

Misperceived Causes of Poverty: Case of Sri Lanka

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Abstract— *The sustainable development agenda identified no poverty as one of its seventeen goals. In Sri Lanka, the poverty level was reduced from 46.8% in 2002 to 14.3% in 2019 through activities focusing on financial and material support. However, the strategy was unable to withstand proceeding economic crises, pandemic and resulting social unrest and the poverty level was raised to 27.9% in 2022. Therefore, the foremost requirement to succeed in the goal and to resolve the deep-seated longstanding chronic issue is to identify the real root causes of poverty. Accordingly, this research aimed to investigate the root cause of poverty in Sri Lanka. The research was conducted based on five Divisional Secretariat Divisions Geographically varied, within five Administrative Districts. A mixed method was applied for data collection and analysis. Participatory observations and secondary data were analyzed to ascertain the root cause. The study revealed that misbehavior, social injustice, gender disparity and malpractice of strategies are the major causes of poverty. Further, the paternalistic approach which resulted in cultural transformation and dependency syndrome rooted in colonization manifested the present phenomenon underlay the poverty. Analyzing the potential solution, it is evident that the restoration of previous culture is not possible as society has undergone rapid evolutionary change with globalization. Then the solutions lay on treatment of the Dependency Syndrome as it is required to treat the cause and not the symptoms. Appropriate formal education is the sustainable solution for the issue. It can be concluded that reaching the state of no poverty is possible through education reforms targeting independent, and self-esteem mindsets among school children.*

Index Terms— *Cultural Transformation, Dependency Syndrome, No-Poverty, Paternalistic Approach, Sri Lanka*

I. INTRODUCTION

The eradication of poverty is a central goal of the Sustainable Development Agenda of the global community, and Sri Lanka has seen significant progress in this area. Poverty rates dropped from 46.8% in 2002 to 14.3% in 2019, largely due to programs focused on financial and material support. However, this progress proved vulnerable to economic crises, the pandemic, and resulting social unrest, with poverty levels rising to 27.9% by 2022[1]. This highlights the need to identify and address the underlying causes of poverty for lasting change.

Poverty alleviation programs in Sri Lanka can be understood through their historical evolution and underlying conceptualizations. The evolutionary aspect reveals a close connection between program design and Sri Lanka's socio-economic context. Geo-political concerns and government policies have significantly influenced these programs over time.

Conceptually, these programs have been shaped by both global and local theoretical approaches. However, the focus on achieving a quick impact might have overshadowed the true nature of poverty. Furthermore, the tools and techniques employed may not have been well-suited to address the root causes. This mismatch has led to a potentially flawed understanding of poverty, prompting this critical research analysis.

This paper argues that a critical gap exists in Sri Lanka: policymakers and program designers, often not from impoverished rural backgrounds themselves, may be underestimating or misinterpreting the challenges faced by rural populations which Chambers noted as a personal bias to understanding poverty [2].

II. OBJECTIVES

The general objective of this study is to identify the root causes of poverty in Sri Lanka to make recommendations for improvement.

The specific objectives are to;

1. Define the underlying conceptualization of poverty;
2. Analyze the applications of poverty alleviation programs in the country and
3. Recommend appropriate strategies for reaching the goal of no poverty.

III. METHODOLOGY

A mixed method was applied for data collection and analysis. Participatory observations and secondary data were analyzed thematically to ascertain the root causes. The research was conducted based on five Divisional Secretariat Division of geographically varied, within five Administrative Districts in Sri Lanka. Namely, Matale in the Central Province, Mullaituve in the Northern Province, Anuradhapura in the North Central Province, Rathnapura in the Sabaragamuwa Province and Kaluthra in the Western Province of the country.

IV. RESULTS

A. Historical analysis of the poverty alleviation programs in Sri Lanka

Sri Lanka's poverty alleviation programs can be understood through the aspects of both their historical development and underlying concepts. From an evolutionary perspective, these programs are intricately linked to the country's evolving socio-economic landscape. Each

government's geo-political concerns and policies have significantly influenced the trajectory of these efforts.

