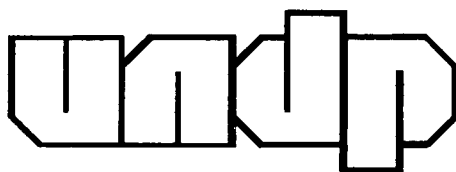


NATIONAL HUMAN DEVELOPMENT REPORT 1998
REGIONAL DIMENSIONS OF HUMAN DEVELOPMENT



SRI LANKA
1998

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P r e f a c e

by Arve Ofstad, UNDP Resident Representative

I am very pleased to introduce the first Human Development Report for Sri Lanka, prepared by an independent team of scholars for the United Nations Development Programme (UNDP). This Report originates from the successful publication of the global Human Development Reports by UNDP since 1990, and an increasing number of country-specific reports in Asia and other developing countries. It is very encouraging that the preparation and publication of a special Human Development Report for Sri Lanka has been supported by the Government as well as other development partners.

The Human Development Reports that are now published annually by UNDP, have consistently stirred a debate because of the unorthodox approach to development priorities. The Reports focus on the human dimension of development: how to improve the overall welfare and well-being of every man, woman and child; and how to express - and promote - development in terms of good health, access to knowledge, participation and decision-making, freedom and human rights, and equal opportunities. They have contrasted human achievements with shortcomings and declining standards, and have documented waste and inequalities that hamper human development.

It is well known that Sri Lanka is different from most developing countries, as the standards of education and health have placed the country higher in terms of human development than other countries with the same level of economic development. However, it is also true that the economic growth rate was slow for large parts of the 1970s and 1980s, and that also in terms of social achievements, Sri Lanka is no longer in the forefront compared with many other countries in East and Southeast Asia.

However, it is not common knowledge how this uneven human development has been manifested in the various parts of the country, and to what extent all parts of the country have participated in, and benefited from, social and economic development, or whether some parts have been marginalised in this process. In particular the North Eastern Province and the adjoining districts have suffered from the prolonged conflict, special security measures and massive displacement of people, which have resulted in social and economic setbacks.

This first Sri Lanka Human Development Report is therefore also the first time an analysis is made of the regional (district and provincial) dimensions of human development, in terms of achievements in social and economic development, levels of poverty, and gender empowerment. The results paint a very interesting pattern of uneven - and unequal - development in the various districts; where some districts may be well advanced according to some criteria, but are lagging behind on other dimensions. I am convinced that while some of these results are as expected, others will be highly surprising and perhaps controversial.

It is my hope that this Report will stimulate a debate on the spatial dimensions of development, - and how to improve policies so that people in all parts of the country will benefit from, and more importantly contribute to and participate in overall socio-economic progress. This Report may also stimulate a debate on possible ways to differentiate between districts and regions, so that adequate policies will respond to special needs, and stimulate better use of local resources and local opportunities.

As the first Human Development Report for Sri Lanka, this Report cannot reflect and analyse all aspects of human development. We have decided this time to focus clearly and strongly on the regional / spatial dimensions. We are fully aware of the many more dimensions that are equally important, and hope that these will be successively covered in the next Reports.

Let me use this opportunity to thank the National Team who have prepared this Report. I also wish to thank the members of the Consultative Committee who have reviewed and discussed a number of drafts. My colleagues in UNDP Sri Lanka have actively facilitated the work and made all practical and logistic arrangements. We are also thankful to the Regional Bureau for Asia and the Pacific at UNDP Headquarters for the funding.

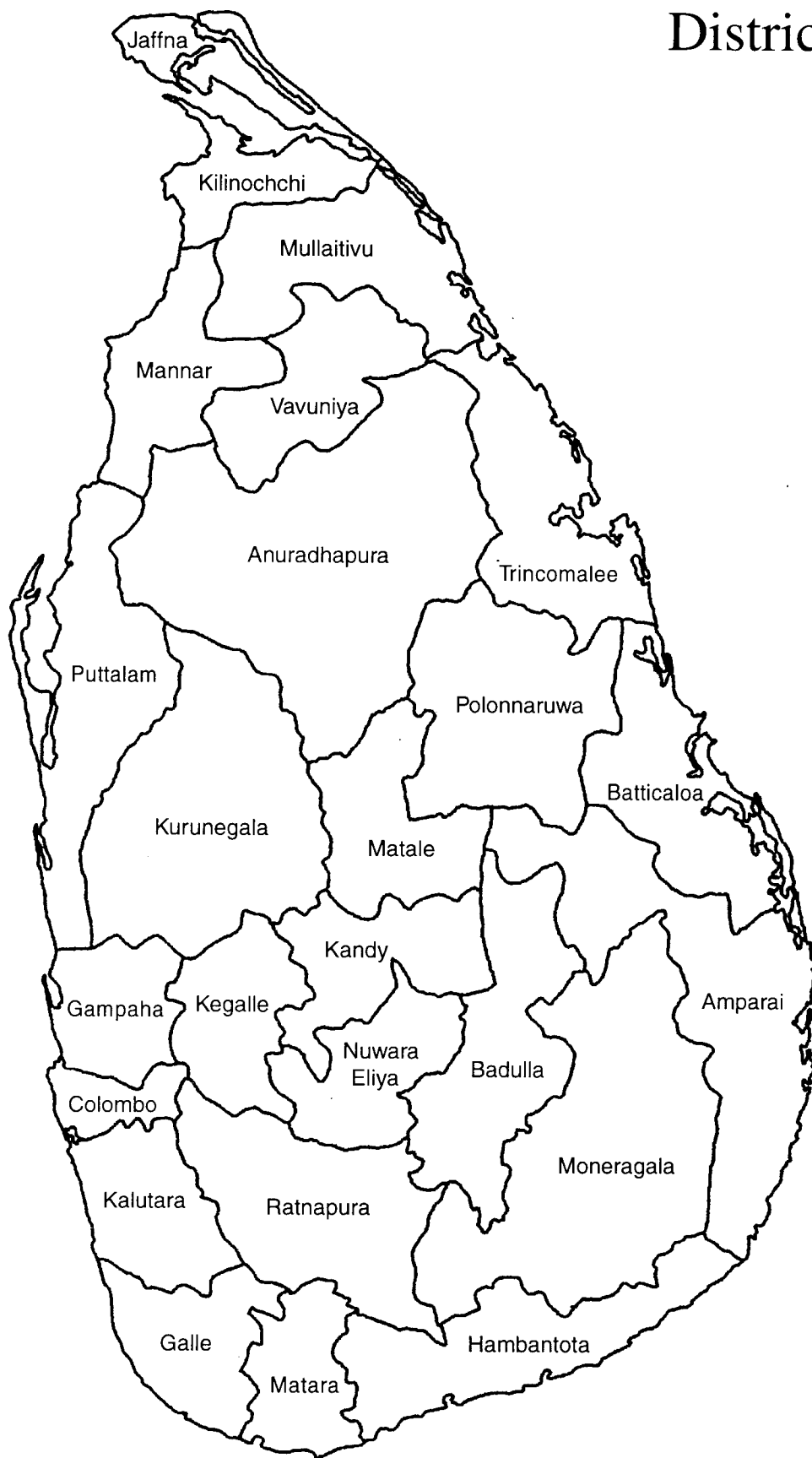
Finally, it should be noted that while UNDP and the Government have supported this Report and participated in the review of various drafts, they do not necessarily agree with all the analysis, conclusions and recommendations, which remain the responsibility of the authors.

Colombo, 5 June 1998

CHAPTER ONE

HUMAN DEVELOPMENT IN SRI LANKA :
ACHIEVEMENTS AND CHALLENGES

Districts of Sri Lanka



CENTRAL PROVINCE

Kandy
Matale
Nuwara Eliya

EASTERN PROVINCE

Trincomalee
Batticaloa
Amparai

NORTH CENTRAL PROVINCE

Anuradhapura
Polonnaruwa

NORTHERN PROVINCE

Vavuniya
Mannar
Mullaitivu
Jaffna
Kilinochchi

NORTH WESTERN PROVINCE

Kurunegala
Puttalam

SABARAGAMUWA PROVINCE

Ratnapura
Kegalle

SOUTHERN PROVINCE

Galle
Matara
Hambantota

UVA PROVINCE

Badulla
Moneragala

WESTERN PROVINCE

Colombo
Gampaha
Kalutara

THE FIRST SRI LANKA HUMAN DEVELOPMENT REPORT

The concept of human development lies at the heart of economic policy-making in the modern world. It constitutes a central objective of economic activity and forms the chief purpose of social investment. Human development also becomes the crowning achievement of a country that successfully combines high social development with strong and equitable economic growth.

The concept of human development is defined over three fundamental dimensions of personal well-being: (i) the opportunity to lead a long and healthy life; (ii) the ability to acquire the capabilities that arise through participation in the world of knowledge and learning; and (iii) the power to access adequate resources to attain a decent standard of living. The human development index (HDI), developed by the UNDP, captures these dimensions of opportunity, capability and welfare in a single, composite measure.

International comparisons of human development have consistently shown that Sri Lanka has achieved a level of human development well above its level of per capita income. However, the benefits of human development at the national level can be enjoyed by the entire population of a country only if these benefits are relatively evenly distributed at the regional level. The theme of this report, the first Sri Lanka Human Development Report, is to analyse regional achievements and shortfalls in human development. Specifically, the report seeks to answer questions like the following:

- ia. What is the pattern of human development at the provincial and district levels?
- ib. Are there large gaps in human development at the regional levels?
- ic. Which are the most advanced areas and which are the most backward?
- ii. What is the pattern of economic development at the provincial and district levels?
 - iiib. Are there large gaps in economic development at the regional levels?
 - iiic. Which are the most advanced areas and which are the most backward?
- iii. What are the main determinants of regional variations in human development and economic development?

The Idea of Human Development

In addition to the human development index, the UNDP has advanced three other major indices reflecting dimensions of personal well-being that are intimately connected to human development. These are the *human poverty index* (HPI), which seeks to measure human deprivation; the *gender development index* (GDI), which analyses variations in human development attainment among men and women; and the *gender empowerment measure* (GEM), which investigates the extent to which women are able to participate actively in economic and political life in comparison to men. This report also examines the regional dimensions of human poverty, gender development and gender empowerment. Specifically, answers are sought to questions like the following:

- iva. What is the pattern of human poverty at the district level?
- ivb. Are there large gaps in human poverty among districts?

- ivc. Which are the most advanced areas and which are the most backward ?
- ivd. Is there a relationship between human development and human poverty at the district level ?
- va. What is the pattern of gender development at the district level ?
- vb. Are there large gaps in gender development among districts ?
- via. What is the pattern of gender empowerment at the district level ?
- vib. Are there large gaps in gender empowerment among districts ?

The North-Eastern Province

The report also devotes a special chapter to the secessionist conflict in the North-Eastern Province. This chapter examines the effect of the conflict on social development and economic performance in the conflict affected areas. Inevitably, given the long history of the secessionist conflict, the statistical data base available for the North-Eastern Province is limited. Further, problems of data comparability between the North-Eastern Province and other areas exist. Hence, this chapter is more speculative, and less analytical than the other chapters.

Policies for Regionally Balanced Human Development

The final chapter of the report explores policy options to promote future advancement in overall human development, as well as reduce regional imbalances and disparities. The chapter commences by drawing out implications of the analysis of regional variations in human development, human poverty, gender development and gender empowerment for policy making at the provincial and district levels. Policy recommendations for districts are made, based on such factors as the level of social and economic development, the structure and nature of existing economic activities, the pattern and availability of physical infrastructure, and the agro-climatic and topographical conditions of the various areas.

The human development attainment of Sri Lanka relative to international levels reveals a mixed picture [Table 1.1].

The value of the Sri Lanka human development index ranks the country 91 among 175 countries. This is 9 places above its ranking in terms of real per capita incomes (PPP adjusted), reflecting its higher social development relative to income. The HDI value for Sri Lanka is substantially above the average HDI value for least developed countries. Further, it is well above the average for all developing countries. However, the Sri Lankan HDI is below the world average. It is also considerably lower than the HDI for industrial countries.

Sri Lanka has succeeded in delivering adequate health care and social services to enable her people to lead long and healthy lives.

The adult life expectancy in the country, 72 years, is considerably above the world average, 63 years; the mean for developing countries as a group, 62 years; and the average for the least developed countries, 50 years. Further, it is only just below the average for industrial countries, 74 years. Sri Lanka has also performed well on the dimension of capability, measured in terms of literacy rates and primary, secondary and tertiary gross education enrolment rates. The literacy rate, 90%, is substantially above the world average, 77%, the mean for developing countries, 70%, and the average for least developed countries, 48%. It is also not far below the level for industrial countries, 99%.

Overall, social development in Sri Lanka is well above the world average. In terms of basic health and education indicators, the level of achievement in the country approaches

Sri Lanka has achieved a higher level of social development than economic growth

Table 1.1

Human Development Achievement of Sri Lanka in International Context for the year 1994

Country Group	Life Expectancy (years)	Adult Literacy Rate (%)	Combined First, Second and Third Level Gross Enrolment Ratio (%)	Real GDP Per Capita (PPP\$)	Human Development Index
Sri Lanka	72.2	90.1	66	3,277	0.711
All Developing Countries	61.8	69.7	56	2,904	0.576
Least Developed Countries	50.4	48.1	36	965	0.336
Industrial Countries	74.1	98.5	83	15,986	0.911
World	63.2	77.1	60	5,798	0.764

Source : Human Development Report, UNDP, 1997.

Note : The HDI rank for Sri Lanka is 91 from 175 countries. The purchasing power parity adjusted GDP per capita rank for Sri Lanka is 100.

the levels seen in industrial countries. The main reason for this high performance in basic social indicators has been strong state investment in education and health over a period of more than fifty years.

Despite the relatively high attainments in social development, Sri Lanka has performed unsatisfactorily in the area of economic well-being, measured in terms of real GDP per capita adjusted for local prices. The purchasing power adjusted GDP per capita for Sri Lanka is above the average for developing countries and the mean for least developed

countries. But it is considerably below the world average and only a small fraction of the mean level for industrial countries. The main reason for the failure of the Sri Lankan economy to generate higher levels of growth and income was the systematic and deliberate pursuit of anti-market policies during certain periods in the past. These policies stifled economic incentives and weakened market opportunities so that the human resource base built through social investments could not be efficiently exploited.

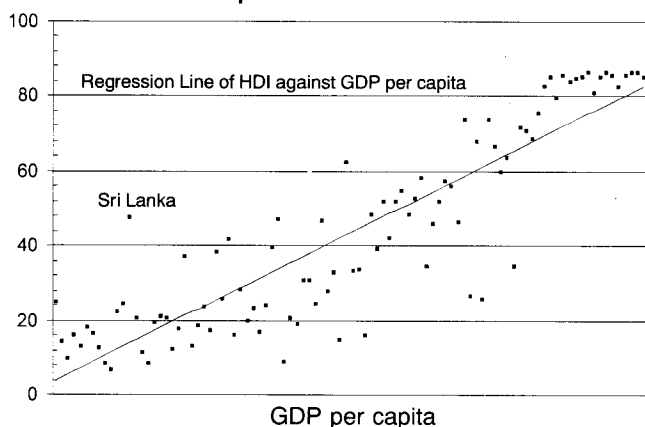
Box 1.1

Levels of Human Development Attainment in Sri Lanka Relative to World Achievements

The social development achievement of Sri Lanka, at the international level, is illustrated in Figure 1.1. and Figure 1.2, which show the HDI plotted against GDP per capita for a sample of 94 countries in 1960 and 1994 respectively. The distribution of countries in Figure 1.1 and Figure 1.2 display the well-known positive relationship between human development and per capita income. Countries placed above the regression line enjoy levels of opportunity, capability and living standards that are higher than the level predicted on the basis of their national income. Countries placed below the regression line suffer levels of human development lower than the level implied by their national income.

The distribution of countries above the regression line in Figure 1.1 shows that Sri Lanka was the country with the highest level of human development relative to per capita income, in 1960. Figure 1.2 reveals that Sri Lanka succeeded in maintaining its lead position upto the 1990s.

**Fig. 1.1
International Comparison of Human Development and GDP Per Capita 1960**



**Fig. 1.2
International Comparison of Human Development and GDP Per Capita 1994**

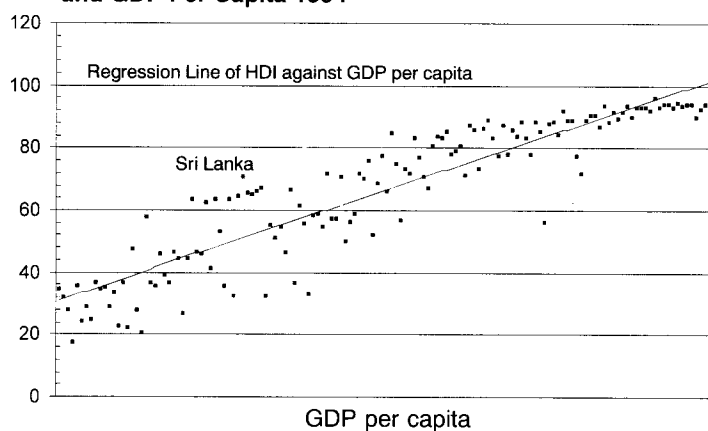
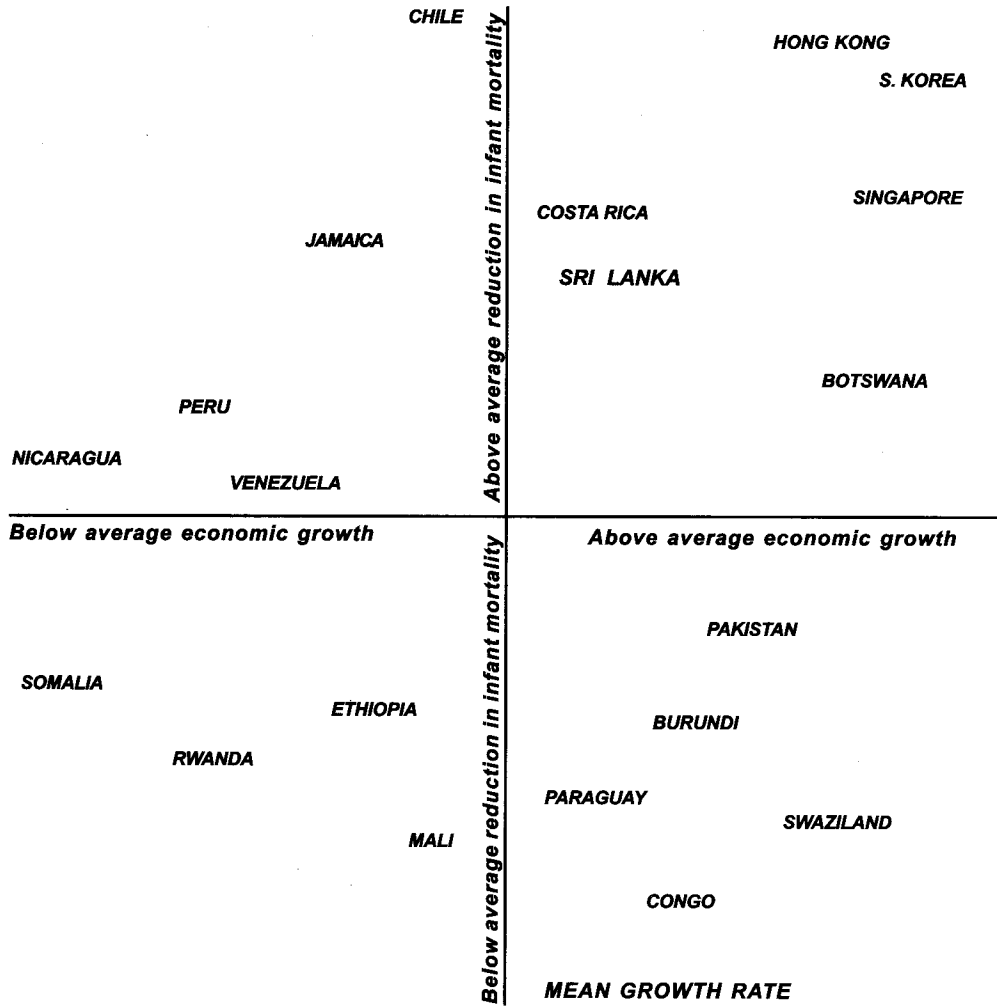


Fig. 1.3

Improvements in Infant Mortality and Growth : International Comparisons 1960 - 1990



Source : Aturupane et.al (1994)

Box 1.2

Sri Lanka's Inter-Temporal Progress on Social Development and Income Per Capita

Sri Lanka has made above average progress on social development over time. For instance, improvements in infant mortality between 1960 and 1990 was strong [Figure 1.3]. Rapidly rising literacy and education levels among mothers and a wide network of maternal care facilities around the country were mainly responsible for these improvements. However, progress on income growth was relatively moderate. Fast growing countries, like S. Korea, Hong Kong and Singapore, not only exceeded Sri Lanka in income levels, but also left the country far behind in social improvements.

The regional pattern of human development in Sri Lanka exhibits substantial variation [see Map 1.2 and Table 1.2]. The Kalutara district has achieved the highest level of human development. The second highest performing district is Kurunegala; with Polonnaruwa ranking third. Other districts that have achieved high levels of human development are Anuradhapura, Gampaha and Colombo.

Table 1.2

Human Development achievements vary considerably among districts

The Regional Pattern of Human Development, 1994

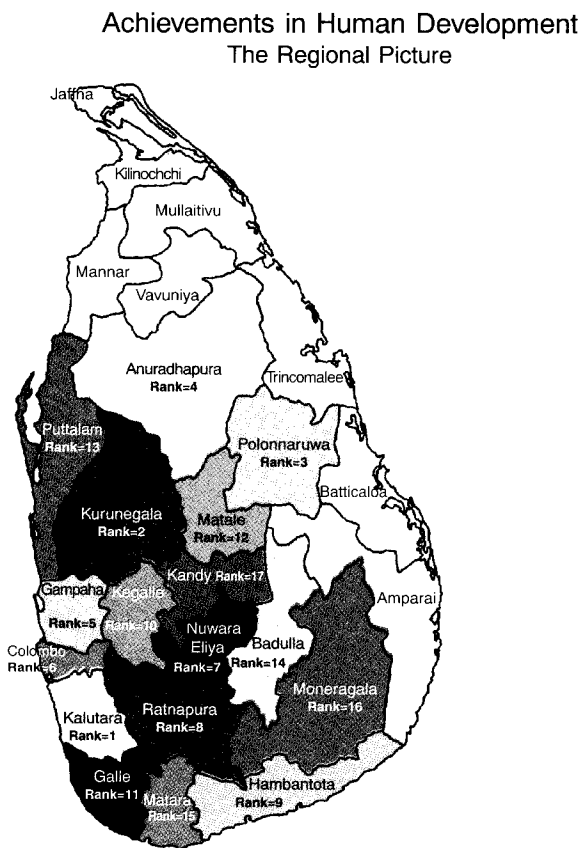
Province	Life Expec. Index	Education Index	GDP Index	H.D. Index	Rank
Western	0.833	0.759	0.998	0.864	1
Central	0.772	0.711	0.697	0.727	6
Southern	0.928	0.736	0.519	0.728	5
North Western	0.875	0.760	0.778	0.804	3
North Central	0.842	0.759	0.977	0.859	2
Uva	0.842	0.708	0.565	0.705	7
Sabaragamuwa	0.942	0.734	0.562	0.746	4
District					
Colombo	0.783	0.758	0.999	0.847	6
Gampaha	0.783	0.768	1.000	0.851	5
Kalutara	0.933	0.751	0.996	0.893	1
Kandy	0.767	0.741	0.438	0.649	17
Matale	0.800	0.724	0.657	0.727	12
Nuwara Eliya	0.750	0.669	0.997	0.806	7
Galle	0.917	0.745	0.547	0.736	11
Matara	0.917	0.731	0.466	0.705	15
Hambantota	0.950	0.730	0.545	0.742	9
Kurunegala	0.933	0.750	0.965	0.883	2
Puttalam	0.817	0.770	0.591	0.726	13
Anuradhapura	0.817	0.760	0.984	0.854	4
Polonnaruwa	0.867	0.758	0.969	0.865	3
Badulla	0.767	0.694	0.692	0.717	14
Moneragala	0.917	0.722	0.437	0.692	16
Ratnapura	0.933	0.727	0.592	0.751	8
Kegalle	0.950	0.740	0.532	0.741	10
Sri Lanka	0.859	0.670	0.730	0.753	

At the lower end of the scale, the district that has made the least progress in human development is Kandy. Moneragala ranks second from the bottom, with Matara next lowest. Other districts that have low human development achievements are Badulla, Puttalam and Matale.

