Chapter Two:

The Modernization Model and the Modernization Process in Sri Lanka

2.1 Introduction

This chapter will be dealing with two broad but related aspects of modernization. First, it will seek to understand the modernization model of development that emerged in the post World War II context and to understand the modernization process in many postcolonial Third World countries including Sri Lanka. Second, the chapter aims to trace the actual process of modernization in Sri Lanka with a view to understanding how the state and politics became the major stakeholders through which development and social change in the country took place.

2.2 Centrality of the state in modern societies

The state in modern societies has been extremely significant for everyday life in all the spheres. As pointed out by David Held, “The state – or apparatus of ‘government’ – appears to be everywhere, regulating the conditions of our lives from birth registration to death certification” (1989: 1). Especially in the Third World countries the state and thereby the government is significantly engaged with matters relating to economy, administration, health care, education and other crucial areas (Basu, 2005). Accordingly, it has the capacity of decision-making followed by translating them into realistic plans and effective implementation. Thus, Daniel Chirot (1977) defines the state as a social system with a set of rules enforced by a permanent administrative body.
(the apparatus of government). This body is the highest source of authority in the wider social system. It claims the right to make collective decisions and to enforce them. Foucault (2006 [1991]) notices this as a form of ‘governmentalization’ of the state in which the state creates charters for interventions. In his words,

... the state, no more probably today than at any other time in its history, does not have this unity, this individuality, this rigorous functionality, nor, to speak frankly, this importance; maybe, after all, the state is no more than a composite reality and a mythicized abstraction, whose importance is a lot more limited than many of us think. Maybe what is really important for our modernity — that is, for our present — is not so much the étatisation of society, as the ‘governmentalization’ of the state (Foucault, 2006 [1991]: 142; emphasis in original).¹

Hence, one can hardly ignore the all-pervading influence of the state on real life of contemporary societies. Further, it is hard to think of the sophisticated economic and social network of present-day societies without considering the role of the state or government. It has taken over more and more of the economic and social functions of the civil society. Even from a long perspective of history, the role of the state and its apparatus of government has been the very foundation of successful modernization and development.

The modern state has emerged, at first, in Western Europe between seventeenth and eighteenth century and took a clear shape in the nineteenth century. However, upto the beginning of nineteenth century the role of the state and government in economic development was relatively restricted. But, the role of the state and government in providing physical infrastructure development was critical for its success in early-developed countries (Szirmai, 2005: 462; Chang 2003: 92). As a result of the technological development the required scale of investment in physical infrastructure
has become larger. Consequently, it became more difficult and risky for individual private enterprises to mobilize the necessary funds for investment in infrastructural development. Therefore, governments in countries like Germany, Russia, and France had played crucial role, sometimes with the participation of private institutions, for the investment in infrastructure development and consequently these state investments paved the way for greater social economic changes of these countries (Szirmai, 2005; Supple, 1989, Weber, 1977). Further, during the Meiji restoration in Japan in late nineteenth century, the government had played a decisive role in industrialization and agricultural development (Gibney, 1998).

The state and its apparatus of government, its economic and social functions on the civil society have become crucial in the early part of twentieth century. There were two crucial points for it. First, with the emergence and consolidation of socialist state in Russia, role of the state in social and economic development turned to new directions. Under the strong forms of state central planning process, socialist state in Russia intervened in the whole social economic functions of the society. The second was the Keynesian economic policy for ‘Great Depression’ of 1930s. With this Keynesian economic policy, argument of ‘lasses-faire’ policy of the state was changed (Chang, 2003; Gabriel, 1991). These two points impacted to the changes of role of the state significantly since early decades of twentieth century. Consequently, interventionist function of state and government in economic development, provision of infrastructure, welfare facilities, especially under the planning matrix expanded. With the experience of institutionalizing of national economic planning to promote growth in European countries after the World War II, role of the state and government for economic and
social development was strongly instituted (Edelman and Haugerud, 2005: 6). This situation was further followed by the establishment of the idea of welfare state particularly in 1940s that referred to the social legislation of the state including the areas of health, education, housing and other social services. The next most essential point in this regard came out during the same period of mid 1940s. With the decolonization process after World War II, many Asian and African countries gained their independence from the colonial masters. After their independence, all these countries aimed to gain development and modernization rapidly. In that context, the role of the state and functions of the government were very significant and critical.

2.2.1 Importance of the state for modernization in Third World

The formation of modern state in most of the Third World countries has close association with the decolonization from the Western colonialism since 1945. And since its formation, states and their apparatus of government in the postcolonial Third World countries have adopted interventionist ways for the economic and social development and overall modernization. There were several reasons for this situation.

Before independence, these Third World countries were designated as ‘backward’ countries with ‘backward’ people. Upon gaining independence, mostly since the mid of 1940s, these countries were designated as ‘developing,’ ‘less developed,’ ‘underdeveloped,’ ‘Third World’ ‘postcolonial’ countries and so on. These terms were used to denote the gap between these countries and modernized Western and North American countries and to express some socio-political ideologies. In that sense, the term ‘developing’ implied an ongoing process of closing the economic gap between
these two groups of countries. Again, the term 'less developed' referred to the gap between the two groups of the countries. The term 'underdeveloped' denoted social and economic features of these countries. ‘Third World’ was the term for characteristic differences in political system along with economic disparity. The term ‘post colonial’ refers to the historical process which these countries faced.

According to the above designations, it is obvious that the economic conditions and living conditions of these countries were poorer than the developed advanced countries. Apart from those economic conditions, certain social features of these countries, after independence, were also common. These countries were characterized by limited industrial developments. The working classes were small because of the low level of development of the productive forces. On the other hand, a large agricultural sector with peasants who worked their small plots of lands under subsistence level existed along with landless peasants. Production technology was traditional. Social infrastructures such as health care and education was poor. The overall mortality rate, infant mortality rate, life expectancy indicated this (Todaro, 2000 [1977]; Berberoglu, 1992). By and large, these countries were in a traditional as well as a backward position.

According to much of the writings that concerned the underdevelopment of Third world countries, most of the above-mentioned characteristics of postcolonial Third World countries were the result of historical processes of exploitation and plunder of Third world societies by European colonialism and imperialism (Griffin, 1973). During the colonial period, colonial governments were primarily concerned with law and order and the maintenance of stable conditions for trade and agricultural as well as mineral
exploitations from these countries. These countries were exploited as resource
generating centers for industrial products of the west and markets for western industrial
movement in Asia and Africa, nationalist leaders criticized colonialism as an
exploitative force that created and perpetuated 'backward' economy and society in their
countries. Hence, the primary objective of anti-colonial movements in these countries
was to replace colonial rule with self-government in order to develop the so-called
backward economy and society of these countries.²

This was the situation when Asian and African countries gained independence from
colonization. “Decolonization released new hopes and energies in the new nations and,
indeed, across the globe, at a time when boundless faith was being invested in the idea
of material progress based on rational-scientific technologies” (Deshpande, 2004: 173).
However, these countries faced a specific situation during this time in which a number
of critical issues had to be addressed. These considerations strongly influenced the state
and government of these countries to play an active role to achieve social and economic
progress after their independence. What were these situations? In the first place, there
was a shortage of capital in these countries for sufficient investment in the industrial
sector. Entrepreneurial classes were weakly developed. Therefore, the state and
governments of these countries had to fill the shortage of entrepreneurship by acting as
an investor itself. In the second place, as I have mentioned above, there was an
enormous lack of infrastructure pertaining to road, power, education and health care.
Improvement of these fields also required considerable state participation. Further, after
independence, these countries sought a policy of accelerated development in order to
narrow down the gap between rich and poor countries under the central planning process. This also called for more active role from the state (Szirmai, 2005; Myrdal, 1968; Eckstein 1958). On the whole, the stress was on planned state intervention for modernization in Third World.

National development planning under the direct state intervention is a product of early twentieth century. Two distinct planning traditions can be seen that time. Its first emergence can be seen with the establishment of socialist Russia in 1917. The second was the result of efforts in the western capitalist nations to address the repercussions of the Economic Depression of 1932-33 under the Keynesian economic policies. Both traditions arose from social, economic, and political crisis although they sought remedies in different kinds of economic intervention. For the Soviet Union, the main objective was to restructure the social relations of production; whereas the Western nations tried to control markets, to move towards full employment and thence to equilibrium (Chang, 2003; Gabriel, 1991). The Marshall Plan (European recovery plan) in the immediate postwar period also assumed the state role in economic development under the planning matrix. As Myrdal argued,

The basic principle in the ideology of economic planning is that the state shall take an active, indeed the decisive, role in the economy: by its own acts of investment and enterprise and by its various controls – inducements and restrictions – over the private sector, the state shall initiate, spur, and steer economic development...It is committed to the belief that development can be brought about or accelerated by government intervention (Myrdal, 1968: 709).

After independence, the state in postcolonial Third World countries took a more active role than in the advanced capitalist countries (Rapley, 2007: 1-2; Chang, 2003: 21). The
desire of these countries was not only to acquire political independence but also economic independence.

However, the shortage of capital for investment and technological knowledge in the Third World countries led them to obtain capital and technologies from other advanced countries. This was the 'Cold War' ridden period marked by tension between two superpowers. There was a sharp polarization in almost every matter between USA and former USSR. It is important to understand that modernization and development in postcolonial world was also affected by this bipolar competition between two superpowers ((Leys, 2005; Basu, 2005; Rist, 2002; Mamdani et all, 1993). In very brief; “modernization theory is the child of a marriage of coincident between decolonization and the Cold War” (Deshpande, 2004: 173). This context influenced the configuration of modernization process of the postcolonial Third World countries.

2.2.2 Construction of modernization theory

The dominant theme in modernization theory is the transformation of human societies from a simple or traditional to differentiated and complex modern one. Hence, a brief foray into the intellectual history of modernization in classical sociological theory is necessary to understand the formation of modernization theory in sociology.

Although the idea of progress is a continuing process in western intellectual thought, it was not until the eighteenth century that the evolution of societies was studied in a systematic way within the context of defined stages from the simple to the complex (Harrison, 1989: 1). In this context, the notion of modernization in sociology originated in the nineteenth century following the theory of human evolution reinforced by
Darwin. "Social evolutionism reached well into the nineteenth century, where it was reinforced by Darwin's work on biological evolution, and none of the early sociologists were free from this" (ibid, 2). Classical sociological thinkers in nineteenth and early twentieth centuries sought to distinguish changes particularly in Western societies. Their discussion on tradition and modernity was based on a dichotomous conception of the traditional and modern. This discussion contributed to the development of the major typologies of classical sociological thinking on modernization. At the end of the nineteenth century, however, diffusionism developed as an alternative approach to evolutionism due to the inadequate explanation of social change and its simplistic one-path focus on development. "The diffusionist perspective is based, in general, on the assumption that common cultural patterns or similar cultural artifacts will have originated from a single source, and that innovation is likely to occur once only, rather than to be repeated by different groups or different times" (ibid, 4). Anyway, according to these perspectives, social change is a gradual and inevitable progressive transformation of human societies from the primitive to the modern stage.