Conceptually, poverty reduction attempts have been shaped by theoretical trends at both global and local levels. However, the common thread guiding these efforts has not effectively addressed the root causes of poverty. Programs have been implemented using tools and techniques that are mismatched with the intended goals. This has led to a misperception of poverty itself. This research is designed to critically analyze this situation, arguing that policymakers, who are often neither poor nor rural, often hold inaccurate understandings of Sri Lanka's poor rural population and the challenges they face.

Sri Lanka, a signatory to the Sustainable Development Goals (SDGs), is committed to achieving poverty alleviation by 2030. This situation has deep roots, dating back to the colonial era (Portuguese, Dutch, and British rule until 1948). While basic needs were provided, the concept of targeted poverty reduction wasn't addressed.

B. Independence and the Rise of Welfare

Independence in 1948 marked a turning point. Universal suffrage (voting rights for all adults) in 1932 had already laid the groundwork for a shift in focus. Politicians, vying for votes, began addressing citizens' basic needs and promising a better future. This, however, led to a "dependency syndrome" and the creation of a welfare state. Post-colonial transformation of political culture and development non-orientation in Sri Lanka is one of the major causes and is not properly recognized by policymakers [3].

Successive governments implemented various poverty alleviation strategies and they can be categorized into three groups such as: subsidy and welfare; subsidy, savings, social security, community projects, and micro-financing for vulnerable groups [4].

C. Janasaviya

The first is the 'Janasaviya' implemented from 1988 to 1994 [5]. Janasaviya means people strength. This program was launched as a pilot project in selected few locations. Though the poor beneficiaries were identified through a process similar to participatory wealth ranking, the program was not implemented in the same way with a bottom-up approach. This program offered a combination of subsidies and savings but required unpaid public work and wasn't implemented nationwide. The program was abruptly shut down with the assassination of the President of the country who was the leader of the program. Lack of policy that assures implementation of poverty alleviation is seen as the major cause of the breakdown of the program.

D. Samurdhi Movement

Sri Lanka's Samurdhi Movement, launched in 1994, marked a significant shift in the country's approach to poverty alleviation. Translating to "prosperity initiation," Samurdhi emerged in response to a period of drastic political

transformation and economic policy changes that coincided with rising youth unrest. Capitalizing on political promises made by the newly elected leaders, the program aimed to address the multifaceted issue of poverty, encompassing youth unemployment, the welfare needs of women and disadvantaged groups, and overall economic hardship. The Sri Lanka Samurdhi Authority was established by Parliament Act No. 30 of 1995 with the following core objectives [4]:

- Uplifting the living standards of youth, women, and vulnerable social groups
- Enhancing income generation and employability opportunities
- Fostering joint participation in economic and social development initiatives
- Strengthening coordination efforts at regional, provincial, and district levels.

Samurdhi Movement utilizes a three-pillar approach: Social Security; Providing direct financial assistance, Community Projects; Promoting local development initiatives and Micro-financing: Empowering communities through small loans.

Samurdhi Movement is a successful program as identified by various studies. A satisfaction study shows that the recipients are highly satisfied with all components particularly high with the Provision of credit and subsidies [6]

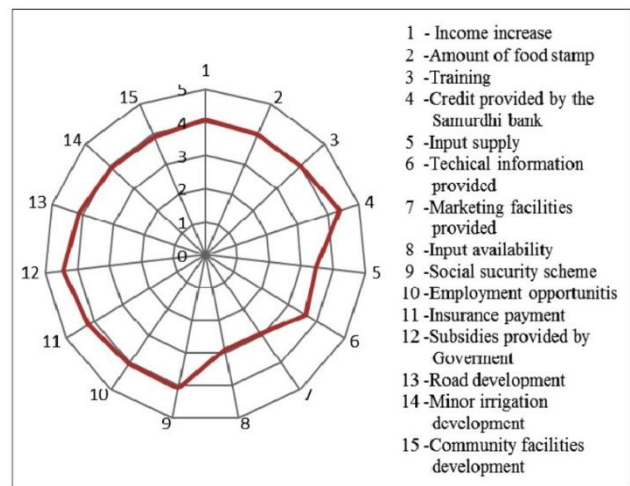


Fig. 1 Level of Beneficiary Satisfaction of Samurdhi programs

Source [6]

Despite its ambitious goals, Samurdhi faces criticism for Political bias in selection of beneficiaries; accusations of favoritism towards certain groups; in targeting issues; concerns about excluding those in genuine need, and high operational costs.