The district-wise pattern of HDI values shows the existence of considerable regional disparities in human development levels within Sri Lanka. There is a 0.24 HDI gap between the highest district, Kalutara and the lowest district, Kandy. This is a substantial difference, suggesting that levels of human development between these two regions vary significantly. There are seven districts which cluster at the top, with HDI estimates above the average for the country, Kalutara,

Kurunegala, Polonnaruwa, Anuradhapura, Gampaha, Colombo and Nuwara Eliya [see Box 1.3]. The remaining ten districts have HDI achievements below the national average. The mean value of the HDI index for the high performing districts is 0.86, while the mean HDI for the low performing districts is 0.72. This reflects an average HDI gap between the two sets of districts of 0.14. This is a large gap in human development and confirms the presence of major regional disparities within the country.

Map 1.2



Box 1.3

HDI Rankings of Districts Above and Below the National Average			
Districts with HDIs Above the National HDI		Districts with HDIs Below the National HDI	
HDI		HDI	
1. Kalutara	0.893	8. Ratnapura	0.751
2. Kurunegala	0.883	9. Hambantota	0.742
3. Polonnaruwa	0.865	10. Kegalle	0.741
4. Anuradhapura	0.854	11. Galle	0.736
5. Gampaha	0.851	12. Matale	0.727
6. Colombo	0.847	13. Puttalam	0.726
7. Nuwara Eliya	0.806	14. Badulla	0.717
		15. Matara	0.705
		16. Moneragala	0.692
		17. Kandy	0.649
Average HDI	0.857	Average HDI	0.719

Provincial patterns of human development mask significant disparities within provinces

The district level disparities in human development are only connected imperfectly to provincial differences. Within some provinces, human development levels differ widely among districts. Thus, in the Central Province, the HDI gap between the highest performing district, Nuwara Eliya and the lowest performing district, Kandy, is 0.16 HDI. In the North Western Province, too, the disparity in human development between the better district, Kurunegala and the worse district, Puttalam, is 0.16 HDI. In contrast, in other provinces, the human development achievements among districts are relatively close. In the North Central Province, both Anuradhapura and Polonnaruwa have high human development achievements. In the Uva Province, both Badulla and Moneragala have low human development levels. In the Sabaragamuwa Province the human development attainment of the two districts, Kegalle and Ratnapura, is moderate.

The correlation between human development achievement at province level and at district level is only moderate. This implies that provincial authorities need to take into account the extent of human development variation in the different districts in development planning, project formulation and programme implementation.

The Western Province has the highest level of human development. This finding is consistent with a priori expectations. The North Central Province, comes second. Note that these two provinces have regionally balanced achievements in human development. Thus, the HDI estimates of Kalutara, Gampaha and Colombo are all between 0.84 HDI and 0.90 HDI. The HDI levels in the two districts in the North Central Province, Anuradhapura

and Polonnaruwa, differ by just 0.01 HDI. It is also noteworthy that the HDI estimates for the Western Province, 0.864 HDI, and the North Central Province, 0.859 HDI, are extremely close.

The province that performs worst is Uva. Both districts in the province, Badulla and Moneragala, have low human development attainments. This finding is again consistent with a priori expectations. The Central Province ranks second from the bottom. This low ranking is caused by the weak human development achievements of Kandy and Matale.

The range of estimated HDI values between the higher and lower achieving provinces is high. Thus, the HDI difference between the Western Province and the Uva Province is 0.16 HDI. A similar difference exists between the North Central Province and the Uva Province. The difference between the two high performing provinces and the Central Province is 0.14 HDI. These estimates imply a high degree of province level disparity in human development.

SOURCES OF REGIONAL DISPARITIES 1.4.1

The opportunity to live a long and healthy life, measured in terms of life expectancy, is the logical first dimension of human development. On this dimension all districts perform relatively well [see Figure 1.4 and Table 1]. The districts with the highest life expectancy are Kegalle and Hambantota, 82 years, followed by Kalutara, Kurunegala and Ratnapura, 81 years. Three other districts, Galle, Matara and Moneragala, have life expectancy rates of 80 years. The regional variations in life expectancy between districts is comparatively small, with all districts clustering in the range 70-82 years. The district with the lowest life expectancy, 70 years, is Nuwara Eliya. This is higher than the world average, 63 years, and the average for all developing countries, 61 years.

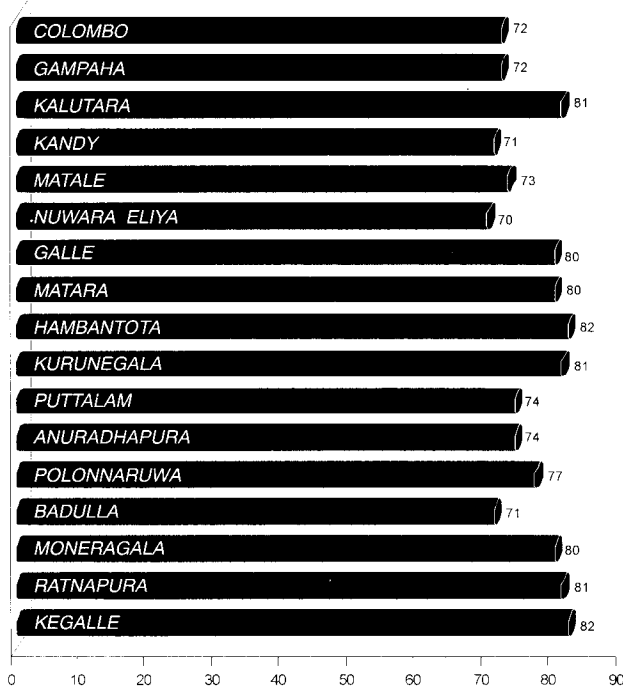
The generally high life expectancy can be attributed to four main causes:

- i. Universal access to free public health care through an extensive, island-wide network of state hospitals, health facilities and health services.
- ii. The existence of a parallel private health sector which has eased congestion and resource constraints in the public health sector.
- iii. High levels of education attainment among the population.
- iv. Extensive poverty alleviation and social welfare programs which have served to reduce the depth and severity of poverty, and improved living standards among the bottom half of the population.

Longevity and life expectancy are high in all districts

The Nuwara Eliya district has performed worse than the other districts primarily because education attainment, access to health services and living conditions among estate sector plantation workers have been lower than the general average for the country.

Fig. 1.4
The Pattern of Life Expectancy Across Districts (%)



1.4.2 ACCESS TO KNOWLEDGE AND INFORMATION

The second dimension of human development is access to the world of knowledge and information. The standard basic measures of this dimension are literacy and education enrolment [see Figure 1.5 and Table 1].

The high literacy rates in all the districts except Nuwara Eliya, and to a lesser extent Moneragala and Badulla, can be attributed to state education policy which has delivered access to free primary and secondary education to all children of school-going age, through an extensive network of government schools, since the 1940s. The weaker literacy achievements of the Nuwara Eliya, Moneragala and Badulla districts, in comparison to the rest of the country, were the result of delayed extension of the state schooling network to these regions.

Literacy achievements

Among districts, Gampaha has the highest literacy rate, 95%; followed by Colombo, 94%; and Puttalam and Kalutara, 93% and 92% respectively. Altogether 9 districts have literacy rates above 90%. Only Nuwara Eliya has a literacy rate less than 80%; while just two districts, Moneragala and Badulla, have literacy rates below 85%. The main disparity in literacy is between Nuwara Eliya and other districts. The literacy gap between Nuwara Eliya and the high performing districts is substantial. For example, the disparity between Nuwara Eliya and Gampaha is as large as 17%.

School enrolment

Combined primary, secondary and tertiary enrolment rates yield unexpected results [see Table 1]. Enrolment is highest in the Moneragala district, 48%; followed by Anuradhapura, 47% and Polonnaruwa, 46%. Colombo has the lowest combined enrolment, 39%; followed by Gampaha, 40%.

Nearly all districts provide widespread access to knowledge and information

Fig 1.5
The Pattern of Literacy Across Districts (%)



Kegalle, 41%, and Kalutara, 41%. The range of variation in education enrolment, however, is low. Enrolment rates in all districts cluster between 39% and 48%.

Schooling enrolment rates at primary and secondary education levels are generally high. The net primary enrolment rate in the country is approximately 95%, and the net junior secondary enrolment rate about 70%. However, enrolment in university education is low, approximately 2%. The difference in school enrolment rates and university enrolment rates is due to restricted access to university education caused by state monopoly of the university system. There is substantial suppressed demand for university places in the country. However, the government is unable to expand the supply of university education due to budget constraints. It has also not been willing to expand the higher education sector by allowing private universities to be established.

The finding that the three districts in the Western Province have the lowest enrolments can be attributed to superior economic opportunities in these areas. This will serve to lower the school enrolment rate in two ways.

- i. The opportunity cost of schooling is higher in economically prosperous areas. Higher opportunity costs exert downward pressure on the duration of full-time education. In contrast, poor districts like Moneragala offer a restricted range of economic opportunities. This reduces the opportunity cost of schooling, and increases the probability that children will remain longer in school.
- ii. The superior economic opportunities available in the Colombo and Gampaha districts attract job seekers from other regions, who have completed schooling in their home town, into the Western Province. This causes the ratio of non-school going population to school going population in the Western Province to increase.

1.4.3 VARIATIONS IN LIVING STANDARDS AMONG DISTRICTS

Table 1.3

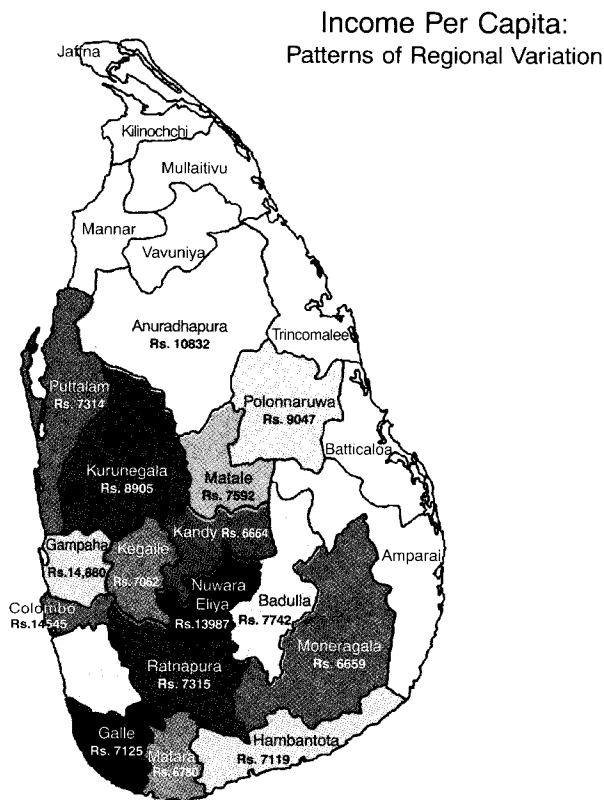
Trends in Per Capita GDP : Regional Patterns					
District	GDP Per Capita 1990	GDP Per Capita 1994	District Rank 1990	District Rank 1994	Per Capita Growth Rate 1990-94(%)
Colombo	12610	14545	1	2	3.8
Gampaha	11862	14880	2	1	6.4
Kalutara	11849	13480	3	4	3.4
Kandy	5692	6664	16	16	4.3
Matale	6902	7592	7	9	2.5
Nuwara Eliya	8985	13987	4	3	13.9
Galle	5747	7125	15	12	6.0
Matara	4812	6780	17	15	10.2
Hambantota	6244	7119	11	13	3.5
Kurunegala	7436	8905	5	7	4.9
Puttalam	6092	7314	13	11	5.0
Anuradhapura	6757	10832	8	5	15.1
Polonnaruwa	6265	9047	10	6	11.1
Badulla	7180	7742	6	8	2.0
Moneragala	6425	6659	9	17	0.9
Ratnapura	6117	7315	12	10	4.9
Kegalle	5780	7062	14	14	5.5

The third dimension of human development is the standard of living. This is most closely reflected in the level of per capita income or GDP of a region. The district-wise pattern of GDP per capita reveals wide disparities in attainment [see Map 1.3 and Table 1.3].

The Gampaha district has the highest GDP per capita. Colombo ranks second. Nuwara Eliya and Kalutara come third and fourth respectively. These findings are plausible. Gampaha is a wealthy industrial district. Colombo contains the best physical and social infrastructure, including the major trading port, and is the most prosperous commercial and financial area in the country. Gampaha and Colombo together contain approximately 70% of manufacturing industry in the country. Nuwara Eliya is a rich agricultural district, containing the best tea plantations and prosperous vegetable farms. Kalutara, which was traditionally a rubber producing area, has also built up a relatively affluent tourism and leisure industry in recent years. In consequence, these four districts are substantially wealthier than other areas of the country.

The poorest district in the country is Moneragala, with a GDP per capita less than half the per capita income of Kalutara and only 45% the per capita income of Gampaha. The second poorest district is Kandy, which is only marginally above Moneragala. Eight districts, Moneragala, Kandy, Matara, Kegalle, Galle, Hambantota, Puttalam and Ratnapura, have per capita incomes less than half that of the most prosperous district, Gampaha.

Map 1.3



REASONS FOR THE LOW INCOME LEVELS OF POOR DISTRICTS 1.4.4

The low per capita income of Kandy can be attributed to the lack of growth in the district outside the city of Kandy. Kandy city, with its reputation as the most beautiful city in the country, has been relatively prosperous due to its tourist industry. However, outside the city, a major share of the district's economy is based on small home garden agriculture and traditional handicrafts. The products of home garden agriculture, like minor export crops, have suffered low world market prices for many years. Also, the demand for traditional handicrafts has been declining steadily over time. This has weakened the economic foundation of the Kandy district.

There are three main reasons for the weak economic levels of the Moneragala, Puttalam, Hambantota and Matara districts.

- i. Geographical distance from the hub of economic activities in the Colombo and Gampaha districts.
- ii. Comparatively weak physical infrastructure, especially road networks and electricity coverage. These constraints are especially important in view of the relatively distant geographical location of the districts.
- iii. Absence of a lead investment project, like the Mahaweli river diversion project in the North Central Province. The Anuradhapura and Polonnaruwa districts faced similar geographical and infrastructure constraints to economic activity as the Moneragala, Puttalam, Hambantota and Matara dis-

tricts. However, the Mahaweli project, with its massive investments, helped relax these constraints and promoted economic activity in Anuradhapura and Polonnaruwa. Moneragala, Puttalam, Hambantota and Matara did not have a lead project to inject large flows of resources to overcome their economic constraints.

The Kegalle and Ratnapura districts are agricultural areas. Rubber, minor agricultural exports and cottage industries occupy a large share of the Kegalle economy, while Ratnapura also has important gem mines. The economic structure of these districts has remained relatively unchanged for several decades. During this period, primary production of rubber, minor export crops, and gem mining have registered low growth. Weak performance of agriculture and absence of major industrial growth, have been the main reasons for the low income levels of the Kegalle and Ratnapura districts.

The economy of the Galle district depends heavily on tourism and the port. However, the expansion of tourism has been constrained by the secessionist conflict in the North Eastern Province. The volume of trading activity in the Galle port, too, has recorded low growth in recent decades, mainly because the port needs facilities and equipment containing more advanced technology and greater capacity to handle the large tonnage and cargo volumes of modern trading ships.

There are multiple reasons for the low income levels of poor districts

Box 1.5

District	HDI Rank	GDP Per Capita Rank
Colombo	6	2
Gampaha	5	1
Kalutara	1	4
Kandy	17	16
Matale	12	9
Nuwara Eliya	7	3
Galle	11	12
Matara	15	15
Hambantota	9	13
Kurunegala	2	7
Puttalam	13	11
Anuradhapura	4	5
Polonnaruwa	3	6
Badulla	14	8
Moneragala	16	17
Ratnapura	8	10
Kegalle	10	14

Box 1.4

Disparities in Income : the Chief Cause of Regional Disparities in Human Development

The regional disparities in per capita GDP are substantially greater than the disparities in life expectancy, literacy and education enrolment. The relative rankings of districts are determined mainly by differences in income [see Box 1.5]. The three districts that possess the lowest HDI values, Kandy, Moneragala and Matara, also have the lowest incomes. Anuradhapura and Polonnaruwa, in contrast, possess high HDI rankings chiefly because they also have relatively high income levels. Colombo and Gampaha, too, owe their high HDI positions to large per capita incomes. Overall, regional disparities in human development are caused mainly by regional differences in economic productivity while social development levels, are relatively evenly balanced.

1.4.5 ECONOMIC GROWTH AND AVAILABILITY OF PHYSICAL INFRASTRUCTURE

The patterns of economic growth at province and district levels are closely related to the availability of physical infrastructure

The province level income achievements and growth rates of GDP per capita are shown in Table 2. This information shows that regional disparities in economic production are high, and have grown over time. Thus, the Western Province accounts for a substantial share of the economy. Further, this share has increased in recent years. In 1990, the Western Province generated 41% of national income. By 1995, this share had risen to over 43%. This was mainly due to a relatively fast growth of 6.4% per year during 1990-95. The main sectors of growth were manufacturing; trade and commerce; electricity, gas and water; and construction.

The manufacturing sector is highly concentrated in the Western Province, which accounts for 72% of the total value of manufacturing output in the country. This can be attributed to two main factors:

- (i) The superior availability of physical infrastructure, like a relatively good road network, electricity coverage, pipe-borne water, the Colombo harbour, the Free Trade Zone area and the main international airport at Katunayake.
- (ii) Positive network externalities created by the historical evolution of the manufacturing industry in the Western Province.

The area of the country that has experienced the highest growth rate in recent years has been the North Central Province, 9.9% per year over 1990-95. This growth can be attributed chiefly to the impact of the Mahaweli River Diversion Scheme, which opened up large tracts of new land for cultivation and promoted substantial expansion of agricultural activity. In the North Central

Province, during 1990-95, the fire and forestry sector grew by 75% per year, the other food crop sector by 49% per year, minor export crops at 29% per year and coconut production at 28% per year.

The Uva Province registered the lowest growth, 3.5% per year during 1990-95. This was followed by the North Western Province, 4.3% per year. The poor performance of these two provinces was caused by a decline in the agriculture sector, which accounts for over a third of the provincial economies. The North Western Province, which contains most of the major coconut plantations in the country, remains the principal agricultural province of the country. However, its lead over other provinces, especially the North Central Province, has narrowed sharply in recent years. This is partly due to low growth in the coconut sector and lack of growth in the industrial and service sectors in the area.

Economic Growth at Province and District Levels

Both the districts in the North Central Province experienced rapid growth. Real per capita incomes in Anuradhapura increased at an annual average growth rate of 15% between 1990 and 1994. In Polonnaruwa real per capita incomes recorded an average growth rate of 11% per year during the same period. Thus, within the province, economic growth was relatively balanced.

Two other districts that grew rapidly in recent years were Nuwara Eliya, which recorded an annual average growth rate of 14% per year, and Matara, which grew at 10% per year during 1990-94. Strong performance in the

Disparities in achievements and shortfalls in economic growth are apparent among districts within the same province.

agricultural sector, especially tea, was responsible for the swift increase in prosperity in Nuwara Eliya. Rapid growth in banking and retail trade, and strong tea prices, accounted for the high growth rate recorded by Matara.

Within the Uva Province real per capita incomes have risen very slowly in recent years. In Moneragala, per capita income increased at a mere 0.9% per year during 1990-94. In Badulla, per capita income rose only by 2% per year. These districts have weak physical infrastructure, like roads and electricity, and are remote from the hub of economic activity in the Western Province. Badulla, with its hilly regions, has difficult terrain for agriculture. Moneragala, which is located in the dry zone, faces a shortage of water for agricultural activity.

The other district that has grown relatively poorly in recent years is Matale, with a per capita growth rate of a mere 2.5% per year during 1990-94. The poor growth performance of Matale has been caused by a relatively stagnant agriculture sector. In particular, low world market prices for minor export crops have constrained agricultural growth in Matale.

In predominantly rural areas like Matale, Badulla and Moneragala weak growth in agriculture has a debilitating effect on the economy unless there is a rapid offsetting increase in other sectors. However, growth in non-agricultural activity in these areas has not been adequate to offset weak agricultural performance.

Box 1.6

Time Trends of Income Disparities Between Districts

In 1990, the wealthiest district was Colombo, with a GDP per capita of SLR 12,610. This was followed by Gampaha and Kalutara. These three districts in the Western Province were considerably wealthier than other districts in 1990. Nuwara Eliya, which ranked fourth, with an income per capita of SLR 8,985, was 24% poorer than third-placed Kalutara.

In 1994, the wealthiest district was Gampaha, with a GDP per capita of SLR 14,880. Colombo came second and Kalutara third. Increasing population migration into Colombo has been the main reason for the decline of Colombo into second place. High growth enabled Anuradhapura to become the fourth richest district, while Polonnaruwa rose from tenth place in 1990 to sixth place in 1994.

Matara was the poorest district in 1990, with a per capita income of SLR 4,812. Kandy and Galle came second and third from the bottom, respectively. The distance between the richest and poorest districts was very large, with the income of Matara being just 38% the income of Colombo.

Moneragala, with a low average per capita growth of 0.9%, was the poorest district in 1994. Kandy, which experienced a moderate average growth per capita of 4.3%, was second from the bottom. Matara was the third poorest district, despite its high average growth rate during the period, 1990 - 1994. The gap between the richest and poorest districts, Gampaha and Moneragala, had widened by 1994, with Moneragala receiving 45% the income of Gampaha.

THE AGENDA FOR FUTURE HUMAN DEVELOPMENT: ISSUES IN KNOWLEDGE AND LEARNING

1.5.1 GENERAL EDUCATION

Government education policy provides a primary school within 2 kilometres of the home of every child in the age group 6-10 years, and a secondary school within 5 kilometres of the homes of children over 11 years. Implementation of this policy has required the establishment of over 10,800 schools, distributed throughout the island [see Table 3]. There are approximately 4.3 million pupils and 195,000 teachers in these schools (net enrolment of 66%). The student enrolment pattern is divided as follows: approximately 1.9 million students are in the primary cycle, grades 1-5; 2.2 million students are in the secondary cycle, grades 6-11; and 0.2 million students are in the collegiate cycle, grades 12-13.

The geographical distribution of schools is extensive, providing more than adequate coverage to match the demand for school places. In addition to government schools, there are a small number of private schools providing high quality education. Students graduating from these schools are in high demand by the private sector. There are also about 100 educational institutions known as international schools registered under the Companies' Act, which prepare students to sit for foreign examinations. The establishment of new private schools has been forbidden by law since the early 1960s, on the grounds that private education is elitist. The expansion of international schools was also stopped by the government in 1997 on similar grounds.

The medium of instruction in Sri Lankan schools is Sinhala and Tamil. English me-

dium teaching was available in private and high quality government schools upto the 1950s, but was discontinued for Sinhalese and Tamil children in the 1960s and for children of ethnically mixed parentage and Burgher children from 1972 onwards. However, English is the language of the private sector, and students from upper-class homes who are fluent in English are at a premium in the labour market. The human capital content of language is clearly visible in labour market employment and remuneration patterns. Current government policy with respect to language does not pay adequate attention to issues of economic efficiency.

Sri Lanka has performed relatively well on the first stage of delivering access to educational opportunities for its population due to an extensive network of government schools. The second stage of human development, in relation to education, is to achieve high levels of quality in student learning. This stage of human development has not yet been achieved: the overall level of educational quality in the country is weak.

Indicators of Educational Quality

Two indicators of educational quality are summarized in Table 4 - Table 5:

- i. The proportion of students completing the secondary cycle successfully by passing the GCE (O/L) examination;
- ii. The proportion of students completing the collegiate cycle successfully by passing the GCE (A/L) examination.

GCE (O/L) Pass Rates

The proportion of students passing the GCE (O/L) is very low [see Figure 1.6]. Overall, only 26% of students who sat the GCE (O/L) in 1996 passed. This was an improvement over previous years. For instance, in 1992 only 22% and in 1994 only 21% of students passed the GCE (O/L).

