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GENERAL EDUCATION: SOME DEVELOPMENTS IN THE SIXTIES AND PROSPECTS FOR THE SEVENTIES

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AND
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I: THE SIXTIES.

During the last decade the major legislative measure in the field of general education in Ceylon was the take-over of assisted denominational schools. This step, the earlier introduction of the Free Education scheme in 1945, and the adoption of the mother tongue as the medium of instruction commencing with grade 1 in 1945 and moving in stages, with several halts, to grade 12 by 1967, constitute the three prominent landmarks in our recent educational development. All of them derived from the egalitarian ideology which was released by the universal franchise that came in 1931. Privilege in education was felt to be unjust wherever and in whatever form it existed and the concept of equality of educational opportunity reigned supreme as a criterion in determining educational policy.

Education Explosion.

With these popular reforms and perhaps partly as a result, pupil numbers in schools expanded at an unprecedented rate, from 1.4 millions in 1950 through 2.2 millions in 1960 to 2.7 millions in 1970. The expansion of numbers in the Secondary schools was particularly high: enrolments increased from 65 thousands in 1950 through 225 thousands in 1960 to 350 thousands in 1970. In the sixties a serious re-deployment of the resources available for education would have been opportune, not only because of the added commitments resulting from this educational explosion, but even more because a thorough revamping of education had to come if it was not to become more and more dysfunctional in relation to the needs of the

country. But education systems are notoriously sluggish in the matter of change. Furthermore, the **modus operandi** of the social forces working to remove privilege in education was to seek for more and more of the existing type of education, unmindful of the need to change the type if problems of surfeit were to be avoided. Within education itself conditions were not conducive to any kind of introspection. In fact the word 'surfeit' was completely outside the vocabulary of the educationist, for he saw the principal goals of general education as bringing the pupil into the culture of his community and at the same time promoting the growth of his personality — these two words culture and personality being given the widest possible interpretation. To think of an excess of culture or richness of individual personality evidently did not make sense.

In this situation concepts such as supply and demand for education were inappropriate. It was not realized that education was one among a number of sub-systems within the larger social system and that these sub-systems function in constant interaction with one another. In particular it was not realised that there was a delicate gearing between the educational sub-system and the occupational sub-system, and that rigid expectations existed concerning the occupational roles consequent upon particular educational achievements. Much less was it thought that even in such a complex system a certain amount of 'engineering' might be possible if one were mindful of the total system and the interactions between its different parts. Problems arising from a surfeit of education or the dysfunctional nature under changed circumstances of an earlier type of education, were not yet foreseen, and hence the executive continued to respond to the popular demand for more and more education of the same type throughout the decade. Likewise the professionals continued to look within the existing system for ways and means of improving quality in education.

Curriculum Development.

While the take-over of assisted schools was the major legislative measure of the last decade, the outstanding educational innovation of the period was the spread of the concept of quality

improvement through Curriculum Development and associated activities. Circular No. 43 of 1956 issued to Heads of Schools by the Director of Education (Mr. S. F. de Silva) can be considered the precursor of modern curriculum reform in Ceylon. It sought to effect quality improvement in Primary Education by introducing pupil activities into the teaching/learning situation through (*i*) Physical and Aesthetic activities, (*ii*) Instructional activities and (*iii*) Environmental activities. However, perhaps due to the vastness of the undertaking and the failure of the Department to provide supporting services to teachers in the form of in-service training, teachers' guides, texts, etc., these laudable guideliness failed to have much impact on what happened inside the classroom. Curriculum Development in earnest was yet to come. The first major landmark in modern Curriculum Development work was the "Scheme of Teaching in General Science for standards VI-VIII" published in 1959. This was an important publication from the view-point of Curriculum Development in Ceylon, for in this volume was mapped out for the first time the 3-column format for teaching specifications, namely, topic, teaching procedure and sequence, and expected teaching outcomes, that has since been adopted for almost all the schemes and syllabuses issued by the Department. What was novel in this format was the attempt made to state explicitly and clearly the desired teaching outcomes. An idea of the content and approach adopted can be gleaned from the following list of topics:

Standard 6 — Water, Air, The Sun and Ourselves.

Standard 7 — The Soil, Getting Work Done, Food, Seeing and Hearing.

Standard 8 — Living Things, Tools We Use, Electricity, Transmitting and Transforming Energy.

However this programme of Curriculum Development in General Science in the Middle school failed to take off. The reasons for this may perhaps be summarized as follows. At this time Science was indeed the focus of public attention in the school curriculum. But it was access to places in the G.C.E.

(OL) Science stream, leading to better employment prospects in the prestigious medical, engineering and other technical fields, that was in great demand and not so much the General Science in the common curriculum of the middle school (grades 6 to 8). Resourcewise too, while the starting of G.C.E. (OL) Science classes in about thirty schools annually was feasible, introducing General Science into the middle grades in all schools was too much to be undertaken at that stage. Science teachers were in very short supply and the programme for the expansion of Science teaching centred on G.C.E.(OL) grades. Between 1955 and 1968 the number of schools teaching Science in grades 9 and 10 increased from 115 to over 500 and the number of candidates offering Science subjects at the G.C.E. Examination increased from 5,000 in 1957 to 30,000 in 1966. Thus the resources available for the expansion and upgrading of Science teaching, both in respect of men and materials, came to be deployed more and more for the expansion of the G.C.E. (OL) science programmes, and the centre of gravity for work on Curriculum Development shifted from middle school General Science to the Physics, Chemistry and Biology of the G.C.E.(OL) grades.