E. Multi-task Development Task Force

In 2019, the Sri Lankan government launched the Multi-Purpose Development Task Force (MDTF) as an alternative, innovative program to achieve the Sustainable

Development Goal of poverty eradication in parallel to the Samurdhi program. This initiative aimed to address chronic poverty by providing employment opportunities and professional skills training to individuals from low-income families lacking formal educational qualifications. The MDTF program identified beneficiaries based on Amartya Sen's five capitals approach [7], ensuring a holistic assessment of their needs. The criteria for selection of beneficiaries included the lowest educational qualification, qualification for Samurdhi subsidy and not receiving the same, unemployed, members of the families with special needs, persons taking care of parents, elderly or sick members. Selected individuals received training in a high-demand, unskilled labour force within six months. The vocational training was aimed at receiving a National Vocational Qualification (NVQ) which is equivalent to the General Certificate of Education (Ordinary Level). While the government managed the program, salaries were expected to be funded by public and private sector institutions utilizing the MDTF workforce.

Despite its promising potential, the MDTF program faced criticism. Firstly, some, particularly those with higher education, questioned the rationale behind providing government employment to individuals with lower educational qualifications. Secondly, concerns arose regarding the potential burden on the government due to the increased number of public sector employees. However, the program countered this by clarifying that while the MDTF workforce technically held government employee status, their salaries were to be funded by the institutions receiving their services. This innovative strategy, aimed at achieving lasting poverty reduction, by providing opportunity for 100,000 per year. The first stage covered 40,000 persons and they were properly employed.

The capability approach presented by Amartya Sen is very concerned with the opportunities that people have to improve the quality of their lives. He shows that it is an approach of people-centred. He explained the importance and crucial role of social opportunities in poverty alleviation. However, the program was unfortunately discontinued following the resignation of the president who championed the program.

F. Social Benefit Program (Aswesuma)

The fourth recent Social Benefits Program 'Aswesuma' started in 2023. This recent initiative provides short-term financial assistance to selected families based on their possessions and expenses. However, it doesn't consider existing debt obligations and other concerns such as health, and other basic needs [8].

Despite Sri Lanka's implementation of various poverty eradication programs for over seven decades, poverty persists as a significant, yet often overlooked, national issue. This persistent challenge underscores the need for this research, which aims to identify effective solutions for overcoming poverty in the Sri Lankan context. By delving into the root causes and current landscape of poverty in Sri Lanka, this

study seeks to guide the development of targeted approaches that can demonstrably improve the lives of those most affected.

G. Two cases from the war affected periphery

Case 1 – Welioya, Mullathivu, Northern Province

A skinny girl, no older than ten, strained under the weight of a giant sack overflowing with sweet corn. Her worn clothes couldn't hide her determination as she helped her mother, who was battling kidney disease. Today, the girl wasn't in school. Instead, she shouldered the responsibility, fetching corn for their stall in front of the Welioya main government office. Their cart, their livelihood, depended on it. The mother, the sole provider for their two-kid family, desperately needed help. Despite their hardships, they hadn't received any social assistance, and the dream of a permanent home seemed even further out of reach.

Welioya sits on the edge of three districts, a place bypassed by progress. The scars of a brutal civil war, which raged for nearly 30 years until 2009, still run deep. Back in 2014, when basic services were slowly being rebuilt, the woman was given a plot of land. But building a home was a dream deferred. The war had taken its toll, leaving her husband absent and her spirit heavy. Like many in Welioya, they were textbook examples of what Robert Chambers called "spatial bias of unperceived poverty" [2] - war-affected families living on the margins, their struggles unseen.

The government restored basic services to Welioya after the war, and the woman, listed among the village households, received a plot of land. Yet, her reality was one of extreme poverty. Homeless, she battled chronic kidney disease while trying to raise two kids, the elder around ten. A glaring question loomed: why wasn't she receiving Samurdhi benefits, the government's social safety net? While she did get some social protection, it wasn't enough to cover her treatment costs. This often forced her to rely on her daughter, who shouldered heavy loads of corn on days the woman needed hospital visits.