Colombo district had the highest pass rate, 36% in 1996. The next best districts were Vavuniya, 32% and Mannar, 30%. However, the number of students sitting the GCE (O/L) examination from these districts, which are located in the secessionist conflict affected North-Eastern Province, is lower than in other districts. The regions that had the lowest performances in the GCE (O/L) were Moneragala, with a pass rate of 20%, Polonnaruwa, 20.5% and Hambantota, 20.8%. The high rate of GCE (O/L) failure suggests that the quality of education in the

country as a whole is generally low. There are also significant regional disparities, with the gap in performance being as high as 16% between the best and worst districts, Colombo and Moneragala.

GCE (A/L) Pass Rates

The proportion of students passing the GCE (A/L) is also relatively poor [see Figure 1.7]. In general, approximately 48% of students pass the GCE (A/L). The highest pass rate in 1996 was in Batticaloa, 64%; followed by Kurunegala, 60%; Mannar, 55% and Vavuniya, 54%. Again, the number of students sitting the GCE (A/L) from the Mannar and Vavuniya districts was low. The lowest pass rates were in Jaffna, 33% and Amparai, 37%. These percentages suggest that the quality of educational attainment is weak, and that there is a high degree of regional variation in educational quality at this level.

Fig 1.6 Regional Pattern of GCE O/L Examination Pass Rates (%)

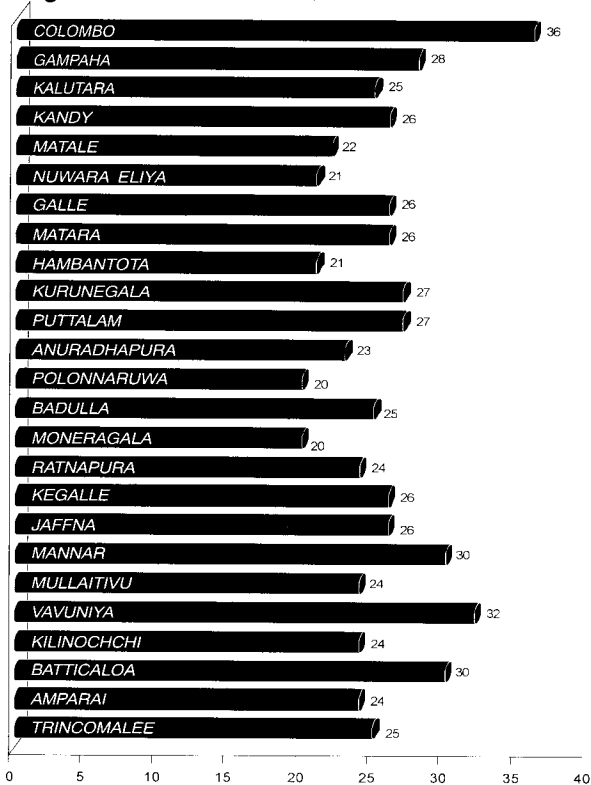
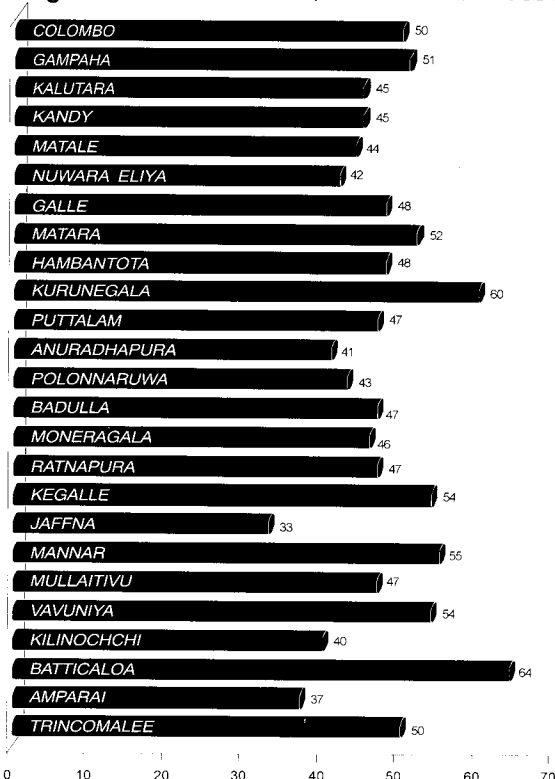


Fig 1.7 Regional Pattern of GCE A/L Examination Pass Rates (%)



Educational attainments in the North-Eastern province could have been both positively and negatively affected by the secessionist conflict

Some districts in the North -Eastern Province performed relatively well in terms of examination pass rates, despite the civil war. This can be attributed to the strong demand for education among the Northern and Eastern Tamil communities. The Northern Tamils, in particular, have a long history of investment in education. In other districts, like Jaffna which had one of the highest educational attainment rates prior to the conflict, there has been significant deterioration. The conflict is likely to have exerted negative effects and ironically even some positive effects on education in this area.

The negative effects of the conflict on educational investment would include the following:

- Conscription of school aged children by the LTTE.
- The destruction of school buildings and facilities.
- Difficulty of recruiting and retaining adequately qualified teachers.
- A poor learning environment for students.
- Psychological trauma suffered by school children.

Effects of the conflict which positively influence on educational investments consist of the following:

- The low opportunity cost of time spent in school, due to a shortage of distractions and alternative use of time.
- The creation of opportunities, through human capital accumulation, to leave the region and obtain employment elsewhere in the country or abroad.

Causes for Poor Student Performance at Public Examinations

The poor performance of students at the GCE (O/L) and GCE (A/L) can be attributed to several factors:

- Low paid, poorly-motivated and inadequately trained teachers.
- Lack of adequate educational facilities, teaching material and learning resources in schools.
- Managerial failures in the education system which prevent timely delivery of essential inputs like curriculum revisions, syllabus updates, teacher guides and student workbooks. The school textbooks distributed to students are also of poor quality, and fail to achieve adequate coverage of school syllabi.
- A shortage of good quality textbooks, supplementary reading material and educational resources in Sinhalese and Tamil.
- Low learning aspirations among students, especially among children from economically and socially backward areas.

The capacity of the government to undertake large-scale investments in quality improvements is severely limited by budget constraints. Currently, education expenditures account for approximately 3% of GDP and 11% of total government expenditures. The scope for expanding this share is severely constrained as government is already running a large overall budget deficit which it is seeking to reduce over the next few years.

UNIVERSITY EDUCATION

1.5.2

Sri Lanka has a policy of providing free university education at the first degree level. There are 12 government universities, with about 35,000 places. Private universities are not permitted by law, so university education is strictly rationed. Less than 2% of students in the relevant age group are currently able to obtain university places.

Due to the strict rationing of university education, there is strong suppressed demand for university places. This is seen in highly competitive preparation for the university entrance examination, the GCE (A/L); high repetition rates at the GCE (A/L); and pursuit of foreign degrees by affluent students, either by going abroad or following link programs in-country. The ban on private universities, combined with limited government resources for education, has prevented expansion of the university sector to match the demand.

The average quality of university education is moderate, and varies widely between universities, and among faculties and departments. At the high end of quality, good graduates from the best departments and faculties are able to pursue postgraduate study, at Ph.D. level, in the world's leading universities. At the low end of quality, many university graduates find it impossible to obtain jobs in the private sector and are compelled to wait, for periods upto 2-3 years, for government recruitment into special, make-work schemes for graduates.

The university sector faces four major problems with regard to quality :

- i. *Outdated vision of university roles and functions.*

Universities view their role as primarily undergraduate teaching institutions. Research and consultancy services are awarded a very low priority, and taught postgraduate education is almost entirely confined to part-time evening classes. The neglect of research and consulting activity leads to the skills of academic staff becoming increasingly outdated over time. This leads to mediocre teaching and the production of graduates whose knowledge and understanding of subjects are moderate. Hence, human capital accumulation and labour productivity among graduates are inadequate.

- ii. *Inadequate financing.*

The allocation of resources to the university sector has been inadequate. Universities experience acute shortages of quality inputs, like computers and associated equipment; journals and books; science, medical and engineering equipment and material; office space and residential facilities for students.

- iii. *Internal inefficiencies.*

The university system is riddled with internal inefficiencies. Student unrest and political activity, combined with managerial inefficiencies, cause periods of study to extend in excess of their stipulated 3-4 years. There is also a waiting time of approximately 2 years to enter most degree courses due to uncleared, accumulated backlogs in past enrolment.

The resources received by universities are also inefficiently allocated internally. For instance, many universities do not even have a policy or resource plan to provide academic staff with the basic package of

quality inputs needed by a modern university lecturer, like a computer, personal e-mail account and communication facilities, and access to a laser printer and photocopying machine. The absence of priority for such equipment and facilities is linked to the lack of emphasis on research and weaknesses in university management systems.

iv. *Low quality of students entering university.* The content and quality of human capital accumulated by students when they enter university are low. This can be directly attributed to two factors:

a) The low quality of general education. This is directly related to the types of problems identified in the preceding section.

b) Weak home learning environments. Sri Lanka is currently passing through a phase where a substantial number of students entering university come from home backgrounds where fathers have been educated only upto the junior secondary cycle and mothers upto the primary cycle. The grandmothers may have received virtually no schooling. This is especially true of arts, commerce and management students. Such an educational leap among the present generation has been possible largely due to the district quota based university entrance system. However, children from such home backgrounds rarely have the educational advantages enjoyed by children whose own parents have been

well-educated. Hence, the level of human capital acquired in the formative and schooling years is relatively low.

A Policy Option

There is a major policy option that would enable Sri Lanka to expand resource availability and promote high quality general and university education. This is the relaxation of the laws discouraging private universities and private schools. Permitting a formal private sector into the education and higher education sector would increase resources, open access to university education in line with social demand, and encourage an educational sub-sector whose survival would depend on the delivery of high quality education. Private universities, over time, would be able to set the standard for higher education to state universities, just as private schools now set the standard for general education¹.

¹ Along with a handful of leading state schools that were set up directly to compete with the high quality private schools

THE HEALTH SECTOR

The basic health indicators for Sri Lanka, infant mortality rate, child mortality rate, maternal mortality rate and life expectancy, are very good. The high human development level attained by Sri Lanka in relation to its per capita income, since the 1950s, has mainly been due to the low infant, child and maternal mortality rates and the high life expectancy rate. The basic health services required to achieve these primary health indicators are only the first step in the development of a high quality health care sector.

The corollary to high life expectancy rates and a low fertility rate, over the long-term, is population ageing. An older population requires health care services related to degenerative diseases linked to age. Heart diseases constitute the leading cause of death in the country. There is also widespread prevalence of diseases like high blood pressure and diabetes. Increasing air pollution in congested urban areas has resulted in a rising trend in respiratory infections, with their debilitating physical effects. Lack of information on sound nutrition and poor dietary habits have resulted in a relatively high prevalence of diabetes. The health risks associated with tobacco consumption are not fully appreciated yet in Sri Lanka, especially among less educated households. There is also relatively excessive alcohol consumption among males, especially in rural areas. These constitute a complex set of issues that need to be addressed by the health, and related sectors.

Four indicators of access to health care can be identified at the regional level:

- (i) the existence of public health facilities;
- (ii) the availability of qualified medical doctors;
- (iii) the availability of trained nurses.
- (iv) hospital beds for in-patient treatment;

Regional variations and trends in access to public health care, and the quality of services available, are shown in Table 6 - Table 9.

Expansion of Medical Care

In areas of the country apart from the northern districts the supply of medical facilities has been increasing. In most districts the number of hospitals has increased from 1983 onwards. In a few districts, Matale, Matara and Kegalle, consolidation of smaller hospitals into larger units has decreased numbers, but not reduced overall supply of facilities and service delivery. This is reflected in the number of beds available, which increased in all districts. The quantity of medical doctors and nurses, too, has been rising.

The country faces a number of problems with respect to medical care. There is a serious problem in retaining qualified medical specialists. Given the shortage of medical specialists, it has been difficult to deploy specialists to hospitals in remote, unpopular areas of the country. The range and quality of equipment has lagged behind international standards, and the maintenance of existing equipment is inadequate. There is also evidence that sufficient medical supplies do not reach many hospitals, especially those located in remote areas.

Overall, Sri Lanka has made important advances in the past; but the health sector needs considerable further development.

In this context, the health sector needs to undertake several major reforms:

Improvement of internal efficiency. In particular, managerial efficiency of the health sector needs to be strengthened. Many hospitals and health facilities

- currently experience a high level of managerial inefficiency. Procurement of medical supplies on a rational, forward looking plan and systematic maintenance of medical equipment and facilities are urgently needed in such hospitals.
- *Development of the private sector.* Currently the private sector accounts for approximately half the resources utilized in the health sector. The quality of health care and ease of access are generally higher in the private sector, except for major diseases. Only government institutions have the resources and facilities to handle major medical problems. The ability of the private sector to cope with all types of diseases needs to be expanded. The country also needs to develop a good regulatory mechanism to guarantee high quality health care for consumers as the private sector increases. These measures would increase the range of health services available in the country and reduce pressure on state resources.
- *Development of a good referral system.* The present health system lacks a sound referral system between general practitioners and specialists. In consequence, the demand for specialist services is unnecessarily high, leading to a shortage of medical specialists. A streamlined referral system needs to be developed.

The analysis in this chapter reveals that, in general, wide disparities exist in human development between provinces and districts. Social development, reflected in life expectancy and basic education indicators like literacy and school enrolment, is relatively evenly distributed. However, there exist wide regional disparities in real incomes. Disparities in living standards are chiefly responsible for differences in human development among regions.

Economic disparities between different regions have been narrowing over time. The poorer districts have grown relatively fast, enabling them to reduce distances to the more affluent districts. The areas of the country that have performed best, in economic terms, are regions that enjoyed rapid growth in the agricultural sector. This is partly a reflection of the heavy dependence of the economy, in most areas, on agriculture and services. Industrial growth has supported the growth performances of Gampaha and Colombo. But industry has not spread to other regions. The main reason for this is the lack of physical infrastructure.

Basic quantitative education indicators are relatively strong. However, the quality of education is low in all areas of the country. This is closely connected to shortages of quality inputs, well-educated and trained teachers and facilities in schools in poorer regions. The university sector has an outdated vision for higher education, in particular lack of importance attached to research; low quality

of education; under-financing; and management and internal inefficiencies. The education and higher education sector would benefit from relaxation of the laws forbidding private schools and universities from being set up. The opening of dynamic, high quality private schools and universities could lift the education and higher education sector in Sri Lanka to a new plane of educational development.

Sri Lanka has achieved the fundamental step of delivering universal access to good quality primary health care. The country now faces problems related to degenerative diseases linked to an ageing population, like heart disease, high blood pressure and diabetes. Budget constraints have led to shortages of high level human resources, medical equipment and supplies. These problems have been compounded by managerial inefficiencies. The country needs to address these problems urgently.



CHAPTER TWO

HUMAN POVERTY IN SRI LANKA:
MAGNITUDES AND CHALLENGES

HUMAN POVERTY INDEX APPROPRIATE FOR SRI LANKA

The concept of human poverty examines deprivation in important economic and social dimensions of life. Specifically, human poverty is considered to exist if people are deprived of the opportunity to lead a long and healthy life, access information and knowledge through the world of reading and communication and obtain economic and social resources needed to attain a decent standard of living. These are similar to the dimensions of life over which human development is defined. But while the concept of human development focuses attention on levels of achievement and fulfilment, the concept of human poverty concentrates on deprivations and shortfalls.

The present chapter advances a human poverty index defined to measure and analyse deprivation in dimensions of well-being that are relevant to Sri Lanka. This human poverty index covers the following aspects of deprivation.

i. Survival deprivation.

This component of the human poverty index seeks to measure the deprivation that arises through vulnerability to early loss of life. Similar to the global human development report, this dimension of poverty is measured as the proportion of population dying before age 40.

ii. Deprivation in knowledge.

This component measures the loss of well-being that arises through exclusion from the world of reading and communication. It is measured by two indicators:

- (a) The proportion of adults who are illiterate. This is the indicator used in the global human development report.

- (b) The combined primary (grades 1-5) and junior secondary (grades 6-9) education non-enrolment rate. The human poverty index for Sri Lanka was extended to add this indicator because it raises issues that have greater relevance, than literacy, to the current state of education in Sri Lanka.

iii. Deprivation in access to safe drinking water.

Inability to obtain safe drinking water represents deprivation in one of the most basic dimensions of capability, the likelihood of survival. In addition, it increases the risk of infectious diseases and weakens the opportunity of people to lead a healthy and useful life.

iv. Deprivation in access to safe sanitation.

Lack of adequate sanitation facilities causes soil and ground water pollution, and results in a variety of water-borne illnesses and contagious diseases. Hence, inadequate sanitation is closely related to the lack of safe drinking water. Sanitation facilities can be insufficient in two ways:

- (a) Households may have no toilet facilities;
- (b) The toilet facilities possessed by households may not permit clean and efficient sewage disposal. These two aspects of inadequate sanitation are included in the extended human poverty index.

v. **Deprivation in access to adequate basic health care.**

This is measured by three indicators:

- (a) The proportions of child births outside formal medical institutions;
- (b) The proportions of children who do not receive immunization coverage in the following diseases: B.C.G.; diphtheria, pertussis and tetanus; polio; and measles;
- (c) The proportions of pregnant women who are not immunized with tetanus toxoid vaccine.

vi. **Deprivation in access to electric power and energy.**

In the modern world, access to electricity is essential to undertake economic production activities at anything more than a basic level. Electricity is essential if industrial and service sector activities are to be promoted to enhance economic

growth and expand off-farm employment opportunities. The lack of electricity severely limits the quality of health care that can be offered in local medical clinics and hospitals. It constrains the use of modern educational quality inputs in schools, like reproduction machines and audio-visual equipment, and limits the quality of education. In consequence, deprivation in access to electric power and energy can be an important factor related to impoverishment.

HUMAN POVERTY IS MODERATELY HIGH IN SRI LANKA

The level of human poverty in Sri Lanka is moderately high, with approximately 18% of the population experiencing deprivation in the dimensions of human poverty [see Map 2.1. and Table 2.1]. The main sources of human poverty, at the national level, are the high proportion of households that do not have electricity, 56%; households lacking access to safe drinking water, 28%; and households possessing inadequate sanitation facilities, 24%. In addition, there are relatively high proportions of child deliveries that are not in medical institutions, 16%, and of children who are not fully immunized, 14%. [see Table 2.2]

There are two main reasons for the observed shortfall in access to electricity.

i. Some households lack the opportunity to obtain electricity because they are located in regions that are not covered by the electricity supply network. This problem needs to be addressed by expanding electricity coverage.

ii. Some households lack the means to obtain electricity because they cannot afford the installation costs and tariff charges. This problem needs to be addressed by improving the cost effectiveness of electricity production and distribution.

Households lacking access to safe drinking water are vulnerable to water-borne diseases. While the prevalence of such diseases has been kept under control in Sri Lanka, episodes like the cholera outbreak in 1997 underline the vulnerability of households, especially poor families.

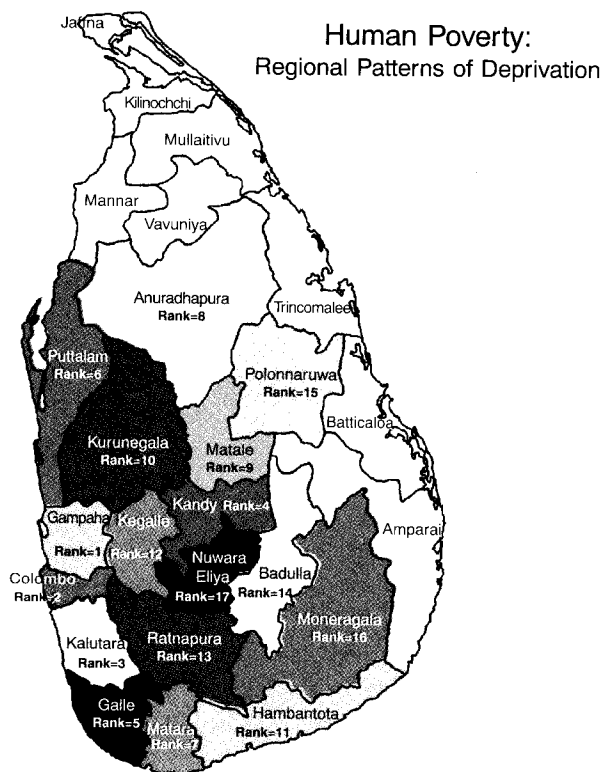
The proportion of households lacking access to safe sanitation compounds the problem.

Table 2.1

The Regional Pattern of Human Poverty, 1994.

Province	Human Poverty Index	Rank
Western	13.980	1
Central	23.081	4
Southern	20.375	2
North Western	21.446	3
North Central	24.098	6
Uva	27.463	7
Sabaragamuwa	23.338	5
District		
Colombo	13.016	2
Gampaha	12.404	1
Kalutara	16.208	3
Kandy	17.391	4
Matale	21.581	9
Nuwara Eliya	30.545	17
Galle	18.611	5
Matara	19.324	7
Hambantota	23.333	11
Kurunegala	22.215	10
Puttalam	19.048	6
Anuradhapura	21.313	8
Polonnaruwa	27.685	15
Badulla	27.052	14
Moneragala	28.728	16
Ratnapura	25.300	13
Kegalle	24.076	12
Sri Lanka	17.756	

Map 2.1



Estimates of the human poverty index (HPI) at the district level exhibit wide regional disparities in human poverty [see Table 2.1].

Human poverty is worst in Nuwara Eliya, where 31% of the population suffer poverty related deprivation. This is followed by Moneragala, with 29% living in poverty. Polonnaruwa, 28%; Badulla, 27%; Ratnapura, 25% and Kegalle, 24%; are other very poor districts.

Gampaha has the lowest level of poverty, with only 12% of the population experiencing the social and economic deprivations related to human poverty. This is followed by Colombo, with 13% poverty, and Kalutara, where 16% are poor. Outside these three districts in the Western Province, human poverty is lowest in Kandy, with 17% of the population experiencing poverty.

The degree of regional variation in human poverty is considerable. The poorest districts, Nuwara Eliya, Moneragala, Badulla, Ratnapura and Kegalle, are considerably worse off than the least poor district, Gampaha. There are also large differences in deprivation levels between the districts in the Western Province, Colombo, Gampaha and Kalutara, where poverty is less than 18%, and the set of districts with poverty above 25%, Nuwara Eliya, Moneragala, Polonnaruwa, Badulla and Ratnapura.

The main reasons for the high levels of human poverty in Nuwara Eliya, Moneragala, Polonnaruwa, Badulla, Ratnapura and Kegalle are the lack of adequate social provisioning in electricity, water and sanitation. The electricity network has been slow to expand into the more remote areas of these districts, restricting access to electric power. Delivery of pipe-borne water and sanitation facilities with safe sewage disposal methods to these areas have also been slow. The provision of water has been compounded by the geographical climate of the Moneragala and Polonnaruwa districts, which are dry zone areas with low rainfall.

Two of the districts that have the lowest per capita incomes, Kandy and Matara, perform well in terms of human poverty. This suggests that although their level of economic attainment is comparatively low, the extent of social and economic deprivation is relatively better than that of many other districts. This can be attributed to a relatively extensive electricity network and wider social provisioning to deliver access to clean water and safe sanitation.

Levels of human poverty vary substantially among districts

2.3.1 ELECTRICITY

Areas of the country that perform badly on the human poverty index are regions where a substantial proportion of the population live without access to electricity [see Table 2.2]. Many of the poorest districts, like Moneragala, Nuwara Eliya, Polonnaruwa, Ratnapura, Kegalle and Hambantota, have above 70% of their households without electricity [see Figure 2.1]. In Anuradhapura, 67% and Badulla, 64% of households lack electricity. Colombo performs substantially better than other districts in terms of electricity coverage, with nearly 77% of the population having access to electricity. Gampaha, too, does relatively well, with 66% of households possessing electricity. In Kandy, Kalutara and Matara, respectively, 48% , 49% and 51% of households have no electricity. In all other districts, however, more than 50% of households lack access to electricity.