During its recent construction after World War II, modernization theory came under the influence of Talcot Parsons's 'structural functionalism.' In 1951, Parsons detailed his pattern variable approach comparing the dichotomy between traditional and modern societies under the five pattern-variables: affectivity - emotional neutrality, diffuseness - functional specificity, ascription - achievement, particularism - universalism, and collectivity - self interest. The first set of features characterized traditional or non-modern societies. The second set belonged to modern or industrialized societies. Modernization approach suggests that traditional societies (or underdeveloped or Third
World societies must move away from its traditional values and go towards modern age embracing modern values. Accordingly, at first glance, it is apparent that the basic theme of modernization has coherent and predictable patterns of changes which were linked with economic and technological changes characterized by modern west. According to the modernization discourse, process of modernization should reconstruct 'non-modern', 'traditional' societies to the 'modern', 'universalistic' society (Moore, 2004 [1974]; Irwin, 1975; Lerner, 1968; Nash, 1977). In this context, Dean C. Tipps noted,

Modernization, then, becomes a transition, or rather a series of transitions from primitive, subsistence economies to technology-intensive, industrialized economies; from subject to participant political cultures; from closed, inscriptive status systems to open, achievement-oriented systems; from extended to nuclear kinship units; from religious to secular ideologies; and so on (1973: 204).

Since the beginning of 1950s, the concept of modernization became very influential. The idea of improving the living condition of the people of postcolonial nations in non-Western World was the fundamental theme of modernization discourse. These theories dominated development thinking in the 1950s and 1960s. According to this thinking, modernization in the countries of Asia, Africa and Latin America should be characterized by economic growth along with industrialization and urbanization (Rist; 2002; Schech, and Haggis, 2000; Inglehart, 1997; Spybey, 1992; Smelcer, 1970). This was the model visualized for transforming these countries which were seen as traditional, underdeveloped, and trapped in a vicious circle of poverty marked by lack of capital and inadequate techniques and knowledge.

However, as observed earlier, a sharp polarization in almost every matter between the USA (United State of America) and former USSR (Union of Soviet Socialist Republics)
had no mean role in the construction of the modernization theory. This could be clearly seen in 1947, in the inaugural address of Harry Truman, President of USA, where the ‘Point Four program’ on developing world was announced. In his address, President Truman states that half of the world population is hungry, poor, and disease-prone; in other words, they are living in traditional, underdeveloped areas. He outlines the intention to release such populations from their suffering through scientific knowledge and skills provided by the West.

For the first time in history humanity process the knowledge and skill to relieve the sufferings of these peoples [the world’s poor]...I believe that we should make available to peace-loving people the benefits of our store of technical knowledge in order to help them realize the aspirations for a better life... What we envisage in a program of development based on the concepts of democratic fair dealing ...Greater production is the key to prosperity and peace. And the key to greater production is a wider and more vigorous application of modern scientific and technical knowledge (sited from Escobar, 1995: 3).

In this context, Preston points out three main elements that went into the construction of modernization theory: ‘bipolarity,’ ‘containments,’ and ‘aid-donor competition’ (1996: 166-9). In the first case, the end of Second World War marked a decline in European power and the rise of two parallel giants, USSR and USA, in the world. The dominance of these two giants within the international system was understood in terms of the notion of bipolarity. The notion of containment expressed the resolution of the USA to halt the spread of communism. During the Second World War, USSR occupied Eastern Europe. It positively influenced the leftist activities in Western Europe. Likewise, the activities of ‘leftists’ movements in postcolonial nations or the Third World were inspired by socialism. The response of USA was to take action to halt this communist expansion, especially in the third world. USA’s Point Four program was based on this notion of containment:
(a) the interest of the USA
(b) functioning of liberal market economies
(c) resistance to communism
(d) the future prosperity of the world

This doctrinal package was labeled as the ‘Point Four Program’ for the ‘Free World.’ In 1947, this policy of USA was officially expressed.

The third element of modernization theory engaged with aid-donor competition. The competitive aid giving took the form of offers of socialism on one hand and membership of the Free World in the other. Under the “Point Four” policy, US government offered help for the development of new states. In 1956, with the USSR announcement of development aids for underdeveloped countries, competitive aid giving was started. Huge amounts of development donations flowed to the developing countries.

In a bipolar cold war context after the Second World War, modernization theory quite clearly emerged under the influence of American social scientists. Accordingly, the parameters and direction of mainstream modernization theory were strongly shaped by the ideological arm of USA which intended to diffuse development aids and democratic ideals to the Third World (Leys, 2005: 112; Berberoglu, 1992: 1). Over all, this was the critical setting within which modernization theory was constructed to initiate the modernization process of the postcolonial world.

Under these circumstances, “Development economics and the sociology of development, the new topical disciplines, on the contrary, took for granted the
continuity and necessity of the capitalist process of development throughout the world and wanted to show that Third World nations could overcome the obstacle and develop within capitalism to reach the same levels achieved by the developed world” (Larrain, 1994: 85). The solution for underdevelopment required a greater penetration of modern economic principles and institutions: ‘free markets,’ ‘free enterprise,’ ‘modern tax systems,’ the ‘rationalization of the state,’ and so on (Hoselitz, 1970). The ideological celebration of the model of the Free West was:

a) modernization was the process whereby the less developed countries would shift from traditional patterns of life to become developed

b) industrial society was the goal where society was driven by the demanding logic of industrialism

c) the logic of industrialism would lead to the convergence of political economic systems (in particular those of East and West)

d) the achievement of prosperity as in the USA of the 1960s would mean that ideological debate occasioned by conflict in respect of scarce resources would wither away (Preston, 1996: 172).

In this context, the theory of economic growth presented by W.W. Rostow in his classic work *The Stages of Economic Growth: A Non-Communist Manifesto* in 1960 obviously elaborated economic development of all societies as an ultimate experience to be matured into developed or modern step. Rostow argued, “it is possible to identify all societies in their economic dimensions as lying within one of five categories: the traditional society, the free conditions for take-off, the take-off, the drive to maturity, and the age of high mass-consumption” (2004 [1960]: 124). According to this view,
Rostow attempted to show the linear stages to be followed for modernization (development) from a traditional stage to the age of high mass-consumption which had been already accomplished by the modernized Western societies.

Neil J. Smelser identified four major processes that were especially important for economic growth and changes of social structure:

a) modernization of technology leading to the change from simple traditionalized techniques to the application of scientific knowledge

b) commercialization of agriculture which is characterized by the move from subsistence commercial farming leading to a specialization of cash crop production and the development of wage labor

c) industrialization process which depicts the transition from the use of human and animal power to machine power

d) urbanization which consists of changes in the ecological dimension and the movement from farm and village towards the growth of large urban centers (Smelser, 1970: 33)

According to Smelser (1970), these processes, though not necessarily, occur simultaneously. He exemplified that some technological changes which influence the economic development such as improved seeds can be introduced without organizational changes. Agriculture may be commercialized without any concomitant industrialization.

Alongside these theorizations, there was an array of social, psychological and empirical studies conducted on modernization in relation to socio-psychological needs in the
newly independent nations of Asia and Africa. Among these, "Perhaps the most influential exponent of the psychological approach to economic development has been David McClelland" (Berberoglu, 1992: 13). According to McClelland (1970), the key factor in economic development is what he calls 'the need for achievement' or 'n Achievement motivation' which denotes a desire to do well, not so much for the sake of social recognition or prestige, but to attain an inner feeling of personal accomplishment. Taking interesting historical data from 40 countries, McClelland explains that the level of n Achievement was the zenith, when societies produced a great civilization of art, music, literature and science. This situation was similar to the Western societies during the 'Renaissance.' According to McClelland (1970), people who were 'high' in n Achievement tend to work harder at certain tasks to learn faster; to do their best work when it counts for the record, to choose experts over friends as working partner; etc. According to these theorists, this value, n Achievement performs the economic development.

2.2.3 Interrogating the modernization model

Since 1950s, modernization theory dominated postcolonial Asia, Africa as well as Latin America. However, against the pragmatic legitimacy of modernization theory (capitalist development ideology), radical alternative theories rose since the latter part of 1950s including a verity of approaches sharing a basic analytical framework and a neo-Marxist perspective. The leading neo-Marxist theorists are Baran (1957), Frank (1969), Emmanuel (1972), Wallerstien (1974) and Amin (1976). Before them, Marx had assumed a pattern of capitalist development in all societies in the world. However, as pointed out by neo-Marxist theorists, capitalist development in the world has blocked
progressive modernization in underdeveloped countries. The basic reason for this is the exploitative relationship between developed (center) and underdeveloped (periphery) countries.

Accordingly, dependency theory was the first major challenge to Western-centered academic discourse and process of modernization in postcolonial Third World countries. And, dependency theory was a trenchant critique and an alternative vision on the crusading imperialism of the modernization theorists (Tucker, 1999: 12). It accorded more closely with the experience of Third World countries and showed how internal characteristics and institutions of developing countries have been deeply influenced and shaped by past and present external forces such as colonialism, imperialism, the Cold War and international economic trends and relationships.

The main argument in dependency theory is that within the single world capitalist system, economic structures in underdeveloped areas are tied to the developed countries in the world. As pointed out by Dos Santos, “By dependency we mean a situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is subjected” (2004[1970]: 278).

According to A.G. Frank, the most influential dependency theorist, dependency is the result of the historical development and contemporary structure of world capitalism to which Latin America is subordinated with its economic, political, social, and cultural policies generated by the resulting class structure (1969). One model that can be used to explain this exploitative relationship is ‘center’ or ‘core’ that represents the developed societies and the ‘periphery’ that represents underdeveloped countries.
Therefore, according to dependency theorists, the only way to arrive at the real possibilities for development is by means of radical structural changes that break those exploiting capitalist order (Berberoglu, 1992: 33).

Since 1970s, however, dependency theory was criticized with regard to the debates on the nature and causes of underdevelopment in Latin America as having its origins in feudalism or capitalism with the rise of certain dependent states during post war period, particularly newly industrialized countries (Berberoglu, 1992: 34). In response to these criticisms, world system theory emerged in the 1970s.

According to world system theory, creation of the world capitalist economy in the sixteenth century led the world to a new period of history that is based on expanded accumulation rather than stagnant consumption. The growth of trade, the more efficient organization of production, and a structure of unequal nation states led to the creation of the world capitalist economy. This capitalist economy led to an unprecedented expansion of the productive forces, but at the expense of periphery and to the benefit of the core. And, world system theorists identified another group of countries, ‘semi-periphery’ in relation to the rise of ‘New Industrialized Countries’ in 1960s and 1970s.

According to world system theorists, economic development of new industrial nations is a ‘dependent development’ (Wallerstien, 1974). Hence, modern world system is a three-tier model of ‘core,’ ‘periphery,’ and ‘semi-periphery.’ This demarcation is defined on the basis of a society’s incorporation into the world capitalist system, and the level of development.
2.2.4 State intervention and modernization models in postcolonial world

As a general feature, state intervention in modernization process could be seen in every postcolonial Third World country. However, the modernization models followed by these countries were not similar to each other. Modernization models during the postcolonial time varied from each other due to the above-mentioned international bipolar competition, different political ideologies as well as internal subjective considerations, such as internal injustices, paternalistic and welfare ideologies of local political bodies of those countries. While some countries have followed capitalist ways of economic development, some followed socialist model. Many of the postcolonial Third World countries followed a mixed model for the modernization and development. However, as mentioned above, state planning and intervention could be seen as a constant in these models. Also common to these countries was ‘import substitution policies’ to protect infant industrialization from powerful international competitors.

As a result, increasing number of previously raw-material-producing countries in the Third World entered the stage of rapid industrialization through massive flows of capital from the advanced capitalist centers, in particular the United States. This transnational, cooperate-initiated, capitalist expansion in a selected number of countries in the Third World has come to be known as “export-oriented industrialization.” Consequently, some countries like South Korea and Taiwan have followed export-oriented industrialization. Under this model, it was expected to provide solutions to three major problems: creations of jobs and reduction of unemployment, training of skilled industrial labour force, and the transfer of technology and increase of foreign exchange (Berberoglu, 1992: 49-50). This way was considered as the prime instrument
of minimizing inequalities in the distribution of income and wealth which would soon destroy the economic backwardness in these countries. It was also believed that this economic development could create a better physical quality of life. Economic development was seen as a mean to create the wealth which was needed for social infrastructure and services.

