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POVERTY ELIMINATION THROUGH POVERTY ALLEVIATION: THE JANASAVIYA PROGRAMME OF SRI LANKA FOR NATIONAL DEVELOPMENT

M.L. Marasinghe*

I. Prolegomena

During the Presidential elections of December 1988, Prime Minister Premadasa (as he then was) of Sri Lanka, unveiled what has now become known as the Janasaviya Programme. The word Janasaviya in the official language of the country, Sinhala, means the people's strength. The core element of the programme contains the idea that popular participation is an essential feature, initially in the alleviation of poverty, and ultimately in its elimination. Therefore the Janasaviya Programme may be considered as an interface between a condition of poverty and a condition of its absence.

It is important to indicate that among a number of causes for poverty in Sri Lanka, the two principal ones were the failure of succeeding governments to ensure an equitable distribution of wealth and the failure to utilise the full potential of the production capabilities on the Island. In addition, since Independence in 1948, successive administrations, both from the Left (Sri Lanka Freedom Party) and from the Right (United National Party) had adopted industrialisation, the devices for increased capital formation, the enhanced activities of financial institutions and favourable trade balances as supreme indicators of economic growth. Confusion had allowed to grow in the minds of planners and plotters of national development that "economic development" is indeed the same as "economic growth." The over-emphasis on enhancing the Island's gross domestic product with little or no concern for the equitable distribution of the resulting wealth, had over the years helped in accumulating a very large group of persons who may be described as being in a state of poverty. The key to understanding the state of poverty is one of distribution of the Island's

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wealth. There may be instances where a country may have a relatively lower gross domestic product than another. But if it were to adopt a high “distributional activity” by allowing those at lower points on the economic scale to share a larger portion of the accumulating wealth, then, despite the lower gross domestic product, the poor distributional activity might limit the participation of the economically disadvantaged in the accumulating wealth and thereby increase the burden of poverty. This in spite of a high gross domestic product (GDP).

Therefore, the GDP by itself will have little or no relevance to the alleviation of poverty. The alleviation of poverty depends on two factors of which both are essential. First, growth and second the capacity to distribute the accumulated wealth from that growth.

In 1977, when the United National Party became the administration, food subsidies that the previous administration had vouched so as to help the economically disadvantaged were withdrawn. In its place a food stamp programme was introduced which failed in the succeeding years to keep in line with the increases the Island had experienced in the cost of living due to spiralling inflation. Although the economic growth on the Island between 1986-1988 had been relatively low, there had been an impressive record of economic growth between 1977 and 1986. Despite this impressive economic growth the less than impressive performance of the administrations to effectuate the equitable distribution of the accumulating wealth had in essence widened the poverty circle on the Island. Statistics available until the 1981/82 financial year indicate that the lower 20% of the income earners had received 4.85% of the national income while the top 20% had received 51.8% of the national income, causing an enormous disparity.

In 1988, the government by implication conceded that they had failed in their distribution performance of the wealth accumulated through increases of the gross domestic product over the preceding years. And the Janasaviya Programme was introduced as a means by which the growing gap between the bottom 20% and top 20% of wage earners could be narrowed. This failure may be characterized as a failure to account to the nation by implementing an equitable programme for the distribution of wealth. The Janasaviya Programme

is therefore an accountability programme — as to the way in which wealth accumulated through an impressive increase of the Gross Domestic Product could be utilised for the alleviation of poverty.

Before examining the programme itself it is important to mention that poverty as a concept has two very different and distinct categories. First there is absolute poverty. This kind of poverty is where the poor are unable to provide themselves with the very basic requirements of life — such as food, clothing, shelter and health care. Although very few persons may fall into this category, the poor in general, in Sri Lanka, fall into the second category, “relative poverty.” Relative poverty may be found when a society, although able to provide the basic needs of food, clothing, shelter, education and health care to its people, is nonetheless unable to maintain a healthy ratio in the distribution of national wealth among all its people. Therefore in a relative sense there will be a gap between the persons at the bottom of the economic scale and those at the top. Sri Lanka falls into this category, where poverty is “relative” and not “absolute.”

II. The Concept of the Janasaviya Programme

A. *The Framework for the Programme*

The Department of National Planning of Sri Lanka (a department of The Ministry of Policy Planning and Implementation) in their recent report on Public Investment, 1989-1993¹ wrote:

5.01 While a wide spectrum of development schemes and subsidies currently operate in Sri Lanka, it is generally the more affluent, the better educated and most vocal groups who avail themselves of the available benefits. For those at the lower end of the income and social scale, the larger the cost of the service to be borne by the family, the smaller tends to be the participation of these groups. Their ability to improve their income status is also severely constrained by their lack of assets, physical

1. *Public Investment, 1989-1993*. Published by The Department of National Planning of The Ministry of Policy Planning and Implementation, Colombo, Sri Lanka, September 1989.

as well as human. Their educational levels and human skills are below average and they are more prone to sickness because of poor nutritional status and environmental sanitation. Their lack of assets makes them highly vulnerable when income sources are disrupted through illness, family breakup etc.

5.02 Poverty cannot therefore be viewed simply as an employment or a production problem. While increased output is a necessary condition of remedying poverty, the strategy must include measures to increase the purchasing power and productive capacity of the poor. The programmes must also be well targeted to this group as they are unable to compete for benefits with other groups.

In the same report, the government admits that there is a large group of poor people in Sri Lanka. Considering 2,200 calories as the minimum prescribed food intake per person per day, the lowest 20% of the population has been found to take in 1,900 calories and the next 20% has been found to take 2,050 calories, a deficit of 300 and 150 calories respectively.

The Janasaviya Programme was therefore introduced to resolve the problem of poverty and together with it, two additional programmes, one of public education and other of health education (Suva Saviya) were introduced.

The implementation of the Janasaviya Programme (JSP) was planned so as to subject its implementation to several separate and distinct stages. Each stage or phase consisted of a specific set of programmes.