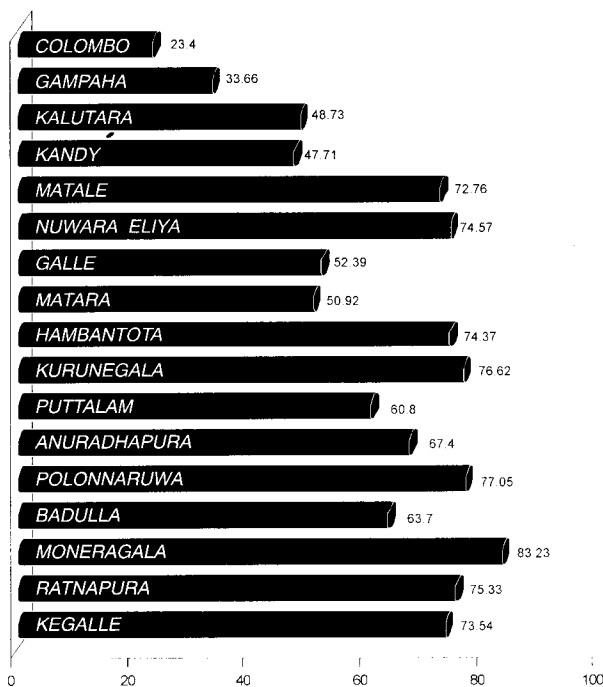
Table 2.2

The Components of Human Poverty : Regional Patterns, 1994.

Province	Proportion of Population Dying Before age 40 %	Adult Illiteracy %	Population Without Access to Safe Water %	Children Not Fully Immunized %	Births Not in Institutions %	Population Without Access to Electricity %	Population Lacking Access to Safe Sanitation %	Schooling Non-Enrolment Rate. Grade 1-9 %	Human Poverty Index	Rank
Western	0.09	6.23	18.19	14.42	2.97	35.26	11.19	18.92	13.98	1
Central	0.10	15.30	26.08	13.83	21.47	65.01	24.40	15.18	23.08	4
Southern	0.07	11.17	34.95	10.42	8.58	59.23	20.25	14.68	20.38	2
North Western	0.09	8.05	34.59	3.75	12.80	68.71	30.34	11.09	21.45	3
North Central	0.15	9.55	47.99	2.13	20.00	72.23	31.69	11.76	24.10	6
Uva	0.10	17.10	44.60	12.13	36.10	73.47	34.11	10.65	27.46	7
Sabaragamuwa	0.07	11.15	32.11	12.00	16.90	74.44	22.72	12.51	23.34	5
District										
Colombo	0.14	6.00	4.89	37.25	1.20	23.40	5.19	24.29	13.02	2
Gampaha	0.05	4.90	18.60	2.50	4.60	33.66	12.81	16.55	12.40	1
Kalutara	0.06	7.80	31.09	3.50	3.10	48.73	15.56	14.04	16.21	3
Kandy	0.10	10.10	25.73	20.50	1.10	47.71	16.82	14.36	17.39	4
Matale	0.10	13.50	27.27	2.25	5.20	72.76	21.00	15.27	21.50	9
Nuwara Eliya	0.09	22.30	25.25	18.75	58.10	74.57	35.38	17.56	30.54	17
Galle	0.08	9.00	39.32	9.50	4.05	52.39	20.56	13.48	18.61	5
Matara	0.08	11.40	37.21	10.75	5.80	50.92	15.65	18.84	19.32	7
Hambantota	0.06	13.10	28.32	11.00	15.90	74.37	24.53	12.59	23.33	11
Kurunegala	0.09	8.80	27.47	1.75	10.90	76.62	29.84	12.80	22.21	10
Puttalam	0.09	7.30	28.32	5.75	14.70	60.80	30.84	6.30	19.05	6
Anuradhapura	0.15	9.60	35.66	0.50	15.30	67.40	37.23	6.39	21.31	8
Polonnaruwa	0.15	9.50	63.72	3.75	24.70	77.05	26.15	20.25	27.69	15
Badulla	0.10	18.30	54.36	15.75	41.10	63.70	29.20	10.01	27.05	14
Moneragala	0.09	15.90	47.33	8.50	31.10	83.23	39.01	10.18	28.73	16
Ratnapura	0.10	13.00	44.16	21.00	17.20	75.33	25.29	9.55	25.30	13
Kegalle	0.05	9.30	52.18	3.00	16.60	73.54	20.15	15.60	24.08	12
Sri Lanka	0.09	8.90	27.91	13.50	15.92	56.23	23.84	8.69	17.76	

Fig 2.1

Population Without Access to Electricity (%)



Electricity is important for a variety of dimensions of social and economic well-being

Hence, the large proportions of the population that do not have access to electricity experience a major source of deprivation. In particular, in areas where lack of access to electricity is caused by physical non-coverage of the supply network, the scope for economic activity, especially industrial production, is severely limited.

There are two main reasons for the inadequate level of electricity coverage:

- i. Slow expansion of the government electricity network in the past. In particular, electricity delivery to rural regions around the country was very slow. However, with population growth in these areas over time, the proportion of people without access to electricity has increased.
- ii. The policy decision of the government, in recent times, not to undertake direct state production, but encourage private investment through BOO (build, own and operate) and BOT (build, own and transfer) schemes. This attempt has generally been a failure. The installed capacity for power generation in the electricity industry remained constant, at 1,409MW, from 1992-1995. It was only in 1996, when a power crisis occurred, that government took emergency measures to expand power generation. This policy of relying on BOO and BOT schemes to expand power generation should be seriously re-considered by the government.

Box 2.1

The Importance of Electricity for Human Development and Poverty Reduction

The availability of electricity in an area promotes the potential for human development and poverty alleviation in several ways.

- The scope for productive economic activity in the industrial and service sectors takes a mega leap upwards, as the use of modern equipment and machinery, embodying a current technology, becomes feasible. In the absence of electricity, the level of technology that can be used in economic production activities is limited to a very primitive level.
- Modern educational quality inputs, like audio-visual equipment and computers, become feasible for instruction in schools. Without electricity, schools are limited to the use of old fashioned equipment.
- The quality of health facilities available improves. With electricity, relatively advanced medical equipment can be operated. If an area lacks electricity, the health facilities available are restricted to a primitive level.
- Individuals living in areas covered by the electricity network are able to access the world of information and learning, through television, radio and computer, to a degree inconceivable in areas where electricity is not available.
- The amount of time available to individuals is considerably greater in areas where electric lighting is available. Where electric lighting is not available, the range of activities that can be undertaken after dark is severely limited.
- Physical safety improves substantially when an area receives electricity.

2.3.2 ILLITERACY AND SCHOOLING NON-ENROLMENT

Adult illiteracy is low in nearly All districts

Adult illiteracy is generally low in the country, with less than 10% illiterate [see Figure 2.2]. However, one district, Nuwara Eliya, has illiteracy levels considerably worse than the others, with 22% of the population illiterate. The next worst illiteracy levels are in Badulla, 18% and Moneragala, 16%. Note that these are among the poorest districts. Other districts where illiteracy rates are comparatively poor are Matale, Hambantota, Ratnapura, Matara and Kandy. Illiteracy is lowest in Gampaha, with 5% and Colombo, 6%. Districts like Puttalam, Kalutara, Kurunegala, Galle, Kegalle, Polonnaruwa and Anuradhapura also perform relatively well in terms of the proportion of their populations that is literate.

country is the presence of older adults who were not exposed to education in their youth. Adult education programs to improve literacy need to be developed to overcome this problem.

Education non-enrolment at the basic, junior secondary level (grades 1-9) is low at the overall country level, 9% [see Figure 2.3]. The main reason for the low level of education deprivation is the extensive coverage of free public schools throughout the country. These schools ensure that access to education is universally available.

Schooling non-enrolment is generally low but exhibits wide regional variations

The levels of illiteracy in Nuwara Eliya, Badulla and Moneragala are high for a country like Sri Lanka where gross primary enrolment of 100% was attained nearly two decades ago. The main cause of illiteracy in the

However, the low overall non-enrolment rate masks some sharp regional disparities. The gap between the districts with the lowest non-enrolment, Puttalam 6% and Anuradhapura 6%, and the districts with the highest non-enrolment, Colombo 24%, Polonnaruwa 20%, Matara 19% and Nuwara Eliya 18%, is high.

Fig 2.2

Adult Illiteracy by District (%)

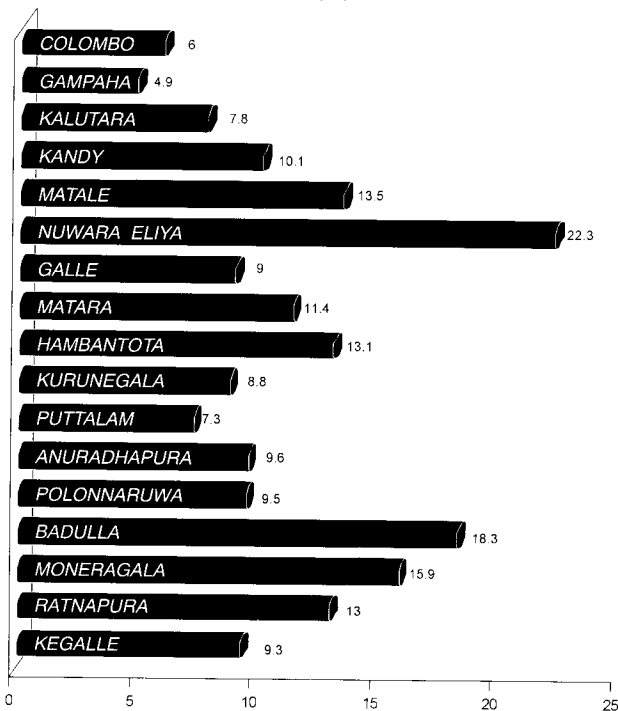


Fig 2.3

Schooling Non Enrolment Rates by District (%)



ACCESS TO DRINKING WATER 2.3.3

Human poverty is high in areas where the population has poor access to safe drinking water [see Table 2.2. and Figure 2.4]. In three of the poorest districts, Polonnaruwa, Badulla and Kegalle, over 50% of the population lack access to safe water. In two other poor districts, Moneragala and Ratnapura, above 40% of the population suffer water related deprivation.

Colombo performs substantially better than other regions in access to safe drinking water, with only 5% of the population lacking safe water. Gampaha performs next best, with only 19% of the population suffering water related deprivation.

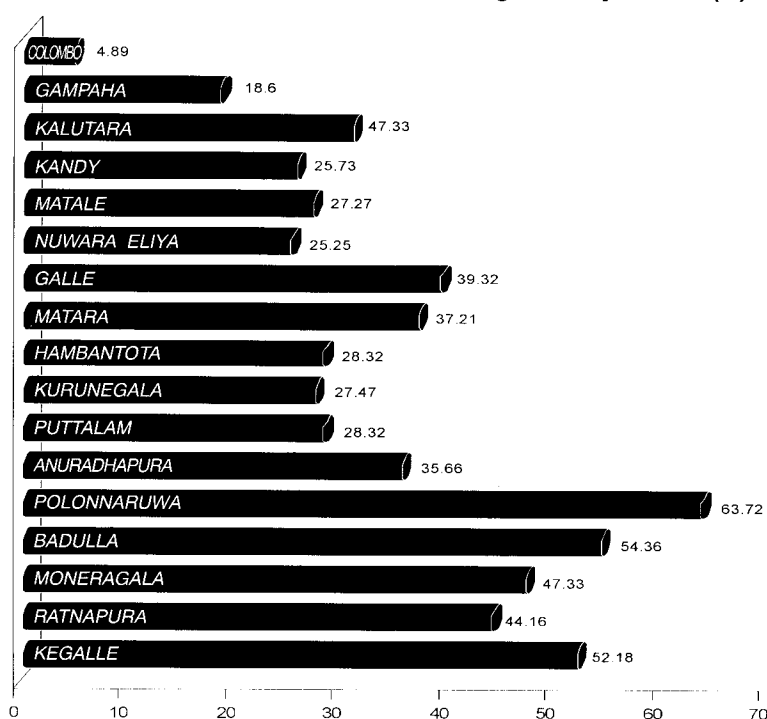
In general, regional disparities in water deprivation are high. The difference between the

best district, Colombo 5%, and the worst district, Polonnaruwa, 64%, is very large. Similar large regional disparities are evident between Colombo and poor districts like Badulla and Kegalle.

Further, all districts apart from Colombo suffer from relatively high levels of water related deprivation. It should be observed that in all districts apart from Colombo and Gampaha more than 25% of the population lack access to safe water. This is a high level of deprivation on an indicator that reflects a basic human survival need. The main reason for this shortfall is the limited coverage of the network of pipe-borne water, which is mainly confined to the Western Province and principal cities and towns in other regions.

Considerable further progress is required to ensure access to safe drinking water for the population

Fig 2.4
Population Without Access to Safe Drinking Water by District (%)



2.3.4 SANITATION FACILITIES

Coverage of sanitation facilities needs substantial improvement

The level of human poverty is closely correlated with the scarcity of adequate toilet facilities [see Table 2.2 and Figure 2.5]. Three of the poorest districts, Moneragala, Anuradhapura and Nuwara Eliya, have high proportions of their populations, 39%, 37% and 35% respectively, lacking access to adequate sanitation. However, districts where human poverty is low, like Colombo, Gampaha, Kalutara, Kandy and Matara, also suffer low levels of sanitation related deprivation.

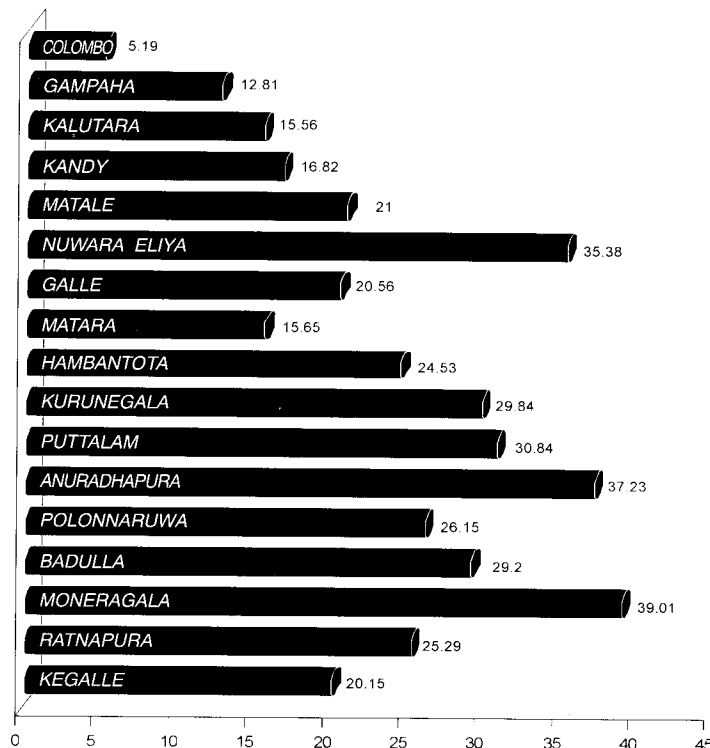
The regional pattern of access to adequate sanitation shows relatively wide disparities. In Colombo, only 5% of the population do not have adequate hygienic sanitation facilities. The gap between Colombo and districts

like Moneragala, Anuradhapura and Nuwara Eliya, is very large. Similarly, there is a considerable degree of disparity between Colombo, Gampaha, Kalutara, Kandy and Matara on the one hand and the rest of the country on the other. Apart from these five districts, in all other areas over 20% of the population suffer deprivation in this dimension of basic human need.

The shortfalls in access to safe sanitation can be attributed mainly to the limited coverage of the sewage disposal system, which is confined to principal cities and major towns, and the lack of facilities for adequate sewage treatment in the country.

Fig 2.5

Population Lacking Access to Safe Sanitation by District (%)



MATERNAL AND CHILD CARE 2.3.5

Human poverty is generally high in districts where the proportion of births in medical institutions and the extent of child immunization are low [see Figure 2.6 and Table 2.2]. Nuwara Eliya has the poorest level of maternal and child health, with 38% suffering deprivation in this dimension of human well-being. Badulla is next worst, with 28% deprivation. Districts like Moneragala, Ratnapura, Polonnaruwa and Hambantota, which rank badly on human poverty, also have weak health care performances. In particular, Nuwara Eliya, Badulla, Moneragala and Polonnaruwa have high rates of child births outside medical institutions. In Nuwara Eliya this rate is as high as 58%, while in Badulla and Moneragala the rates are 41% and 31% respectively.

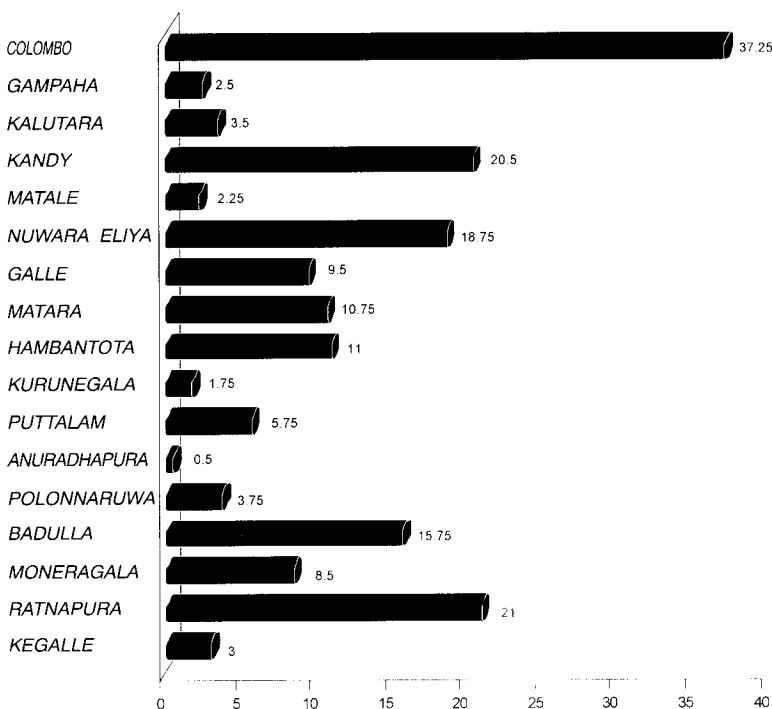
There are two main reasons for the shortfalls in health care in the Nuwara Eliya, Badulla, Ratnapura, Moneragala and Polonnaruwa districts.

- i. The low quality of health care facilities available in the rural and remote areas of these districts.
- ii. Relatively low awareness of health risks among the less educated members of the population.

Two districts, Colombo and Kandy, stand out as exceptions. These districts perform well on the human poverty index in general, but poorly on child health immunisation index. Colombo, with 37% ranks at the bottom with Ratnapura 21% next. These are important findings, suggesting that the formal health delivery system is not reaching substantial segments of the population within these districts. The responsibility for immunization campaigns in Colombo and Kandy are borne by the municipal councils. Evidently, the municipal councils are failing to discharge this responsibility adequately. This is especially likely to be the case with regard to the urban poor dwelling in slums.

There are wide disparities in child births not in hospitals and surprising weaknesses in maternal and child immunization coverage.

Fig 2.6
Children Not Fully Immunized by District (%)



2.3.6 PROBABILITY OF DEATH BEFORE AGE 40 IS GENERALLY LOW

The proportion of population dying before age 40 is very low in the country as a whole, less than 1 per 100,000 in all districts (see Fig. 2.7). The range of variation among districts is also low, with a minimum 0.05 per 100,000 in Kegalle and Gampaha and a maximum of 0.15 per 100,000 in Polonnaruwa and Anuradhapura. This low death rate under age 40 is consistent with the pattern of high

life expectancy observed in the various districts.

The secessionist conflict in the North-Eastern Province, however, is clearly likely to have increased the proportions of people dying before age 40 in these areas. Hence, this component is likely to have been severely affected by the secessionist conflict.

Fig 2.7
Proportion of Population Dying Before Age 40 (per 100,000)



Comparison of human development and human poverty rankings shows that, in general, the degree of correlation between the two indices is moderate [see Table 2.3]. Some districts, like Kalutara, Colombo and Gampaha, have high human development and low human poverty. Other districts, like Badulla, Moneragala, Kegalle, Ratnapura, Puttalam and Hambantota, have low human development and high human poverty. Thus, the levels of human development and human poverty in these districts are closely related.

However, in other districts, the relationship between the two indices is far less close. Kandy and Matara have low levels of human development, but also low human poverty. Nuwara Eliya and Polonnaruwa have high human development, but also high human poverty. Kurunegala and Anuradhapura, too, have performed relatively well on human development and comparatively badly on human poverty. In contrast, Galle district has performed relatively well on human poverty but comparatively badly on human development.

Some districts with high human poverty also have low per capita incomes. Thus, Moneragala, Ratnapura, Kegalle and Hambantota have relatively high human poverty and low levels of per capita income. Other districts, like Nuwara Eliya, Anuradhapura and Polonnaruwa, have high levels of per capita income, but also high

human poverty. Areas like Colombo, Gampaha and Kalutara have high incomes and low human poverty. Districts like Kandy, Galle and Matara have comparatively low incomes and low human poverty. Hence, the correlation between poverty and income, too, is not very close. However, this relationship is closer than that between human development and human poverty.

The differences in the patterns of human development and human poverty between districts appear to be based partly on geographical location. The networks of physical infrastructure in electricity, roads, communications, pipe-borne water, and sewage disposal, have the Colombo district as their hub. As these facilities radiate outwards from Colombo, the extent of coverage and quality of services delivered tends to deteriorate. In consequence, districts located relatively far away from Colombo have weak social provisioning for infrastructure and suffer high levels of human poverty.

Human development achievements, in contrast, are more closely linked to the economic productivity of the district. Government investments through large-scale irrigation and rural development programs have had a major impact on economic production at district level. These, in turn, have affected the pattern of human development outcomes.

Human development attainments and human poverty levels among districts Are imperfectly correlated

Table 2.3

Ranking of Districts According to Human Development and Human Poverty Achievements.		
District	HDI Per Capita Rank	HPI Rank
Colombo	6	2
Gampaha	5	1
Kalutara	1	3
Kandy	17	4
Matale	12	9
Nuwara Eliya	7	17
Galle	11	5
Matara	15	7
Hambantota	9	11
Kurunegala	2	10
Puttalam	13	6
Anuradhapura	4	8
Polonnaruwa	3	15
Badulla	14	14
Moneragala	16	16
Ratnapura	8	13
Kegalle	10	12

Overall, the level of human poverty in Sri Lanka is substantial. Deprivation is experienced most acutely in energy infrastructure, safe water, sanitation and access to a good road network. Further, district wise variations in these aspects of deprivation are large. There are also important deficiencies in the provision of basic health care, and significant regional disparities that need correction.

The combined findings from the human development index and the human poverty index show that only the three districts in the Western Province, Colombo, Gampaha and

Kalutara, perform well in terms of both human development and human poverty. Hence, considerable further progress is needed in other areas of the country. This need is most acute in the Uva Province, where the two districts, Badulla and Moneragala, perform badly in both human development and human poverty. The two districts in the Sabaragamuwa Province, Kegalle and Ratnapura, too, display low levels of human development and high levels of human poverty. Nuwara Eliya and Polonnaruwa also experience substantial human poverty. These districts need priority investment and policy attention.

Box 2.2

Better Transport Networks are Needed to Facilitate Economic Activity

The coverage and quality of the road transportation network have been a major constraint on economic production in recent years [see Table 10 for data on road coverage]. The extent of road availability has remained relatively constant during the past decade. The vehicle fleet, however, has grown substantially during this period. In consequence, problems of congestion and pollution have begun to assume major proportions in large cities. Congestion has also begun to affect traffic flows between principal cities and towns.

The problem has been compounded by the structure of the road network, which was essentially laid out in the nineteenth and early twentieth centuries. In consequence, roads are narrow and typically follow natural barriers rather than smoothen them. Road layouts have also failed to optimize land use. Resource constraints for maintenance and repair work, and inefficient construction methods, have also caused the quality of roads available to deteriorate relatively rapidly.

The inefficient transport network has inhibited access to production inputs, increased production costs, raised distribution costs and restricted access to markets. Modernization of the road network to facilitate economic activity is urgently needed. This would include the expansion, repair and strengthening of existing roads; the opening of new roads, including alternative routes to congested roads; and the upgrading of rural roads. Further, investment in roads should award priority to enhancing land use.

CHAPTER THREE

GENDER DEVELOPMENT AND EMPOWERMENT :
ACHIEVEMENTS AND CHALLENGES

The level of gender development in a country or region is measured in terms of relative achievements and shortfalls between men and women in the three dimensions of human development: (i) the opportunity to lead a long and healthy life; (ii) acquire the capabilities that arise through access to the world of information and learning; and (iii) enjoy a decent standard of living through access to adequate economic and social resources. The gender development index, GDI, is defined on the same set of characteristics as the human development index, life expectancy, literacy and schooling enrolment, and real income, but differentiated by gender.