According to the neo-classical theory, one of the main reasons for the success of East Asian Newly Industrialized countries was the limited government intervention in the economy (Kiely, 1995: 86-7). But later, it was recognized that this success was the outcome of state subsidies and protectionism, infrastructure development, radical agrarian reforms (Booth, 1999; Bhaduri and Nayyar, 1996, Castells, 1992) as well as international geo-political concerns during Cold War period (Kiely, 1995; Appelbaume and Henderson, 1992). As such, the visible hand of the state has played a very crucial role in most of the late industrialized countries.

The modernization models that were followed by some other postcolonial countries were not associated with the dominant principles followed by USA after the World War II. For instance, after its communist revolution in 1949, China viewed rural development as paramount for the development and modernization. Central state planning was the key to the system and series of five-year plans were implemented. However, after 1960s, China adopted industrialization as the way of development and modernization. Some other Asian countries also have followed the socialist way as the mean of economic development and overall modernization. In the African context, some postcolonial African countries were inspired by the socialist model but with

Many of the countries in the erstwhile colonial world followed a mixed model for modernization during the postwar period with the intervention of the state and government. Having experienced capitalist imperialism during the colonial period, leaders of many postcolonial countries tended to distrust the capitalist market economy. Therefore, after independence, the successive governments of these countries chose to promote economic growth through the state-centered planning process retaining state control of key industries and the supply system, but not completely adopting a socialist route. At the same time, these countries aimed for developing social infrastructure and social welfares such as education, health care, guarantee of minimum standard of living, reduction of disparities under the interventionist functions of the state and government.

This state intervention in economic development and enhancement of social infrastructure and welfare in these countries did not just start with independence. Even before independence, some nationalist leaders of these colonized countries had started to outline future development plans for their countries. As I have mentioned above, they found inspiration from the experience of Russia which had succeeded in achieving industrialization and infrastructure development under the central planning process. A clear example in this regard is India. During its national movement, Indian national leaders drafted its future development plan focusing on different aspects of socio-economic development (Chatterjee, 1994 [1993]: 200-219). With these planning
procedures, Indian national leaders planned their future development under the intervention of self-government for which they struggled. Chaudhuri notes,

The National Planning Commission (NCP) was established in October 1938 under the Chairmanship of Jawaharlal Nehru to draw an outline for Independent India’s Planned Development…The formation of the NPC clearly expressed the intention of the Congress to adopt planning as the most effective means for the comprehensive economic development of the new nation (Chaudhuri, 1995: 211, highlight in original).

It is widely pointed out, the Nehruvian state of India after the independence was vitally committed to ‘development’ through planning that made India a modern nation.

In addition to economic development under interventionist state, there was strong commitment in some of these post colonial countries towards the progress of social infrastructure and social welfare, such as education, health care, guarantee of minimum standard of living, and reduction of disparities. This inclination of these countries which were mostly under British colonial power had the origin from last phase of the colonialism itself. ‘Royal Commission on British Colonies’ which was appointed to investigate the condition of the British colonies in the world in 1930s described those colonies as ‘tropical slums.’ This report led British government to revise its ‘Law of Development of the Colonies’ insisting that the colonial power should maintain a minimum level of health, education, and nutrition among its subjects in the colonies. As a result, British government passed ‘Colonial Development and Welfare Act of 1940’ for the allocation of recourses for the basic welfare in the British colonies (McPherson, 1987: 67). Under this Act, British colonial government in Asia and Africa intervened in the development of social infrastructure and the distribution of social welfare facilities among the native population of those countries. In this context, Nabudere (1997)
identified two facts which buttressed state intervention in the development of African countries which were under the British Crown. He says,

The first was that large human and economic investments were necessary before Third World people could be considered “fit for self government” and independence. The second, as far as the British were concerned, was the belief that as African became more “detribalized” the state would have to assume the social welfare functions formerly performed within the “tribal” social security systems (Nabudere, 1997: 206).

Subsequently, the ‘Colonial Development and Welfare Act of 1940’ provided the way for the beginning of the provision of formal organized welfare and development of social infrastructures in British colonies. Colonial governments started to provide funds for some areas of social development like education and health care. After that, in the last phase of the independence, there were strong inclinations of paternalism of local political bodies of Asian and African colonized countries to continue the above social development and welfare programs on behalf of indigenous populations of their countries. In this context, “already before independence, many nationalist and ‘socialist’ movements had declared their intention to extend the social services to their people and, on coming to power, many gave to priority to increasing health, education, housing and other social provisions” (Midgley, 1987: 121). These provisions, it was hoped, would improve the lives of the native population.

Gaining political independence was a defining point for state intervention in postcolonial Third World countries. Political independence gave new aspiration to both people and ruling elites of those new states. People of these countries relied on state for gaining socio-economic benefits such as lands, education, salaried employments, or the
acquisition of more influential and better-rewarding positions. In this context, Kothari says,

There has been with us, especially in the post-colonial world, a presumption that the state as a mediator in ameliorating the harshness of traditional social structures for the purpose of ensuring justice and equality, a protector of vulnerable peoples and liberator of oppressed and colonized populations, and an engine of growth and development that usher in a new civil order based on progress and prosperity and confer rights to life and liberty, equality, and dignity, on the people at large (2002: 73).

After gaining independence, the prime aim of the independent states was to create dynamic modern nations. During the liberation movement against colonialism, leaders of some of these countries were influenced by Marxist political ideals of greater social and economic equality. And, they were influenced by the successive experience of planned-development of Soviet Union. The prime aims of these countries were also economic development and overall modernization containing developments of social infrastructure, raising the living conditions of the people, creation of egalitarian society and so on. Accordingly, these aims were clearly spelled out even in the new constitutions of these countries (Myrdal, 1968). Accordingly, unlike the pre-colonial states in Asia and Africa which were not enveloping regimes that controlled the entire social fabric, post colonial states of these countries penetrated social and economic life of the masses through its economic, administrative, and even political mobilization policies that aimed to gain development and modernization. Whether it was achieved or not, these states aimed to secure its legitimacy through solving its population’s matters related with poverty, unemployment etc. This is what Partha Chatterjee says regarding modern state, “This regime secures its legitimacy not by the participation of citizen in matters of the state but by claiming to provide for the well being of population” (1998: 55).
279). State intervention in social, economic development and overall modernization, therefore, has been a significant ingredient of the postcolonial Third world countries.

Within this context, it is clear that the state and its apparatus, government, have directly intervened in the social and economic development and overall modernization of the postcolonial Third World countries. The domestic social, political and economic conditions, acceptance of ideology of planned changes for development, as well as competitive aid donations during the post war period significantly influenced the state to initiate state directed development programs in these countries. Subsequently, "above initial structural changes enabled Third World states, once they achieved their political independence, to embark on programs of state-managed and directed economic "development" and "modernization" (Nabudere, 1997: 207).

In the immediate post colonial world, There was a view that the state should follow the way for achieving greater self-reliance through import substitution and the building of a substantial infrastructure for industrialization or achieving greater welfare through provision of foods, health and education etc (Kothari, 2002: 73). This was impacted by another crucial fact: when many of the postcolonial Third World countries gained independence, the political arena which consisted of modern political ingredients such as adult franchise, political parties and competitive election politics was opened. In this backdrop, people of these countries who were inspired with political independence sought benevolence from the state and government in order to gain greater material advantages such as lands, government jobs, social status and so on. Therefore, leaders of these countries were keen in involving the masses and seeking legitimacy from them.
(Kothari (2002: 74). Hence, since the beginning of independence, the size of the apparatus of government in many Third World countries has increased substantially. Much of the rapid growth of the share of services in employment is due to the expansion of government employment. There was also a huge building up of a social infrastructure of education, agricultural extension and medical care with the increasing role of the government in the economy in the post-war period.

2.2.5 Role of the Third World state in transnational frame

In the preceding sections, it was observed that the process of becoming modern or the broad theme of modernization has been the focal point of most of Asian, African postcolonial countries even before they gained independence. It was also the main aspiration of Latin American older nations. The modernization theory gave an optimistic vision of the changes of such nations. Though there were different modernization models during the postcolonial time, the role of the state in the process of economic development and overall modernization was critical. However, since late 1970s, particularly within the globalized transnational context of the world, the role of the state and government in development and modernization in the Third World countries has come to a crucial point due to several significant challenges.

Transnational phenomena of globalization have impacted and alerted the role of the Third World nation states in many ways. In the era of globalization, the rise of quasi-"state-like" institutions (like World Trade Organization that operate and regulate the conduct of states, economies, and people at a supra-national level) could be seen. As well as, globalization process challenges the two key concepts, territoriality and
sovereignty that lie at the heart of a nation state. This situation followed by the broader-transgressing circulations of people, image, money, and goods that further challenge the role of the nation state, and even the demands of separatist ethnic movements (Sharma and Gupta, 2006: 6). At the same time, these nation states are increasingly unable to perform their redistributive role: the quantity of resources they are able to extract and distribute is becoming smaller. Another crucial factor is the failure of economic development and ineffectiveness of the public sector in many Asian, African post colonial developing countries. Hence, there were criticisms of the interventionist role of the state that was followed for real economic and social orientation in these countries. According to neo-liberal analysis, problems of the development of the Third World countries are the products of "too much government" (Kiely, 1995: 128). In this context, Jessop (1999) argues that the state in the post-Fordist, neoliberal context is a qualitatively new state form and we need to shift our frame of analysis from government to governance. He further contends that while the Keynesian Welfare National State of the Euro-American type may well be eroding by becoming denationalized, destatized, and internationalized, not all national states forms are necessarily retreating (quoted from Sharma and Gupta, 2006: 22). Although socio-economic structure of different parts of the post colonial world was not identical with Keynesian welfare state in the developed world, post colonial Third World countries focused on neo-liberal policies within the context of global political and economic changes, and the need of rapid economic development.

In the case of post colonial Third World countries, liberalization policies and transnational government mechanisms like Structural Adjustment Programs (SAP) have
played a significant role in minimizing the role of the state in redistributive and welfare mechanism. International development agencies like the International Monetary Fund and the World Bank are following, in effect, consultant role on SAP to Third World countries. This program sought to reduce the state involvement in the economy and reduction in state expenditures on social services such as education and health care, introduction of user fees for such services, currency devaluation, trade liberalization, selling off of state-owned enterprises and opening up of the economy to international competition. Accordingly, the “privatization” of the state entails a dispersal of the state’s governance and redistributive functions to non-state and charitable organizations. As the influential transnational non-government organizations (NGO) and foundations (like CARE, Oxfam, Save the Children, Ford Foundation etc.) bring models of development and resources directly to specific populations without necessarily going through national governments, the role of the state and apparatus of government in development and modernization further reduced (Sharma and Gupta, 2006: 22-4; Edelman and Haugerud, 2005: 7). As the bipolarity aid donor competition between world supper powers ceased in the beginning of 1990s, Third World countries were compelled to adopt these policies in return for continuing financial support from the funding agencies and transnational organization of global capitalism. This framework may well signal a “de-governmentalization of the state” or as a “de-statization of government” (Rose, 2006 [1996]: 157).

Hence, it is clear that those neo-liberal policies in a transnational globalized framework stand in sharp contrast to the patron ideas of the state in the Third World countries. However, transnational development discourse also locates states as primary agents for
national development and as the chief institutions for the implementation of policies. For, economic development policies and interventions suggested under Structural Adjustment Programs should be negotiated by transnational development organizations and government officials as NGOs or any other representatives do not have authority for such negotiations (Sharma and Gupta, 2006: 20-1).