Science Education in the Sixties.

In Mr. Jinapala Alles, who had just been recruited at senior executive level as an Assistant Director of Education, the ideal person for that task—the expansion and upgrading of the G.C.E. (OL) Science teaching programme, was found. Even the work in General Science for the middle school had been done under his leadership. But as the focus of attention shifted to the G.C.E.(OL) Science Mr. Alles was in his real element. It so happened that this expansion of school Science in Ceylon and the accompanying work in Curriculum Development and connected activities took place at a time when, led by America, Western countries were deploying immense resources for Curriculum Development work in school Science and Mathematics. The reaction of American education to the orbiting of Lunar I in 1957 and the speed with which the Curriculum Development movement grew thereafter has been recorded too often to warrant repetition. BSCS, CBA, SMSG—some of the major Curriculum

Development projects in America — are household names amongst educationists the world over. Ceylon was fortunate to have a person of Mr. Alles' calibre to take the lead in Curriculum Development work at this stage, for he was able not only to establish liaison with his professional counterparts in the developed countries and draw upon their experience, but also to work out in the Ceylon context a suitable programme of development work, producing very detailed teacher guides, intensive in-service teacher training schedules, pupils' text-books, evaluation procedures incorporating the latest thinking in examination design, standardized laboratory equipment and even new designs for Science laboratories. This earned heavy plaudits from professional men in the field of Curriculum Development in Science in other countries and they were generous in their compliments when they referred to Ceylon's programme at the Commonwealth Conference on Science Teaching held at the Peradeniya University campus in 1963.

This competently designed programme in the important world of Science education has now been functioning for almost a decade with a steady increase in pupil numbers following the course. This was the programme most sought after by the parents and therefore all possible national resources were deployed towards expanding it and improving its quality. As already noted, in developed countries Curriculum Development in Science was much in vogue and in this matter they considered Ceylon a leader among the developing countries so that foreign agencies, both bilateral and multilateral, spared no pains in providing material and other aid to make our programme a success.

Subject - based Objectives.

In evaluating the contribution of this programme towards the achievement of the educational objectives of the country one has to remember that the expansion of Science education — a very costly operation — could not have been justified simply on the grounds of furthering equality of educational opportunity. A more effective way of achieving that would have been to select pupils for advanced Science-based courses on the basis of other

programmes in which area-wise inequalities could be reduced more readily than in Science teaching itself. Evidently one of the main justifications for expanding Science teaching would have been the contribution it was believed to make towards the achievement of the general objectives of education. After a decade of intensive work it is legitimate to ask whether the Science programme has brought the intended benefits in respect of the general objectives of education or whether the resources required for this costly programme might not have been more productively used in some other curricular structure. Before turning to this question one may note the influence exerted by the Science education programme on the remainder of the school curriculum.

Curriculum Development work was most sustained and intensive in respect of the Science subjects at the G.C.E.(OL) grades, but its methodology had an impact on other areas of the school curriculum as well. In 1964 work on a massive undertaking commenced with the decision to introduce the teaching of Mathematics as distinct from Arithmetic in the middle grades in all schools beginning with grade 6 in 1965. Very thorough and detailed handbooks were prepared for this purpose. Supporting pupil texts were published and in-service training for teachers on an all-Island scale was organized. Subsequently similar steps were taken for almost all subjects in the middle school (grades 6 to 8) curriculum. Detailed handbooks for teachers (course guides) were prepared and distributed to the schools. In-service training for teachers was conducted and regional tests administered. In 1969 an attempt was made at curriculum renewal in the Teacher Training Colleges, bringing in the use of school Curriculum Development methodology as a medium for teacher training.

As noted earlier, this preoccupation with Curriculum Development has been characteristic of the recent educational scene not only in Ceylon but also in a number of other countries. It would be correct to say that during the sixties Curriculum Development based on the traditional disciplines of the school curriculum reigned supreme in the field of educational research. However, it is now being realized that Curriculum Development

as presently conceived, although important, is not as omnipotent as it was taken to be, and that it has certain serious limitations which restrict the full development of the concept of quality in education. As far back as 1966, it was noted that the subject-based Curriculum Development projects led to a neglect of broader educational objectives and to an over-emphasis on subject-based objectives. The Curriculum Development movement as a whole was susceptible to the criticism that:

"Little effort has been made to determine the ultimate aims of schooling and the respective contribution each discipline can make to them. Instead, the objectives of schooling have become a composite of the objectives set for each subject. These objectives, in turn, seem to rest on the assumption that any significant concept or mode of behaviour that can be derived from analysis of an academic discipline can be learned by students of a given age and is thus worth learning. It can be expected, therefore, that subjects constituting the present curriculum will be examined first to determine what students should seek to attain. And this is precisely what has happened. The goals of today's schools do not extend beyond those subjects that have succeeded in establishing themselves in the curriculum."