Phase I, which was planned to take place on one single day, namely 29th June 1989 — throughout the Island — dealt with the issue of Janasaviya entitlement certificates to all those who have been receiving food stamps. It might be recalled that the United National Party government, which came into power in 1977, was principally responsible for the halting of food subsidies and their replacement with food stamps. The Janasaviya Entitlement certificates were given to every food stamp recipient, a total of 2.3 million in number, out of a total population of 16 million. The certificate which is quoted in the schedule to this paper, shows clearly that it is merely the “identification tag” of a person who is a candidate for receiving the benefits of the Janasaviya Programme. A poignant observation may

be made about Phase I. The certificate, which was in all three languages — Sinhala, Tamil and English — was not easily comprehensible by a largely ill-educated or uneducated if not illiterate group of persons, for a very large percentage of the people using food stamps belong to such a group. The resultant increase of hopes and the identification of new goals among the rural folk, may not augur well for the government if those goals and hopes were to be shattered at Phase II, when the selection process for the recipients of the Janasaviya grants were to exclude some of them. The inauguration of Phase II was scheduled to take place on July 1, 1989. However, due to civil unrest on the Island the date of commencement of this phase was postponed until September, 1989.

The Island is presently (1990) divided into 25 Districts² and 273 Assistant Government Agency (AGA) areas. Each Assistant Government Agency represents a decentralised unit of the central government. Of these 273 AGA areas, 28 areas³ spreading across 25 Districts were chosen initially for the second phase. These 28 AGA areas were chosen from among the rest as the first batch to enter Phase II, due to two reasons. First, those 28 AGA areas had a significant percentage of food stamp recipients which made them unique among the AGA areas. Second, some consideration was given to delicate ethnic balances when choosing these areas.

In Phase II from among the recipients of Janasaviya Entitlement Certificates on June 29, 1989, those who qualified to receive the Janasaviya grants were selected. This selection process was based upon popular participation. A meeting of those who had received the Janasaviya entitlement certificates was organised by the Assistant Government Agent, the officer in charge of the AGA area. At that

2. The districts are: 1) Ampara, 2) Anuradhapura 3) Badulla, 4) Batticaloa, 5) Colombo, 6) Galle, 7) Gampaha, 8) Hambantota, 9) Jaffna, 10) Kalutara, 11) Kandy, 12) Kegalle, 13) Kurunegala 14) Kilinochchi, 15) Mannar, 16) Matale, 17) Matara, 18) Moneragala, 19) Mullaitivu, 20) N'Eliya, 21) Polonnaruwa, 22)Puttalam ~ 23) Ratnapura, 24) Trincomalee, 25) Vavuniya.

3. The Assistant Government Agencies are: 1) Tirukkovil, 2) Padiyatalawa, 3) Pottuvil, 4) Horowpathana, 5) Ridimaliyadda, 6) Valachchanai, 7) Hanawella, 8) Niyagama, 9) Divulapitiya, 10) Hambantota, 11) Jaffna, 12) Agalawatta, 13) Akurana, 14) Aranayake, 15) Kobeigama, 16) Poonakari, 17) Mantai West, 18) Galawela, 19) Hakmana, 20) Madulla, 21) Mullaitivu, 22) Walapone, 23) Elahera, 24) Karuwalaga ~ wewa, 25) Embilipitiya 26) Town & Gravets, 27) V. Settikulam, 28) V. South Sinhala.

meeting, through open and public procedures of debate and discussion, the assemblage was asked to choose the “poor” as characterised by those who received a monthly family income not exceeding 700 rupees. The 700 rupees is a family income, where the family consists of dependent parents, dependent children and husband and wife — all living as a single family unit. The reliance upon the peers to judge whether the candidates for the grant qualified under the established criteria, and without any bureaucratic intervention in that judgement making process, was believed to provide the broadest possible consensus. Any process that could achieve a broad consensus through popular participation deserves support, but some pitfalls in this process require mentioning. An important drawback in this process is that the choices made by such an assemblage might leave some members dissatisfied and distraught, which might erode the broad consensus achieved, resulting in factional schisms tapering into a condition of social unrest. A second problem is that groups or factions might be formed who might conspire to thwart the procedure so as to include in the Janasaviya Programme those who were clearly above the poverty line of a monthly family income of 700 rupees. These two factors may be considered when the selection process in the second phase is put into effect.

By the end of 1989, the selection process in the 28 AGA areas had selected 189,088 persons whose family income was 700 rupees per month. This choice was made from a total number of 225,000 families who were recipients of food stamps. Later the 189,088 chosen dropped further to 164,000. It was found that 25,000 out of the 189,088 originally selected had either abandoned their claim for food stamps or had opted out of the Janasaviya Programme altogether. This could be explained by a new criterion which the government introduced after the first inauguration of the programme during the early part of 1989. That new criterion required the family that receives the Janasaviya grant to provide 24 days per month of labour, or engage in some productive activity chosen and approved by the Assistant Government Agent of his area. Some of the 25,000 may have been compelled to opt out of the programme by losing a member of the family who may have been the only member able to provide the 24 days of labour. The loss may result out of his death

or it might be a result of him leaving the family unit. Opting out of the Janasaviya Programme puts such a family back in the food-stamp programme, which is a social welfare programme involving handouts and therefore not a development programme.

B. The Programme

At the core of the Janasaviya Programme was a payment of 2,500 rupees per month, per family for a total period of 24 months. Of that payment, 1042 rupees was credited to a compulsory savings account in the name of each recipient family. This amount was credited in the names of the husband and wife of the family to an account at the National Savings Bank. Where there was no husband and family, then it was credited in the name of the head of the household. That amount was allowed to accumulate each month which, at the end of the 24 month period would provide the Janasaviya recipient family with a sum of 25,000 rupees.