A misunderstanding due to the inexperience of post-war officials initially prevented the woman from receiving Samurdhi benefits alongside her kidney disease treatment. They believed only one form of assistance was allowed. Thankfully, this misconception was corrected, but another bureaucratic hurdle emerged: the existing beneficiary list couldn't be easily amended to include new names. Only removals were allowed. Through persistent communication with higher authorities, the dedicated officers finally secured the woman's inclusion. This inclusion proved transformative. Samurdhi benefits allowed her a food subsidy, to build a home, access scholarships for her kids, and even obtain loans without traditional collateral. It was a lifeline for this struggling family.

This case exemplifies the complex web of factors causing poverty in war-torn areas. Spatial bias, as Robert Chambers described [2], leaves peripheral communities like Welioya

overlooked. Unaware of regulations allowing combined benefits, inexperienced officials created an additional barrier. The woman's resilience shines through despite the social capital eroded by war-induced isolation. Her struggle to support her kids highlights the need for a more comprehensive social safety net, one that addresses the unique challenges of post-war communities.

Case 2 – Welioya, Mullathivu, Northern Province

Welioya, a war-affected area, initially saw success with government housing programs. However, one transferred officer abused his power, demanding bribes from a recipient who bravely refused. The officer then stole the recipient's harvest. This incident underscores the critical need for careful recruitment in poverty alleviation programs. Paper qualifications alone are insufficient. Selecting individuals with integrity, empathy, and a passion for helping others, alongside background checks and community feedback, can make a significant difference.

Furthermore, empowering beneficiaries can prevent exploitation. Educating them about their rights and creating clear complaint procedures ensures they feel safe reporting any misconduct.

H. Misbehavior of beneficiaries

Misbehaviour of beneficiaries of the poverty alleviation programs was found to be the instantaneous understanding of the cause of poverty. The poor people do not follow instructions given by the experts and facilitators to overcome barriers of progression. They follow the routine way of working and do not put steps forward towards improving living standards. This is the first impression and person who enters the poverty alleviation activities at the field level. The poor people are lethargic, lazy and pessimistic towards progress. This situation sometimes discourages development officers and give up efforts.

For example, poor people seek loans from unsecured sources for risky ventures such as growing seasonal crops without insurance. Crop failure results in non-payment of loan recoveries. As a result, they lose their valuable resources as collaterals, such as land and even lives.

A deeper study of the causes of such behaviour reveals that they are rooted in their social environment from where they learn to behave. People surrounding them are also poor and have no intention of progress. This is a result of the lack of opportunities for developing positive attitudes and progressive behaviour. This situation is a result of a lack of opportunities for education, unemployment and unsafe negative communities.

I. Social injustice

Unequal distribution of resources among the community members is a cause of poverty and related consequences. This leads to generational poverty further deteriorating the situation. For example, rural settlement schemes launched with a paternalistic approach provide land and other

resources to settlers. The resources provided, particularly land, are further divided among the second generation where the number of members is higher than the original recipients. The situation is worse for the third generation.

Another example is from the plantation workers' community. They are deprived of any resources as their ancestors are migrants. Therefore, the job market is heavily biased against workers resulting in low wages. This limits income potential and keeps people trapped in low-paying plantation work.

Social injustice creates poverty and poverty creates social injustice. Accordingly, poverty and injustice are in a cycle, and it is difficult to break the cycle as they lack education opportunities, which would be the way out.

Bureaucratism also appears as a source of injustice. Some of the officers responsible for poverty alleviation themselves use their positions to pressure already poor people and grab resources through corruption. Powerlessness rooted in low education and poverty prevents poor people from resistance to corruption.

J. Gender Disparity

Despite progress, Sri Lanka's poverty alleviation programs face challenges in addressing gender disparity. In the research population it was identified that the poverty level is higher among female. Women in the area lack secured job opportunities, and security in travelling. As a result of lack of awareness, it reported much teenage pregnancy and child abuse. Many programs target the male figure, overlooking women who often manage household finances and childcare, especially in single-parent or female-headed households. This can exclude them from crucial resources and decision-making processes. Additionally, traditional gender roles sometimes confine women to informal or low-paying jobs. Programs might not adequately address these job market inequalities, with specific training needs limiting women's ability to generate sustainable income and achieve economic independence.