On the other hand, global understanding during last two decades accepted that there are people everywhere to whom some basic necessities should be provided. Chatterjee pointed out “There is a growing sense now that certain basic conditions of the life must be provided to the people everywhere and that if the national or local governments do not provide them, someone else must, whether it is other states or international agencies or non-governmental organizations” (2008: 4). Along with those global understandings, there are counter arguments from the third world developing countries themselves that the role of the state as a re-distributor is very significant, as there are severe internal inequalities (caste, tribe, religion) among the population of those countries due to outward-oriented modernization, rural-urban disparities etc. As a result of being a prisoner of the dominant classes and transnational patrons, it can be seen that many of the states in the Third World are moving towards economic liberalization without concerning about the plight of the masses of these countries. The focus on the demands of redistribution, welfare or participatory framework of the economic management under the liberalization policies has shifted. But, the need of the interventionist role of the state and government in the Third World countries is still felt (Kothari, 2002; Bhaduri and Nayyar, 1996). It is agreed that “At the present stage of development, however, the government must continue, and not abandon, its effort to develop the
physical infrastructure, just as it must strengthen, and not dilute, its role in creating social infrastructure. It must not abandon its efforts and dilute its role in the name of liberalization” (Bhaduri and Nayyar, 1996: 143). According to this argument, this continuing role of the government is very essential to bring the people who are in backward or helpless conditions into the national development goal. But, on the other hand, instead of focusing on how people’s own energies can be unleashed in the improvement of their conditions within the process of modernization and development, the role of the state in the management and redistribution of resources has been manipulated to bolster the political positions of the governing ruling classes of the third world countries. The role of the state in modernization and development in Sri Lankan during past decades as well as at the present has to be seen within this scenario.

2.3 Modernization and social change in Sri Lanka

The process of modernization and social change in Sri Lanka during past decades can be summed up as an integral consequence of the state and successive governments’ intervention to uplift its population under the distributive welfare mechanism including distribution of lands, and social services like free education, extensive health care schemes, state subsidies on food and other necessities. This interventionist way which had been followed since the last edge of the colonial regime led the country to a remarkable social development.

In this backdrop, I intend to discuss the role of the state on social change in Sri Lanka from a number of perspectives. Accordingly, special attention will be paid to the political setting of 1930s for the benevolent state policies, initiation of vast range of
state distributions, social, economic setting and political preference for continuation of welfare policies after independence, limitation of a favourable material base for welfare distribution, along with the discussion on formation of competitive society within the context of democratic electoral political structure of the country.

2.3.1 Political setting of initiation of distributive policies

As observed in the first chapter, 1931 was a turning point for the initiation of benevolent state distribution to the masses, particularly to the rural masses. Introduction of universal adult franchise and establishment of State Council in this year under the Donoughmore political reform were equally important for the drastic social change of the rural areas of the country. However, before entering the discussion of the State Council’s commitment on the distributive state penetration in the country, it is necessary to understand the politics behind these commitments.

Although there was a primary concern among the reformist and nationalist leaders on the condition of the peasantry in late nineteenth century and early twentieth century, most of these political elites opposed the granting of voting right (universal adult franchise) to the rural masses (Jayawardane, 2000). But, at the same time, few Marxist trade unionists and political leaders were demanding adult franchise for all citizens and they were very critical of imperial rule of the country.

However, the Donoughmore commission which was influenced by the Fabian political ideologies of that time, introduced State Council as well as universal adult franchise. Under the new constitution, 50 members for the State Council would have to be elected under the constituency base through universal adult franchise. The impact of this
political reform is developed below. Firstly, through the introduction of universal adult franchise, the entire population of the country that was over 21 years of age was granted the right to select their representatives for the State Council. In that era (in 1930s), this grant of voting rights was a remarkable achievement among other colonized countries, because Sri Lanka gained the rights of franchise just after two years from the extension of voting right for women in the United Kingdom. This initiation provided the basis for competitive electoral political representation in the constituencies. Secondly, under the establishment of State Council, except finance, defense and justice, all other executive and administrative powers were given to the native political leaders. Accordingly, seven Executive Councils were formed comprising the representatives who were elected to the State Council. Each of these Executive Committees was headed by a minister who was elected by the members of the committee among themselves. Thirdly and most essentially, the notable outcome of those political reforms was the commitment of State Council to implement social welfare activities for the masses, because, elected politicians for the State Council were accountable for their actions for fulfilling demands of the people whom they represented (Attanayake, 2001: 42-46; Uyangoda, 1998a: 6; Laxman, 1997: 3; Bjorkman, 1985: 543). In particular, the influence of the growing Marxist political parties of that time who demanded greater state intervention to solve the problems faced by masses, also strongly affected the members of State Council to go for a high degree of state distribution of lands, free health, and education facilities etc.

However, colonial administrations during this time were more mindful of the financial implications of committing the state to ambitious programs of social amelioration. But,
growing political and public empathy with the masses enhanced the idea that state intervention was the most crucial fact for solving the above-mentioned social problems of the rural peasantry of the country. Whatever else may be said about Sri Lanka’s social development after 1930s, it had a fundamental role in the changing political atmosphere at both national and local levels.

Although widespread distributive measures and social services were initiated after 1930s, some of these social services could be identified even before 1931. For instance, the origins of some welfare legislations in Ceylon were closely identified with immigrant Indian plantation labor in the first three decades of the twentieth century. And, urban working class also benefited from some welfare legislations. But, the indigenous population mostly scattered in the rural areas had been denied the same under those legislations (Wickremeratne, 1973: 477). And, “by this period several district officials had begun to experiment on their own with land tenurial arrangements with the subsistence farmer in mind” (Samaraweera, 1981: 144). But, without statutory measurement, it was difficult to continue these attempts productively.

In such a political atmosphere, local political leaders who were selected to the State Council in 1931 developed a paternalistic role for the state for the betterment of the masses, including the distribution of state lands and massive public investments for social services like free education, widely spread health care, infra-structure development, state support for the rural peasantry, state subsidies for low-income groups etc. Most of these activities started since the end of 1930s and the beginning of 1940s. Under this paternalistic role of the state, remote and isolated rural communities
were able to benefit from the state resources. They represented numerical voting majority under the electoral political system.

Compared to India, there was no mass political mobilization in Sri Lanka during the colonial period. But, due to the electoral political system, state distribution became the main slogan within the political arena. Since a large majority of population was in rural constituencies, restoration of golden past of the peasantry through the state distribution became the vision of the national politics even before the independence. Consequently, state distributive welfare activities in countryside increased rapidly. This situation could be seen through the substantial increase of government expenditure for social service between 1930 and 1947. By 1947, the last year of State Council, the total expenditure on social services absorbed a staggering 56.1% of the government revenue compared to 16.4% in 1930, before one year to establish State Council (Silva, 1988a, 65; Wickremeratne, 1973: 488).

2.3.2 Distributive mechanism of the state since 1930s

My preoccupation in the following sections is the process of state intervention and redistributive mechanism of lands and other welfare services that influenced the social change in rural society of Sri Lanka, especially after the 1930s. This distributive measures and social services were activated in two ways: firstly, personal distribution such as land, government jobs; and secondly, public distribution such as education and health facilities, public utilities and other public facilities. In view of that, my chief concern here is the distribution of land and other social services that mainly affected social change in the area of this study.
A: Distribution of state lands

As pointed out in the first chapter, colonial land policy in the 19th century in Sri Lanka discriminated against peasant population of the country in several ways. The main focus of colonial regime was to promote capitalist plantation agriculture. Accordingly, they implemented several land policies which took over the lands which were utilized by peasants for their subsistence agriculture. And, they did not pay much attention to the traditional agrarian system like chena cultivation that had been continued for thousand years. Confiscation of peasant’s land and negligence of subsistence agrarian system created landlessness, poverty, and indebtedness among the populations that lived in rural areas of the country.

In such a context, ‘The Land Commission of 1927,’ which was staffed mainly by the Sri Lankan Nationalist elites, was concerned with peasant land problem and identified the necessity of distribution of Crown land to the rural peasantry to solve landlessness, the major problem faced by them. The commission firmly declared that the government must hold Crown land in trust for all the people and allocate it for their benefit. The commission also recommended to stop alienation of Crown land for large plantations (Peiris, 1996: 146-50; Peebles, 1990: 37; Moore, 1985: 38-39). In that era, this recommendation of Land Commission was wide-ranging and quite radical. However, these recommendations were not effectively implemented before 1931. Subsequently, the political milieu that was established in 1931 improved the situation for the implementation of these recommendations. Accordingly, the enactment of Land Development Ordinance in 1935 (LDO) stopped the sale of Crown land and, instead, embarked on the distribution of Crown land among landless villagers. Since then,
different land distribution programs were implemented. By 1970, there were many land distribution programs, for instance: “Village Expansion Schemes, Regularization of Encroachments, Alienation from Acquired Estates, Major Colonization Schemes, Youth Settlement Schemes, Special Leases, Alienation of Marginal Lands and Alienation to Middle Class Ceylonese” (Moore and Perera, 1978: 41). Among these, colonization scheme and village expansion scheme have mostly benefited the rural population of the country.

Colonization scheme was one of the most important land distribution programs which influenced rural Sri Lanka during the period between the mid 1930s and mid 1980s. With the mandate recommended by Land Commission in 1927, State Council under the D.S Senanayake’s leadership planned colonization schemes in the Dry Zone in which landless Sinhalese peasants were to become independent peasant proprietors (Gunawardena, 1981: 27-28). Accordingly, the enactment of the Land Development Ordinance in 1935 created a healthy mechanism for colonization. “The intentions of improving the welfare of peasants was translated into concrete measures with the enactment of the Land Development Ordinance in 1935” (Amarasinghe, 1976: 622). Along with this social welfare goal, colonization scheme had several other goals, including self-sufficiency in rice production, preserving the traditional peasantry that was suppressed by colonialism, relieve population pressure and unemployment in the over-populated wet zone (Peiris, 1996: 168-71; Pfaffenberger, 1990: 361; Peebles, 1990: 37). In keeping with these goals, the first pioneer colonization scheme under the ‘Land Development Ordinance in 1935’ was started in 1939.
The progress of colonization scheme during its initiation was slow owing to the harshness of dry zone, lack of service facilities and the growth of epidemics like malaria which were integral characteristics of the dry zone at that time. However, substantial road and infrastructure development, provision of state transport service, and malaria eradication campaign ended the difficulties that confronted the colonization scheme and helped the expansion of the scheme. Especially, after independence, political climate for colonization programs was beneficial. Therefore, during 1935 to 1970, 327,000 acres of land were distributed among 74,265 allottees (Moore, 1985: 40). Under the colonization policy, each settler was to be provided a unit of land and necessary assistance to enable him to maintain a reasonable standard of living. Along with these, it was suggested that each settler should be given a ready-made farm unit completed with a house, free planting materials and loan facilities for the purchase of buffalo and other agricultural and living implements. The government was responsible for the provision of an initial subsistence allowance until the first harvest was collected, provision of domestic water, irrigation water, development of roads, schools, hospitals, community halls and colonization offices (Amarasinghe, 1976).