The 25,000 rupees provided the recipient a tidy sum of money which he was required to use at the end of the 24 month period to embark upon an activity which should provide him with self-sufficiency through self-reliant development. It is essential that the government embark upon a programme utilising the available local level development research organisations — IRED, Marga and the Sarvodaya — to help organise the utilisation of the savings of 25,000 rupees to achieve self-sufficiency and a release from the condition of poverty. Many strategies could be worked out for the productive utilisation of the 25,000 rupees. Joint ventures among a few like-minded persons with utilisable skills may help in forming self-reliant ventures. The programming of the utilisation of these savings was indeed crucial for the achievement of the ultimate goal — elimination of poverty.

At any time during the two years that it takes for the 25,000 rupees to accumulate, the recipient could utilise it as a guarantee in the nature of a collateral security to obtain credits to the extent of that sum from certain lending institutions. Families which develop income-generating projects could obtain credit from a special credit

scheme to be funded by the International Development Association, during the 24-month period. This might encourage the Janasaviya recipient family to embark on an entrepreneurial scheme long before they end the 24-month period. This aspect of the saving requires emphasis.

After the payment of 1,042 rupees per month into the recipient's bank account, the balance of 1,458 rupees will be available for consumption. This payment is directly linked to a training and production programme called the "Saragam Programme." This programme requires the family to offer 24 days of labour per month to which reference was made earlier. The family may nominate one person to provide this labour, and families have often opted out of the Janasaviya Programme altogether, due to the unavailability of an able-bodied person to provide that labour. The aim of the government was to personalise the labour thus provided as much as possible. The labour thus provided is self-managed and self-monitored by the "hamlet community." The "hamlet community" is the community to which the recipient belongs. The production outputs of the recipient's labour may be discussed and fixed by the hamlet community. The structure and the powers of the hamlet community are discussed in the next Section (2.3). External monitoring of the outputs could take place at the divisional level. The structure and the powers of the divisional level will be discussed later in Section (2.4).

The payment of rupees 1,458 for consumption was by the issue of a coupon card containing two separate payments. One was for rupees 1,000 and the other was for rupees 458. The rupees 1,000 was available for use to buy goods from the Janasaviya basket of goods stocked at the local co-operative stores. The basket of goods earmarked for the Janasaviya coupons were provisions in the nature of foods used for ordinary consumption. It did not include luxury items such as drinking chocolate, milo, horlicks, which were all available locally, manufactured under license, and such other non-essentials. As to the rest of the 458 rupees, the recipient had an option. The option was that the family could buy goods from the Janasaviya basket for the whole or part of that sum or voluntarily save the whole or a part of it in a savings account of the National Savings Bank. This could be done during some months and not during other months at the option

of the recipient. These sums would add to the guaranteed saving of 25,000 rupees over the period of two years, thus increasing the sum saved.

C. Institutional Structure for the Janasaviya Programme

The Janasaviya Programme has spawned five supportive institutions. These are: (1) The Hamlet Level Task Force; (2) Divisional Co-ordinating Sub-committee; (3) District Co-ordinating Sub-committee; (4) Provincial Co-ordinating Sub-committee; (5) National Co-ordinating Committee.

1. The Hamlet Level Task Force

The composition of the Hamlet Level Task Force is drawn from within the village. They are selected from both the private and the public sector. *First*, the Grama Sevaka Niladhari, who has taken the place of the Colonial Village Headman. He carries both police powers and administrative duties in the village. His immediate superior is the Assistant Government Agent. *Second*, a charismatic group called the support team — the Sahayaka Kandayama. This is a special group of persons, carefully selected from within the village. They were trained on matters pertaining to the selection of Janasaviya beneficiaries. *Third*, non-governmental and private sector representatives. These were drawn from the local business community, and from the village elders who carried respect and social standing within the communities. *Fourth*, government servants engaged at the village level. Into this category fell Agricultural Project Officers, Teachers and Public Health Midwives.

The Hamlet Level Task Force had a convener who called meetings, set out the agenda and kept minutes. Besides these functions the convener executed the decisions of the task force as its chief executive. The objectives and the functions of the Hamlet Level Task Force were varied. The framework within which these objectives and functions were interpreted was the need to orientate and co-ordinate the economic activities of the families who had been

earmarked to receive the benefits of the Janasaviya Programme. Towards this end the Hamlet Task Force was required to identify the physical and human resources of the Janasaviya recipients. That took into consideration the limits of the recipient's physical ability to participate in the labouring component of the programme. It must be pointed out that the implementation of the programme at this point was closely associated with the Suva Saviya Programme, which was primarily concerned with public education including health education. Based on the physical and human resources the Hamlet Task Force identified specific persons or groups from among the recipients of the Janasaviya benefits for particular economic activities. The artisans, the farmers and the manual labourers were separately identified. Thereafter, the Hamlet Task Force structured viable income generating activities suitable to the available physical and human resources of such persons or groups. This in essence was a village-level activity and the Hamlet Task Force was thought to be best qualified to fulfill it. Aside from the structuring of these viable economic activities, the Hamlet Task Force was responsible for the co-ordination of training, the provision of credit facilities and the supply of other support services. One such support service was the provision of special equipment required for the projected economic activity. The Hamlet Task Force was obliged to provide to the Janasaviya recipients within the hamlet introductions to existing and potential market opportunities available to them. This is the key to the expansion of the hamlet economy. The Hamlet Task Force provided training and follow-up supervision to the Janasaviya recipients so that there could be continuous counselling provided to them. Such continuing concern for the well-being of the recipients was regarded as an essential element for economic progress. Finally, the Hamlet Task Force carried the duty to provide reports to the next body, the Divisional Co-ordinating Sub-committee.