To bridge this gap, policy changes are crucial. Initiatives that promote women's skills development and access to formal employment opportunities are essential. This empowers women to break free from the cycle of women's poverty and contribute more significantly to their families' well-being.

K. Malpractices of strategies

Poverty alleviation strategies in Sri Lanka, though they are sufficiently addressing the real issues, are misused by the people who are responsible for implementation. These misuses are manifold. First, some officers make decisions or are prevented from making decisions based on how the decision eases their job and not based on the usefulness of the decision to beneficiaries, the institutions or the general public. A loan application may left in the file for six months or more if the amount is comparatively higher and the manager has to work to get all essential documentation. In such instances, the

decision-makers, and the managers' work is just an activity to keep the officers' salary, leaves and other benefits from the institution rather than providing a service to alleviate poverty.

In other instances, the decision-makers resist empowering people, keeping poor people dependent on the officers forever. The poor people have to beg for services from the officers and such a system would never help poverty alleviation. The poverty alleviation program has designed mechanisms to empower people by transforming decision-making power to poor people themselves. For example, in the Samurdhi Banking system, the Poor people are the shareholders and decision-makers of the bank. However, some officers keep practically the decision-making power with them and diminish the role of shareholders in signing to decisions taken by the officers.

Corruption of some of the officers responsible for the alleviation of poverty is another factor of malpractices of poverty alleviation strategies in Sri Lanka. As in case 2 explained above there are some officers expecting benefits from their service receivers.

Another crucial issue is that those who do not contribute to the work properly disrupt and demotivate others who perform well with a passion for work.

L. Insufficiency in the strategy

Another reason for weakness in poverty alleviation is insufficient strategy intervention. In most cases, in poor communities, many programs cannot be implemented successfully as the people do not possess land. None of the poverty alleviation programs have addressed this issue. The provision of land is essential to be addressed in the poverty alleviation programs. This land issue in poverty has been an obstacle in other countries too [9].

Monetary and outcome-based measures are important in the evaluation progress of poverty eradication programs. Accordingly, the present Samurdhi program for poverty alleviation also lacks the cost-benefit approach in measuring the change. Samurdhi banking system has gained tremendous success gaining financial improvement, though it is still a heavy burden to the government expenditure in paying salaries to the banking staff. Moreover, the Samurdhi offices do not have a performance-based evaluation system to foster performance. However, this is a general drawback in all state administration systems where only change in the whole system would be recommended.

V. CONCLUSION

There are a large number of causes that contributed to the disturbing efforts to eradicate poverty in Sri Lanka. The analysis above indicates that root causes are played in the misbehavior of the beneficiaries, social injustice, gender disparity, malpractices of strategies and insufficiencies in the strategies.

Sri Lanka's efforts to eradicate poverty may be hindered by a legacy of paternalistic development practices inherited

from the British colonial era. This approach fostered an "elite" mentality among program implementers, potentially leading to corruption and mismanagement of poverty alleviation efforts. Furthermore, it may have inadvertently encouraged a dependency mindset amongst recipients. To overcome these challenges and achieve sustainable poverty reduction, a multi-pronged approach is necessary. Formal education reform should prioritize fostering critical thinking, creativity, and independent problem-solving skills. In parallel, well-designed informal education and training programs can provide both short-term and medium-term solutions by equipping individuals with practical skills for immediate income generation while building a foundation for long-term prosperity.

Enhanced decision-making power of poor people through the banking system is the key to success in the spheres of economic and social independence and power. The poor people are the shareholders and decision-makers of the Samurdhi banking system. The gradual transformation of the bank management into an independent of the upper hands of officers with a management approach is essential. At present, the banks run as independent systems though burdened by heavy administrative load which reduces the power of people. It is required to strengthen the system with a proper management approach. For this purpose, training of the officers in banking management and transform their mindset towards empowering people with a people-centred approach.

VI. RECOMMENDATIONS

While restoring a past cultural ideal may be unrealistic in today's globalized and rapidly evolving society, alternative solutions should focus on addressing the root causes of poverty, such as dependency syndrome. Formal education, when appropriately structured, can offer a sustainable solution to this challenge. By fostering independence, self-esteem, and critical thinking skills in school children, education reforms can empower individuals and equip them with the tools necessary to break the cycles of poverty. Further, it is recommended to train officers for empowering people.

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