3.1 GENDER DEVELOPMENT IN SRI LANKA IN COMPARISON TO THE REST OF THE WORLD

The level of gender development in Sri Lanka is moderate [see Table 3.1]. Women have attained only 69% the level of human development achieved by men. Gender parity between men and women is achieved when the GDI equals 100%. Hence, considerable further progress is needed in human development among women before equality with men is established.

However, Sri Lanka has made considerable progress in promoting human development among women in comparison to other developing countries and the rest of the world.

The GDI in Sri Lanka, 69%, is considerably above the average for all developing countries, 56%. It is also above the world average, 64%.

Female human development achievements in Sri Lanka are higher than developed country averages and the mean level for the world in all the components of the GDI. The level of achievement is clearest in longevity, where Sri Lankan women enjoy life expectancy several years above the world and developing country averages, and very close to the levels observed in industrial countries.

Table 3.1

Gender Development Performance of Sri Lanka Compared to International Levels, 1994

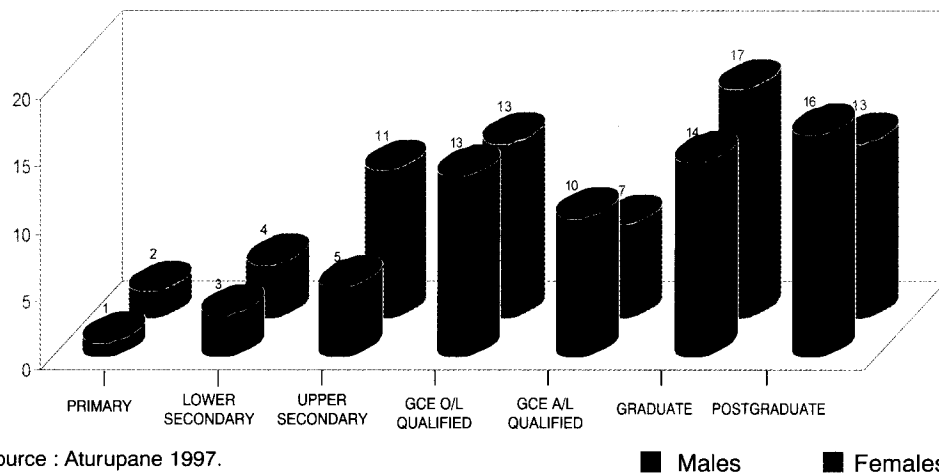
Country Group	Life Expectancy at Birth (years)		Adult Literacy Rate %		Combined Primary, Secondary and Tertiary Gross Enrolment Ratio %		Earned Income share %		GDI Value
	Female	Male	Female	Male	Female	Male	Female	Male	
Sri Lanka	74.6	70	86.9	93.2	68	65	34.5	65.5	0.694
All Developing Countries	63.5	60.6	60.3	78.4	51.6	60.3	31.7	68.4	0.555
Least Developed Countries	51.2	49.1	34.7	56.6	30.7	40	33.1	67.2	0.323
Industrial Countries	77.8	70.2	98.5	98.5	83.9	81.5	37.7	62.4	0.856
World	65.4	61.8	70.8	83.5	57.1	63.9	33.3	66.9	0.637

Source : Human Development Report, 1997.

Note : The GDI rank for Sri Lanka is 70 from 146 countries.

Fig 3.1

Private Rates of Return to Education by Gender (%)



Source : Aturupane 1997.

Female literacy rates and schooling enrolment rates in Sri Lanka are also substantially higher than developing country and world averages. However, further progress is needed to catch up with attainment levels in industrial countries. The average earned income share of women in Sri Lanka is again higher than the average shares earned by women in developing countries and the rest of the world, but only marginally. It is also only just below the average share of income earned by women in industrial countries.

The relatively strong level of gender development attained by women in Sri Lanka can be directly traced to government policy to provide access to free general education and basic health care for all citizens. State investment in education has contributed to enhancing human development among women in several ways:

i. Labour force participation and labour market performance have improved among women. The spread of female education has caused the share of women choosing to enter the labour market to rise over time. Educated women also enjoy rates of return to education comparable to men [see Figure 3.1].

- ii. Education has increased health awareness and enhanced the ability of women to improve health behaviour and outcomes among their families and local communities.
- iii. Education has improved fertility control and strengthened family planning. This has been one of the main factors responsible for the rapid decline of the population growth rate in the country.
- iv. Education has improved nutrition awareness and behaviour among women, with beneficial effects on family health.

Access to free public health care, reinforced by strong direct interventions to promote maternal and child health, has also been among the major factors responsible for the high level of life expectancy among women.

Gender development disparities among districts are moderate

The patterns of gender development among districts reveal only moderate disparities [see Map 3.1. and Table 3.2]. Gender disparities are lowest in the two districts in the North Central Province, Anuradhapura and Polonnaruwa. Nuwara Eliya, Gampaha and Colombo have the next lowest disparities in gender development. The Puttalam district has the highest level of disparity in

gender development. The next highest level of gender disparity is found in Kandy.

The degree of regional variation in gender disparities is generally moderate. The gap between Polonnaruwa and Anuradhapura, which are high achievers, and Puttalam and Kandy, which are low achievers, is sharp. The rest of the districts cluster close to the mean

Map 3.1

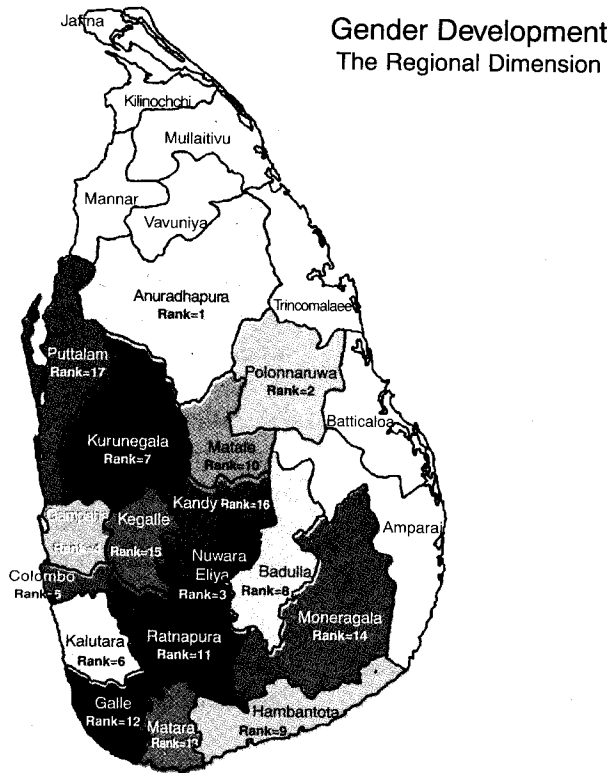
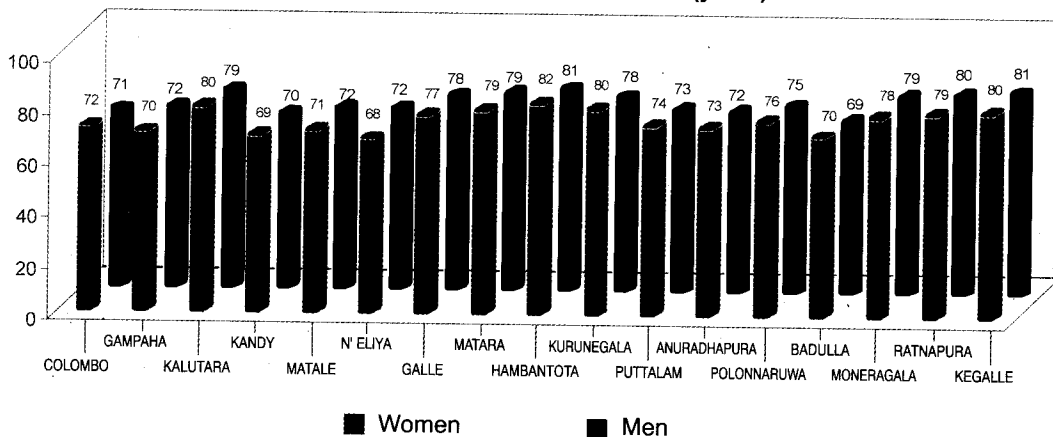


Fig 3.2

Gender pattern of life expectancy across districts (years)



GENDER DEVELOPMENT DISPARITIES AMONG DISTRICTS

level. This suggests that the overall status of human development attained by women is fairly evenly distributed in the country.

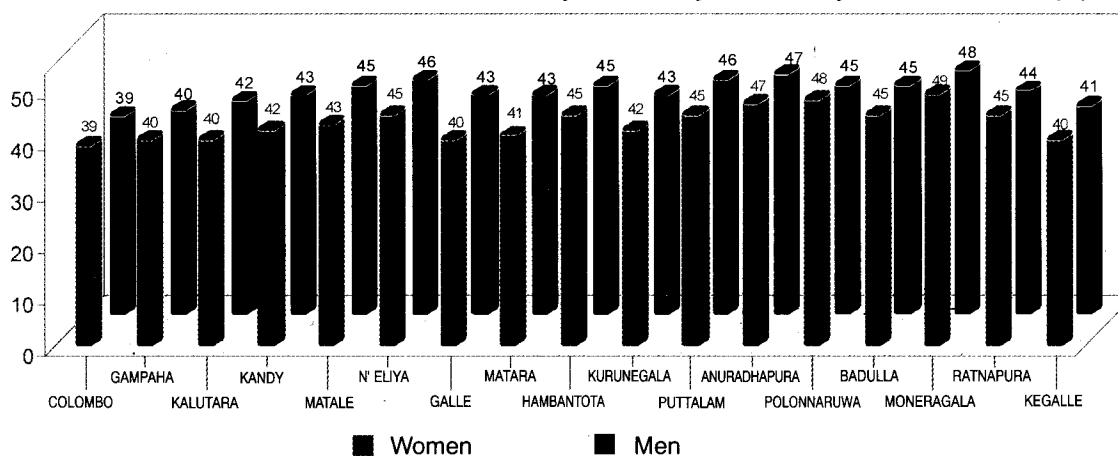
This finding can be attributed mainly to the relatively even distribution of life expectancy levels and education attainments [see Figure 3.2, Figure 3.4 and Table 11]. Life expectancy is high among both men and women due to the good state health facilities, education levels and social welfare support systems. Educational attainment, too, is evenly balanced between men and women, at 43% among men and 42% among women. Females tend to have higher education enrolment rates, especially in secondary schooling, than males. However, this advantage is offset by lower female adult literacy rates. The higher secondary education enrolment among females can be attributed to a lower opportunity cost of time spent in school during the middle and late teenage years. In contrast, the lower female adult literacy rate reflects gender differentials in investment in education during past generations that have been unfavourable to women.

Table 3.2

Regional Variations in Gender Development, 1994					
Province	Life Expectancy Index	Education Index	Income Index	G.D. I	Rank
Western	0.816	0.770	0.710	0.493	2
Central	0.755	0.753	0.648	0.467	3
Southern	0.905	0.764	0.554	0.439	5
North Western	0.854	0.782	0.479	0.420	7
North Central	0.816	0.793	0.879	0.557	1
Uva	0.817	0.769	0.566	0.445	4
Sabaragamuwa	0.917	0.745	0.537	0.427	6
District					
Colombo	0.775	0.778	0.693	0.490	5
Gampaha	0.766	0.781	0.738	0.506	4
Kalutara	0.908	0.750	0.699	0.483	6
Kandy	0.741	0.765	0.442	0.402	16
Matale	0.775	0.769	0.617	0.462	10
Nuwara Eliya	0.748	0.726	0.885	0.537	3
Galle	0.875	0.775	0.500	0.425	12
Matara	0.900	0.754	0.503	0.419	13
Hambantota	0.942	0.764	0.659	0.474	9
Kurunegala	0.900	0.777	0.670	0.482	7
Puttalam	0.808	0.787	0.288	0.358	17
Anuradhapura	0.792	0.788	0.886	0.558	1
Polonnaruwa	0.841	0.799	0.871	0.557	2
Badulla	0.742	0.766	0.671	0.479	8
Moneragala	0.892	0.773	0.461	0.411	14
Ratnapura	0.908	0.741	0.601	0.447	11
Kegalle	0.925	0.748	0.472	0.407	15
Sri Lanka	0.838	0.767	0.627	0.465	

Fig 3.4

The Gender Pattern of Combined Primary, Secondary and Tertiary Enrolment Rates (%)



3.2.1 WOMEN PARTICIPATE STRONGLY IN LABOUR MARKETS IN DISTRICTS WITH HIGHER GENDER DEVELOPMENT LEVELS

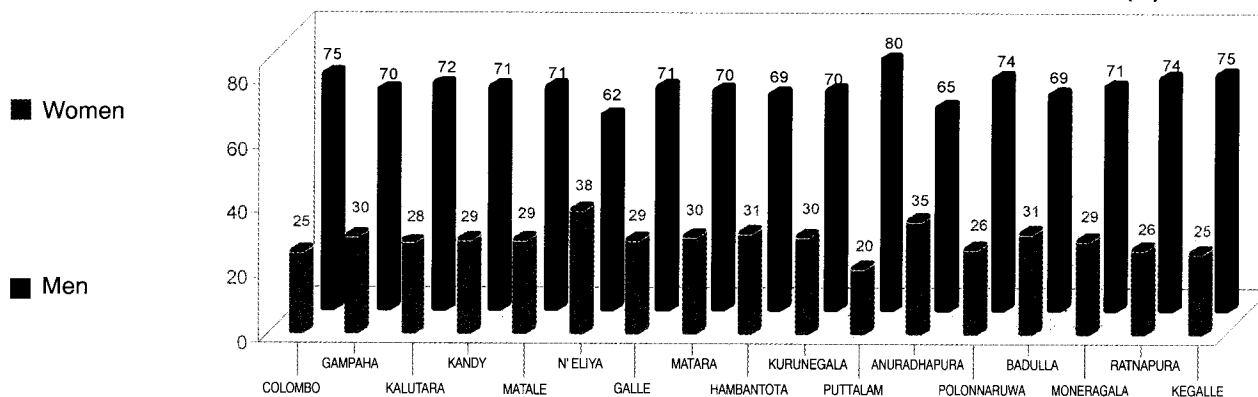
The Anuradhapura, Polonnaruwa and Nuwara Eliya districts perform well on the GDI because a large proportion of women in these areas are engaged in productive market activity. The rapid growth in the agricultural sectors of the Anuradhapura and Polonnaruwa districts, too, has increased female participation in agricultural economic activity, especially paddy farming and non-traditional crops. In consequence, the share of economic production accruing to women in these districts has been relatively even. Women in Anuradhapura earn 89% the level of income earned by men [see Table 3.2]. Female earnings in Polonnaruwa is 87% the level of male earnings. The prosperity of the Nuwara Eliya district is mainly due to the tea plantations. Women have traditionally been engaged in work on the tea plantations for generations. Further, their wages are protected by minimum wage legislation which is enforced, and periodically revised, through the political pressure of strong labour unions in the estate sector. In consequence, women in the Nuwara Eliya district earn 89% the level of income earned by men.

In contrast, the districts that perform relatively poorly in gender development, Puttalam, Kandy, Kegalle and Moneragala all share a common feature; the income earned by women, as a proportion of male incomes, is relatively small. In all these four districts the average income received by women is less than 50% the average income enjoyed by

men. The low level of income received by women in Puttalam can be attributed partly to cultural factors. Puttalam has a large community of Moors and Malays, among whom female labour force participation has been relatively low, especially among older and less educated women. However, with rising education attainments, younger women have been entering the labour market in larger numbers. The low income levels received by women in Kandy, Kegalle and Moneragala can be attributed to the weak economic performance of these districts. With low economic growth, the expansion of demand for female labour has been moderate. This has constrained female employment and restricted earnings.

It should be noted that female participation in economic activity in the high performing districts is mainly in low-skilled agricultural jobs and medium level service sector activities. The bulk of economic activity in districts like Anuradhapura, Polonnaruwa and Nuwara Eliya which are predominantly agricultural districts, is at low to medium skill levels. Hence, the economic performance of women in these districts appears comparable to that of men. However, the economic performance of women in districts like Colombo, with a higher proportion of skilled, professional and managerial jobs, is clearly lower than men, reflecting lower female presence in higher level occupations.

Fig 3.5 Gender Differences in Earned Income Shares of Districts (%)



The gender empowerment index seeks to measure the extent to which women have been empowered in the political and economic spheres of life relative to men. This measure complements the notion of gender development and evaluates the actual achievements of women in reaching the higher levels of economic performance and political decision-making power.

Estimates of the gender empowerment index, GEM, relative to international achievements, are shown in Table 3.3.

The overall level of gender empowerment in the country is low. Women only possess 31% the level of economic and political decision-making power enjoyed by men. This is below the average attainment levels in developing countries, 37%, and the rest of the world, 42%. The GEM for Sri Lanka is pulled down by the small proportion of seats in parliament held by women, just 5%, and a relatively low ratio of female professional and technical workers, 25%. Both these components of the GEM index show Sri Lanka performing below the average achievements of developing countries and the rest of the world. In terms of the proportion of female administrators and managers, and the earned income share of women, the performance of Sri Lanka is above the average for developing countries and the world average. However, the level of achievement still falls considerably short of establishing parity between men and women.

The main constraint on gender empowerment, in terms of access to political decision-making power and higher level economic activity, appears to be gender stereotyping and the slow pace of transformation of traditional role models of women. Thus, seeking political office appears to be a rare activity for a woman, unless she comes from a family where her father or husband was a politician. Also, it was only from the 1970s onwards that women really began to enter the labour market in large numbers. Previously, the majority of women tended to see their role as that of a housewives. Hence, there has not yet been time for a substantial proportion of women to reach positions of authority and higher responsibility in firms and government. This situation is likely to change as the number and proportion of educated women in the labour market increase over time.

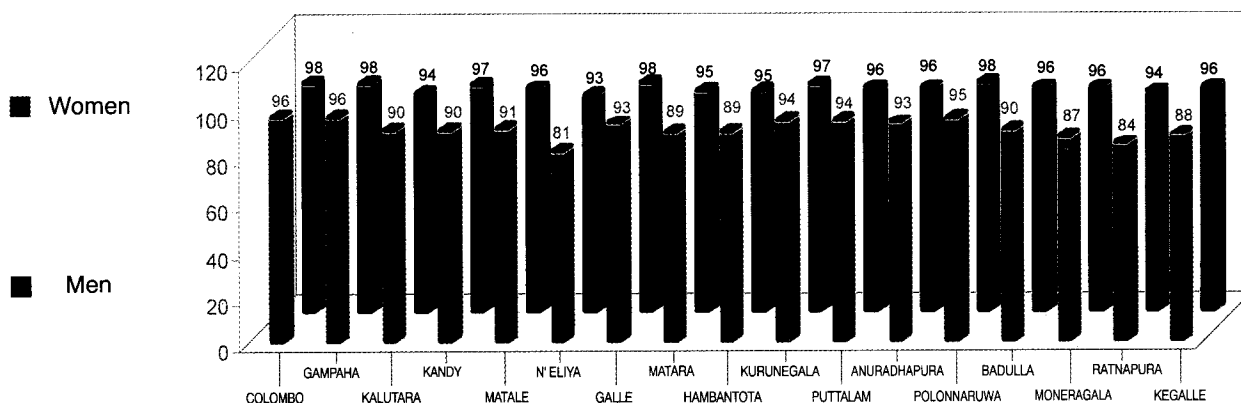
Table 3.3

Gender Empowerment Performance of Sri Lanka in International Context (% women)

	Sri Lanka	All Developing Countries	Industrial Countries	World
Seats held in Parliament	05.3	12.7	13.6	12.9
Administrators and Managers	16.9	10.0	27.4	14.1
Professional and Technical Workers	24.5	36.7	47.8	39.3
Earned Income Share	34.0	30.0	40.0	30.0
GEM Value	0.307	0.367	0.586	0.418

Source : Human Development Report, 1997.
 Note : The GEM rank for Sri Lanka is 22 from 94 countries.

Fig 3.3 The Gender Pattern of Literacy Across Districts (%)



3.3.1 REGIONAL DISPARITIES

Levels of gender empowerment are low in all districts

Gender empowerment is poor among all districts [see Map 3.2 and Table 3.4]. The highest level of gender empowerment is found in the Nuwara Eliya district, with a GEM of 34%. Anuradhapura, GEM 32%, ranks second. Gampaha, GEM 30%, comes third, while Polonnaruwa, GEM 30%, ranks fourth. The Puttalam district ranks last in gender empowerment, with a GEM of 2.9%, which is way below other districts. Kandy, with a GEM of 10% ranks next from the bottom, followed by Moneragala, GEM

11%, and Kegalle, GEM 12%. These findings are consistent with the district wise pattern of gender development. The set of districts that ranked high in terms of the GDI index also comes at the top on the GEM index ranking. Similarly, the districts that ranked low on the GDI index also rank at the bottom on the GEM index.

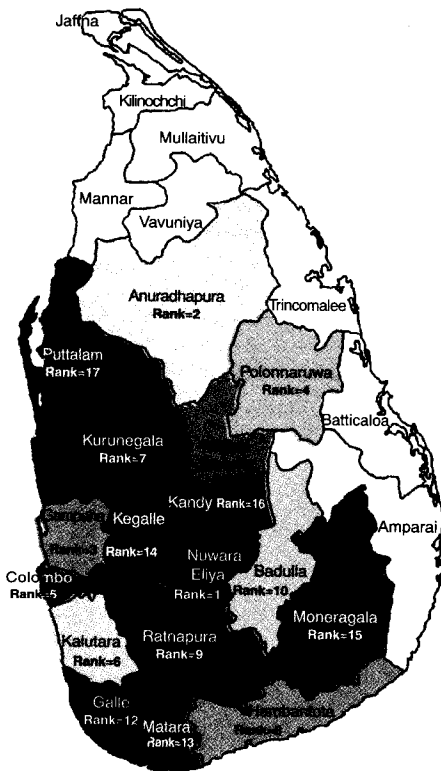
Table 3.4

Regional Variations in Gender Empowerment, 1994

	Parliamentary Seats held by Females	Female Administrators and Managers	Female Professional and Technical Workers	Income Index	GEM Index	Rank
	%	%	%	%		
Province						
Western	0.069	0.101	0.402	0.710	0.283	2
Central	0.042	0.105	0.425	0.648	0.207	3
Southern	0.048	0.108	0.501	0.554	0.162	6
North Western	0.034	0.117	0.411	0.479	0.143	7
North Central	0.000	0.090	0.542	0.879	0.309	1
Uva	0.172	0.000	0.556	0.566	0.164	5
Sabaragamuwa	0.050	0.072	0.421	0.537	0.170	4
Districts						
Colombo	0.050	0.137	0.356	0.693	0.283	5
Gampaha	0.056	0.103	0.500	0.738	0.300	3
Kalutara	0.100	0.063	0.350	0.699	0.267	6
Kandy	0.000	0.091	0.474	0.442	0.104	16
Matale	0.000	0.125	0.395	0.617	0.181	11
Nuwara Eliya	0.125	0.100	0.405	0.885	0.336	1
Galle	0.000	0.088	0.437	0.500	0.132	12
Matara	0.000	0.136	0.454	0.503	0.126	13
Hambantota	0.143	0.100	0.614	0.659	0.228	8
Kurunegala	0.067	0.115	0.500	0.670	0.257	7
Puttalam	0.000	0.118	0.323	0.288	0.029	17
Anuradhapura	0.000	0.063	0.561	0.886	0.319	2
Polonnaruwa	0.000	0.118	0.523	0.871	0.299	4
Badulla	0.143	0.000	0.500	0.671	0.216	10
Moneragala	0.200	0.000	0.611	0.461	0.112	15
Ratnapura	0.100	0.067	0.456	0.601	0.218	9
Kegalle	0.000	0.078	0.386	0.472	0.122	14
Sri Lanka	0.058	0.088	0.461	0.627	0.205	

Map 3.2

Shortfalls in Gender Empowerment
The Regional Dimension



While all districts perform poorly in terms of gender empowerment, there are substantial disparities between districts [see Table 3.4]. A case of all districts being bad, but some districts performing much worse than others. Puttalam is clearly an outlier at the bottom. This district performs poorly on all components of the GEM index, and falls way below the rest of the country. The presence of communities in which even young women continue to be largely engaged in traditional household production activities rather than market production is likely to be the main reason for the low level of gender empowerment among women.

There is considerable disparity between the cluster of districts comprising Nuwara Eliya, Anuradhapura, Gampaha, Polonnaruwa, Colombo, Kalutara and Kurunegala, which has attained relatively high levels of gender empowerment, and the cluster of districts which hovers close to the bottom, Kandy, Moneragala, Kegalle, Matara, Galle and Badulla. At the province level the North Central and Western Provinces perform relatively well, while the North Western and Southern Provinces perform poorly.