In addition to the major colonization schemes, “Highland Colonization Schemes” and “Youth Settlement Schemes” were also significant in several ways. These land distributions were the direct results of the achievements of welfare activities that followed since 1930s. Initiation of food subsidies and extensive health care increased the youth population in rural areas remarkably. Further, initiation of free education in mid of 1940s created a relatively well-educated but unemployed youth population in the country. Since the mid 1960s, youth unemployment was an acute problem in rural areas.
This led to a growing realization that serious steps should be taken to solve the unemployment problem among educated youth in rural areas. The post-independent welfare state in Sri Lanka kept this younger generation in rural vicinity under the above schemes of land distribution. Highland colonization schemes that mainly targeted tea, rubber, coconut and other tree crops, were envisaged as means of providing some respite to the growing problem of unemployment youth in rural areas around 1956 (Amarasinghe, 1976: 625). Therefore, rural youth who were educated up to the General Certificate of Education, was settled under the major and minor youth settlement schemes in dry zone as well as wet zone. Under the highland colonization schemes, from end of 1950s to 1970s, 32,000 acres of land were distributed among 8,755 allottees. And under the youth settlement schemes, 10,000 acres of land were distributed among 2,281 allottees (Moore, 1985: 40). Even after 1970s, under this category, lands were distributed among rural youth in dry and wet zone.

Colonization schemes, which were initiated under the LDO of 1935, and followed by every successive government largely served as social welfare rather than an economic function. Compared with its investment, its economic outcome was low. Then, a World Bank mission in 1966 severely criticized the low return of colonization schemes (Sanderatne, 2004: 203; Amarasinghe, 1976: 624). Although, economic outcomes were low, this land distribution did respond to the acute problem of landlessness of rural population who lived in the densely populated wet zone. Hence even after this criticism, land distributions for the rural were continued. Since 1970s, Water Resources Development Plan for “Mahaweli” river basin was planned. When this program was finished towards the end of 1980s, 625,000 acres of new lands were irrigated and
distributed to 250,000 allottees (Peiris, 1996: 178-179). Since its initiation, it is clear that state policy of land distribution has been a major force in the refurbishment of neglected rural areas.

Some political economists argued that land distribution under the colonization schemes was a step that was deliberately taken up by the political elites to protect their own lands which were in highly congested wet zone (Gunetileke et al. 1995: 46). Most of the lands under the coconut and rubber cultivation which was scattered in the thickly populated wet and intermediate zone belonged to wealthy landed elites who were privileged under the colonial regime. They were often the political leaders empowered under the Doughhmore reforms of 1931. In line with the above arguments, under the colonization schemes, these political elites scattered landless population in less populated dry zone to prevent them from encroaching into the elite’s lands in the wet and intermediate zone.

The next most essential land distribution program started since 1930s was the village expansion scheme. The purpose of village expansion scheme was to make available lands to landless families in the vicinity of their home villages. Under this program, blocks of Crown lands were divided among groups of landless together with certain amounts of financial assistance for construction of houses, wells and latrines. This program did not aim at total uprooting of the landless people from their native villages because the main purpose of the scheme was the provision of residential lands. Under this scheme, the average land size was generally 1.3 acre. But in the areas of dry zone, where the lands were relatively abundant, allottees have received sometimes several acres for each whereas some allottees received plots as small as one eighth of an acre in
areas where lands were very scarce, especially in the high-populated wet zone. From 1935, when the scheme was initiated, up to 1970, the total number of allottees under the village expansion scheme was 580,104 whereas the total number of households in the island was around two millions (Moore and Perera, 1978: 41). According to the estimation of Land Commission of 1987, from 1935 to 1985, 832,737 acres had been distributed under the village expansion schemes (Peiris, 1996: 158). This was more than about five per cent of the total surface area of the country.

Consequently, within a short duration of its inception, village expansion schemes have had a tremendous impact on rural society of Sri Lanka. It may be assumed that most of the allottees who benefited under the village expansion schemes came from the most depressed, landless strata like low castes. On the subject of the accomplishment of the village expansion strategy, “there is, first, the most obvious fact that a very large number of people have benefited from it, if “benefit” is simply the receipt of some free land along with some financial assistance from the government. Secondly, and somewhat more conjecturally, it is possible to assert that the establishment of VE schemes is likely to have had a constraining impact on the large-scale migration of destitute rural people to urban areas…” (Peiris, 1996: 159). As mentioned above, this scheme did consider only the necessity of residential lands of landless villagers. Consequently, this program kept the landless rural people confined to the rural areas.

B: Agricultural subsidies

One of the major targets of State Council, established in 1931, was to develop rural population and rural areas. Thus, since that phase, several programs were implemented
to intensify the agricultural developments including agricultural subsidies, such as new seeds varieties, paddy fertilizers and agricultural equipments etc. Agricultural credit programs had been implemented since 1936 with an aim to assist peasants.

After independence, the UNP and SLFP which governed the country since independence targeted the development of peasant agriculture as a central development strategy. Although the UNP which governed the country between 1948 to 1956 emphasized agricultural development programs in large scale, the SLFP which generally came to power as coalition with left parties, emphasized help to small farmers in the traditional paddy cultivation sector (Perera, 1985: 61). Consequently, various credit systems were implemented in order to relieve peasants of their chronic indebtedness and to provide working capital to peasants under the commercial banks. However, these credit schemes failed due to some institutional failures; peasants could not get credits on time because of strict rules and regulations and officers were not flexible in dealing with the peasants.

Since 1950s, government has implemented paddy fertilizer subsidy to popularize the use of chemical fertilizer among the farmers. The rate of subsidy ranged from 33 to 75 per cent from 1951 to the time of its elimination in 1989. But the fertilizer subsidy was again implemented in 1994 under the People's Alliance (PA) government. The total subsidy bill was Rs.1345 million in 1995 (Nakamura et al, 1997:270). Hitherto it is being continued. Apart from these, since 1970s, Agricultural Service Centers were set up in each village council area in order to facilitate agricultural activities, particularly, the dissemination of agricultural consultation and streamlining agricultural distribution
to the rural communities. On the whole, after the independence, state involvement in the rural agricultural sector has provided many facilities to rural community.

C: State-sponsored social services

Mainly, Sri Lankan social service system had evolved around three pillars: Education Act of 1945 (based on Kannangara Report 1943); establishment of the Department of social service (based on Jennings Report 1943); and Health Act of 1953 (based on Cumpston Report 1950) (Attanayake, 2001: 45; Jayasuriya, 2000: 8; Jayasuriya et al, 1985: 290-91). Social services under these systems remarkably affected the changes of rural society in the country in several ways.

I. Expansion of education

One of the most notable pillars of Sri Lankan welfare system was the introduction of free education system. This initiation strongly affected the social mobility of rural population of the country. Hence, initiation of free education has been ranked as the single most important determinant of the social and political transformation of Sri Lankan society. Before the Education Act of 1945, education catered to the main urban areas and was limited to the privileged people. Under the Education Act of 1945, the distribution of education facilities has been more rapid in the educationally backward rural areas. Under the above Act of 1945, introduction of free education up to university level for all students and initiation of well-equipped ‘Central schools’ in educationally backward rural areas led to social mobility among people in isolated rural areas of the country. Free education was seen as a means of providing greater equality of opportunity and for upgrading the whole society.
Along with those initiations for free education, the mid-day meal program to all school children in 1950, order for compulsory school attendance for the 6-14 age groups in 1951, scholarship program for talented students from poor families in 1952 were implemented (Central Bank of Sri Lanka, 1998: 66-67; Peiris, 1993: 180). Whatever their later consequences, transition of medium of education from English to vernacular language up to university level since 1960, award of university status to well known Buddhist learning centers, Vidyodaya and Vidyalanka pirivena\textsuperscript{13} in 1959 opened the doorway for the rural populace to access education. According to the United Nations’ report published in 1966, “to judge from its educational pyramid alone, Ceylon, after Japan, had the best-developed education system in Asia. A very high proportion of the children attend the school, the number of girls are little lower than that of boys. Ceylon has provided education free at all levels, so that is not surprising that the proportion of its GNP spent on education is almost 5 per cent and it’s the highest in Asia” (Quoted from Peiris, 1993: 198-199). This situation has proliferated further. In that context, considering the situation in 1980s, Victoria J. Baker pointed out “Among developing countries, Sri Lanka has a long tradition in schooling and a history full of reformatory steps which have ultimately made it the pride of the Third World for the field of education” (1995: 256). Provisions of free school textbooks since 1980s, free uniform for School children since 1991, and other distributive mechanism plus policy reforms made a vital influence on social mobilization in rural areas. But, on the contrary, this education development led to an unfortunate paradox in the country, especially in rural areas since mid 1960s in the form of a growing body of unemployed, educated rural youth.
II. Healthcare development

The next outstanding section of Sri Lanka’s welfare measures is its health service system. Contemporary overall health status of Sri Lankan citizens has reached the levels which have been reached by Western welfare states. For instance, even in mid 1980s, its maternal and infant mortality rate was very low and the life expectancy was very high (Bjorkman, 1985: 542). At present, those healthcare indicators have reached to the highest among the developing world. Therefore, Sri Lanka is often cited internationally as a successful story of healthcare development (de Silva, 2004: 426). These achievements were the direct result of state-sponsored health policies followed by Sri Lanka since last decades of colonialism.

During the early part of 19th century, British administrators initiated a rudimentary preventive and curative public health system in Sri Lanka. But, it was understandably committed to protecting its expatriate administrators as well as those who were employed in the plantation sector and urban dwellers from epidemic diseases. Thus, the rudimentary public health system provided only partial coverage of the health needs of the country and unequally distributed its service between the rich and the poor, between urban and rural areas, between foreign plantation labourers and indigenous villagers. Therefore, majority of the indigenous people lived in rural areas were not considered for this health service. During this time, rural areas suffered much from epidemics like ‘malaria.’ In 1930s, infant mortality rate was over 250 deaths per thousand live births which meant that one baby in four died before it was a month old (ibid, 1985: 542). The effect of malaria epidemic pointed out inadequacies of health facilities in the country, especially, in rural areas.
Consequently, since 1940s, preventive and curative health measures were implemented. DDT application was amplified, since 1940s. After the Health Act of 1953, which was based on Cumpston Report 1950, state investment for health sector was further increased. Admittedly, the basic policy framework for health care was already well established as a result of the progressive introduction of Western medical services through a wide network of free medical institutions including manpower for the health sector. Simultaneously, indigenous medicine was empowered, and every successive government after independence paid a great deal of attention for increasing medical facilities in rural sector (de Silva, 2004; Jayasuriya, 2000; Alailima, 1997). The result of these facilities was remarkable. Sri Lanka steadily improved health indicators, like maternal mortality rate, infant mortality rate, life expectancy etc., since 1940s. Consequently, despite its low per capita, Sri Lanka has reported vital social statistics that were comparable to high-income countries of the world. Food subsidies initiated during the Second World War contributed greatly to the achievements of these health indicators.

**III. Food subsidies**

Food scarcity during Second World War paved the way for the initiation of a system of rationed supply of food to the entire population regardless of income variation (Peiris, 1993: 180). After independence, it was continued by successive governments and had become a deep-rooted expectation of the people and a pledge of the politicians. Any government would find it difficult to reduce it. Nevertheless, by the middle of 1960s, food subsidy was reduced by half, but next half was given free of charge for non-tax payers.
Under the UNP regime in 1978, this food subsidiary program was converted to Food Stamp Scheme targeting households which were below poverty line. In 1989, this program was modified as a poverty alleviation program named Janasaviya, and it was the principle pledge of UNP presidential campaign in 1988. This political pledge essentially led to the election success of the presidential candidate of UNP in 1988 (Gunetileke, et al, 1995: 47). As a result of another election pledge in the following presidential election in 1994, Janasaviya was converted to Samurdhi, by People’s Alliance government led by SLFP targeting poverty reduction. After coming to power, the People’s Alliance government implemented this program which exists hitherto. In 2004, about 41 per cent of the total population that belonged to 1.9 million families benefited directly from the Samurdhi program (Central Bank of Sri Lanka, 2005: 74). In reality, after independence, both SLFP and UNP employed food subsidy program and continued to strengthen their vote bank.