2. Divisional Co-ordinating Sub-group

The composition of this sub-group has been loosely decreed. The Divisional Assistant Government Agent (AGA) will chair this group

and he was authorised to co-opt as many officials from the divisional level as he may require. In addition to these government servants at the divisional level, the AGA had the power to co-opt as many NGOs and private sector representatives as he deemed necessary. The structure at this level was left in such a way that the active centre of this sub-group would somehow reside in the AGA

The basic activities of this sub-group were underpinned by the need to collect and disseminate information, the training of recipients of the Janasaviya to help them improve their economic conditions by co-ordinating and monitoring the overall hamlet programmes with that Division. Towards this end the Divisional Co-ordinating Sub-committee was delegated to collect information relevant to the developmental goals of the recipients at the hamlet level and disseminate them to members of other hamlets. This information could be gathered from both governmental and non-governmental organisations (NGO). The passing of information, here, involves both the passing of information to the hamlets and passing of information about the hamlets to the government and the NGOs. The latter was considered to be vital — for that gave the government and the NGOs an opportunity to adjust their own developmental programmes to take the development potential of the Janasaviya Programmes into consideration. This two-way stream of information was designed in part to help identify resources and market opportunities for the betterment of the hamlet in each division.

Yet another function of the Divisional Co-ordinating Sub-committee was to provide training programmes⁴ for members of the Hamlet Task Force and for the recipient families. Together with these the divisional sub-committee provided the recipient families with an advisory service while co-ordinating the various support services available at both divisional and hamlet levels, which were beneficial to the recipients of the Janasaviya Programme.

These support services could be those derived from various government services or may be drawn from the private sector. The Divisional sub-committee was responsible for organizing village fairs,

4. *Ibid.*

sales centres and other market facilities at divisional and hamlet levels. In addition the sub-committee was delegated to co-ordinate with export-oriented private sector organizations, the Export Development Board and varying Trading Houses to provide lucrative markets for the products that the hamlet could produce as a result of the programme. This may particularly be as a result of the utilisation of the hamlet level savings of rupees 25,000 per person, or may be due to joint ventures undertaken by groups of recipients at much earlier stages of the programme. Finally, like the Hamlet Task Force, the Divisional Sub-Committee reports to the next structure — the District Co-ordinating Sub-Committee.

3. District Co-ordinating Sub-Committee

This sub-committee was composed of The Government Agent as the chairperson who may co-opt such officials at the District level, together with persons from the varying non-governmental organisations and the private sector, as he may think necessary. The Government Agent occupies, generally, a supervisory role over the Assistant Government Agents. In that sense this sub-committee performs a supervisory function over the Divisional Co-ordinating Sub-committee. The basic obligation of the sub-committee was to determine the nature and the number of projects that were suitable to be introduced at the hamlet level, to be organised and run by the Janasaviya recipients. This determination will be based on information collated by the Divisional Sub-Committees. Therefore, this sub-committee functions as a centre for laying down policy, relating to the hamlet level projects. These projects were a direct result of the fact that production was the essence of the Janasaviya.

Collecting, processing and disseminating information with regard to physical and human resources based on information gathered and transmitted to this sub-committee by the Hamlet Task Forces and the Divisional Sub-Committees was the framework within which the committee functioned. This information, together with information regarding the availability of markets when made available to the recipients of Janasaviya, would help the recipients to structure their

production agenda in line with this data. The District Sub-Committee, while identifying suitable projects and numbers that are beneficial to be implemented, has the power to set priorities and thereafter monitor and review each project as it proceeds, the government being conscious of the fact that the productivity in each of these projects depended largely on the orientation of the Janasaviya recipients towards economic activities. The District Sub-Committee carried a heavy responsibility for co-ordinating the activities of such recipients. In addition the District Sub-Committee assumed the responsibility for the training of divisional level officers who in turn carried the responsibility of guiding the Janasaviya recipients in their productive work. A responsibility of the District Sub-Committee was to prepare and update district resource plans. These plans were helpful in guiding the Janasaviya recipients in choosing the most productive programme for economic development — depending on the available resources. Additionally, and towards achieving this end, the District Sub-Committee was concerned with maintaining quality control and achieving quality improvement in the Janasaviya products and in providing the appropriate technology, machinery and equipment. Finally, as other sub-committees have done, this sub-committee also reported to its next number — the Provisional Co-ordinating Sub-Committee.

4. Provisional Co-ordinating Sub-Committee

The composition of this sub-committee included the provincial chief secretary, who was delegated to chair its meetings, and secretaries to Provincial Ministries and Government Agents. In addition, there were representatives from non-governmental organisations, private sector representatives from the business community, provincial heads of departments of corporations and statutory boards. Among these, the Provincial Chief Secretary would have the power to choose those he may consider suitable and necessary to participate in these sub-committees. This sub-committee too will report to the next, the National Co-ordinating Committee. The principal function of the Provisional Co-ordinating Sub-Committee was

one of co-ordinating and monitoring the District development programmes structured for the recipients of Janasaviya.

5. National Co-ordinating Committee

The composition of the National Committee included all ministries relevant to the programme, representatives from nongovernmental organisations, the private sector, and the Banks. The Minister of Food and Agriculture has overall responsibility for the administration of the programme. The National Co-ordinating Committee was in overall control of the formulation of policies for the whole island regarding the Janasaviya Programme. That National Committee was further delegated to co-ordinate activities, collect and disseminate information regarding every aspect of the Janasaviya Programme. It was also concerned with training of both official and non-official participants of the programme at national, district and provincial levels.

The National Co-ordinating Committee, therefore, formulated policies, prepared implementation guidelines, reviewed and monitored activities, prepared and implemented national plans pertaining to training, research and information, and co-ordinated all Janasaviya activities of participants in Janasaviya related matters at the national level. Further, the National Co-ordinating Committee worked towards the maintenance of uniformity and ensured the continuity of projects commenced by the Janasaviya recipients.