The districts which have performed comparatively well in terms of gender empowerment are those that have prosperous economies. A wealthy regional economy can contribute to gender empowerment in two important ways.

- Economic prosperity increases the demand for female labour and raises female earnings. This increases female labour force participation, employment and incomes, and improves the economic well-being of women.
- Rapid growth increases the number and variety of administrative and managerial jobs available in the region. This expands the scope for educated women to obtain higher level managerial and administrative positions.

This suggests that gender empowerment can be substantially enhanced through the promotion of swift economic growth, especially in backward regions.

Political Empowerment of Women is Weak

Political empowerment of women is severely limited in all districts. In many districts, Kandy, Matale, Galle, Matara, Puttalam, Anuradhapura, Polonnaruwa and Kegalle, there is zero female representation in parliament. Even the best districts, Moneragala, Badulla, Hambantota and Nuwara Eliya, have very low proportions of female members in parliament. This can be attributed to several factors:

- Sri Lankan women appear to have low aspirations to political office. Research studies of female aspirations have suggested that women generally do not aspire to political office in parliament.¹ This is normal in countries where the first generation of women to enter the formal labour market is still in mid-career. It is only when a few generations of women have worked in the labour market that the next step, the entrance of substantial numbers of women into political activity, has usually taken place. However, with suitable social mobilization of women, it should be possible to speed up this process.
- The absence of female political role models. The very absence of female politicians, especially at the middle levels of parliament, the provincial councils and local authorities, deprives young women and girls of political role models to emulate. This again necessitates pro-active social mobilization of young women and girls.
- The high cost of political activity. Political activity is financially very expensive. Women, whose earnings normally fall below the levels of male earnings, typically find it more difficult to bear the expense of political activity. In addition, women are likely to face a higher opportunity cost, in terms of home production activities foregone due to time devoted to politics.

¹ Apart from a very small number of women from families whose male members have attained political prominence first

3.3.2

Strong disparities in Gender Empowerment exist among districts

There are few women at the administrative and managerial levels and in technical and professional occupations

The pattern of female economic empowerment at the administrative and managerial levels of private firms and governments is poor. In the two districts in the Uva Province, Badulla and Moneragala, female representation at this level is virtually non-existent. Even in the best districts, Colombo and Matara, less than 14% of occupations at these levels are filled by women.

There are several reasons for the low levels of female empowerment in the labour market.

- Late entry of women into the labour market. The first generation of women to enter the formal labour market on a widespread scale is still in the work place. The major proportion of these women entered the labour market in lower level occupations. Hence, the pool of women available to occupy administrative and managerial positions in the formal labour market has been limited.
- Constrained access to university education. The restriction on the number of places in state universities and the ban on establishing private universities have tightly constrained the supply of well-educated women in the country. This, in turn, has limited the stock of women available to take up positions in management and higher level administrative jobs.

- Low level of economic activity. A high performing economy generates considerable demand for labour at the managerial, administrative, professional and technical occupation categories. This opens up opportunities for educated women to obtain employment in these occupations. However, because the Sri Lankan economy has performed only moderately in the past, the range of jobs at the higher economic levels has been limited. This has restricted access of women into upper occupation categories. This has especially been the case in the poorer districts that have grown slowly.

Overall, the extent of gender empowerment among women falls well short of levels that should exist in a country like Sri Lanka, which provided universal adult franchise in 1930 and elected the first female Prime Minister in the world as far back as 1960.

Box 3.1

Expanding Access to University Education by Allowing Private Universities Could Enhance Gender Empowerment

Access to university education is tightly constrained in Sri Lanka, due to the state monopoly on university education. Less than 2% of the relevant age cohort is able to enter university. The government has been unable to expand the university system, which is provided free to students, due to budget constraints. The willingness to pay for university education, however, is high, with many prospective students going abroad, or paying fees to follow university degrees in courses offered by local branches of foreign universities. This clearly opens up the possibility of permitting private universities to be established. Enhanced access to university education would increase the number of highly educated women capable of assuming positions of professional and managerial responsibility. This would speed up and strengthen the process of gender empowerment.

There are sharp gender differences in unemployment rates in Sri Lanka [see Figure 3.6 and Table 3.5]. Aggregate unemployment among women, 22%, is more than double the level of unemployment among men, 11%. Also unemployment is substantially higher among women in all the districts.

The district which has the lowest rate of female unemployment is Nuwara Eliya, followed by Anuradhapura and Badulla. The relatively low rate of female unemployment in Nuwara Eliya and Badulla can be attributed to the tea plantations in these districts. Tea production, which is extremely labour intensive, has traditionally generated substantial employment opportunities for women in the plantation sector. The low rate of female unemployment in Anuradhapura can be attributed to rapid per capita economic growth experienced in this region in recent years. High and swift economic growth in the district is likely to have caused labour market opportunities to expand substantially. Male unemployment rates, too, are lowest in the two districts that enjoyed very rapid growth, Polonnaruwa, 3.7%, and Anuradhapura, 5.2%.

Table 3.5

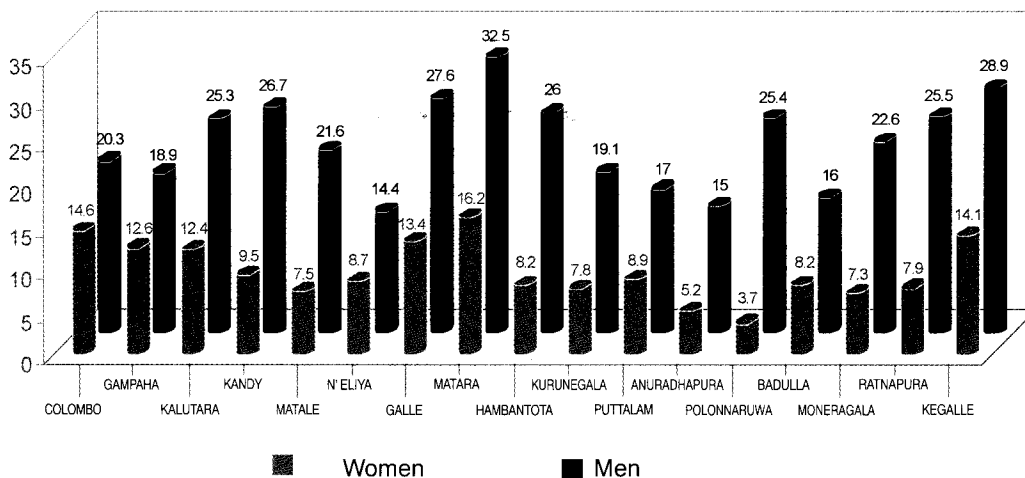
The Gender Distribution of Unemployment: Regional Patterns, 1992

District	Male Unemployment Rate	Female Unemployment Rate	Male Unemployment Rank	Female Unemployment Rank
Colombo	14.60	20.30	16	7
Gampaha	12.60	18.90	13	5
Kalutara	12.40	25.30	12	10
Kandy	9.50	26.70	11	14
Matale	7.50	21.60	4	8
Nuwara Eliya	8.70	14.40	9	1
Galle	13.40	27.60	14	15
Matara	16.20	32.50	17	17
Hambantota	8.20	26.00	7-8	13
Kurunegala	7.80	19.10	5	6
Puttalam	8.90	17.00	10	4
Anuradhapura	5.20	15.00	2	2
Polonnaruwa	3.70	25.40	1	11
Badulla	8.20	16.00	7-8	3
Moneragala	7.30	22.60	3	9
Ratnapura	7.90	25.50	6	12
Kegalle	14.10	28.90	15	16
Sri Lanka	10.70	22.20		

Source: Department of Census and Statistics.

Fig 3.6

Unemployment Rates by District



Unemployment in Sri Lanka: a predominantly female phenomenon?

Female unemployment is highest in the Matara district, followed by Kegalle and Galle. Districts like Kandy, Hambantota, Ratnapura, Polonnaruwa and Kalutara also have high female unemployment. There could be a variety of reasons for the observed high unemployment rates among women.

- Women may have higher reservation utility levels than men. A variety of factors affecting job choice, like working conditions and work environment, travel time from residence to work place, and living conditions in the area if a woman has to re-locate, often play a stronger role in a woman's decision to take a job than a man's choice of job. These factors would increase the reservation utility levels among women and make it harder for them to find satisfactory jobs in comparison to men.
- Gender stereotyping of occupations. Women in Sri Lanka search for jobs in a narrower range of occupations than men. For instance, women generally avoid jobs that demand arduous manual labour. Also, few women seek technical jobs, like carpentry, masonry, plumbing, electrical work, welding, metal work or mechanical work. The more restricted range of jobs sought by women decreases the probability of women finding jobs in comparison to men.
- Potential gender bias in labour demand. The pattern of demand for labour may exhibit gender bias against women.

By modern standards, the level of gender development and gender empowerment is low in the country as a whole. Sri Lanka needs to make considerable further progress in gender development and gender empowerment.

The education and health components of the gender development index show high attainment levels for women. This can be attributed to the long history of free state education and health in the country. Clearly, state delivery of social services has made a major contribution to improving the level of gender development among Sri Lankan women. This can be considered the first step in the process of gender development and gender empowerment.

However, the gender development attainments of districts decline drastically in terms of the economic achievements of women in comparison to men. Areas of the country where gender development is relatively high are those where women participate strongly in economic activities, like the Nuwara Eliya, Anuradhapura and Polonnaruwa districts. However, even in these districts, women are typically engaged in low status agricultural jobs.

Gender empowerment is low in all parts of the country. Further, all three components of the GEM index are responsible for the weak gender empowerment levels. Female participation in political activity is low. Women also tend to be poorly represented in the managerial, professional and technical occupations. In addition, the earned income shares of women are low in comparison to men. Overall, the area in which Sri Lanka needs to advance furthest in human development is in gender empowerment.



CHAPTER FOUR

CHALLENGES TO SOCIAL COHESION AND NATIONAL INTEGRATION:
THE SECESSIONIST CONFLICT IN THE NORTH EASTERN PROVINCE

CHALLENGES TO SOCIAL COHESION AND NATIONAL INTEGRATION: THE SECESSIONIST CONFLICT IN THE NORTH EASTERN PROVINCE

Challenges to ethnic harmony

The chief barrier to future progress in human development in Sri Lanka is the secessionist conflict led by the Liberation Tigers of Tamil Eelam (LTTE) demanding a separate state. This secessionist conflict has been responsible for considerable loss of life, displacement and migration of population, erosion of economic activity and violation of civil liberties and personal freedoms. The origins of the conflict are complex, containing a variety of political, economic, social, cultural and historical causes. There have also been several political attempts to solve the crisis, none of which has yet been successful. The major human development challenge confronting the country is to achieve a peaceful, political solution to the secessionist conflict.

THE CONTEXT OF THE SECESSIONIST CONFLICT

The history of organized armed militancy among guerrilla groups, based predominantly in the Northern Province, dates from the mid-1970s. The demand for a separate state, "Tamil Eelam", was also first put forward in the mid-1970s. The first victim of the militants was the Tamil Mayor of Jaffna, a close supporter of the government, in 1975. During the late 1970s and early 1980s there were several Tamil political parties and militant groups articulating the demand for a separate Tamil state. The democratic Tamil political parties mainly viewed this demand as a political bargaining measure to win concessions from the government on a variety of ethnic issues. However, the Tamil militant groups took this demand seriously.

The government responded to the demand for a separate Tamil state and accompanying militant action by Tamil guerrilla groups by seeking to devolve political power to the regions. The first such initiative was the District Development Councils (DDCs) in 1981. The elections to these councils were marred by violence. The DDC's were rejected by the Tamil political leadership, which ar-

gued that the degree of power devolved was inadequate. In July 1983, the LTTE ambushed and killed a patrol of soldiers in the vicinity of Jaffna. This sparked off a wave of violence against Tamils living in other parts of the country, and marked the first phase of open, large-scale hostilities between the government armed forces and the Tamil militant groups.

The conflict in the Northern Province escalated in two ways during the mid-1980s. First, the Tamil militant groups, through guerrilla warfare, progressively reduced the coverage of the government administration and increased their control of the Northern Province. Second, the LTTE destroyed the other Tamil militant activists, marginalized the elected Tamil political parties and claimed to be the sole effective group representing Tamil nationalist interests.

In 1987, the Sri Lankan government put forward a new political proposal to devolve power to the regions. This proposal, encompassed in the Indo-Lanka Peace Accord, was made legal in 1987, through the "Thirteenth Amendment to the Constitution", and al-

lowed the merger of the Northern and Eastern Provinces into a single North-Eastern Province as demanded by the LTTE and some Tamil political parties. It also created Provincial Councils, with administrative powers, in all the provinces. However, this initiative was rejected by the LTTE as failing to devolve adequate power.

The LTTE, after rejecting the 1987 provincial council system, commenced hostilities against the Sri Lankan and Indian armed forces, which had been sent to assist in the implementation of the devolution proposals. In 1988, with the election of a new President, a cease-fire agreement was reached between the government and the LTTE to engage in further dialogue, while the Indian armed forces were requested to leave. There was considerable violence during this period from the LTTE against other Tamil parties, as it was keen to assert its status as the sole representative of the Tamil people. After the departure of the Indian armed forces, in June 1990, the LTTE resumed hostilities, accusing the government of being unwilling to repeal a law banning secession and of engaging in dialogue with other Tamil parties. The period after 1990 also saw increasing violence by the LTTE outside the North-Eastern Province. Political assassinations attributed to the LTTE include those of a former Indian Prime Minister in 1991; the then President of Sri Lanka in 1993 and a Presidential candidate in 1994. The LTTE also undertook attacks against the Sinhalese living in the Northern Province in the mid-1980s and evicted the Muslim population from the Northern Province in 1990.

The present Sri Lankan government, when it assumed office in August 1994, strongly committed itself to obtaining a peaceful so-

lution to the civil conflict through greater devolution of political power. Negotiations between the government and the LTTE commenced in 1994. However, in April 1995, before the agreed date for the government to outline its devolution package in detail, the LTTE resumed hostilities.

The government has responded to the situation in three ways.

- (i) The development of a political package which seeks to transform the country into a union of regions, with all regions enjoying extensive political and economic autonomy. The spheres in which regions are to enjoy autonomy include legislative, executive and judicial powers, and cover such areas as public administration, law courts and enforcement, education, health, taxation and public revenues, land and natural resources, and foreign aid and international development assistance. This package is formulated to address the grievances articulated by Tamil political parties, and forms the basis for a potential political solution to the secessionist conflict. However, the devolution package is yet to be brought to parliament. The building of a consensus on the principles and structure of devolution is required.
- (ii) The government has sought to weaken the military power of the LTTE and regain control over areas held by the separatist group. In July 1995, the government initiated successive military operations in the Jaffna peninsula, and regained a part of the Northern Province, including Jaffna city. However, this was achieved partly by re-deploying sol-

diers from other conflict areas, enabling the LTTE to expand operations in the Eastern Province. The LTTE has also engaged in several attacks on economic and civilian targets in various parts of the country, such as the Central Bank, power generating stations, office complexes, and the sacred Buddhist Temple of the Tooth in Kandy. These attacks appear to be aimed at weakening the economy of the country by destroying assets and infrastructure, deterring foreign investment and harming tourism. After the attack on the Kandy Temple in January 1998, the government proscribed the LTTE as a terrorist organization. Currently the LTTE is also proscribed in countries like the U.S.A. and India.

(iii) The government has provided relief for war victims and displaced persons, as well as undertaken rehabilitation work in cleared areas. Government provision includes food relief, clothing and shelter, schooling arrangements for children, medical care and assistance to undertake income generating activities. NGOs and foreign donors have been actively encouraged to assist government in relief and reconstruction activities.

THE ECONOMY OF THE NORTH-EASTERN PROVINCE 4.1.1

The secessionist conflict in the North-Eastern Province has dramatically affected the economic performance of the former Northern Province. The size of the overall economy of the Northern Province shrank from SLR 14 billion (US\$ 350 million) in 1990 to SLR 10 billion (US\$ 250 million) in 1995 [see Ministry of Finance and Planning, Table 2]. This represented a negative annual average growth of 6.2% per year. The overall economy, in contrast, grew at an annual average rate of 5.5% over this period. Note that had the economy of the Northern Province remained constant between 1990-95, the overall average growth for the country would have been 6.3%. Had the Northern Province grown at the pace of the other provinces, the overall growth of the country would have been even greater. Thus, the secessionist conflict in the Northern Province cost the economy at least 1% per year in lost growth.

A war situation in a geographical region can damage its economy in several ways. Human resources, especially young men and women, are killed. Restrictions on movement of persons and goods adversely affect economic activity. Military operations destroy productive assets like infrastructure, property, goods and services. Other assets, including human resources, are diverted to economically unproductive military purposes. Private entrepreneurs and firms relocate investments elsewhere. New investments to the region are deterred. And maintenance and replacement activities decline, so that existing equipment, machinery and infrastructure depreciate rapidly. All these factors affected the economy of the Northern Province.

The conflict did not affect the Eastern Province as badly as it affected the Northern

Province, which was the main theatre of the secessionist conflict, during the period 1990-95. The economy of the Eastern Province grew from SLR 13 billion (US\$325 million) in 1990 to SLR 16 billion (US\$400 million) in 1995. This represented an annual average growth rate of 5% per year. However, the area of LTTE military operations widened to encompass parts of the Eastern Province from late 1995 onwards. The spill-over of the secessionist conflict to the Eastern Province is likely to have generated adverse economic effects in this region.

The economic performance of agriculture and primary production in the Northern and Eastern Provinces is shown in Table 12. The evidence reveals that the fisheries sector was the worst affected by the secessionist conflict. The value of production in the fisheries sector in the Northern Province declined from SLR 1.3 billion in 1990 to SLR 0.5 billion in 1995, a negative average growth rate of 12% per year. Military activity between the Sri Lankan Navy and LTTE boats constrained fishing in the seas off the coast of the Northern Province. This was a heavy blow to the region as fisheries was the single most important primary production activity in 1990, accounting for 35% of the sector.

Economic activity in coconut production and fire and forestry activities also declined during 1990-95. This can mainly be attributed to increased intensity of guerrilla activity in forest areas. The decline in fisheries, coconut and fire and forestry contributed to a decline in the overall performance of the agriculture sector. The value of output fell from SLR 3.6 billion (US\$ 90 million) in 1990, to SLR 3.2 billion (US\$ 80 million) in 1995.

4.1.2 AGRICULTURE, MANUFACTURING AND SERVICES

The agriculture and primary production sector in the Eastern Province performed relatively well during 1990-95, with an average annual growth rate of 16%. This was considerably higher than the overall growth rate of the province, 5% per year. It also substantially exceeded the growth rate of the sector for the country as a whole, 3% per year. The major contributions to the growth of the agriculture and primary production sector were made by paddy and other food crops. The value of paddy production increased from SLR 1.2 billion (US\$ 30 million) in 1990 to SLR 3.4 billion (US\$ 85 million) in 1995, while the value of other food crops produced rose from SLR 1 billion (US\$ 25 million) to SLR 2.5 billion (US\$62 million) during this period. The fisheries sector expanded rapidly, growing at 16% per year, partly as a result of fishing activities being transferred from the Northern Province to the Eastern Province.

Infrastructure services in electricity, gas and water, and construction activity, all declined in the Northern Province (Table 13). The government has restricted the supply of electricity to the LTTE controlled areas to prevent the LTTE using electric power to produce military equipment. The LTTE has destroyed electricity plants in government controlled areas. Construction activity declined due to the military conflict, with large numbers of buildings being damaged and new construction reduced to a minimum.

The manufacturing and service sector has grown modestly in the Eastern Province, increasing at an average rate of 11% per year. The main sources of growth were electricity, gas and water services, which grew by an average 27% per year and manufacturing, which experienced an annual average growth of 9% per year.

4.1.3 GOVERNMENT SERVICES AND TRANSPORTATION SERVICES

The level of government activity generally declined during 1990-95 in the Northern Province, mainly as a result of the resumption of the secessionist conflict by the LTTE from 1990-91 onwards [Table 14]. However, the scale of public administration rose, from SLR 0.9 billion (US\$ 24 million) in 1990 to SLR 1.1 billion (US\$ 28 million) in 1995. This increase partly reflected the greater magnitude of the task of administering a war-affected region, including providing refugee care and medical assistance. It also includes special allowances made to government officials serving in conflict areas.

The value of education services decreased sharply between 1990-91, when the LTTE

resumed hostilities. In 1990 the value of government education was SLR 0.3 billion (US\$ 9 million). This decreased to SLR 0.2 billion (US\$ 6 million) in 1991. The reduced scale of education activities was maintained subsequently, although the levels prior to 1991 were not recovered. Rail and water transport also declined sharply after the resumption of hostilities in 1991. Water transport suffered the most, with passenger ferry services and boat transport being virtually halted from 1991 onwards. Rail transport also fell, with the LTTE constraining railway activity to prevent the transfer of government troops to the northern areas.

Postal services and air transport increased in value as surface transport was curtailed. Currently, air / sea transport are the only means by which civilians can travel between Jaffna and Colombo. Also, a considerably large number of families in the Northern

Province receive remittance incomes from relations living elsewhere. These factors contributed to the expansion of postal services upto 1995. However, in more recent years the postal service has experienced severe difficulties in the Northern Province.

THE EDUCATION SECTOR 4.1.4

Government provision of universal free primary and secondary education continues in the North-Eastern Province. There are approximately 950 government schools in the Northern Province and about 925 in the Eastern Province. The student population in the Northern Province is approximately 292,000, giving an average school size of 300 children per school. There are also about 9,700 teachers, yielding a student-teacher ratio of 30:1. The Eastern Province has approximately 346,000 students, implying an average school size of 380. There are also about 14,000 teachers, yielding a student-teacher ratio of 25:1.

The secessionist conflict has adversely affected educational facilities in the Northern Province. Many schools have suffered physical damage to classrooms, buildings, furniture and equipment. Further, schools in war affected areas have experienced difficulty in recruiting and retaining suitably qualified teachers. Opportunities for pre-service and in-service teacher training are also severely limited in these areas. Children from families displaced by the secessionist conflict have suffered interruptions to their education. And the LTTE has a record of recruiting school-aged children to their cadres of fighters.

Despite the hardships experienced in the North-Eastern Province, the quality of education has remained roughly comparable with the rest of the country. The Northern Prov-

ince has the second highest ratio of advanced Type 1AB schools, next to the Western Province. The proportion of students passing the GCE (O/L) from the Northern Province has consistently been among the three highest in the country. The percentage of students passing the GCE (A/L) has also been approximately equal to the national average.

The quality of education in the Eastern Province, too, is relatively high. The proportion of advanced Type 1AB schools in the Eastern Province, 5%, is close to the national average, 5.5%. Also, the pass rates at the GCE (O/L) and the GCE (A/L) in recent years have been above the national average pass rates.

The Jaffna University and Eastern Province universities, too, have functioned throughout the period of the secessionist conflict, offering degrees in science, arts and management subjects. The quality of teaching in these universities has been comparable to the average level in other Sri Lankan universities. However, due to the war conditions, these universities have experienced problems in attracting and retaining well qualified academic staff,

Education in the North-Eastern Province has been sustained due to the strong commitment of the government and the population to investment in human capital through education. Thus, despite the severely adverse conditions, schooling has continued. Some-

times, when buildings have been damaged, classes are held in gardens and under trees. Also, the government has taken special measures to support education in the conflict areas. For instance, the Education Publications Department of the Ministry of Education has arranged for school textbooks to be delivered with the assistance of the military

and NGOs to schools located in territory controlled by the LTTE. The Ministry of Education and Higher Education, along with the provincial education authorities in the North-Eastern Province, has cooperated with the local population to sustain educational activity in the conflict areas in the face of considerable difficulty.

4.1.5 THE HEALTH SECTOR

The secessionist conflict has had a major adverse impact on the health status of the population in the North-Eastern Province. The prevalence of a variety of illnesses, like malaria, respiratory infections and water-borne diseases, has increased due to causes like inadequate shelter, damage to sewage systems, and over-crowded, insanitary living conditions in refugee camps. The war conditions have also led to widespread physical injury and an increased incidence of diseases like gangrene, septicaemia and tetanus. Shortages of food have also increased the prevalence of malnutrition, and raised vulnerability to disease. The secessionist conflict has also had serious adverse psychological effects on the population in the North-Eastern Province, with war-related trauma, especially among children, becoming a major problem.