IV. Other social services

In addition to the above social welfare services, other important social services related to housing and public utilities have been implemented by the state. These implementations have profoundly affected social change in rural Sri Lanka.

Comparison to other areas, the housing sector had been relatively neglected in the Sri Lankan welfare state (Jayasuriya, 2000: 13). But, state involvement for housing development increased after the appointment of the new government in 1977. When the UNP government-initiated extensive housing development program known as “Udagam Vyaparaye” (village awaking program) was launched in 1977, it targeted to build one
million houses within one decade for homeless and lower and middle-income groups, mostly in rural areas. The strategy was mainly based on a support-based approach. Under this program, people's activities were facilitated through provisions of relatively low-rate loans, grants and supply of building materials by the government. Overall achievement of the program was very high. In 1994, about 80% of housing units were owner occupied and about more than 75% of the population lived in homes with more than 3 rooms (Central Bank of Sri Lanka, 1998: 77). The low-income population in rural areas was greatly benefited with this program.

Public utilities, like water, transport, and electricity, are broadly considered as human capital. Improvements of these facilities gave way for changes in relatively isolated areas. Consequently, democratic participatory politics in the country stimulated these facilities under the social welfare package, and this stimulation affected the changes of rural areas significantly. “With the nationalization of road passenger services... transport formed part of the package of the social and economic reforms initiated by the reform oriented coalition government of 1956” (Jayasuriya, 2000: 13). After that, “the state transport services were subsidized in order to maintain a regular service to rural areas. While the railroad system is not as impressive in neighboring India, the network of all-weather (hard-surfaced) roads in Sri Lanka allows a fleet of buses to ply almost everywhere. Ticket fares are also subsidized to allow easy access to social services in towns and cities as well as in markets” (Bjorkman, 1985: 546). On the other hand, addressing water supply and sanitation issues in rural areas, the community water supply and sanitation project was implemented by the government with the association of international donor agencies since 1980. Due to these programs, 91 per cent of

According to the above discussion, it is evident that since 1930s, State Council and post-independent state of Sri Lanka have played a paternalistic role following distributive welfare mechanism covering very essential segment of needs of its masses, particularly rural masses. Therefore, it is clear that this paternalistic role of Sri Lankan state has affected the achievements of social indicators of the country considerably. As showed by table No. 2.1, since the mid 1940s, crude death rate and mortality rate were reduced. Life expectancy and literacy rate increased. "A system of social benefits that included cheap staple foods and free schooling and medical services helped to produce a healthy, literate populace. Inequality was kept relatively low, and despite low-income levels; the worst manifestations of poverty (premature death, malnutrition, illiteracy) were avoided to a remarkable degree" (Dwight et al, 2001: 136). These changes during past decades kept the country in a position diverged from other South Asian countries and proximate with some extent to developed world.

Table No. 2.1 Historical changes of Sri Lankan Social Statistics

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<tbody>
<tr>
<td>Life expectancy in year</td>
<td>43</td>
<td>48</td>
<td>62</td>
<td>66</td>
<td>69</td>
<td>73.9</td>
</tr>
<tr>
<td>Infant mortality per 1000 live births</td>
<td>141</td>
<td>101</td>
<td>71</td>
<td>45</td>
<td>43</td>
<td>13</td>
</tr>
<tr>
<td>Maternal mortality per 1000 births</td>
<td>16</td>
<td>9</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0.09*</td>
</tr>
<tr>
<td>Birth rate per 1000 population</td>
<td>37</td>
<td>40</td>
<td>37</td>
<td>30</td>
<td>28</td>
<td>18.9*</td>
</tr>
<tr>
<td>Death rate per 1000 population</td>
<td>20</td>
<td>14</td>
<td>9</td>
<td>8</td>
<td>6</td>
<td>5.9*</td>
</tr>
<tr>
<td>Literacy %</td>
<td>58</td>
<td>58</td>
<td>75</td>
<td>79</td>
<td>87</td>
<td>92.5*</td>
</tr>
</tbody>
</table>

* 2003 information
Post-independent Sri Lankan state significantly extended its paternalistic role for providing opportunities for its subjects. According to Spencer, this role of pre-colonial and post-colonial state kept it as a provider of resource, guarantor or as a key instrument for local social mobility (Spencer, 2000 [1990]: 208). People expected the state to continue this benefaction and support to their material aspiration. This was strengthened by the state policies of distributive mechanism of land, education, health facilities, job opportunities and other necessities for its masses since 1930s.

2.3.3 Socio-political setting for welfare policies after independence

An important observation of the socio-economic and political setting in the post independent era was the relatively favourable economic status and the welfare system coupled with preference of political parties that facilitated the continuation of the above mentioned mass welfare system. This distributive mechanism was exploited by the politicians to derive political benefits. This same situation had existed even before independence. For instance, the state land distribution program during the State Council tenure in 1931 to 1947, which bore the insignia of the State Council, has been an insignia of personal image of D.S. Senanayake, the first premier of independent Sri Lanka and the founder leader of the UNP. But, during that time, he was only the Chairman of the Executive Committee on Lands from 1932 to 1947 under the State Council. In the same way, state funds for the department of public health, social service, and local government helped S.W.R.D Bandaranaike, the founder of the SLFP and premier of the MEP government in 1956, to bring followers in the countryside (Jayantha, 1992: 205; Wriggins, 1960: 321). It is incorrect to say that all the political strength of D.S. Senanayake and the UNP or S.W.R.D Bandaranaike and the SLFP was
based on those land distribution and other welfare programs. However, the above-mentioned programs helped them to establish their position among voters. Marxist political parties too, which emerged in the mid 1930s, had greatly appeared on behalf of state distribution to the masses of the country. Therefore, general orientation of the successive regimes turned towards the welfare and redistribution attitudes.

When Sri Lanka gained independence, relatively high degree of political consciousness had developed in the country. This was mainly because of its seventeen years experience of universal adult suffrage, which was introduced in 1931 and functioned in the country with the tradition of electorate system. And, due to the initiation of free education system which was started in the beginning of 1940s, Sri Lankan population was highly literate and widely exposed to the mass media compared to other developing countries, which gained independence from colonialism during 1940s and 50s (Obeyesekere, 1974; Kearney, 1973). As a result, popular participation in decision-making was in a remarkably high level. “As a result of country’s open democratic system of government and the articulateness of its well-educated electorates, all Sri Lankan governments since independence in 1948 have had to be populist to survive’ (Dwight et al, 2001: 136). Therefore, political parties and politicians were ready to act as benefactors to the people, as they need popular support to come to power.

A: Economy at the time of independence of the country

Sri Lanka began its postcolonial development period with a relatively favourable economic status allowing every successive government to follow mass welfare programs and to introduce new such programs. At independence in 1948, Ceylon was
richer than Taiwan or South Korea (Austin, 1994: 64). From the perspective of external and government finance, Sri Lankan economy enjoyed economic prosperity until the end of 1950s. In the case of external finance, the country’s terms of trade were favourable for its primary exports; Tea, Rubber, and Coconuts. There was a large stock of external assets in 1948, which stood at nearly one billion rupees that equaled to the values of one year’s exports during that time (Marga, 1974).

During the period between 1947 and 1955, the country experienced an unusual spurt of growth favoured by buoyant market price for its primary exports, particularly for Rubber and Tea. There was a good price for Rubber corresponding to the Korean War in 1950-52, and Tea price hike in 1954-55 improved the export price for Tea production (Abeyratne, 1998; Fareed, 1998; Marga, 1974; Kearney, 1973). With this relatively favorable social and economic status, successive governments after independence were able to maintain welfare programs started in the pre-independence period and could introduce new programs for the benefit of its population.

B: Political parties and their agendas after independence

At the time of independence, the political parties and their relative strength still reflected a national consciousness that had been shaped in the pre-independence environment. The UNP’s leadership had come from the propertied classes that comprised local planters, those who had commercial and mining interests, and the conservative middle class who had led the administration and services. On the other hand, there was an English educated privilege minority behind the government machinery (Marga, 1974). For instance, Wijethunge pointed out that
D.S. Senanayake, who had been the last leader of the State Council, hurriedly organized the representatives of many groups, communal and otherwise, into the United National Party... He had the backing of the British government, of the local Westernized intelligentsia, of the feudal land-owning class and of the capitalist commercial class. His colleagues in the cabinet, though belonging to all communities, were all drawn from the same social stratum and proved to be like the top administrators themselves, not very different in taste and outlook from the former colonial administrators...there was a wide gap between the ruled and the rulers in Sri Lanka and to many it seemed as if no change had occurred with independence (1974: 70-71).^{16}

The peaceful transfer of power from the British to the above group allowed the keeping of a close and friendly relationship with imperial rulers. Therefore, they followed a pro-western, anti-Marxist, in effect, anti-Soviet foreign policy. However, they gave high priority to the programs and policies which targeted the upliftment of living conditions of the general masses because popular support in constituencies was a decisive factor for their political survival under the representative democracy. At that time, the opposition to the UNP principally came from the Marxist parties. Although these parties had not been widespread, they stood for a classical Marxist type revolutionary transformation against the colonial plantation economy and private entrepreneurs.

Accordingly, it could be seen that all the main political parties at that time professed various versions of "socialism." The UNP talked of "practical," "democratic," and "constitutional" socialism that opposed to the revolutionary approach of the Marxists. The re-distributory element became a measure of the "progressive" character of the successive post independent governments. The social service component including free education, free health and medical services, subsidized food items and other relief measures were the poor man's share of the budget. It appealed to the basic Buddhist sentiment such as equity, dana (literally meaning is alms giving) and to socialist
objectives of distribution of wealth among all citizens, and the creation of a ‘just society,’ which has its parallel in the modern concept of the welfare state (Marga, 1974). For instance, in his budget speech in 1948, the first finance minister of Sri Lanka who represented United National Party (UNP) remarked, “Free Ceylon may justly and proudly call itself a social service state” (quoted from Marga, 1974: 6).

Further, in his budget speech, he said,

We do not intend to stop or to starve any of the progressive social and economic schemes of development such as free education, free milk feeding, and free meals for children, subsidies in essential goods...While holding to these principles we shall further attempt to close from both ends the gap which separate the standard of the living of the great mass of our fellow citizens from that of a small privileged minority (quoted from Marga, 1974: 12).

With this commitment to follow welfare distributions, the next commitment of the political parties was to develop the agriculture sector through the reclamation of jungle, restoration of ancient irrigation system and establishment of new settlements particularly in the dry zone areas of the country that claimed a glorious and prosperous past during the early civilization. It was widely accepted as the way for the improvement and development of rural masses that represented the great majority of the voters within the electoral political system.