"The lack of stated aims for education has virtually forced curriculum project groups to turn to school subjects for the determination of their ends and means. As a consequence, ends and means frequently become hopelessly entwined: to learn the subject is the end; learning the subject is the means. There is no external criterion against which to judge the effectiveness of the new or the old. Because the new purports to do something different, it is presumed to be better."[1]

A more recent review by Foshay[2] drew attention to the same problem. Noting that the Curriculum Development revolution had led to an "increase in the significance of the

1. Goodlad, J.I., von Stoephasius, R. & Klein, M. F. *The changing school curriculum.* Fund for the Advancement of Education, New York, 1966.
2. Foshay, A.W. *Curriculum for the 70's: an agenda for invention.* National Education Association, Washington D.C, 1970.

conceptual stuff itself offered in the curriculum", the review nevertheless concluded that this 'revolution' had serious limitations "derived primarily from the fact that the subject matter revisionists concentrated on subject matter at the expense of studying either its relevance to society or its relevance and availability to the children who actually attended schools."

In respect of the Sciences in particular, Hopcroft [3] suggested that the curricular transformation required in the developing countries was not merely quality improvement in a pedagogical sense, but a transformation in content giving much greater emphasis to 'applied' subject matter, notably agricultural science. He noted that science teaching is isolated from the experience of the pupil outside the classroom. "The aim and the end of science is largely taken to be the expansion of the individual discipline, and for the individual, a possible career as a pure scientist." Whereas what was needed in developing countries, he suggested, was 'locally applied science', Science of immediate relevance to the life situation of the pupils.

This question of 'relevance' in the curriculum will be critical in the 1970's in many parts of the world and not least so in Ceylon, as will be noted shortly.

II: PROSPECTS FOR THE SEVENTIES.

By 1970, the problem that was most acutely felt in respect of educational provision was the growth in the numbers of 'educated unemployed'. No longer was the G.C.E.(OL) Certificate the passport to clerical employment or the G.C.E.(AL) Certificate the passport to a University. The spectre of possible unemployment hovered over examination candidates in nearly every subject at every level, and for the first time even Engineering technicians and Science graduates (in the Tamil medium) found it difficult to obtain employment when they qualified. Concern over unemployment and 'underemployment' of educated youth was reinforced by the tragic incidents of April 1971,

3. Hopcroft, P. *Some background comments to a discussion of occupational education and training for the development of agriculture.* In *Issues in occupational education and training.* (Ed. Frutschi, M.A.). Orient Longman, Poona, 1970.

which indicated the extent to which a substantial body of youth had become alienated from society. It was finally clear to everybody that the shortcomings of the education system — its dysfunctional nature in relation to the needs of the country — had reached crisis proportions. Throughout the sixties this crisis had become increasingly menifest, and the need to work out a 'National System of Education' that would harness the immense national effort expended in this field in the direction of socio-economic development was stressed from every platform.

No fundamental rethinking was attempted in the sixties, however, to ascertain in what direction these educational reforms should go. The vicious circle of — more educated unemployed — keener competition for the few places available — sharper perception of area-wise inequities in educational facilities by the representatives of less developed areas — more urgent demand for more and more facilities of the same type to remove these inequities — still more educated unemployed — continued to turn. But the shock resulting from the events of April 1971 had its effect. Fortunately at the helm of affairs in the Education Ministry was a tested warrior who knew this terrain very well. As his lieutenants he had two educationists who had not lost their initiative by being too long in the administrative groove. Under these circumstances, the nature of the vicious circle afflicting educational policy was finally acknowledged, and some hard fundamental rethinking was initiated.

New thinking was also prompted by the financial situation. With nearly 5% of the national product already devoted to educational activities, it would not be possible to obtain the additional resources required for a further increase in school enrolments, provision of 'O' and 'A' level Science facilities on a more widespread basis, and so forth. The alternatives to be faced were either a constraint on the number permitted to pursue their schooling or a radical change in the structure and content of education as a whole. In view of the considerations noted in the previous paragraphs, the latter alternative had much to commend it, and adopting this alternative, the Education Ministry set itself the task of devising an education

system that would give the optimum return from the resources available. It was necessary to consider both the ways in which the educational system itself could operate with greater effectiveness and also the ways in which the education system could find its proper role in the social system, under conditions when the numbers enrolled for schooling had increased so sharply.

The Internal Efficiency of the System.

In considering the 'internal efficiency' of the education system, the question of 'repetition' comes to the fore. While in countries such as the U.S.A., U.K and Japan, children move automatically from one grade to the next at the end of the school year, in Ceylon the average period spent in each Primary grade is about 1.3 years, due to the large numbers of pupils who are deemed to have failed the end-of-year 'promotion tests'. Figures for individual grades are given below, and it may be seen that the average stay in grade 1 is as high as 1.4 years.

Grade	*Average number of years spent in grade**
1	1.39
2	1.23
3	1.24
4	1.26
5	1.21
6	1.08
7	1.10
8	1.12
9	1.06
10	1.65
11	1.09
12	1.51

* Calculated as the ratio between total pupil enrolment and enrolment of non-repeaters; data from School Census, 1969.

These figures provoke several questions. Is it necessary to put the entire younger generation of the country through a taxing 'promotion test' each year, and annually to put a substantial proportion of the pupils in each grade through the psychologically damaging experience of 'failure'? Is it indeed realistic to set rigid 'standards' for the studies in the early Primary grades? Rohwer,[4] in a recent study, noted considerable evidence that formal schooling prior to the ages of eleven or twelve may do "more harm than good", and recommended that during elementary education "children might learn skills of auditory and visual discrimination, of counting and classifying, of feeling and satisfying curiosity, of communicating with and understanding others, even of reading and writing.... But mastery would not be required at a particular early age, rather at the time the child can acquire the skills (and the pre-requisite sub-skills) readily and successfully." The author warned against the harmful effects on motivation when pupils completing elementary school "have experienced frustration and failure so repetitiously that they view themselves as incapable of intellectual competence and see learning as incapable of affording them any satisfaction, much less real joy."