III. Development Expansion Through the Janasaviya

The basic goal of the Janasaviya was to be a means for increasing productivity of hitherto unutilized and under-utilized human and non-human resources. There are several areas of the national economy that may be stimulated by a successful Janasaviya Programme. Firstly, the selection of Janasaviya baskets of food and non-food items was expected to open up a sizable internal market from which the growers and the producers of such foods were expected to benefit. This would call for a revamping of the market-oriented production

sector to maximise production, based on agro-ecological factors. Government agents have been requested to take personal charge of revamping the market-oriented production sector. Secondly, co-operatives are to be upgraded. Co-operatives perform the twin function of both distributing the Janasaviya food and non-food basket and at the same time help to market the produce from Janasaviya endeavours. The co-operatives, therefore, have a major role to play as a trusted and tested supportive network in both production and distribution. Thirdly, a programme formulated and implemented by the Ministry of Youth Affairs has been introduced to identify, counsel, train, start up, monitor and follow up the Janasaviya economic activities engaged in by the Janasaviya recipients. In order to better facilitate the Janasaviya economic activities an institutional framework linking all levels of Janasaviya participants from the level of the hamlet community all the way up to the national level was set up. Fourthly, both state and private banks have taken several initiatives towards facilitating the provision of credit to Janasaviya recipients. Towards this end the banks have set in motion community credit facilities and development credit facilities. These two new programmes have recognised that priority should be afforded to the loan applications of self-employed applicants and of small-scale producers. Both these categories of credit would enormously help the Janasaviya recipients when setting themselves on a self-sufficiency programme with the use of the 25,000 rupees which accumulate to their credit during the two years. Fifthly, a new public/private sector partnership shall evolve as a result of the Janasaviya Programme. As a result of this, private sector investors have commenced investing in the provinces through the establishment of industries. These have been helped by the varying provincial councils. Small- and medium-scale industrialists, including foreign investors, are being coaxed into investing in the Janasaviya projects. To facilitate these types of investments, the finance minister in his 1989 budget allowed certain incentives to investors who wished to be associated with the Janasaviya Programme. Sixthly, NGOs have been identified as partners in the Janasaviya Programme. Some NGO personnel have been inducted into the *Sahaya Kandayama* (support team). The NGOs have been quick and eager to link up and enter the emerging Janasaviya

Programme. Their experience in local-level development has been an asset in organising the economic activities of the Janasaviya recipients.

IV. The Process

The Janasaviya Programme rested on a programme of self-management. This is done by each local community or hamlet. Towards this end the Janasaviya Programme divided the Island into 30,000 hamlets. There are micro-communities comprising about 150 families both rich and poor in each hamlet. The hamlets in an urban setting were the shanty settlements.

Each hamlet was comprised of an organic group of persons who had not been put together as a result of externally determined administrative needs but were there because they had been neighbours. Each such hamlet has a five-member support team. They performed the function of facilitators at workshops. Of the five members, four were selected by the community and the fifth was the local, hamlet-level government representative — the Grama Sevaka. Of the four selected by the community one was to be a woman.

Each hamlet formed a community and its members were fully trusted and relied upon by the State to efficiently, fairly and honestly manage the Janasaviya Programme. The community that formed the hamlet, for example, performed the critical task of selecting those who were qualified to be received into the Janasaviya Programme. These were those who had received a monthly family income of no more than rupees 700. This selection process was conducted openly by getting each applicant for the Janasaviya to appear before the entire community.

Another level of organisation which accompanied the Janasaviya Programme was the recruitment of village-level officers. These may have been engaged formerly in different rural-based central and provincial government services. These were the Agricultural Project Officers or the Public Health Midwives. Fourteen thousand seven hundred of these village-level officers were trained by the Divisional Sub-Committees to which reference was previously made. Each of these officers was detailed to remain in charge of two hamlets

comprising of a total of 300 families in both. Through these officers the government intends to improve personalised dealing and help in maintaining a sense of accountability. Accountability here is a two-way street. The government accounts to the family as to the way in which the Janasaviya Programme is being run and the family as recipients must account to the government their own participation in the Janasaviya Programme. Communicating the programme to the family is one of the cornerstones of the programme. This is done by these village-level officers. They deliver and explain key programmes contained in simple handbooks specially written for each family. The officer will thereafter keep in continuous contact with each family in the programme so that the programme as structured in the handbook would be fully appreciated and followed by the recipient family. The handbooks may contain advice as to how the recipient family might obtain the best yield in paddy cultivation, or in chilie cultivation. It may give advice as to the most profitable way of rearing livestock. The government was interested in advancing these economic benefits for the recipients, for each cent they earn from other sources is accountable and must be deducted from the benefits they receive from the Janasaviya grant.

In addition, the government provided training facilities for the five-member support team in each of the 30,000 hamlets, totaling 150,000 persons. The training programme for the 150,000 support team members began at the district level, in which 75 master trainers were hand-picked and were trained. They in turn trained 1,350 divisional-level trainers. These 1,350 in turn trained the 150,000 support team. The training programme included three modules. First, they were trained in propagating the underlying goals and aspirations of the Janasaviya Programme. This helped provide the recipients with a vision of the framework within which they could participate in the programme. Production is the essence of the Janasaviya Programme, but there are also other appendages to the programme, which became equally relevant to its pith and substance. The second training module contains the methods for the identification of the basic needs of the poor. This is done both from a collectivist standpoint, taking the entire community as a starting point and individually ascertaining how a particular family as a single unit particularizes its needs. The

support team was trained to strike a balance between the community needs and the particular needs of a family. This may be referred to as the first round of training.

The second round of training was scheduled to commence during the course of 1989. There the programme was altered from the first round. In this second round, Assistant Government Agents — who participate in the Divisional Sub-Committees — receive training. In this second round 28 Assistant government agents (AGA's) drawn from the 28 AGA areas in which the Janasaviya Programme was initiated and presently implemented⁵ were chosen with 28 others for training. These 56 trained officers were then sent back to the Divisional level so that they could impart their knowledge, expertise and skills to those that train the members of the support team of the hamlets covered by the 28 AGA areas.⁶ These include: the production activities programme, the special agricultural programme, the co-operatives and National Savings Bank components, the family profile survey and divisional integrated development programmes, the Janasaviya vision and the Saragama Programme.

The Saragama (Productive Village) Programme has been specially orchestrated to improve the quality of life in the villages through the infusion of programmes for economic development at the grass-roots level. Both the co-operative and the National Savings Bank components are connected with both savings and loans. The other ingredients of the module in the second round of training are comprised of development-oriented package programmes which the government with the help of non-government organisations had structured.