This left and right-based party politics and welfare political agenda of those parties came to a new juncture since mid 1950s with the Bandaranaike phenomena. S.W.R.D. Bandaranaike was a founder member and high level cabinet minister of the first post-independent government led by UNP and, at one time, virtually the heir to the UNP leadership. He came from a bourgeois aristocratic family which held high posts in the colonial administration. However, he stood on behalf of Sinhalese sentiments
represented by Sinhalese majority. He left the ruling UNP in 1951 due to radical disagreement with its policies; However, the actual reason was his firm conviction that he would not be the heir to the leadership of the party. When he formed Sri Lanka Freedom party (SLFP) in 1951 and came to power in coalition with Marxist political parties under the name of Mahajana Eksath Peramune (MEP) in 1956, it was a great event for poor man's redemption from his sufferings. The steps followed by MEP government in 1956, expanded the distributive welfare mechanism and interference of the state on social life of the masses further. The MEP government replaced Sinhala as official language instead of English language, and, then, it became the medium of teaching which gave more status to the majority Sinhalese population. Further, the MEP government granted a privileged position to Buddhism which justified the benevolent welfarism of the state through the basic Buddhist concept of equity and distribution of wealth. With the influence of Marxist political parties, MEP government followed a pro-Marxist stance that led to the nationalization of some key services like private sector-owned transport sector, Colombo harbor together with a significant state interference in the economy initiating public sector cooperation and other state oriented industries in the coming years. This expansion led to a vast number of public sector job opportunities, particularly for the vernacular educated youths thus transforming this sector to be the largest employer in the country. More importantly, the MEP government directly intervened to develop less developed rural areas with the aim of uplifting small-scale agricultural development and providing more administrative and decision-making powers to the rural masses which had the greatest weight in the electorate-based political system.
2.3.4 Stagnation of the economy

Although a strong balance of payment and government budget at independence called for politicians' popular reference for welfarism, this relatively favourable financial condition gradually disappeared since mid 1950s. On the other hand, although country's social achievements were exceptional, there was no emphasis on the question of how to sustain these social achievements of the welfare state. During the first nine years after independence, without considerable focus on industrialization, the UNP government followed *laissez-faire* economic and political structure continuing colonial plantation economy and giving priority to the investment in peasant agriculture.

However, in reality, this was a bad political strategy to keep political power in the hands of the pro-capitalist ruling class. The development of health care facilities since 1930s saw a rapid increase in population by the beginning of 1950s who enjoyed free education and turned out to be an educated group. The need for industrialization arose in order to absorb this educated population into the development goals of the country. Although the existing economic structure during 1950s was conducive for such a step, the political leadership of the country by that time feared that industrialization in urban areas would strengthen the working class movement backed by Marxist political parties which already had a strong urban base. Therefore, the ruling class purposely avoided industrialization, and the increasing rural population was confined to the rural sector through land distribution programs and other welfare measures (Abeyrathne, 2000: 34; 1998: 100; Ponnambalam, 1980; Wickremarathne, 1977). However, the development of agricultural sector through reclamation of jungle, restoration of the ancient irrigation system and the establishment of new settlements had little impact on the economy. The
productivity and quality of agriculture under these settlements was not very different from the traditional peasant farming with its low level of productivity. The objectives of entire program were heavily biased towards social welfare, to give relief to the landless poor and provide a livelihood to large families at the lowest rung of the income ladder. This helped to create a propertied class whose interests would be different from the urban working class that provided a strong base for Marxist political parties (Abeyratne, 1998: 96; Marga, 1974: 11). And, the country spent its foreign exchange balance on the consumer items which were less than market prices due to mass subsidy schemes, and other welfare expenditures.

After the general election in 1956, the SLFP led MEP government went for a state controlled economic policy. In another two decades, there was gradual intensification of state entrepreneurship by both the SLFP-Marxist coalition governments and capitalist UNP government. As the country started experiencing growing balance of payment difficulties and exhausting foreign exchange reserves, the governments after 1960s followed import substitution development strategy (Abeyratne, 2000: 35-40; 1998; 100-4; Central Bank of Sri Lanka, 1998: 13-21). However, an outstanding feature of the country was that the commitments for continuing extensive welfare distribution to the masses persisted, although there was not enough economic growth in the country. Quoting official reports of Agrarian Research and Training Institute (ARTI: 1978), Gunasinghe shows,

Since the granting of universal suffrage in 1931 and more particularly after gaining political independence in 1948, the policies of major parties have been influenced by a concept of a welfare state and redistributive justice. Through programmes of welfare and social service, a redistributive mechanism was

Low-level economic growth rates were not sufficient to match rising expectation and necessities of the new generation of the welfare state. The gap between social expectations, resources and opportunities exceedingly widened. The successive governments could not ignore the popular demand for social welfare. For instance, the reason for the biggest electoral turnout in the country since the end of 1940s (1947: 61.3%, 1952: 74%) was to be found with the rapid spread of state welfare activities, particularly the rice ration. This percentage further increased up to 78% in 1960 (Moore, 1985: 219). Consequently, the fiscal and economic measures were further used to achieve social objectives such as income distribution, changes in social institutions and attitudes, reforms in governance and greater public participation in development activity (Alailima, 1997: 154). The first attempt that was made to eliminate the consumer subsidy on rice in 1953 had been abandoned due to the widespread political protests, popularly known as ‘hartal’ in 1953. Politicians often spoke glowingly of the necessities of ‘common man’ disregarding the island’s diminishing economic resources. Alternative sources of revenue were not generated. But, the socialist commitments to safeguard basic living standards were emphasized, although it was increasingly becoming untenable. Although economic development including industrialization was regarded as worthwhile (Oliver, 1957: 66; quoted from Abeyratne, 1998), domestic factors of nationalism, social demands, electorate-based right and left wing democratic voting politics curbed such economic development goals. Mick Moore quoted one of parliament members’ speech in the debate of ‘Land Betterment Charges Act 1976,’ “The function of government was to provide welfare facilities to backward areas and
not impose taxes on the poor. The bill contradicted the concept of a welfare state” (1985: 112). And, “The democratic political system was instrumental in ensuring that the needs of the growing population in all parts of the country were recognized and met by successive governments. It was also abused by unscrupulous politicians, who made extravagant promises to a gullible electorate” (Alailima, 1997: 143).*But, the difference between social aspirations and fulfillment of these aspirations increased rapidly due to the rapid exhaustion of material base of the post-independent state. This situation led to a severely competitive society in the country.

A: Economic liberalization

In contrast to the above-mentioned inward economic structure, there was a radical change in the country when the UNP government came to power with a landslide victory in 1977. This change was a reaction to the traditional political economic system of Sri Lanka in the pre 1977 period. Following the examples of impressive successes of East Asian New Industrialized Countries, the new government introduced several policy reforms to change the focus from inward looking development strategy to outward looking development strategy to free the economy from an array of control. These economic strategies often equated with those pursued by Singapore earlier. Under this policy changes, new government enumerated an effort to accelerate growth by emphasizing labor-intensive manufacturing, irrigation and tourism. To generate new job opportunities in the private sector, “Free Trade Zone,” (also called Industrial Promotion Zone or Export Promotion Zone) was planned (Abeyratne, 2000; 1998; Manor, 1984). The aim of growth rather than distribution meant that the country should no longer have state-sponsored welfare as a priority. In a sharp break with past policy, food subsidies
were drastically cut down replacing them with a food stamp scheme that catered only to the low-level income population. One of the major development programs was the accelerated Mahaweli river basin development program which was to be funded partly out of domestic resources released by the elimination of the food subsidy and partly by foreign aid mobilized through the World Bank sponsored aid group.

The party that ruled during the closed economy era, the Sri Lankan Freedom Party (SLFP), was re-elected in 1994, in a loose coalition called People’s Alliance (PA). The PA took office recognizing the need for continuation of market-oriented policies. These policy changes meant that for the first time, a consensus had emerged amongst all mainstream political parties on pro-market and liberal policies to achieve economic development and that political convergence on policies had begun (Shand, 1999: 4).

However, the major development programs introduced under these post-reforms did not address the problems that country faced. Contrary to expectations, foreign investors did not invest in post 1977 economic reforms period. Further, some of those implemented economic development programs were outdated. The Industrial Promotion Zone is a good example in this regard.

On the debit side, the Industrial Promotion Zone proved to be something of a disappointment: it turn out to be exceedingly difficult to attract major foreign firms, for several reasons. The basic infrastructure (facilities and services) in the Zone was seen by some firms as inadequate. Sri Lanka also faced competition from free trade zones in more autocratic Third World countries where future elections were unlikely to occur. As a result, trade union assertiveness seemed less likely in those countries and there were little danger of an election bringing a more left-leaning regime to power. On both counts, multinationals preferred Sri Lanka’s competitors. It is also arguable that by the late 1970s and early 1980s, it was too late to ‘do Singapore’ – that is, to achieve an economic breakthrough on the basis of chief labour – because of technological changes. Major international firms were now less interested in labour-consuming
industries than in robotics and machine-based factories. Thus, despite a decision by Motorola to build a large semiconductor plant in Sri Lanka's Industrial Promotion Zone, industries such as small-scale garment manufactures were the norm in the Zone. And given the recession in the industrialized nations, such firms encountered crippling tariff barriers in the Western countries which were their biggest potential markets (Manor, 1984: 15).

On the other hand, the country's experience of distributive mechanism could be hardly ignored. Since decades, the population of the island had accustomed themselves to the welfare and distributive mechanism of the state. For instance, many rural families made great sacrifices to ensure that their children obtained positions in the salaried government jobs because they considered that these public sector jobs would offer both job security and social status to the people. Particularly, rural populations were more ambitious for job opportunities in public sector. Political parties also had to work within the established system that contended for the votes. Hence, unless it was to jeopardize its party machine in the electorates, any political party could not have ignored the patronage demands in favour of sound economic policy (Moore, 1990: 351). Therefore, as I pointed out above, though there was an endeavor for considerable reductions of welfare expenditure, post 1977 governments simultaneously followed welfare distributive mechanisms that had been initiated since the pre independence period.

B: Formation of competitive rural society

The limitation of the distributive welfare policies affected the formation of competitive society in the country, particularly in rural areas. As a result of social welfare and the distributive policies of the state, especially development of preventive and curative health facilities and food subsidies, population of the country was doubled within 32 years (5.3 million in 1930 to 10.6 million in 1963) (Central Bank of Sri Lanka, 1998;
Kiribanda, 1997). Since mid 1940s, this increasing population benefited from expansion of educational provisions, particularly through the introduction of free education, initiation of "Central Schools" in relatively backward rural areas, and transition of medium of education instruction from English to vernacular language. Therefore, since mid 1960s, there was a very large stratum of relatively well-educated youth generation in the rural sector. They were the ambitious young people seeking new ways of life. The establishment and expansion of government departments and other public sector institutions after independence, particularly after 1956, provided the job opportunities for this vernacularly educated generation. Those who had received a good education but had been deprived of government job opportunities benefited from various land distribution programs.

In this context, it can be seen that the post independence welfare state of Sri Lanka maintained the rural sector as an agricultural community. As I pointed out above, there was no considerable urban-based industrialization process in the country until 1977 to absorb this increasing population. The amount of state land declined. In the same way, the financial surpluses earned from taxes on exports of plantation crops decreased. Population, on the other hand, was growing rapidly. Thus, receiving individual benefits like lands, public sector job opportunities from the state became very competitive.

In this competitive atmosphere, the influence of politics for gaining limited resources from the state became a crucial factor. Particularly, with the demands of the electorate being made through the members of parliament for the shares of state-benefits led to greater political control over public administration (Perera, 1985: 76). The masses of the
country identified themselves with the governing parties to compete for limited resources. Transfer of many administrative and decision making powers to the rural masses through the establishment of new rural organizations, and reorganizing of rural level organizations since 1956 institutionalized this situation. It created a new politically motivated organizational apparatus in rural areas which will be discussed in detail in the forthcoming chapters.

On the other hand, although there were achievements in economic growth due to economic liberalization since the end of 1970s, there were considerable crises in the country during this period. The attempt to reverse the interventionist trend that had being built up after independence had to contend with large-scale rioting and armed conflict during a considerable part of this period as the competition for resources became more severe. Growing economic inequality, unsustainablity of the economic liberalization, collapse of domestic infant industries under the open economy, and unequal distribution of state benefits created widespread social agitation and civil war in the country since the beginning of 1980s (Abeyratne, 1998: 105-6; Alailima: 1997: 154). It toppled the creation of a ‘just’ and ‘free’ society, the main political pledge of UNP government in 1977 who initiated economic liberalization. This situation continued until the present period and affected the village Kurulubedde, the area under study of this research.