The assumptions underlying the use of the annual promotion test were spelled out by Brimer & Pauli [5] in their review of 'Wastage in education: a world problem', prepared for the International Bureau of Education. "It is assumed first of all, that the study programme that is deemed appropriate for a particular cycle, for example the first level, can be divided up into sections, each of which will take a year to teach and a year to be learned by children who have already mastered the preceding section. The implication is that the sectional divisions are adapted to the children's capabilities and age groups. It is assumed, secondly, that the majority of children in a given grade will be intellectually capable of learning the required material at the minimal rate, as the teacher proceeds systematically through the syllabus of instruction. Thirdly,

4. Rohwer, W.D. *Prime time for education: early childhood or adolescence?* Harvard Educational Review, 1971, 41, 316 - 341.
5. Brimer, M.A. & Pauli, L. *Wastage in education: a world problem.* Unesco: IBE, Paris - Geneva, 1971.

it assumes that a teacher or examiner can determine accurately the level of knowledge that the pupils must attain at the end of a given period to be capable of proceeding together to the work of the higher grade. Finally it is assumed that those pupils who did not reach this required level can best be rehabilitated by repeating the unsatisfactory year's work in its entirety." The authors questioned these assumptions and pointed out the wastage entailed in repetition: "One might ask the question 'What has been wasted?' Logically the answer ought to be that it is the **first year's** investment of resources and the pupil's investment of himself that have been wasted. Yet it is unlikely that **all** of the first year has been wasted. If the child merely repeats the grade then some of the second year must also be wasted doing what has already been accomplished and is boring to the pupil. The loss in the second year arises not only from unnecessary duplication of education resources and pupils' time, but also in reduction of pupils' motivation to learn for the future."

From the educational viewpoint, a system of regular promotions clearly has much to commend it, provided that pupils who are slower in learning the basic skills of reading, writing and arithmetic can have continued access to tuition in these skills, through a system of remedial teaching. Regular promotions would be expected also to yield the important economic benefit of making class-room places which are now occupied by 'repeaters' available for the accommodation of the expected increase in pupil population. It is not possible to quantify this effect precisely, since there is no data to indicate the extent to which dropout is determined by grade completed or age attained. In so far as it is determined by grade completed, which would be true in many instances now and which is likely to become increasingly the case in future, then the speedier flow of pupils through the system will indeed release school places to accommodate the increase in the numbers seeking schooling, a desirable increase in the 'internal efficiency' of the education system.

In view of these considerations, the principle of 'partial automatic promotions', with regular promotion of pupils,

except for the possibility of a single repetition at the end of the Primary, Junior Secondary and Senior Secondary phases, was included in the package of educational reforms adopted by the Ministry of Education in 1971. A complementary system of remedial teaching in the basic skills for slower pupils was also to be introduced. A number of other programmes were also adopted with the aim of increasing the 'internal effectiveness' or 'internal efficiency' of the system, such as preparation of improved curricular material, more intensive use of the radio for educational programmes, reorganisation of Teacher Training Colleges, setting up a three-year correspondence course for untrained Primary school teachers, the development of in-service training centres for teachers, school supervisors and administrators, and so forth. Such reforms may be thought of as 'internal' to the education system, because they are concerned with the cost-effectiveness of education, but do not in themselves entail the fundamental re-thinking of educational objectives which is so urgently required. These 'internal' reforms taken alone would simply improve the effectiveness of utilisation of the resources devoted to the teaching of existing curricula.

The Apparent Surfeit of Education.

Having considered certain aspects of the 'internal effectiveness' of the education system, let us now turn to the question of how effectively the education system performs its fundamental role, namely, the preparation of young people to find their place in adult society- to find useful work that they can do, to play a responsible social role and to find individual fulfilment in life. It is by reference to these 'external' criteria that the 'efficiency' of the education system must ultimately be judged. This point was made by Beeby[6] at a seminar on 'Qualitative Aspects of Educational Planning':

"Internal quality versus fitness. The distinction here, as I understand it, is between two different sets of criteria that can

6. Beeby, C.E. *Educational quality in practice.* In *Qualitative aspects of educational planning.* (Ed. Beeby, C.E.) Unesco: I.I.E.P., 1969.

be used in judging the quality of a school or a system of schools. Internal quality is judged by how far the school (or system) attains the goals it sets out to achieve, and fitness by the extent to which the system as a whole produces the kinds of educated person of which society stands in greatest need. Clearly, a system cannot have fitness if its internal quality is poor, but it can have a high level of internal quality and yet be most unfitted to the needs of the society it is supposed to serve."