The Government Agents who were in charge of the District level of participation in the Janasaviya Programme were left in overall charge of the training programme and the implementation of the Janasaviya Programme in all its attributes in each district. The chief implementing officer of the Janasaviya Programme at the end of the day was the Government Agent of each district.

5. *Ibid.*

6. Finance Act, 1989.

At the national level, the President in his capacity as the Minister for Policy Planning and Implementation was personally in charge of the Janasaviya Programme. But the Janasaviya Act⁷ entrusts the administration of the programme to the Minister of Food, Agriculture and Co-operatives. Under the Act, there is a Janasaviya Commissioner.⁸ However, the central coordination and policy development was done by a special Ministerial Steering Committee, which in turn was supported by seven working committees, while the Minister of Agriculture, Food and Co-operatives co-ordinated all related activities.

V. Reflections

Sri Lanka's per capita income is not more than 7,000 rupees per annum. The Janasaviya Programme takes an income of 700 rupees a month as the poverty line. That makes 1.9 million families, or one-half of Sri Lanka's sixteen and one-half million population, living below the poverty line. Statistics available at the time of writing indicate that relative poverty had not declined since the liberalization of the economy in 1977, while absolute poverty had in fact increased with the concomitant increase of population.

Poverty alleviation, therefore, was an urgent necessity, but it should not be achieved through the distribution of money without preparing the Island with the means of increasing the generation of income. Many attempts to alleviate poverty had in the past been introduced and implemented generally to no avail. Since Independence in 1948, subsidized foodstuffs or consumer subsidies on certain commodities such as rice, sugar, flour and bread were followed by the programme to provide free rice for ration card holders. Since 1977 the provision of food stamps, which the Janasaviya Programme was targeting, still remains. This is not to give the impression that the Janasaviya Programme was yet another welfare programme. Indeed, the Janasaviya Programme categorically denies that characterization.

7. Mr. Susil Siriwardene.

8. Emeritus Professor of Economics, University of Colombo.

The Janasaviya Programme was ordained by its promoters as a strategy for development through the increase of employment opportunities for the purposes of increasing the income levels of those who fall below the poverty line. Consequently, it was hoped that this programme would result in the alleviation of poverty, as a first step towards the elimination of poverty.

Therefore, the Janasaviya Programme was in its essence a development strategy. There were a number of development strategies in the past. During the years when the Sri Lanka Freedom Party was in power, and particularly between 1970-1977, the import-substitution strategy under a strictly controlled command economy formed the foundation for the development strategy of the time. Between 1977 and now, under a United National Party government, the development strategy has been an export-oriented economy within an open and liberated economy, freed from restrictions. The free trade zones, enhanced foreign investments and the relatively free flow of foreign currency were the key elements of the recent plan.

Without assessing the relative merits and demerits of each of these strategies, it is safe, however, to say that neither of them was successful. The Janasaviya Programme was yet another development strategy which appeared to be based, at least in its peripheral aspects on a Keynesian principle. The increase in the demands of a society was believed to increase opportunities for employment resulting in the increase of incomes. It was also believed by Keynes that this method would by a dialectical process carry an economy from a level of under-utilisation of its resources to a condition of their full utilisation. The economy could then be said to be in full bloom, while utilising every aspect of the Island's available resources. The Janasaviya Programme considered this aspect as a key element in its equation for the alleviation of poverty.

Professor Indraratne⁹ in a recent article¹⁰ gave some startling facts and figures. He said that according to the Food Commissioner's departmental report there were about 1.4 million families entitled to food stamps. The Janasaviya Programme mentioned above had two

9. *Island* 28 June, 1989.

10. *Ibid.*

components. The Consumption portion of rupees 1,458 and the Savings Component of rupees 1,042. These two components had been estimated to require rupees 24.5 billion for the Consumption Component and rupees 17.5 billion for the Savings Component — a total of rupees 42 billion.

These figures indicated the colossal sums of money involved in the Janasaviya Programme and the question as to how the government intended to find the money needed for this project becomes a relevant one.

Sri Lanka's unemployment runs to about 20% of its workforce. This amounts to roughly 1.2 million people. According to the Central Bank statistics, it would cost about rupees 30,000 to create employment for one person. Against this background for every unit of rupees 30,000 spent for the Janasaviya the government must endeavour to create one job. But this becomes a little difficult because, although 10 Janasaviya recipients would receive rupees 25,000 per month they would only have rupees 10,420 (the savings component of the recipients), available each month for job creation. Therefore, 30 recipients will be needed to create a job per month.

If the Janasaviya Programme was extended to all 1.4 million families, then it should create nearly 47,000 jobs a month — or 1.1 million jobs in two years of its existence. With the compounding effect of job creation, in two years it would be possible to create between 1.3 and 1.4 million jobs. The point that is in issue is whether the government could find the 42 billion rupees to create the 1.4 million jobs in the two years. And it is this dilemma that has forced the government to limit the Janasaviya Programme for the first year to 28 Assistant Government Agency areas. The following table provides some figures regarding the numbers of recipients that were involved:

District (25 Districts)	AGA (28 selected AGA (Division)	No. of families receiving food stamps	No. of families receiving Janasaviya	% receiving Janasaviya out of food stamp recipients
m*Bnqbsb	2/ Ujssvllpwjm	5-331	4-568	92/6
	3/ Qbejzsubmbxb	3-398	3-178	:1/7
	4/ Qpuuvwjm	5-735	4-815	91/2
3* Bovsbeibqvsb	Ipspxqbuibob	6-148	5-619	9:/6
4* Cbevmmmb	Sjejnbnmjzbeeb	...	7-88:	...
5* Cbujdbmpb	Wbmbdidibobj	24-433	21-824	91/5
6* Dpmpncp	Iboxfmmmb	25-937	:-989	77/7
7* Hbmmf	Ojzbhbnb	6-23:	5-293	92/2
8* Hbnqbib	Ejwvmbqujzsb	28-168	28-168	211/11
9* Ibncboupub	Ibncboupub	21-6:1	9-78:	92:/
:* Kbggob	Kbggob	27-6:4	7-929	52/2
21* Lbmvubsb	Bhbmbxuuuf	22:-76	21-326	96/5
22* Lboez	Blvsbob	8-5:5	8-5:5	211/11
23* Lfhhmmf	Bsbobzblf	:-526	3-32:	34/7
24* Lvsvofhmbmb	Lpcfjhbnb	6-771	6-771	211/11
25* Ljmjopdidij	Qppoblbsj	4-771	4-595	:6/3
26* Nboobs	Nbouibj Xflu	6-566	6-477	91/1
27* Nububmf	Hbmbxsb	21-431	:-147	98/6
28* Nbubsb	Iblnbob	6-786	5-552	89/3
29* Npofsbhmbmb	Nbevmmmb	6-187	6-182	::/:
2:* Nvmmbjujwv	Nvmmbjujwv	6-756	6-651	:9/2
31* Ovxsbs.Fmjzb	Xhmbqpof	23-276	23-274	211/11
32* Qpmpoobsvxb	Fmbifsb	5:-73	5-879	:6/:
33* Qvuumbn	Lvsvxbmbhbtxfxb	5-361	5-361	211/11
34* Sbuobqvsb	Fncjmqjuzsb	25-341	25-341	211/11
35* Usjodpnbmff	Upxo boe Hsbwfut	22-36:	22-36:	211/11
36* Wbwvojzsb	2/ W/Tfuujlvmbn	...	5:-31	
	3/ W/Tui/Tjoibmb	3-251	3-251	211/11

Total number of recipients of food stamps: 213,054

Total number of recipients of Janasaviya: 189,088

Percentage receiving Janasaviya out of food stamp recipients: %88.8

Total expenditure in rupees for the Consumption Component: Rs.275,690,304
(rupees 1458 x 189,088)

Total expenditure in rupees for the Investment Component: Rs.197,029,696
(rupees 1042 x 189,088)

Total number of Jobs the Investment Component could create
at Rs. 30,000 per job: 657

In the first year of the Janasaviya Programme it now appears that the creation of no more than 660 to 700 jobs — taking into consideration the job multiplier factor — will be possible. This is very much below the creation of 150,000 jobs in the first year which Professor Indraratne¹¹ thought necessary for the success of the Programme. Professor Indraratne wrote: “If the Programme does not . . . have 150,000 production jobs created . . . alternatively the result would be price escalation resulting from the additional consumer demands created within the first year by the JSP expenditure.”

Professor Indraratne believed that the present rate of inflation projected at 14% at the end of 1989 would climb higher to about 20%, if the import of consumer goods needed to meet the Janasaviya demands was not increased. If the import of consumer goods was increased, then that would have the effect of driving Sri Lanka deeper into a balance of payments crisis. There would therefore arise a considerable developmental counterthrust resulting in the thwarting of the fruits of the Janasaviya Programme. There would naturally be a slight increase of the present inflation rate when the consumer demands initially began to bite, but by increase of production to satisfy consumer demands through the creation of new jobs, the inflation rate should not only stabilize but should also drop. The latter taking place appears to be somewhat doubtful if the level of job creation in the first year were to fall below 150,000, and in particular if it were to fall below 700, there is every reason to fear that the programme as a whole might fail.

11. Innovations et Recherche Pour Le Development (IRED).

The alternative is to increase by 200 times, the government's present annual contribution. This would require the government to contribute in the first year around 50 billion rupees in place of the 472 million rupees that it has committed to the 28 A.G.A areas. The question that this analysis raises is whether the government is able to find the money to provide this higher level of contribution. It is very important that this money be found without having to increase the circulation of currency by printing additional currency notes, which would give rise to a condition of spiralling inflation.

One avenue that is open to the government is to seek assistance from external sources by way of aid for development. The Janasaviya Programme, if successful, could eradicate poverty by creating employment. That by itself is an important element in the equation for development. If the government were able to find the 50 billion rupees for the first year to help inaugurate the programme, it is then possible through savings accrued by the productive enterprises of the 150,000 jobs created in the first year, to move the programme forward in the succeeding years, using the internally-generated wealth.

The programme itself requires a well-coordinated institutional structure, the interlinking of Janasaviya villages into common clusters of villages so that a healthy infrastructure could provide supporting facilities for the productive component of the Janasaviya Programme. All those have been carefully thought out by the government to which reference has previously been made.

It must, however, be observed that the Programme has brought into being a surfeit of institutions and a burgeoning bureaucracy which could in the long run cause delays and duplications of efforts. This could give rise to expenditures which might make the Programme expensive to run. It is perhaps advisable to reduce the institutional structure to three, namely, to the National Co-ordinating Committee, the District Committee and the Hamlet Level Task Force. The Divisional and the Provincial Committees could be dispensed with for they appear to duplicate the efforts of other committees.

The use of NGOs in the Janasaviya Programme must be considered as an essential element. The non-governmental organisations have established a reputation for efficient administration

of local level development. As an example, IRED¹² has recently established a programme for the development of small enterprises called PRDA. Describing the objectives of the Programme, the Director of IRED¹³ wrote:

It was thus decided that the objective of small enterprise development among the poor should not simply be to generate income and employment. The objective of small enterprise development should be institution building and empowerment which in turn will make the enterprise both successful and sustainable. There must be a dialectical relationship between small enterprise development and the empowerment of the rural poor.¹⁴

These types of experiences that NGOs possess must be fully utilised when organising the Janasaviya recipients to make the fullest use of the savings component of the Programme.

Conclusion

The Janasaviya Programme in its essence is a developmental programme. It takes into consideration the fact that unemployment lies at the root cause of poverty. The eradication of poverty and the eradication of unemployment have been considered as the two sides of the same coin.

The eradication of unemployment in this programme is based on the achievement of self-sufficiency through popular participation.

These two elements when taken together within a single development programme provide a splendid model for Third World development.