2.4 Concluding remarks

In the preceding analysis, I provided an overview of modernization and social change as well as the role of the state in modernization process in Third World countries to afford
an adequate framework for the analysis of social change in Sri Lanka. The idea of improving living condition of the people of postcolonial nations in non-Western World was the fundamental theme of modernization discourse. According to this thinking, modernization in the countries of Asia, Africa and Latin America would be characterized by economic growth along with industrialization and urbanization. The actual process of modernization of the postcolonial countries in Asia and Africa had a close association with direct state intervention in economy and society. During the colonial period, most of the Third World countries had been exploited as resource generating centers for industrial products of the west. Therefore, economic conditions and living conditions of general masses of these countries were poor. Hence, the primary objective of anti-colonial movements in these countries was to replace colonial rule with self-government in order to develop so-called backward economy and society of these countries.

The models for the modernization of these countries were different. These modernization and development process of the postcolonial world happened in a highly polarized world between two superpowers, USA and former USSR. Therefore, the process of modernization and development in the postcolonial world was highly influenced by this situation. While some countries were following capitalist model, some other countries followed socialist model. But, many of the postcolonial Third World countries have followed a mixed model with a form of greater social infrastructure development and welfare provisions. Even before independence, political leaders of these countries reiterate the importance of state intervention to provide necessities of the people.
Intervention of the state has been an important factor for social change in Sri Lankan society since 1930s. With the introduction of universal adult franchise and establishment of State Council, the semi-autonomous government in 1931, local leaders of the country got the opportunity to enact a great deal of social legislation on behalf of the masses of the country, particularly in rural areas who had not benefited under the colonial administration. This forced the local political leaders to inaugurate state land distribution and a wide-range of welfare system since mid 1930s. After independence, successive governments have continuously followed a policy of state distribution. The relatively favourable economic status during independence allowed both the continuation of welfare distributions and the introduction of new welfare programs. The state also played a paternalistic role to take care of its population. These initiations made a drastic social change which took Sri Lanka towards an emphasis on distribution (equity) rather than growth. But overtime, the ability of the state to continue its paternalistic role was limited, while the aspiration of masses on the state for gaining benefits escalated, especially in rural areas. This phenomenon has created a highly ' politicized' society in rural areas. Subsequently, politics became the deciding factor of exclusion and inclusion from and for state benefits. By politicized I mean the tendency to be politically affiliated as a system for patronage. In the next chapters I will focus on how this process has influenced a remote village like Kurulubedde in Sri Lanka.
In his preface to African Political System (1940), Radcliffe-Brown argued that the idea of the state should be eliminated from social analysis. He believed that it had only created mystification, and argued that concepts of government and politics were all that are needed for an adequate grasp of the 'political' (quoted from Abrams, 2006[1988]: 122).

In his widely quoted book, 'Imagined Communities' (1983), Benedict Anderson says that the set of modular forms which the nationalist elites in Asia and Africa had chosen during freedom struggle was a modular supplied by the historical experience of nationalism of Western Europe. However, Partha Chaterjee rejects the idea that Asian and African nationalism is a Western modular of nationalist imagination. He argues that the nationalist imagination in Asia and Africa is posited not on an identity but rather on a difference with the modular forms of the national society propagated by the modern West. Considering Indian experience, he points out that anti-colonial nationalism in India created its own domains of social, cultural, and economic sovereignty within colonial society itself well before it began its political struggle with colonial power (1994 [1993]: 5-6).

Darwin's theory of evolution by means of natural selection emerged in 1857

According to Eisenstadt, (1974: 226), "The best illustrations of this can be seen in Tonnies' distinction between Gemeinschaft and Gesellschaft, in Maine's distinction between status and contract, or even in Durkheim's early distinction between societies based on mechanical as against organic solidarity. Even Weber's more analytical distinction among the various bases of legitimation - the traditional, the charismatic, and the legal-rational - was largely based on the supposition that the traditional elements in modern societies was much weaker than the legal-rational, and that it was the ascendance of rational as against traditional legitimation that determined the trend of development in modern societies."

Modernization is, at the very first glance, ethnocentric, because the process of modernization has been conceived as becoming more like the Western developed societies. In the last 400 years, the 'West' has emerged as the economic and political center of the world and, therefore, international political, economic and cultural supremacy of power strongly amalgamated with the West (Landes, 1998; Jones, 1988).

The usage of modernization in social science and humanities (associated with complex changes in social structures in non-Western developing countries) began mostly after Second World War. But, intellectual explanations of this
term, modernization, are different (Saklar, 1995; Barger, 1987; Eisenstadt, 1974; Tipps, 1973; Huntington, 1971; Bendix, 1967).


Similarly, Inkeles and Smith show the element to be necessarily developed by the nations, who are seeking modernity. See, Inkeles, Alex and David H. Smith (1974) Becoming Modern: Individual Change in Six Developing Countries. London: Heinemann

Karl Marx, in the preface to Das Capital, noted, “The country that is more developed industrially only shows, to the less developed, the image of its own future” (cited from Lerner, 1968: 386). And Engels (1882) declares that “come the revolution, the victorious proletariat will have to “take over” the colonies temporarily and lead them autocratically towards modernization, since they may not be able to do so themselves” (cited in Avineri, 1969: 187).

Andre Gunder Frank says bluntly: “this historical process of underdevelopment cannot be reversed and turned into economic and social development for the majority of the Latin American people until they destroy the capitalist class structure through revolution.” Quoted from Berch Berberoglu (1992) The Political Economy of Development: Development Theory and the Prospects for Change in the Third World, Albany: State University of New York Press, P: 33

As pointed out by Ravinder Kaur (2003) considering Indian experience, the idea of planned development as the proper and inevitable way for the development of India has been accepted by many scholars in sociology and anthropology. Due to that, according to Kaur, the debates on paths of development (whether to adopt the socialist or the capitalist paths) seems to have died down in sociological and anthropological literature, while, somewhat recently, scholars seems to be returning to this debate. See, Kaur, Ravinder (2003) Development Sociology and the ‘Poverty’ Question, in The Practice of Sociology, ed Maitreyee Chaudhuri. New Delhi: Orient Longman

As pointed out by Jayawardena (2000: 302-46), there were three broad trends among the politics of new class of Sri Lanka who emerged during the colonial
regime. The first trend was represented by the conservative group, who had close collaboration with colonial regime since the very beginning of British rule. They held the high rank post like *Maha Mudeliyar* which was granted to the local aristocrats. These posts were granted to the local elites who were very loyal to the colonial regime. They had an unconditional collaboration with the British (carrying out British orders, acting as informants, reporting on the local situation of the colony, actively taking their side, especially in times of crisis). They were highly benefited by colonial regime due to their loyalty to the Crown. They consistently opposed even the most moderate political reforms and openly spoke out for a preservation of the status quo. The second trend was exemplified by moderate reformists led by the new rich class. They had achieved economic success initially through trading and later, graphite mining, commercial plantation and etc during the colonial regime. Second generation of this group had earned their social advance through English language and higher education. This group, like conservatives, basically supported British rule, but combined this loyalty with demands for more political and economic rights for their class. But, they did not demand radical political reforms like adult franchise. The third trend within the bourgeoisie was represented by those few radicals who were very critical of imperial rule. They had identified themselves with the various political reform movements and working class agitation that began in the late 19th century.

From these three groups, the first, conservative *mudeliya* group opposed the political demands which would impinge on their hereditary privilege. Although the second group had demands for political recognition for their class and even they had concentration on colonial administrative policies on peasantry like land policies, taxation, unequal expansion of education health facilities, they also opposed wider political reforms and universal franchise. When the Donoughmore Commission came to Sri Lanka in 1927 to inquire into and report on the working of the system of government, these two groups together opposed the granting of universal adult franchise to the country. The third group who appeared for radical political reforms only demanded granting universal adult franchise to the country. And, they strongly demanded greater interference of the state to uplift the life condition of the masses.

13 *Vidyodaya* and *Vidyalankara pirivena* were the most distinguished Buddhist education centers of that time. Award of university level was the one of principle election pledges of MEP in 1956.

14 Literally, *Janasaviya* means people's strength, people's capacity, or people's creativity. As a national poverty alleviation program, it was one of the main election pledges of the presidential candidate of UNP in 1988. It was planned to be implemented in eleven rounds. In 1989, the program was initiated. When it was stopped in 1994 under the SLFP led PA government, only five rounds had been implemented (Karunaratne, 2000: 66). Literally, *Samurdhi*, the poverty
subsidiary program of SLFP led PA government of 1994 means prosperity. Since 1994 to date, Samurdhi has been in existence.

One of the foremost election pledges by MEP in 1956 was the nationalization of private owned bus service in the island. Marxist political parties directly influenced this pledge. Immediately after the election wins of 1956, MEP government nationalized the private owned bus companies.


Interestingly, equivalence of Buddhist sentiments such as equity, distribution of wealth among all citizens or dāna (alms giving) and creating a 'just society,' to socialist objectives and the modern concept of the welfare state and mobilization of rural population became common not only to the political parties but also to the leading local level non-government organization such as ‘Sarvodaya shramamadāna,’ movement. According to A.T. Ariyaratne, the leader of ‘Sarvodaya,’ Sri Lanka’s ancient society was based on the concept of ‘dāna’ or sharing, which stressed, “the equitable distribution of wealth and an exploitation-free society...Long before the socialist economic theories were formulated in the West as a reaction to extreme capitalist exploitation, our people practiced a socialist way of life based on the Buddhist philosophy...” See, A.T. Ariyaratne (1970), Sarvodaya shramamadāna: Growth of People’s Movement, Sri Lanka: Sarvodaya Press

S.W.R.D. Bandaranaike, born an Anglican Christian, was the son of Mahamudaliyar (the chief officer of native headman in the Colonial Administration). He was educated in Oxford and self-converted to Buddhism. He was the leader of Sinhala Maha Sabava (Great Assembly of Sinhala - one of strong Sinhala nationalist organizations in pre-independent Sri Lanka and major part of United National Party) and founder leader of Sri Lanka Freedom Party-SLFP, established after his abandonment from UNP in 1951.

In 1953, the government found that the burden of the subsidy on the budget was excessive and decided to curtail the subsidy expenditure sharply. The price of rice was increased from 25 cents a measure to 70 cents. Other subsidies including free meals for school children were cut. The island had huge political protests led by mainly leftist parties against this move. A general strike known as “Hastāl” launched by very strong trade unions affiliated to the left parties was so effective. With the “Hastāl,” railway and bus transports came to a standstill. Activity in industrial and commercial institution was completely paralyzed. A state of emergency was declared throughout the island for the first time. Nine persons died due to police firing during the “Hastāl.” The Prime Minister was
compelled to resign from office. The price of rice was immediately reduced and the ration enlarged. This event is a landmark in the political economy of the post independent era of the country that underlined the importance of the subsidy issue in governance.

Concept of 'just Society, Dharmista Samajaya in Sinhala, was the main slogan of UNP election campaign in 1977. The name of the election manifesto of UNP in 1977 was 'Program of Action to Create a Just and Free Society.' More importantly, when they went to the rural masses, that concept had automatically been translated into a Dharmista Samajaya. The primary aim of this concept was to recall the nature of the immediate crackdown of the youth insurgency by the SLFP led United Front government in 1971, and, subsequently, attempts to repressing youth voice of the country. See, A Program of Action to Create a Just and Free Society: United National Party 1977 Election Manifesto, 1977: 2