What can be said then of the performance of the education system in relation to such 'external' criteria? At a very general level, one might note that the rather high educational level in Ceylon is associated with a lively political consciousness, and with polling rates at national elections which are among the highest in the world. There has been a renaissance of national culture, health practices have improved, and there have been many other positive changes, for which education may take some part of the credit. Data is lacking, however, that would provide more conclusive evidence on the extent of education's contribution to the social and cultural life of the population. No systematic data is available relating the social and cultural aspects of school studies and extra-curricular activities to the leisure interests and social activities of individual ex-pupils. In respect of 'Aesthetic studies', for example, what proportion of pupils actually follow courses of this kind (and for how many pupils are these classes rendered meaningless because they cannot afford the basic materials and the school does not provide them)? Even for pupils who have participated in worthwhile 'aesthetic' or 'cultural' studies at school, what is the benefit that they carry over into adult life? Do they continue to practise or appreciate things cultural and aesthetic? Many such questions might be asked in relation to various elements in the general education programme. They require careful study if the resources devoted to education are to be utilized in the interests of true educational objectives.

Moving from the relationship of the child's education to the social and cultural aspects of the life of the adult, one may turn to the vocational aspects where the situation is a little more clear-cut. It is indeed a matter for congratulation

that Ceylon has doctors, engineers and senior administrators whose competence stands favourable comparison with their counterparts anywhere in the world. It is a matter for satisfaction also that in many areas of technical and higher education, there is an adequate supply of vocational skills to meet the requirements of national development. Nevertheless, something is definitely amiss. As noted earlier, there are problems of 'surfeit' in connection with even technical and higher education. And in respect of general education, the problem of 'surfeit' is critical. Of all members of the labour force who are unemployed, about 75% fall within the age-group 15 to 24 years, and the majority of these unemployed youth have had some formal schooling. This does not of course mean that their schooling was responsible for their unemployment; this cohort was larger than previously, due to the fall in mortality rates in the late 1940's, a fall which also increased the life-expectancy of adults and thus lessened the requirements for 'replacements' in the labour force. What is noteworthy, however, is that the incidence of unemployment appears to increase with the level of educational attainment. According to a survey conducted in 1969, youth whose education was limited to grades 1 to 5 had a 28% chance of being unemployed, youth educated to grades 6 to 8 a 47% chance, youth who had studied in grades 9 to 10 a 72% chance and youth who had reached grades 11–12 an 84% chance! Thus it appears that those whose abilities and family resources allow them to succeed in climbing the education ladder, fail when it comes to finding employment. Is it a positive disqualification to be educated? In certain instances (where an employer has fixed views on the qualifications appropriate to a certain occupation) but not very often, one suspects. The underlying reality behind these statistics seems to be a matter of aspirations. A youth with G.C.E. (OL) may be unwilling to undertake work which a youth who left school at grade 5 would be pleased to find. And if from necessity or a desire to help in the work of the family, the G.C.E.-qualified youth does undertake paddy cultivation or similar work, he will perhaps still not regard himself as 'employed.' The idea, engrained over several generations, that a Secondary school education entitles one to a clerical or administrative job dies very hard indeed.

It could thus be argued that to expand Secondary education facilities to the whole youth population of a developing country is to invest in discontent, that one is simply alienating young people from the only future that is open to the majority of them, namely to participate in the life and work of their home communities, often quiet rural communities. Expansion of Secondary education facilities of the present kind may indeed be bad. This does not mean, however, that more suitable types of curricula could not be devised. The issues involved have been summed up very neatly in the chapter on Education in the recent Five Year Development Plan (1972-1976) of the Government of Ceylon, where it is noted that education is a useful investment in 'human capital' only if it is education of the right kind:

"The failure, if not the inability, of the economic system to provide a meaningful and productive role for the output of the expanding educational system has resulted in fear, frustration and despair..... Thus it becomes evident that an educated population becomes a national asset only to the extent that it is able to fit into the productive occupations that the economy is capable of providing".

Making Education relevant.

What is to be done? Should there be a cut-back in Secondary education? This solution would be socially unacceptable in that the cut-back would in practice affect the less privileged members of society more severely than the elite. The alternative would be a change in the content and perhaps even the organisation of Secondary education such that young people who have attended Secondary classes are nevertheless equipped and willing to address themselves to the 'productive occupations that the economy is capable of providing'. At present, half of the employed work-force is engaged in occupations in the field of agriculture, mainly in self-employment. The other common occupations include the cottage and other crafts such as carpentry, masonry, weaving, pottery, brick making, etc., and service occupations such as the retail trade. Is it possible to bring young people, in the breathless and status-seeking world of today, to feel significance in productive

activities of this kind, in the productive activities that their country is able to offer them at the present time? They need not confine themselves to the activities practised by their parents. In Ceylon, agriculture has traditionally centred around cultivation of a few crops-paddy, coconut and fruits, for example. But young people can take up bee-keeping or cultivation of cash crops or the export of anthuriums and orchids. They can undertake various innovative activities in the field of small industries and handicrafts. What they cannot all do, what only a small proportion of each cohort of young people can do, is to take up 'white-collar' work as administrators, technicians, clerks and supervisors. How can this situation be communicated to young people? And if they wish to follow Secondary education, how can they nevertheless be made sensitive to the contribution their country needs from them. Can they come to understand how seriously the nation has been handicapped by the need to expend its limited foreign exchange on the import of rice, its staple food-stuff, not to mention dried fish, sugar, chillies, cotton and the like-items which could be produced in sufficient quantity within the country given a suitable programme of development? Youth — youth with ability and leadership qualities, the same youth now obtaining G. C. E. Certificates that lead them nowhere, could make a real impact on this latter problem if their energies could be channelled towards this task. The educationist cannot solve this problem of youth deployment by himself. The creation of employment or of conditions propitious for self-employment depends critically on those responsible for development in the fields of agriculture, industry, etc. Nevertheless the educationist must do what he can.