The health services in the North-Eastern Province have also suffered badly due to the secessionist conflict. Many hospitals, medical clinics and other health facilities have been physically damaged by bombs and shelling. The quantity and quality of medical equipment and drugs available are inadequate to meet the demand for medical treatment, especially of civilians injured in the secessionist conflict.

The deterioration in the availability of health facilities in the North-Eastern Province is

clearly evident in Table 6 - Table 9. The number of hospitals in the Jaffna district declined from 35 in 1983 to 17 in 1994, in the Mannar district from 7 to 5, in the Vavuniya district from 5 to 4 and in the Batticaloa district from 11 to 9. This has reduced the geographical coverage of health care available, especially in the Jaffna district. The number of hospital beds available for in-patient treatment of serious diseases declined in the Jaffna, Mannar and Vavuniya districts. This further reduced the capacity of the health system to cope with the demand for health services in the area.

The coverage of basic medical care in the Jaffna and Kilinochchi districts has suffered due to the north-east conflict. The proportion of children immunized with the BCG vaccine fell in these areas, from 86% in 1990 to 77% in 1994. Similar declines were observed in the following: diphtheria, pertussis and tetanus, from 81% to 66% between 1990-1994; polio; from 81% to 65% between 1990-1994; and measles, from 78% to 64% between 1990-1994. However, the coverage of care in other districts in the Northern Province, and in the Eastern province, improved during this period. The Amparai district, despite improvement between 1990-94, continues to lag behind other parts of the country in terms of immunization coverage.

The war conditions have also made it difficult for hospitals and medical facilities in the North-Eastern Province to recruit and retain qualified medical personnel. The number of medical doctors declined between 1983 and 1994 in the Jaffna and Vavuniya districts. There is an acute shortage of medical personnel, like doctors, nurses, midwives and technicians in the Northern Province. The problem is especially acute with regard to

specialists. However, given the war conditions, trained medical personnel are reluctant to work in these areas. The government has sought to maintain services by providing special incentives to personnel working in the conflict areas.

Overall, the secessionist conflict has taken a heavy toll of the economy and the social sectors in the Northern Province. The Eastern Province suffered relatively less in the early 1990s. However, with the secessionist conflict spilling increasingly into the Eastern Province from 1995 onwards, economic and social conditions are extremely vulnerable and unstable. In addition, the overall economy of the country has suffered due to the war. Crucial economic activities, like foreign investment and tourism, have been badly affected by the secessionist conflict. In recent years the LTTE has committed acts of violence that have deliberately targeted institutions in areas outside the North-Eastern Province, like the Central Bank, power stations, leading businesses and hotels, to damage the economy. Since the LTTE cadres are willing to act as suicide bombers in their attacks on such civilian targets, it has been difficult to contain them completely.

It is important that a political solution to the secessionist conflict has a broad consensus among the people of the country, including the government and other political parties. The devolution proposals of the government,

which envisage extensive devolution of power to the regions, may form a basis for a political solution to the secessionist conflict. However, the LTTE has not shown itself willing to accept a political solution. Instead, it has insisted on obtaining a separate "Eelam State". As long as the LTTE remains implacable in its refusal to accept any political solution short of a separate state and engages in armed violence to support its position, it is difficult to end the conflict situation. In this context, it is important that public opinion, among Tamils living in Sri Lanka and elsewhere, and in international government and diplomatic circles, exert pressure on the LTTE to cease acts of violence against civilians, tolerate democratic Tamil political parties and negotiate a political solution in dialogue with the government, rather than insist on a separate state.

CHAPTER FIVE

POLICY IMPLICATIONS AND RECOMMENDATIONS

CHALLENGES AND PATHS TO FUTURE HUMAN DEVELOPMENT

Human development, defined in terms of basic indicators like life expectancy, literacy, school enrolment, infant mortality, child mortality and maternal mortality, has been traditionally high in Sri Lanka. The analysis of the regional pattern of human development achievements in this report shows that social development levels are fairly evenly distributed among the different districts in the country. This can be attributed to the success of the Sri Lankan government in building an extensive network of general education and health facilities throughout the country.

The analysis of human development, human poverty and the gender dimension of social and economic progress also clearly show that Sri Lanka experiences sharp regional variations in some of the dimensions of attainment and deprivation measured by these concepts [see Figure 5.1 and Figure 5.2]. Figure 5.1 shows that the three districts in the Western Province, Colombo, Gampaha and Kalutara, perform well in terms of human development and human poverty. All other districts, however, perform poorly on at least one of these indices. Nuwara Eliya, Anuradhapura, Polonnaruwa and Kurunegala perform well in terms of human development, but experience high levels of human poverty. Kandy, Matale, Galle and Matara experience low human poverty, but perform poorly on human development. The two districts in the Uva Province, Badulla and Moneragala, the two Sabaragamuwa Province districts, Kegalle and Ratnapura,

and Hambantota and Puttalam show low attainments in both human development and human poverty.

Significant variations in human development among districts can be attributed chiefly to differences in living standards among the different regions. These differences in living standards are mainly the result of varying economic opportunities, economic performances and income levels among districts. In consequence, the policy framework for future human development in Sri Lanka needs to award high priority to improving living standards through strong, regionally balanced economic growth.

The central challenge facing Sri Lanka, given the historical path of development, is to transform the high quantitative achievements in basic social indicators into high economic growth and quality improvements in social development. The policy agenda to meet this challenge aims at the attainment of high overall living standards through

- i. Promotion of regionally balanced progress in human development, especially economic growth and living standards.
- ii. Rapid expansion of economic activities capable of generating strong demand for educated labour.
- iii. Enhancement of gender development and, especially, gender empowerment.

POLICY IMPLICATIONS AND RECOMMENDATIONS

Two main constraints to achieving the first three objectives need to be addressed in the formulation of policy.

a) Agro-climatic conditions.

Dry zone areas of Sri Lanka are less suitable for agricultural activity, especially water-intensive traditional crops like rice production, due to water shortages. Promotion of agricultural activity, in consequence, should be mainly directed at wet zone rural areas. The future of economic activity in dry zone rural areas should be directed at less water intensive crops and non-farm activities, like rural industries and service sector activities.

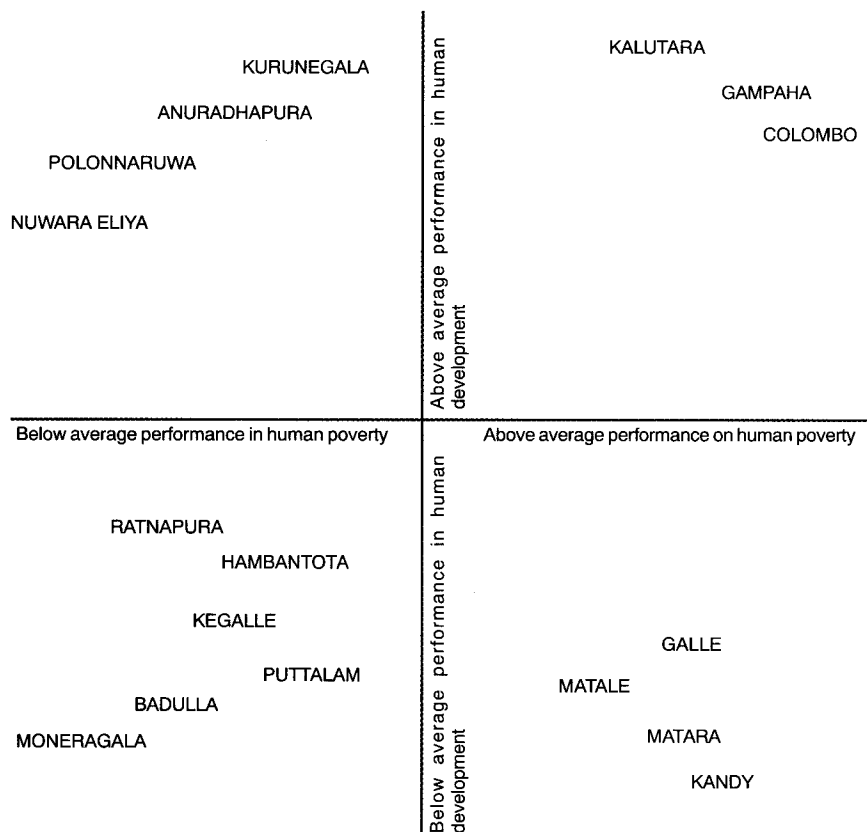
b) The regional pattern of physical infrastructure.

The pattern of major investments in industrial and commercial economic activities is heavily influenced by the availability of physical infrastructure, especially roads, electricity, communications, access to Colombo harbour and the international airport. Future economic policy should place strong emphasis on expanding physical infrastructure to promote economic growth reflecting the comparative advantages of different regions.

The following set of policy recommendations is based on these characteristics and needs of the Sri Lankan economy.

Figure 5.1

Comparative Performances in Human Development and Human Poverty



1. The country should adopt a strategy to promote economic growth in industrial and service sector activities in which it enjoys a dynamic comparative advantage and has the potential to expand demand for educated labour. In the past, economic progress has come mainly through irrigation development projects and the expansion of agriculture, as in the Anuradhapura and Polonnaruwa districts. However, the agriculture sector does not provide employment opportunities to an educated labour force. Educated workers typically seek employment in the industrial and service sectors. Hence, these sectors need to be developed. The rate of growth of agriculture, too, is generally lower than the growth rates of industry and services. Hence, promotion of these sectors is required to transform social development into rapid economic growth.

The industrial and service sectors typically flourish in towns and cities, rather than in villages. There are many reasons for this: the creation of network externalities in production; greater potential to exploit economies of scale and scope; and the presence of a critical minimum mass of people to generate adequate demand to make production commercially viable, especially in services which often require person to person contact.

The country needs a strong physical infrastructure development program, especially in electricity, roads, communications, water supply and sanitation. From the perspective of government policy, an urban development program would be a rational strategy. The development of cities/towns, on a strategic plan, would involve the development of electricity, the road network, communications, water supply and waste disposal facilities in a geographically concentrated area. This would be considerably more cost effective than the provision of these services to villages scattered over a large geographical area, and could be implemented more swiftly.

2. The government needs to undertake a pro-active strategy to expand the physical infrastructure network. In this context, government should also get directly involved in the financing of physical infrastructure projects. Implementation of projects, however, should be through the private sector, wherever possible for efficiency reasons.

Current government policy is to leave the expansion of electric power generation and road construction mainly to private financing. However, this policy has not produced results for many years. Given the secessionist war in the North-Eastern Province, foreign private investors have been reluctant to invest large volumes of resources in the country.

There are also sound economic reasons for government intervention in infrastructure financing. Power generation and roads typically combine strong externality and public good elements with economies of scale consistent with natural monopolies. In consequence, efficient private sector financing is extremely difficult. Further, in the case of roads, even efficient mechanisms for cost recovery are hard to devise. In consequence, the government needs to be involved in infrastructure financing.

It should be noted that the private sector in Sri Lanka has been urging the government to undertake a lead project. An urban development program could be designed to constitute a powerful lead project. Physical infrastructure construction also generates a range of jobs, from low skilled manual work to technically sophisticated engineering skills.

3. Promotion of land consolidation and expansion in the size of holdings. The agriculture sector, in general, is constrained by small land holding sizes, growing shortages of labour for seasonal commercial activity, like coconut pluckers and rubber tappers, and a scarcity of water, especially in the dry zone

districts. The agriculture sector needs to shift into larger scale production of less water intensive crops, over the medium to long-term. Large scale production will also improve the scope for mechanization as the supply of labour to this sector dwindles.

4. The quality of education in the country needs to be improved substantially. In the education sector, the government has three alternatives available:

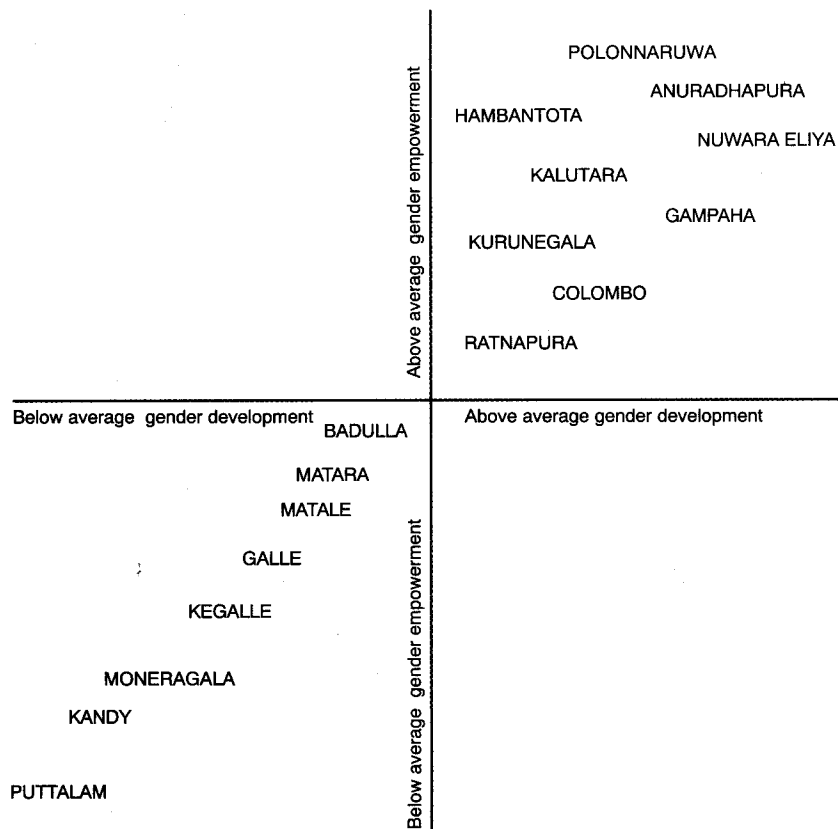
i. Maintain the status quo. This will lead to under-resourcing of the education sector, as the government budget is already tightly constrained, and some of the recommendations for physical infrastructure investment above require considerable financial resources.

ii. Introduce user fees for university and general education in public universities and schools. This is a political mine-field. Hence, it is unlikely to be a feasible option.

iii. Relax constraints to opening private schools and private universities, and encourage a high quality private education sector to develop. There is strong willingness to pay for educational quality in the country. This should be tapped to increase the quantity of resources flowing into investment in educational quality. Hence, this third option should be strongly considered by government.

Figure 5.2

Gender Development and Gender Empowerment



8.4 *North Central Province*

Areas like Anuradhapura and Polonnaruwa perform well in terms of income, but badly in terms of human poverty. Clearly, further economic and social provisioning is needed in these areas to develop physical infrastructure, including electric power and energy, water supply and sanitation.

The Polonnaruwa district experiences an acute shortage of water. Policies to promote small industries and service sector activity are needed in this area. However, the Polonnaruwa district has a border contiguous with the war affected North-Eastern Province and a relatively poorly developed road network. Hence, the private sector may be less willing to invest in industries in this area. NGOs may need to step into promote income generating activities and economic production in Polonnaruwa.

Parts of Anuradhapura, which miss the Mahaweli irrigation, also experience a shortage of water. The long-term future for these areas is likely to depend on the expansion of rural industries and services. Once again, infrastructure coverage needs to be improved to facilitate private sector investment. NGOs may also need to intervene to promote income generating activities and micro-enterprises. The tourist potential of Anuradhapura and Polonnaruwa, in combination with Matale, needs to be further promoted.

8.5 *North Western Province*

The Kurunegala district performs well in terms of living standards and human development, but experiences relatively high human poverty. The district lacks adequate electricity and road coverage, especially in the hinterland. Also, many households lack access to safe drinking water and sanitation. In consequence, social provisioning to expand the availability of physical infrastructure, especially electricity and roads, and widen so-

cial infrastructure, particularly access to safe drinking water and clean sanitation, is needed.

In addition, the Kurunegala district has grown relatively slowly in recent years. This is a prime agricultural district, with the best coconut plantations in the country. It is important that further agricultural activity be promoted. In particular, intercropping coconut with other crops is important. The main constraint to crop mixing thus far has been a poor distribution and marketing network. Improving distribution activities and marketing facilities is a priority for future agricultural growth in this district.

The Puttalam district performs badly in both human development and human poverty. In addition, this district comes at the bottom in terms of gender development and gender empowerment. Promotion of gender programs and projects, in which NGOs should play a major role, is of prime importance for this district.

Enhanced social provisioning, especially of physical infrastructure to promote economic activities, is also required in this district. Puttalam is a dry zone area. Hence, the scope for agricultural activity is limited. The economic future of the district lies mainly in small and medium industrial activity and the services sector. Physical infrastructure construction activities in the district need to be designed to facilitate access to the Colombo port and Katunayake airport. This is especially the case for the southern coastal area of the Puttalam district, including Chilaw town, which is relatively close to the hub of industrial and commercial activity in the Western Province.

8.6 *Southern Province*

The Hambantota district performs poorly in both human development and human poverty. This district faces a variety of economic

constraints which strongly inhibit its productive potential. Hambantota is a dry zone area which lies off the monsoon paths, leading to an acute scarcity of water. The district is also very remote from the hub of economic activities in the Western Province.

Given the shortage of water, there is little future for agricultural activity in the district. The development of rural industries and service activities is required to promote the economy of the district. Social provisioning to improve the physical infrastructure network would also assist in promoting the non-farm rural sector. In this context, it should be noted, the development of a port in the area would open up opportunities for export oriented activities in Hambantota (and Moneragala) which are now lacking due to the remoteness of these districts from Colombo harbour.

The Galle and Matara districts both perform well in terms of the human poverty index, suggesting that social provisioning in these areas is above average. However, both districts exhibit low levels of human development. In particular, living standards are low. Hence, they require considerable investment in and promotion of economic activities. Both Galle and Matara are areas whose economic future lies mainly in activities like small and medium industries, and services. In this context, the development of the Galle port could play an important role. It should also be noted that the Galle and Matara coastal belts contain a large number of tourist hotels and resorts. The economy of these areas is closely tied to the fortunes of the tourist industry. Clearly, these are districts that would benefit considerably from a speedy end to the secessionist conflict, as this would boost the inflow of tourists to the country swiftly and substantially.

8.7 *North-Eastern Province*

Clearly, the secessionist conflict dominates all other considerations in this province. Until the conflict is concluded all other activities are mainly limited to interventions operating in a difficult environment. Within that context, clearly what is required in the war-ravaged northern areas is rehabilitation and reconstruction. In the eastern area rural economic activities need to be promoted. This area consists of territory claimed by the LTTE. The ordinary private sector is unlikely to invest much in this area. As a result NGOs need to take the lead.

8.8 *Western Province*

The Western Province is relatively the most prosperous economic area in the country. This province, especially the Colombo and Gampaha districts, is likely to continue as the locomotive of the Sri Lankan economy. Constraints to further economic activity in this area need to be relaxed speedily. Especially, the road network needs to be expanded to ease congestion and transport costs, the quality of electricity needs to be improved and cost lowered to promote higher level industrial production activities, and telecommunication facilities need to be enhanced to strengthen the competitiveness of the commercial and industrial sectors.

The Kalutara district has grown relatively weakly in comparison to the Colombo and Gampaha districts. The economy of Kalutara depends strongly on the tourist industry and rubber production. Sluggish growth in these sectors was responsible for the moderate growth performance of Kalutara. Investments to widen and diversify the economic base of Kalutara are needed.

TECHNICAL NOTE

CALCULATING THE HUMAN DEVELOPMENT INDEX,
HUMAN POVERTY INDEX, GENDER DEVELOPMENT INDEX AND
GENDER EMPOWERMENT MEASURE

Technical Note: Calculating the Human Development Index, Human Poverty Index, Gender Development Index and Gender Empowerment Measure.

1. The Human Development Index.

Variables: Life expectancy at birth.
Adult literacy rates.
Combined primary, secondary and tertiary education enrolment ratio.
Real GDP per capita.

$$\text{HDI Index} = \frac{\text{Actual } x_i \text{ value per district} - \text{minimum } x_i \text{ value per district}}{\text{Maximum } x_i \text{ value per district} - \text{minimum } x_i \text{ value per district}}$$

where x_i = variable i.

2. The Human Poverty Index.

Variables - Population proportion dying before age 40.
- Proportion of adults.
- Proportion of children not enrolled in primary and junior secondary schooling.
- Population proportion without access to safe drinking water.
- Population proportion lacking access to safe sanitation.
- Proportions of child births that are made outside formal medical institutions;
- Proportions of children who do not receive immunization coverage in the following diseases: B.C.G.; diphtheria, pertussis and tetanus; polio; and measles;
- Proportions of pregnant women who are not immunized with tetanus toxoid vaccine.
- Population proportion lacking access to electricity.

The human poverty index is calculated by treating illiterate adults and the proportion of children not enrolled in primary and secondary education as a composite index. Similarly, proportions of children and mothers not immunized, and births outside formal maternity clinics, are treated as a composite index. All other variables are taken as single indices. The HPI is calculated by taking the simple average of these various indices.

3. The Gender Development Index.

This index is calculated on the same variables, and the same formula, as the human development index, but differentiated by gender.

Variables: Life expectancy at birth.
Adult literacy rates.
Combined primary, secondary and tertiary education enrolment ratio.
Real GDP per capita.

$$\text{GDI Index} = \frac{\text{Actual } x_{ij} \text{ value per district} - \text{minimum } x_{ij} \text{ value per district}}{\text{Maximum } x_{ij} \text{ value per district} - \text{minimum } x_{ij} \text{ value per district}}$$

where x_{ij} = variable i and gender j.

Gender Empowerment Index.

This index is defined over the following variables:

- Percentage share of female parliamentary representation.
- Percentage share of females in administrative and managerial positions.
- Percentage share of females in professional and technical positions.
- Proportion of national income earned by females.

TABLES

Table 1

THE DIMENSIONS OF HUMAN DEVELOPMENT: REGIONAL PATTERNS, 1994

District	Life Expectancy	Adult Literacy Rate	Combined Primary, Secondary and Tertiary Enrolment Rate	G.D.P. Per Capita	H.D.I. Index	Real G.D.P. Per Capita, 1994	Adjusted Real GDP, Per Capita, 1994	L.E. Index, 1994	Education Index, 1994	G.D.P. Index, 1994	H.D.I. Index, 1994	Rank
Colombo	72	94.00	39.30	14548	0.847	14548	9048	0.783	0.758	0.999	0.847	6
Gampaha	72	95.10	40.26	14880	0.851	14880	9052	0.783	0.768	1.000	0.851	5
Kalutara	81	92.20	40.99	13480	0.893	13480	9033	0.933	0.751	0.996	0.893	1
Kandy	71	89.90	42.50	6664	0.649	6664	6664	0.767	0.741	0.438	0.649	17
Matale	73	86.50	44.07	7592	0.727	7592	7592	0.800	0.724	0.657	0.727	12
Nuwara Eliya	70	77.70	45.42	13987	0.806	13987	9040	0.750	0.669	0.997	0.806	7
Galle	80	91.00	41.61	7125	0.736	7125	7125	0.917	0.745	0.547	0.736	11
Matara	80	88.60	42.16	6780	0.705	6780	6780	0.917	0.731	0.466	0.705	15
Hambantota	82	86.90	45.18	7119	0.742	7119	7119	0.950	0.730	0.545	0.742	9
Kurunegala	81	91.20	42.66	8905	0.883	8905	8903	0.933	0.750	0.965	0.883	2
Puttalam	74	92.70	45.57	7314	0.726	7314	7314	0.817	0.770	0.591	0.726	13
Anuradhapura	74	90.40	47.13	10832	0.854	10832	8986	0.817	0.760	0.984	0.854	4
Polonnaruwa	77	90.50	46.48	9047	0.865	9047	8922	0.867	0.758	0.969	0.865	3
Badulla	71	81.70	44.66	7742	0.717	7742	7742	0.767	0.694	0.692	0.717	14
Moneragala	80	84.10	48.28	6659	0.692	6659	6659	0.917	0.722	0.437	0.692	16
Ratnapura	81	87.00	44.25	7315	0.751	7315	7315	0.933	0.727	0.592	0.751	8
Kegalle	82	90.70	40.57	7062	0.741	7062	7062	0.950	0.740	0.532	0.741	10
Sri Lanka	77	90.10	43.00	8898	0.831	8898	8898	0.859	0.670	0.730	0.753	

Source: NHDR Team

Table 2

REGIONAL GROSS DOMESTIC PRODUCT 1990 - 1995 (SLR MILLION : CONSTANT 1990 PRICES)

Province	1990	1991	1992	1993	1994	1995	Average Annual Growth Between 1990-95
Western	131,543.6	136,822.5	146,404.7	156,461.9	167,701.2	179,720.2	6.4
Central	36,049.9	39,393.5	39,756.4	42,230.3	44,243.1	46,062.8	5.0
Southern	30,064.4	33,885.0	34,707.2	38,422.8	38,507.1	40,357.1	6.1
North Western	34,617.5	35,313.8	37,146.0	38,614.1	41,113.2	42,684.8	4.3
Northern	14,044.0	11,161.9	10,884.2	10,450.1	10,630.1	10,171.3	-6.2
Eastern	12,787.3	13,934.5	14,010.0	15,297.9	15,106.9	16,301.9	5.0
North Central	16,554.0	20,875.8	21,919.2	23,714.7	25,472.7	26,492.9	9.9
Uva	17,818.7	17,596.9	18,130.6	20,179.1	20,321.3	21,201.1	3.5
Sabaragamuwa	24,453.5	24,247.6	24,866.5	27,510.7	29,787.1	31,611.6	5.3
National GDP	317,932.8	333,231.4	347,824.8	371,881.7	392,882.7	414,603.7	5.5

Source: Ministry of Finance and Planning: Regional Economic Accounts.

