order based on the tenets of social democracy, which endeavours to address the diversity of interests in a plural society.

Citizenship theorising is fundamental to formulating a defensible rationale for reconstructing the lapsed welfare state and the fractured democratic ethos. A radical concept of citizenship which explicitly acknowledges the politics of 'difference' is likely to protect basic freedoms in a pluralistic society and also facilitate integration and social solidarity. At the same time, the rights of citizenship guarantees the right of individuals to stake a claim on the state for the provision of human and social needs by virtue of the social rights of citizenship. The collective responsibility for welfare recognises that welfare is a 'public good' for which the state has responsibility within defined parameters. Importantly, the right to welfare is understood as a 'moderate collectivism', because it confers not an absolute right but one which is conditional. In other words, the practice of market socialism acknowledges that the *what* and *how* of welfare provision are heavily constrained by political and economic considerations.

The practice of market socialism, firmly located in citizenship theory, is enriched by two important considerations—the adoption of a *societal corporatism* and *communitarian citizenship* perspective. The adoption of a societal corporatism (not state corporatism) in the new welfare ideology permits consensus building and a pragmatic incrementalism in policy development. characteristic of corporatism. Such a policy strategy is consonant with an approach based on 'moderate collectivism'. This may be particularly relevant for Sri Lanka because it is widely recognised that corporatism is most likely to succeed as an effective mechanism for bringing about change where there is a strong labour movement and a political heritage of social democratic politics. These conditions are abundantly present in Sri Lanka and augur well for the effective use of a corporatist welfare policy strategy.

A communitarian understanding of citizenship helps to reinstate the notion of 'community', absent in liberal political theory, in asserting the moral validity of welfare within the doctrine of market socialism. The notion of 'community' imposes a morality of mutual concern and responsibility which enhances our capacity as citizens to be reminded of others' claims. In other words, citizenship is 'characterised by rather more in the way of "caring" sharing and being our brother's and sister's keeper' (Etzioni 1993: 260). In addition, this concept of citizenship advocated in theorising about market socialism places heavy reliance on participation as a means of enhancing the status of citizenship and enabling people to exercise their

on participation as a means of enhancing the status of citizenship and enabling people to exercise their rights. The notion of citizenship as participation, also helps to reinforce the growing importance attached to the civil society and civic culture by and through which individual citizens participate (Hall 1998)..

Considering that, as in the case of 'Thatcherite neo-liberalism of Britain (Bryant 1994), the conservative regimes of Sri Lanka, in the post-1971 era did great damage to the civil society, the restoration of a vibrant civil society in the democratic polity remains a priority for the proponents of new social democracy in Sri Lanka. In this restoration of a civil society, a participatory notion of citizenship will constitute an important feature of the new social order. Citizen participation enlarges freedom, moral purpose and a sense of solidarity, all of which are an outcome of the resultant 'common purpose and mutual action by virtue of civic attitudes and participatory institutions rather than altruism or good nature' (Barber 1984, 117). In brief, the crucial significance of the civil society in social democratic theorising lies in redefining the role of the state not as a centralised, authoritarian, controlling structure but as an enabling instrumental structure in a plural society which facilitates the achievement of the objectives of the 'welfare society'. In the *civil society-state dichotomy*, the regulatory function of the state may well be the guiding feature of the new social democracy.

In Sri Lanka, as elsewhere, the future of the welfare state depends on the ability to distinguish economic liberalism, the operation of market forces, from political liberalism embodying the rights of citizenship—political and social. Historically, this has not been an easy task but this should not deter 'ethical liberals', or social democrats from detaching market assumptions of capitalism from the principle and value of social democracy and integrating them into a truly democratic vision of participatory citizenship' (Phillips 1992, 84) incorporated within 'market socialism'. In forging this linkage between capitalism and welfarism, and charting a new political agenda for social democracy, Sri Lanka may once again acquire a pathfinding role as a model social democratic state for the rapidly transforming market economies of developing countries.

Endnotes

1. See Jayasuriya (1999) for reviews on what has come to be known as the 'third way' by for example, Mark Latham (Australia), Giddens (UK), and others. It has come to stand as a loose and short hand way of referring to European movements pursuing a revival of social democracy.
2. See Warnpala and Woodsworth 1987 and Jayasuriya (1996) for a more detailed account of welfare in this early period.
3. According to a recent World Bank Report (World Bank 1998), Sri Lanka, in addition to its human development policies, also placed 'a unique emphasis on protecting the minimum consumption levels of its entire population'. The main policy instruments of Sri Lanka's anti poverty strategy in the 1950s and 1960s were 'the provision of universal services (mainly in health and education) supplemented by a range of income transfer programmes directed at food security (e.g., universal rice ration/subsidy), youth employment and rural development ...'. It was this mix of social policy which helped Sri Lanka to 'eliminate distributional poverty'.
4. This method of analysing social expenditure adopted by Alailima (1995) and others follows the OECD definition of social expenditure as 'direct public expenditure on education, health services, pensions, unemployment, compensation and other income maintenance programs and welfare services' (OECD 1985: 18). It is worthwhile noting, in passing, that other analysts (e.g., Jayasuriya 1986) in their analysis of social expenditure also include public utility expenditure (e.g., transport and energy) as items of social expenditure, all of which were directed towards developing a social infrastructure catering to basic needs and easily accessible to all persons. This is quite unlike welfare expenditure in the West, which was mainly for personal social services and/or social security.
5. Spencer (1995), in a review of two recent studies of culture and ethnicity makes the significant observation that many studies which have portrayed the tragedy of 'unhappiness' in Sri Lanka have failed to pay heed to the 'social and political context of the arguments' they present. See also Abeysekera and Gunasingha (1987) and Gamage (1994) for an analysis which pays more attention to the political economy of Sri Lanka in analysing the ethnic conflicts.
6. Civil rights guarantee liberty and equality before the law and include such things as freedom of speech, thought, faith and right to justice. Political rights pertain to political enfranchisement such as the right to vote, to associate, and to seek political office, etc.
7. See Jayasuriya (1993) for an exposition of citizenship theory in relation to welfare.
8. Decommodification refers to 'the degree to which individuals or families can uphold a socially acceptable standard of living independently of market participation' (Esping-Anderson 1990, 37). This reduced dependence on market exchange permits equal benefits in the event of old age, sickness and unemployment.
9. See Bryant (1994) for a similar distinction between a civic and ethnic nation; also Jayasuriya (1993) for the distinction between a political and cultural nation.
10. Samaraweera (1996) rightly observes that 'there are no scholarly studies devoted to [the nature of the state and civil society] and adds that 'questions of theoretical import' have rarely been raised.

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