

CHAPTER 1

INTRODUCTION

Poverty in Sri Lanka has declined significantly according to the statistics provided by the Department of Census. But still rural poverty and estate poverty can be seen as a critical issue in the country. Sri Lanka has performed extremely well on indicators such as life expectancy, literacy rate and other social indicators as compared with other countries in the South Asia region.

Sri Lanka has been experiencing moderate growth in its GDP averaging 5.5 per year between 2006 and 2009. One of the reasons is due to its relatively low GDP per capita; currently ranked in the bottom one-third of the world. This could be due to the issue of poverty, specifically, rural and estate poverty.

As of 2010, 8.9% of the population lives below the poverty line. This is a proof that while acute poverty is no longer an issue, poverty still exists and continues to be a challenging problem in Sri Lanka. Moreover, 90% of the poor population lives in rural areas, with over 80% of Sri Lanka's population still living in rural areas

The population of Sri Lanka was 19.71 million in 2015 as per the department of census. In 2014, 6.7% of the population of the country lived

below the national poverty line. During the same year, it was also reported that 50.5% of the population aged 15 years and above were employed. In order to reduce rural poverty (and poverty as a whole), rural development is important. For that local development programs should be implemented in these areas.

While development in the rural areas is essential for poverty alleviation, the government cannot possibly channel unlimited funds into development plans without constraints, disregarding potential developments in urban areas or more importantly, not considering the state of its overall economy. Therefore, the Sri Lankan government is in a problem of pursuing growth that is equitable and trying to promote economic growth without leaving the poor in the rural area behind.

1.1 STATEMENT OF THE PROBLEM

Sri Lankan government has been successful in reducing poverty from 15.9% to 8.9% during the past decade. Urban poverty of the country declined from 6.7% to 5.3% while rural poverty fell from 15.7% to 9.5%. Still rural poverty of the country is high. To achieve development goals of the country both rural and urban poverty should be reduced considerably. Therefore it is a known factor that local government project should be implemented in rural areas and especially in the estate sectors to eradicate poverty and extreme hunger.

In the case of Yakkalamulla the poverty head count index is 24.8% and factors associated with poverty like unemployment, malnutrition, illiteracy are high as per the department of census. So through this study it is aimed to identify the contribution of local development projects in eradicating poverty in the case of Yakkalamulla in Sri Lanka.

1.2 OBJECTIVES OF THE STUDY

This study has four objectives,

- To explore the reasons for the differences in the trends in poverty between rural and urban areas of Sri Lanka
- To identify the causes of high poverty in rural and estate sectors in Yakkalamulla Division of Sri Lanka.
- To study the local development programs being implemented in rural areas for poverty alleviation
- To recommend measures to increase the effectiveness of local development programs in reducing poverty in Yakkalamulla division of Sri Lanka.

1.3 RATIONALE

When considering about socio economic background of Sri Lankan economy poverty of the country becomes a major issue in it. So it has become a contemporary necessity to analyze the reasons for the poverty and find feasible solutions to overcome those issues.

To achieve macroeconomic Sustainable development goals in Sri Lanka basically it is important that

1. Poverty should be alleviated
2. Extreme poverty should be eradicated
3. Socio economic class difference should be reduced
4. The living standards of all sections should be increased

It is important to achieve these targets in situation where resources are distributed well among the next generation without causing too much of a damage to the environment. Extreme poverty must be eliminated in pursuit of achieving this everlasting development and also the causes of poverty should be recognized correctly and resolve these issues efficiently.

The study has been conducted in Yakkalamulla division in Galle district in Sri Lanka in order to find out the causes for the poverty in this division.

1.6 RESEARCH QUESTIONS

1. What are the spatial variations in poverty in Sri Lanka?
2. Why is poverty in rural areas of Sri Lanka almost double as in urban areas?
3. What are the challenges in implementing poverty alleviation programs in rural areas in Sri Lanka?

4. What are the explanations for high concentration of poverty in tea estates? How can local development programs address this more effectively?

1.7 LIMITATIONS OF STUDY

The first two research questions of this study will rely on secondary data and published data. The study is restricted to only one divisional secretariat in Sri Lanka.

Limited time duration for the field study and for the questionnaires are an obstacle.

1.8 DELIMITATION TO THE STUDY

The field work for the study is limited to one divisional secretariat in Sri Lanka. So it will help to find out all the necessary facts within the limited time as the sample is not too big.

1.9 METHODOLOGY

Both qualitative and quantitative methods were used in this study.

The research questions have been analyzed by using the secondary data collected from the Department of Census and Statistics and primary data collected by administering questionnaires in one of the tea estates and to the local authorities in Yakkalamulla division in Sri Lanka

Preparation of the questionnaire

Questionnaires were prepared by using different aspects of multi-dimensional poverty. The questionnaires were translated into Sinhala.

Primary data was collected by administering a questionnaire to 25% of the total workers in one tea estate in the Yakkalamulla Division and by conducting interviews with key persons implementing local development programmes

Sample selection- Fifty families were randomly selected from the population of 200 families in one of the tea estates in Yakkalamulla division in Sri Lanka.

The questionnaire was distributed to them and they were requested to read the questionnaires at their convenience. A few days later the questionnaires were discussed with them and the questionnaires were completed. The collected data has been tabulated and analyzed by using the MS excel software

Secondary data was collected from official documents and reports such as those published by the Department of Census and Statistics, Census of Population and Housing (CPH) and the 2012/13 Household Income and Expenditure Survey (HIES), Documents published by the Local Government, etc.

1.10 RESEARCH DESIGN

This research design is Descriptive for the first two reach questions and it is Descriptive and Exploratory for the third and fourth questions.

1.11 CHAPTERISATION

Review of literature is presented in chapter 2. The process that was followed for the study and the methods used and results presents in each reach question is presented in chapters 3,4,5,6 respectively. Finally chapter 5 concludes the dissertation.