The contribution that the educationist can make at this time is to review the content of the curriculum, notably the Secondary curriculum. The critique of the subject-based curriculum as 'irrelevant' to the life of the urban American child has been noted earlier; the same charge of 'irrelevance' must stand as fully unanswerable in Ceylon. And an irrelevant curriculum is a pedagogically bad curriculum; it means that learning is only for school and that it cannot be applied at all readily once the child's attention moves away from his

lessons. It means also that the child suffers from a situation of 'cognitive dissonance'; for he is caught between two different worlds, competing for his allegiance. If he offers his allegiance to the world of knowledge and occupational success which he sees in the school, and if he is later rejected by that world, then he may reject both home and school and stand alienated and with little comfort for his sense of failure and despair.

The remedy to these problems must be sought in a closer relationship between education and society. Looking back to nineteenth century America, Foshay noted that "in an essentially agrarian society, the community was the educator", that "children learned through participation in the real world fully as much as they learned in school, and both kinds of learning were equally honored." He suggested that "For a school to be humane, all that it means to be human must be a part of the school, and that means that the reality of the world must be a part of the reality of the school."[7] Emphasising the importance of drawing upon the community for the content of education, Reimer[8] likewise noted that "Every person in the world is a learning resource. All are needed but all are plentiful".

Study of Occupations.

Is it possible to bring the world of rural Ceylon into the Secondary school, and to take the Secondary school out into the surrounding countryside? How can the 'cognitive dissonance' faced by the pupil be dissolved, and his allegiance to his home community retained despite his participation in schooling at this level? One answer would be for the Secondary school

7. In illustration of this point he noted that in the U.S.A the most fully developed example of what he terms 'the 'interpenetration of the community and the school' was in the Parkway School in Philadelphia, where "there is literally no school building, the students carrying on almost all of their educational activities in the existing community institutions, public or private. The Parkway School is still too new to be described or appraised in detail. However, it is significant to note that the number of applicants for teaching in the school and for membership in the student body greatly exceeds the number of available places". *Op. cit.*

8. Reimer, E. *School is dead: an essay on alternatives in education*, Penguin Books, Middlesex, 1971.

to address its attention to the occupations which support the life of the community. At present, the pupil and his parents consider 'Mathematics' to be a difficult and complex subject, the study of which contributes to becoming an 'educated' person like the Mathematics teacher. They fail to notice the complexity of the skills demanded of the small cultivator, who is obliged to support his family from the produce of the land. Successful cultivation depends upon many fine distinctions not noticed by the outsider, as do other traditional occupations.[9] As things stand at present, however, pupils tend to acquire the view that the Mathematics teacher is a 'professional' person and that the paddy farmer is completely 'unskilled'. This kind of illusion could be obviated if the barriers between the school and the local community could be lowered. Should not the paddy farmer teach some of the lessons, and should not the pupils visit the sea shore to learn from the fisherman? The scope for introducing modern techniques leading to greater productivity and a more satisfactory level of income would also be proper subject matter for these studies of important local occupations.

9 Thus Hopcroft (*op. cit.*) noted that in countries where smallholder agriculture is important "Two characteristics of smallholder agriculture have a major bearing on the educational system. The first is the totally decentralised nature of decision making. For both biological and institutional reasons, decision making cannot be centralised as it is in most industries. A procedure and a combination of inputs that will be optimal for one ecological environment will, for that very reason, be suboptimal for a different environment. Efforts to control farmers centrally, like factory workers, have almost universally resulted in a disastrous decline in the painstaking responsible care that is the essence of successful farming. Factors are combined and production decisions are made by a mass of more or less isolated individuals.

"The second characteristic, related to the first, is the extreme complexity of the decision making. The Massachusetts Institute of Technology conference on agricultural development has prepared an imposing list of physical input factors, economic factors, organisational factors, psycho - cultural factors and knowledge factors that must enter the calculus of the farmer as he allocates his resources. The idea that anyone with enough muscle can farm successfully only carries weight among those who have never analysed the range of alternatives facing the farmer and the variables that he must consider. Jon Moris writes: 'The peasant farmer must constantly re- evaluate his choice in the face of multiple opportunities. The complexity lies in the decisions required, not in the dexterity of crop operations (which are individually very simple); the peasant farmer lives by his wits, not his hands",

In short it is suggested that the study of occupations practised in the community should be given a central place in the Secondary curriculum. To some extent this could be done by appropriate modification to the existing curricula in Science, Social Studies, etc. This would not of itself make the point strongly enough, however. It seems desirable to bring into the classroom the direct study of the principal occupations by means of which it is planned to increase the national product. In other words, it would be advantageous for 'pre-vocational' studies to be built up into a principal component of the Secondary curriculum. Up to the present, in Ceylon, pupils in some larger schools have had the option of following pre-vocational studies in carpentry, metal-work, weaving, ceramics, agricultural science or commerce. With the exception of commerce, these facilities have been underutilized, on account of the streaming process noted earlier, and the pupils' desire to obtain the highest possible marks in the 'academic subjects'. Pupils in the prestigious 'Science' stream had a curriculum so heavy that they often had no time for the optional pre-vocational studies. Under the new educational reforms this streaming has been abolished, and all pupils will follow a common Junior Secondary curriculum (in Grades 6 to 9) including Science, Social Studies, etc., and also, pre-vocational studies, beginning with grade 6 in 1972.[10] Under the new reforms, pre-vocational studies will account for 7 periods a week out of a total of 40, or 17.5% of the school time-table. This time allotment is to be used for studies based on the existing pre-vocational courses, or for studies of a rather new kind, namely, inquiry-based studies of local occupations and industries. Examples would be the study of fishing (in coastal areas), the study of gemming (in gem-bearing areas), the study of brick making, coir-work, plantain cultivation, etc. The school principal has been made responsible for the choice of suitable programmes of studies,