The identification of unemployment as the root cause of poverty is far too simplistic if the next few steps to eradicate unemployment by providing full employment are not taken. In countries like Ethiopia and those of the South and the North of the Sahara, unemployment is in fact the root cause of poverty. But the problem there is intractable

12. Puttlam Regional Development Association.

13. Mr. Sunimal Fernando.

14. Fernando (S.) and Gamage (W.), *An Innovative Approach to Small Enterprise Development*, IRED, 1989, at p. 7.

due to the unavailability of the infrastructure to provide full employment.

The potential for the provision of full employment is crucial for development. The eradication of poverty through employment has been shown by experience to be lacking. In many Third World countries, particularly in the Saharan and the Sub-Saharan regions, eradication of poverty could only be achieved by the provision of external aid directly to the poor. This is a “band-aid” approach to development.

Sri Lanka, on the other hand, is blessed in several different ways. It has the fertility of a sizable land mass clamouring for agricultural development. It has water through natural means such as rivers and irrigation schemes — the Mahaveli and the Victoria Dam — to mention some. The Island has a population with a high level of physical health and education due to several decades of universal, free health care and free education. The Island has at least three excellent harbours — Colombo, Trincomalee and Galle with direct rail and road links. It has the potential of opening two more harbours — Puttlam and Kankasanturai — again, with direct road and rail links. The Island has modern lines of communication with the outside world, with modern banking and financial advisory systems.

Sri Lanka is able to provide the infra-structure and the framework for foreign aid and foreign investments. Therefore, both foreign aid and foreign investments should be strenuously pursued to finance the Janasaviya Programme. Out of all the previously experimented programmes — ration cards to food subsidies to food stamps — the Janasaviya presents an endogenic, self-reliant programme for the alleviation of poverty through popular participation in the eradication of unemployment. This new paradigm for development is worthy of being tested.

The Janasaviya Programme provides a two-tier paradigm for development. In the first tier, at the Ministry of Food, Agriculture and Co-operatives, the Janasaviya Programme was conceived, formulated and legitimised. At the second tier, at the local level, the Programme was implemented. The endogenous, self-reliant nature of the Programme arises out of the method of its implementation, and, therefore, the second tier introduces into the Janasaviya Programme

its pith and substance. It must, therefore, be pointed out that minus the second tier, the Programme would have appeared nothing more than a government-sponsored welfare scheme for the poor. It would lack the self-reliant, endogenous nature of the Programme and might thereafter melt away as an expensive experiment of a government for helping the poor, rather than a programme to get the poor to help themselves to spring out of an ever-widening circle of poverty and deprivation.

The United National Party that was responsible for the inauguration of the Programme was replaced by the People's Alliance, at a general election held on September 16, 1994. The People's Alliance made no comments about the programme during the election campaign. Many Janasaviya recipients have supported the People's Alliance as the results from the rural electorates indicate. It is however possible that the new administration will re-examine the parameters of the programme. It may be expanded. It may be constricted. But it is unlikely that it would be, as a whole, scrapped.

Schedule

i
Janasaviya Entitlement

///

Zpv boe zpvb gbnjz bsf foujmf up uif cfofgjut pg uif Kbobtwjzb Qsphsbnnf/

Uif Qsphsbnnf ibt b tztufn pg jefoujgzjoh gbnjmjft cz uif qfpqmf uifntfnwft/ Uijt foujmfnfou jt qsjps up uibu qspdfit boe jt tvckfdu up ju/

Zpv xjmdpoujovf up sfdjwf Gppe Tubnqt ujmuif Kbobtwjzb cfofgjut tubsu/

BmrKbobtsjzb cfofgjut svo gps uxfouz.gpvs npouit gspn uif ebuf pg dpnnfodfnfou/

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)the/ jo Tjoibmb*
 Kbobtwjzb Dpnnjttjpfos
 2:9:/ 16/ 42*

.....

Svasti

The Constitution of the Democratic Socialist Republic of Sri Lanka states in Chapter VI Clause 27 that the State is pledged to:

(b) "the promotion of the welfare of the people by securing and protecting as effectively as it may, a social order in which justice (social, economic and political) shall guide all the institutions of the national life."

(c) "the realization by all citizens of an adequate standard of living for themselves and their families, including adequate food, clothing and housing, the continuous improvement of living

conditions and the full enjoyment of leisure and social and cultural opportunities”

Mindful of these Directive Principles of State Policy, we know that His Excellency the President, R. Premadasa, has sought to fulfill the pledge given to the nation from the Octagon of the Sri Dalada Maligawa at Senkadagala, the Janasaviya Programme.

ii

We are convinced that the Janasaviya Programme which will fulfill the goals of the Constitution stated above, is also the instrument of self-improvement in our lives. The Janasaviya assistance takes two forms. First, we receive Rs.1458. for satisfying our daily needs of food and living; second, and in addition to that, we receive Rs.1042. as savings for ensuring a stable livelihood in the future. So, those of us who lived without hope of a future can now look ahead with a purpose. Today we have acquired the means where, with the prudent use of our savings, the bounty of nature and the resources of the good earth, we can build ourselves a firm base to stand up on our two feet.

Within two years, the monthly Janasaviya Saving adds up to Rs.25,000. Those of us who thought the savings were a mere unattainable dream, feel greatly relieved by the opportunity of acquiring an asset worth Rs.25,000. That in itself is partial alleviation of our misery.

Since we got independence, we feel that this is an unique opportunity to use the combined resources of individual experience and collective action to stand on our own feet. We feel revitalized as a people.

We know that the Janasaviya beneficiaries should be the really poor. We are fully aware that it is a serious anti-social act to dishonestly displace a genuine beneficiary by stating falsehoods. We are also aware that under the Sri Lanka Government's Janasaviya Act No. 4 of 1989, while any false declarations are liable to serious legal sanctions, all beneficiaries enjoy a right of appeal. We fully affirm that all statements made by us for identification for Janasaviya assistance are totally true and completely factual.

Signature of Householder and Spouse

- 1. _____
- 2. _____

Names in full:

- 1. _____
- 2. _____

Hamlet: _____