Table 3

BASIC EDUCATION PROFILE BY DISTRICT, 1997

District	Number of Students	Number of Schools	Number of Teachers	Teacher-Pupil Ratio	Average School Size
Colombo	349,175	442	13,949	25.03	790
Gampaha	328,225	577	13,356	24.58	569
Kalutara	207,728	457	9,233	22.50	455
Kandy	295,753	689	14,307	20.67	429
Matale	105,973	320	5,050	20.98	331
Nuwara Eliya	162,689	521	6,367	25.55	312
Galle	231,963	492	10,312	22.49	471
Matara	180,351	393	9,354	19.28	459
Hambantota	145,270	331	6,559	22.15	439
Kurunegala	341,546	947	17,827	19.16	361
Puttalam	157,374	354	5,903	26.66	445
Anuradhapura	193,187	563	8,870	21.78	343
Polonnaruwa	83,357	215	3,324	25.08	388
Badulla	195,192	575	9,714	20.09	339
Moneragala	110,465	260	4,374	25.25	425
Ratnapura	244,205	596	9,900	24.67	410
Kegalle	175,160	593	9,418	18.60	295
Amparai	155,319	397	6,037	25.73	391
Batticaloa	109,080	309	3,635	30.01	353
Trincomalee	86,976	241	3,478	25.01	361
Vavuniya	41,605	175	1,597	26.05	238
Mannar	23,256	87	633	36.74	267
Kilinochchi	39,549	84	858	46.09	471
Mullaitivu	48,076	92	947	50.77	523
Jaffna	112,634	410	4,583	24.58	275
Sri Lanka	4,124,108	10,120	179,585	22.96	408

Source : Ministry of Education and Higher Education

Table 4

STUDENT PERFORMANCE AT THE GCE (O/L) EXAMINATION: BY DISTRICT, 1992-1996

District	1992		1994		1996	
	Number of Students Passing the G C E (O/L) Examination	Students Passing the G C E (O/L) Examination %	Number of Students Passing the G C E (O/L) Examination	Students Passing the G C E (O/L) Examination %	Number of Students Passing the G C E (O/L) Examination.	Students Passing the G C E (O/L) Examination %
Colombo	15,588	47.46	11,842	34.33	12,550	35.88
Gampaha	6,411	24.61	7,525	25.04	9,007	28.39
Kalutara	3,670	21.26	4,135	21.61	5,149	25.45
Kandy	5,329	21.54	6,074	22.30	7,554	25.87
Matale	1,476	17.55	1,569	17.33	2,210	22.40
Nuwara Eliya	1,439	16.86	1,673	17.77	2,132	21.01
Galle	3,918	22.75	4,315	22.21	5,457	26.07
Matara	2,994	28.42	3,291	19.84	4,351	25.60
Hambantota	1,575	15.15	1,751	16.12	2,587	20.76
Kurunegala	5,971	20.34	6,955	22.36	8,933	27.39
Puttalam	1,898	22.90	2,153	22.99	2,832	27.46
Anuradhapura	2,412	16.85	2,694	17.24	3,886	22.82
Polonnaruwa	963	16.00	1,143	18.07	1,419	20.47
Badulla	2,856	20.82	2,930	19.65	3,801	24.87
Moneragala	978	14.75	1,332	16.97	1,718	20.40
Ratnapura	3,414	19.67	3,865	19.92	5,044	24.38
Kegalle	3,043	21.57	3,494	21.66	4,466	25.56
Amparai	1,530	20.58	1,658	20.18	1,264	23.55
Batticaloa	1,007	23.39	1,117	21.57	2,676	29.60
Trincomalee	684	20.16	782	18.97	1,135	24.51
Vavuniya	229	18.78	313	22.01	618	32.03
Mannar	212	30.24	250	23.32	472	30.33
Kilinochchi	349	17.58	345	18.69	584	23.62
Mulaitivu	225	16.72	290	20.39	575	23.52
Jaffna	4,006	25.53	3,945	26.35	2,478	26.39
Sri Lanka.	72,177	21.66	75,441	21.08	92,898	25.53

Source : Ministry of Education and Higher Education, Department of Examinations.

Table 5

STUDENT PERFORMANCE AT THE GCE (A/L) EXAMINATION: BY DISTRICT, 1992 - 1996

District	1992		1994		1996	
	Number of Students Passing the G C E (A/L) Examination	Students Passing the G C E (A/L) Examination %	Number of Students Passing the G C E (A/L) Examination	Students Passing the G C E (A/L) Examination %	Number of Students Passing the G C E (A/L) Examination	Students Passing the G C E (A/L) Examination %
Colombo	6,666	45.82	6,775	48.73	8,054	49.92
Gampaha	3,359	43.95	3,660	45.39	4,770	51.17
Kalutara	2,503	41.19	2,692	45.95	3,564	45.23
Kandy	3,666	44.90	4,157	50.13	4,837	44.96
Matale	810	40.70	865	41.64	1,190	44.29
Nuwara Eliya	673	41.08	617	35.29	978	42.03
Galle	2,752	40.92	2,980	48.74	3,734	48.31
Matara	2,508	48.61	2,605	48.83	3,418	52.3
Hambantota	1,098	39.38	1,387	50.97	1,789	47.91
Kurunegala	4,489	53.63	4,959	54.88	6,043	59.52
Puttalam	1,145	52.21	1,159	49.36	1,438	46.95
Anuradhapura	1,277	40.44	1,185	40.93	1,827	41.44
Polonnaruwa	507	39.00	500	40.32	788	42.66
Badulla	1,747	44.64	1,705	42.16	2,471	46.79
Moneragala	390	34.97	430	36.53	820	45.63
Ratnapura	2,074	46.64	2,271	47.74	3,102	47.32
Kegalle	2,204	47.30	2,323	51.66	3,111	53.55
Amparai	920	44.89	964	46.30	462	36.78
Batticaloa	745	55.43	672	61.42	1,946	64.33
Trincomalee	376	47.95	381	47.92	640	50.16
Vavuniya	112	48.69	150	55.97	282	54.23
Mannar	139	66.19	154	63.11	240	55.17
Kilinochchi	106	35.81	151	62.65	442	40.26
Mullaitivu	135	55.50	163	68.20	432	47.01
Jaffna	2,605	55.07	3,332	62.97	2,564	33.26
Sri Lanka.	43,006	46.20	46,237	49.91	58,942	47.65

Source : Ministry of Education and Higher Education, Department of Examinations.

Table 6

NUMBER OF HOSPITALS BY PROVINCE AND DISTRICT

Province	1983			1994		
	Number of Hospitals	Total Population	Hospitals per 100,000 Population	Number of Hospitals	Total Population	Hospitals per 100,000 Population
Western	64	4,024,298	1.59	78	4,703,435	1.66
Central	87	2,086,056	4.17	103	3,867,106	2.66
Southern	70	1,951,482	3.59	88	2,582,076	3.41
North Western	53	1,766,283	3.00	59	1,979,031	2.98
North Central	46	1,125,929	4.09	50	1,277,300	3.91
Uva	37	885,878	4.18	43	1,007,893	4.27
Sabaragamua	43	928,436	4.63	44	1,081,245	4.07
District						
Colombo	16	1,755,050	0.91	26	2,057,347	1.26
Gampaha	29	1,418,114	2.04	32	1,707,736	1.87
Kalutara	19	851,134	2.23	20	938,352	2.13
Kandy	48	1,084,884	4.42	51	1,221,018	4.18
Matale	19	384,376	4.94	17	422,706	4.02
Nuwara Eliya	20	616,796	3.24	20	671,344	2.98
Galle	26	840,449	3.09	28	954,977	2.93
Matara	24	669,357	3.59	23	753,816	3.05
Hambantota	20	441,676	4.53	22	515,750	4.27
Kurunegala	37	1,253,216	2.95	39	1,377,928	2.83
Puttalam	16	513,066	3.12	20	601,103	3.33
Anuradhapura	36	612,863	5.87	38	676,197	5.62
Polonnaruwa	10	273,015	3.66	12	331,696	3.62
Badulla	23	655,421	3.51	27	749,549	3.60
Moneragala	14	287,944	4.86	16	364,600	4.39
Ratnapura	23	823,997	2.79	25	917,349	2.73
Kegalle	20	696,953	2.87	19	759,833	2.50
Jaffna	35	702,775	4.98	17	896,000	1.90
Mannar	7	89,891	7.79	5	140,000	3.57
Mullaitivu	4	65,314	6.12	5	98,000	5.10
Vavuniya	5	80,747	6.19	4	119,000	3.36
Batticaloa	11	279,513	3.94	9	443,000	2.03
Amparai	12	329,128	3.65	19	512,000	3.71
Trincomalee	9	216,571	4.16	10	327,000	3.06

Source: Ministry of Health, Annual Health Bulletins, Various Issues.

Table 7

NUMBER OF MEDICAL OFFICERS BY PROVINCE AND DISTRICT

Province	Medical Officers (Curative Services)	1983		1994		
		Total Population	Availability of Medical Officers per 1000 Population	Medical Officers (Curative Services)	Total Population	Availability of Medical Officers per 1000 Population
Western	727	4,024,298	0.181	1,689	4,703,435	0.359
Central	340	3,354,132	0.101	795	3,867,106	0.206
Southern	258	2,320,394	0.111	598	2,582,076	0.232
North Western	117	1,766,283	0.066	234	1,979,031	0.118
North Central	93	1,125,929	0.083	163	1,277,300	0.128
Uva	-	885,878	-	139	1,007,893	0.138
Sabaragamua	-	928,436	-	140	1,081,245	0.129
District						
Colombo	544	1,755,050	0.310	1264	2,057,347	0.614
Gampaha	108	1,418,114	0.076	256	1,707,736	0.150
Kalutara	75	851,134	0.088	169	938,352	0.180
Kandy	157	1,084,884	0.145	370	1,221,018	0.303
Matale	26	384,376	0.068	59	422,706	0.140
Nuwara Eliya	26	616,796	0.042	55	671,344	0.082
Galle	92	840,449	0.109	219	954,977	0.229
Matara	41	669,357	0.061	88	753,816	0.117
Hambantota	-	441,676	-	28	515,750	0.054
Kurunegala	86	1,253,216	0.069	158	1,377,928	0.115
Puttalam	31	513,066	0.060	76	601,103	0.126
Anuradhapura	62	612,863	0.101	87	676,197	0.129
Polonnaruwa	-	273,015	-	52	331,696	0.157
Badulla	65	655,421	0.099	88	749,549	0.117
Moneragala	10	287,944	0.035	18	364,600	0.049
Ratnapura	58	823,997	0.070	137	917,349	0.149
Kegalle	36	696,953	0.052	67	759,833	0.088
Jaffna	139	702,775	0.198	95	896,000	10.603
Mannar	-	89,891	-	15	140,000	10.714
Mullaitivu	-	65,314	-	-	98,000	-
Vavuniya	25	80,747	0.310	15	119,000	12.605
Batticaloa	29	279,513	0.104	44	443,000	9.932
Amparai	6	329,128	0.018	45	512,000	8.789
Trincomalee	15	216,571	0.069	-	327,000	-

Source: Ministry of Health, Annual Health Bulletins, Various Issues.

Table 8

NUMBER OF NURSES BY PROVINCE AND DISTRICT : REGIONAL PATTERNS.

Province	1983			1994		
	Number of Nurses	Total Population	Number of Nurses per 1000 Population	Number of Nurses	Total Population	Number of Nurses per 1000 Population
Western	2,602	4,024,298	0.647	4,704	4,703,435	1.000
Central	1,538	3,354,132	0.459	2,527	3,867,106	0.653
Southern	1,233	2,320,394	0.531	2,145	2,582,076	0.831
North-Western	678	1,766,283	0.384	1,019	1,979,031	0.515
North-Central	370	1,125,929	0.329	758	1,277,300	0.593
Uva	-	885,878	-	649	1,007,893	0.644
Sabaragamua	-	928,436	-	631	1,081,245	0.584
District						
Colombo	1,797	1,755,050	1.024	3,553	2,057,347	1.727
Gampaha	467	1,418,114	0.329	595	1,707,736	0.348
Kalutara	338	851,134	0.397	556	938,352	0.593
Kandy	733	1,084,884	0.676	1,376	1,221,018	1.127
Matale	162	384,376	0.421	213	422,706	0.504
Nuwara Eliya	124	616,796	0.201	200	671,344	0.298
Galle	416	840,449	0.495	818	954,977	0.857
Matara	249	669,357	0.372	386	753,816	0.512
Hambantota	-	441,676	-	170	515,750	0.330
Kurunegala	532	1,253,216	0.425	762	1,377,928	0.553
Puttalam	146	513,066	0.285	257	601,103	0.428
Anuradhapura	224	612,863	0.365	501	676,197	0.741
Polonnaruwa	-	273,015	-	148	331,696	0.446
Badulla	256	655,421	0.391	483	749,549	0.644
Moneragala	41	287,944	0.142	148	364,600	0.406
Ratnapura	365	823,997	0.443	477	917,349	0.520
Kegalle	251	696,953	0.360	373	759,833	0.491
Jaffna	315	702,775	0.448	429	896,000	0.479
Mannar	-	89,891	-	60	140,000	0.429
Mullaitivu	-	65,314	-	-	98,000	-
Vavuniya	57	80,747	0.706	60	119,000	0.504
Batticaloa	98	279,513	0.351	242	443,000	0.546
Amparai	46	329,128	0.140	238	512,000	0.465
Trincomalee	61	216,571	0.282	103	327,000	0.315

Source: Ministry of Health, Annual Health Bulletins, Various Issues.

Table 9

NUMBER OF HOSPITAL BEDS BY PROVINCE AND DISTRICT : REGIONAL PATTERNS.

District	1983			1994		
	Hospital Beds	Total Population	Hospital Beds per 1000 Population	Hospital Beds	Total Population	Hospital Beds per 1000 Population
Colombo	4,144	1,755,050	2.36	10,345	2,057,347	5.03
Gampaha	2,876	1,418,114	2.02	4,518	1,707,736	2.65
Kalutara	1,993	851,134	2.34	2,051	938,352	2.19
Kandy	3,994	1,084,884	3.68	4,688	1,221,018	3.84
Matale	1,075	384,376	2.79	1,184	422,706	2.80
Nuwara Eliya	1,278	616,796	2.07	1,392	671,344	2.07
Galle	1,835	840,449	2.18	2,435	954,977	2.55
Matara	1,485	669,357	2.21	1,685	753,816	2.24
Hambantota	914	441,676	2.06	1,090	515,750	2.11
Kurunegala	3,041	1,253,216	2.42	3,999	1,377,928	2.90
Puttalam	1,113	513,066	2.16	1,400	601,103	2.33
Anuradhapura	1,781	612,863	2.90	2,259	676,197	3.34
Polonnaruwa	551	273,015	2.01	963	331,696	2.90
Badulla	1,679	655,421	2.56	2,020	749,549	2.69
Moneragala	618	287,944	2.14	864	364,600	2.37
Ratnapura	2,380	823,997	2.88	2,483	917,349	2.71
Kegalle	1,625	696,953	2.33	1,659	759,833	2.18
Jaffna	2,672	702,775	3.80	1,799	896,000	2.01
Mannar	352	89,891	3.91	295	140,000	2.11
Mullaitivu	164	65,314	2.51	229	98,000	2.34
Vavuniya	206	80,747	2.55	126	119,000	1.06
Batticaloa	803	279,513	2.87	1,046	443,000	2.36
Amparai	657	329,128	1.99	1,112	512,000	2.17
Trincomalee	489	216,571	2.25	571	327,000	1.75

Source: Ministry of Health, Annual Health Bulletins, Various Issues.

Table 10

AVAILABILITY OF ROADS : REGIONAL PATTERNS, 1995

Province	A Class Road Kilometres	B Class Road Kilometres	C Class Road Kilometres.	D Class Road Kilometres	E Class Road Kilometres	All Class Road Kilometres
Western	373	1,124	1,124	830	n.a.	3,451
Central	409	1,268	1,774	411	246	4,108
Southern	352	860	830	802	53	2,897
Northern	735	524	387	519	n.a.	2,165
Eastern	620	459	377	204	14	1,674
North Western	353	914	992	1,032	37	3,328
North Central	494	562	988	758	n.a.	2,802
Uva	468	556	1,163	476	204	2,867
Sabaragamuwa	416	641	822	314	n.a.	2,193
District						
Colombo	165	249	250	159	n.a.	823
Gampaha	128	578	397	475	n.a.	1,578
Kalutara	80	297	477	196	n.a.	1,050
Kandy	184	525	951	97	20	1,777
Matale	105	263	335	185	48	936
Nuwara Eliya	120	480	488	129	178	1,395
Galle	103	365	323	326	53	1,170
Matara	134	224	259	235	n.a.	852
Hambantota	115	271	248	241	n.a.	875
Jaffna	381	277	n.a.	n.a.	n.a.	658
Mannar	113	92	110	166	n.a.	481
Mullaitivu	113	102	178	151	n.a.	544
Vavuniya	128	53	99	202	n.a.	482
Batticaloa	172	59	216	113	14	574
Amparai	307	230	n.a.	n.a.	n.a.	537
Trincomalee	141	170	161	91	n.a.	563
Kurunegala	197	590	640	840	18	2,285
Puttalam	156	324	352	192	19	1,043
Anuradhapura	352	382	687	701	n.a.	2,122
Polonnaruwa	142	180	301	57	n.a.	680
Badulla	264	418	929	233	148	1,992
Moneragala	204	138	234	243	56	875
Kegalle	144	249	442	265	n.a.	1,100
Ratnapura	272	392	380	49	n.a.	1,093

Source: Road Development Authority

Table 11

THE COMPONENTS OF GENDER DEVELOPMENT : REGIONAL PATTERNS, 1994

District	Female Life Expectancy Rates	Male Life Expectancy Rates	Female Adult Literacy Rate	Male Adult Literacy Rate	Female Combined Primary, Secondary and Tertiary Enrolment Rate	Male Combined Primary, Secondary and Tertiary Enrolment Rate	Female Earned Income Share	Male Income Share
Colombo	72	71	96.11	98.09	39.16	39.44	0.25	0.75
Gampaha	70	72	96.25	97.70	40.28	40.23	0.30	0.70
Kalutara	80	79	90.48	93.62	40.15	41.83	0.28	0.72
Kandy	69	70	90.19	97.15	42.03	43.00	0.29	0.71
Matale	71	72	90.54	96.22	43.40	44.76	0.29	0.71
Nuwara Eliya	68	72	80.67	92.53	45.32	45.52	0.38	0.62
Galle	77	78	93.23	97.82	40.30	42.99	0.29	0.71
Matara	79	79	89.13	95.47	41.01	43.37	0.30	0.70
Hambantota	82	81	88.92	95.29	45.06	45.30	0.31	0.69
Kurunegala	80	78	93.57	97.00	42.18	43.16	0.30	0.70
Puttalam	74	73	94.46	96.25	44.69	46.49	0.20	0.80
Anuradhapura	73	72	92.79	96.45	47.29	46.98	0.35	0.65
Polonnaruwa	76	75	94.57	98.46	47.54	45.49	0.26	0.74
Badulla	70	69	89.58	95.70	44.72	44.59	0.31	0.69
Moneragala	78	79	87.41	96.27	48.86	47.72	0.29	0.71
Ratnapura	79	80	84.20	94.11	44.77	43.73	0.26	0.74
Kegalle	80	81	88.24	96.17	40.11	41.06	0.25	0.75
Sri Lanka	78	75	90.10	96.14	42.28	42.93	0.29	0.71

Source: NHDR Team

Table 12

AGRICULTURAL ACTIVITY IN THE NORTH-EASTERN PROVINCE. (SLR MILLION : CONSTANT 1990 PRICES)

	Nothern Province		Growth Rate 1990-95	Eastern Province		Growth Rate 1990-95	Sri Lanka		All Island Growth Rate 1990-95
	1990	1995		1990	1995		1990	1995	
Paddy	537	636	3.69	1218	3421	36.17	14503	16320	2.51
Other Food Crops	925	1062	2.96	969	2470	30.98	22017	24712	2.45
Coconut	194	154	-4.12	135	149	2.07	5876	6407	1.81
Minor Export Crops	0	0	0.00	0	25	0.00	2807	3383	4.10
Tobacco	17	22	5.88	0	5	0.00	173	305	15.26
Betel and Arecanuts	41	44	1.46	163	44	-14.60	889	1015	2.83
Miscellaneous Agricultural Products	53	95	15.85	19	107	92.63	1076	1846	14.31
Livestock	393	488	4.83	447	471	1.07	3195	3260	0.41
Forestry	188	167	-2.23	1221	816	-6.63	2941	3031	0.61
Fisheries	1254	513	-11.82	738	1345	16.45	5859	7626	6.03
Plantation Development	32	49	10.63	23	36	11.30	1874	3035	12.39
Overall Agriculture	3633	3228	-2.23	4933	8889	16.04	72788	82953	2.79

Source: Ministry of Finance and Planning : Regional Economic Accounts

Table 13

MANUFACTURING, TRADE AND BANKING ACTIVITY IN THE NORTH-EASTERN PROVINCE (SLR MILLION : CONSTANT 1990 PRICES)

	Northern Province			Eastern Province			Sri Lanka		All Island
	1990	1995	Growth Rate 1990-95	1990	1995	Growth Rate 1990-95	1990	1995	Growth Rate 1990-95
Manufacturing	549	792	8.85	659	970	9.44	54,943	82,979	10.21
Electricity, Gas and Water	130	31	-15.23	146	341	26.71	5,634	8,604	10.54
Construction	1511	1,238	-3.61	929	1,149	4.74	21,592	29,476	7.30
Trade, Restaurants and Hotels	2533	2,724	1.51	2595	2,809	1.65	61,784	81,259	6.30
Banking, Insurance and Real Estate	983	1,339	7.24	983	799	-3.74	17,252	24,790	8.74
Total Manufacturing and Services	4,044	5,301	6.22	2,595	3,958	10.50	161,205	227,108	8.18

Source: Ministry of Finance and Planning : Regional Economic Accounts

Table 14

SERVICE SECTOR ACTIVITY IN THE NORTH-EASTERN PROVINCE (SLR MILLION : CONSTANT 1990 PRICES)

	Northern Province			Eastern Province			Sri Lanka		All Island
	1990	1995	Growth Rate 1990-95	1990	1995	Growth Rate 1990-95	1990	1995	Growth Rate 1990-95
Public Administration	949	1,143	4.09	985	1,187	4.10	18,246	21,985	4.10
Public Health Services	8	8	-0.95	8	9	2.50	561	647	3.07
Government Education	372	236	-7.31	250	255	0.40	5,313	6,182	3.27
Rail Transport	736	479	-6.98	202	266	6.34	4,205	4,934	3.47
Air Transport	4	10	35.56	1	4	60.00	355	653	16.79
Water Transport	31	0	-20.00	145	268	16.97	2,369	2,787	3.53
Land Transport	1,535	1,455	-1.04	562	741	6.37	21,618	27,446	5.39
Postal Services	51	77	10.20	34	60	15.29	592	1,092	16.89
Total	3,686	3,408	-1.51	2,187	2,790	5.51	53,259	65,726	4.68

Source: Ministry of Finance and Planning : Regional Economic Accounts

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