10. New Senior Secondary curricula for grades 10 and 11 will be introduced in 1976, and it is intended that these curricula should also have a greater degree of vocational orientation than in the past.

following guidelines from the Education Ministry, and for Principal and teaching staff these new programmes will represent a real challenge, since there are many schools in which there is no trained teacher of agriculture or industrial arts. Nor will it be easy at first for the teacher to turn to the cultivator or craftsman for the substance of the curriculum.

At present the new type of pre-vocational programme is at an exploratory stage. One is still grappling with the difficult logistics of identifying appropriate pre-vocational areas suitable for schools situated in different environments, and varying in their resource endowment from the fully equipped and well-staffed 'Central' schools to small village schools with scarcely a single specialist teacher and no workshops, laboratories, etc. One is still grappling with the dilemma that inquiry-based study of local occupations might generate a different curricular structure from that which would be optimal in terms of conducting a national examination for this part of the curriculum, as part of the national school-leaving examination. A critical question is the range of different pre-vocational studies that should be followed by each pupil, if the match between what each pupil studies and his employment opportunities on leaving school is to be satisfactory. There are so many problems in the short term that it is vital to maintain this area of the curriculum on a fluid basis until wider experience has been obtained. The experience gained in the grade 6 programme in 1972 will give useful pointers both to the design of the programme for the higher grades and for the development of the grade 6-9 programme as a whole in later years. This area of the curriculum will in fact need to be kept under constant review, both to allow a continuing improvement in method and content and also to ensure continuing adjustment to the changing world of work and to the evolution of new plans for economic development at national and local level. While it would be possible to prepare pedagogically valid schemes of study for occupational areas in which future employment opportunities are limited, it would clearly be desirable so far as

possible to give priority to occupational areas in which there are real employment prospects for the pupils concerned.[11]

Re-Thinking on General Education.

The pre-vocational studies programme, introduced on a compulsory basis in all the schools of Ceylon, represents a very serious commitment to a view - point that has gained ground in recent years, in connection with the educational problems of developing countries. Thus Zymelman[12], after a review of educational and occupational trends in developing countries, suggested that "If, for political reasons, a larger proportion of young people are to go into the formal educational system, education will have to broaden its horizons beyond the general education presently offered. It will have to include also elements of occupational education. It will have to offer a variety of alternatives to those who by their intellectual abilities, interests, background and job opportunities cannot profit from a prolonged general education .....The old forms of elementary, secondary and tertiary education, and the traditional dichotomy between the world of work and the world of school require careful critical examination". The Chairman of the Central Board of Secondary Education, India, has noted the advantages of including a pre-vocational element in the Secondary curriculum on a

11. In this respect, the concept of 'supplementary' productive activities is important. It is clear that for some years to come, the number of young people joining the labour-force will exceed the opportunities available to them for gaining full-time wageemployment or self-employment with equivalent income levels. Young people, whose main occupation would be to help about the home, in the clearing of land for cultivation, in the family boutique, etc., or who obtain only occasional casual employment, might 'supplement' their incomes by undertaking very small-scale cultivation of cash crops, by small-scale bee-keeping or raising poultry, by lace- making, embroidery or other handicrafts; provided that appropriate institutional facilities could be made available as regards the supply of necessary inputs and the marketing of what is produced. The development of these 'supplementary' occupations should be a guiding factor in the development bothof the pre-vocational studies programme for grades 6 to 9, and the proposed short vocational courses for school leavers, which may be introduced in selected schools when sufficient experience has been obtained with the grade 6 to 9 courses.

12. Zymelman, M. *Labour, education and development.* In *Education in national development.* (Ed. Adams, D.) Routledge & Kegan Paul, London, 1971.

compulsory basis while allowing flexibility in the choice of what the pre-vocational area should be.[13] Experimental work of this kind is under way in Maharashtra State. [14,15] Dr. Eugene Staley, Ford Foundation Consultant on Occupational Education, who has been associated with the Maharashtra project, has emphasised that "No concept of general education is satisfactory in the modern world which results in a curriculum focused exclusively on the more abstract or ' academic ' forms of knowledge, leaving out learnng experiences and motivations which can come from projects of the 'work-experience' type and from relating syllabus topics to the opportunities and requirements of occupations to which the youngsters may aspire ..... Also, as a part of pre-occupational education the schools should assist each youngster to acquire realistic information about the kinds of career opportunities likely to be available to him and their requirements; to explore his own aptitudes and interests and relate these realistically to job opportunities;to develop basic knowledge, skills and work habits that will fit him for initial employment in some family of occupations; and to develop learning and techniques that will enable him to learn readily from experience on the job and from additional training oppotunities".[16] A survey of world trends in education in 1970 noted that "Syllabuses are becoming more practical in character and are based upon the criterion of their validity as preparation for life. Essentially, the move is towards a broader, environment-orientated curriculum in the primary school and

13. Shukla, P.D. *The education and training of out of school youth.* In *Youth and Development in Asia and the Pacific.* Commonwealth Secretariat, London, 1971.

14. Maharashtra State Institute of Education. *Maharashtra action research project in occupational education and training: review of preliminary work.* Maharashtra State Institute of Education, Poona, 1971.

15. Naik, C. *Pilot project in vocational education in Maharashtra.* In *Maharashtra action research project in occupational education and training.* Maharashtra State Institute of Education, Poona, 1970.

16. Staley, E. *Relating Indian education more effectively to development, especially to occupational needs - a suggested procedure.* In *Maharashtra action research project in occupational education and training.* Maharashtra State Institute of Education, Poona, 1970.

increasing regard at secondary level for pupils' vocational needs in the light of the country's economic development. This is seen clearly in the emphasis on ruralisation in the educational policies of the majority of African States .... In Mexico, emphasis is on 'learning by doing' in primary schools leading to 'teaching by producing' in secondary schools''[17]

No doubt some readers may feel reservations about the educational status of the pre-vocational component of Secondary education, a component which we have suggested is central to educational progress in the 1970's, at least for developing countries in a situation analogous to that of Ceylon. To allay this doubt, and to see full potential of this new development, let us turn once again to the analysis of the Curriculum Development movement of the 1960's. This movement had the weakness of emphasising educational objectives pertaining to academic disciplines in place of educational objectives derived from the needs of the society and the individual. It did, however, give new vigour to the inquiry-based approach to learning/teaching. Always there was the concern to devise learning sequences that could impart the valuable 'process product' of learning, that could help the pupil to 'learn to learn'. The learning sequences were devised so that generalised concepts and their linkages with each other as well as with the specifics of the real world from which they were extracted, would more frequently 'dawn on the pupils,' as once they dawned on a research scholar, rather than merely being instilled into the pupil through chalk and talk exposition.

The 'process product' orientation—the powerful methodology that the work in Curriculum Development has generated, may be utilized in a strategy for a breakthrough from the trap of traditional disciplines into which education

17. Unesco: IBE *Educational trends in* 1970: *an international survey.* Unesco: IBE, Paris - Geneva, 1970.

has fallen.[18] The very same approaches to education that led to a completely renovated teaching of the various existing school subjects can be deployed to illuminate the structure and content of the occupations of a developing country. The powerful cognitive apparatus of education may focus upon such occupations and thereby give back to these occupations their true significance, and perhaps at the same time make them more productive. The assumption implied in the school curriculum, that the only worthwhile ordering of knowledge and skills occurs in the traditional disciplines, is very much to be questioned, as noted earlier. There are many other entities far closer to reality than the disciplines, where worthwhile knowledge and skills are or may be organised and structured. It may be argued that the occupations of rural Ceylon constitute one such set of entities. Applying the tools and methodologies of Curriculum Development work to these various occupations, it would be possible to work out teaching/learning sequences as good pedagogically as those developed in the traditional disciplines but much superior to them from the point of view of relevance to life outside the school.

The Task for the Seventies.

How will pre-vocational studies, conceived in this sense, relate in the long run to the traditional disciplines which are taught concurrently. How will the school system change to adapt itself to this powerful intruder ? It is to be hoped and expected that the concern to make teaching relevant to the life and work of the community will increasingly permeate the

18. Dr. Nathaniel Frank, Professor of Physics at the Massachusetts Institute of Technology, who is engaged in the development of new approaches to prevocational and vocational education in the U.S.A., has expressed a similar view. "I am thoroughly convinced that there is untapped educational potential in the kind of learning that goes on in a vocational program where a person is given the job of attaining a skill to get something done. However, it will be meaningful as a continuing contribution to a person's education only if the acquisition of skills is not paramount but is simply the by-product of an experimental way of learning in which academic discipline and cognitive development emerge as things necessary to get a job done." Frank, N.H. *Comments on the philosophy of learning and vocational education,* in *Issues in occupational education and training.* (Ed. Frutschi, M.A.) Orient Longman, Poona, 1970.

curriculum, both through the development of improved programmes of pre-vocational studies and through new approaches to the teaching of the traditional subjects such as Science, Social Studies, and the Humanities. An important step will be to re-orient teacher training programmes so that the teacher becomes not a specialist in certain academic subjects but a specialist in certain aspects of life and work, so that his point of departure will always to be feel what contribution he can make to enriching the lives which each batch of pupils will lead when they ultimately leave school. This is in harmony with the modern viewpoint that the teacher should become a 'manager' and counsellor, arranging suitable learning opportunities for his various pupils. As this transformation comes about, as the teacher himself can work to ensure the 'fitness' of the pupils' studies to the pupils' future life in their local and national community, so will the education system really begin to score well in terms of the 'external' criteria of effectiveness. Already the education system in Ceylon stands up favourably to the external criterion of whether or not the 'high-level manpower requirements' of the country are met. The time has now come to look not only to the education of graduates and technicians, who account for only a few per cent of the population, but to look also to the educational needs of the majority, for whom specific and appropriate curricular provision has never been devised. The key problem of educational development in many developing countries in the 1970's is just this, and it is to be hoped that the new approaches being evolved in Ceylon schools will provide useful guidelines of general application in this respect.

3. 2. '72

YOUTH EMPLOYMENT IN CEYLON
— Problems and prospects —*

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AND
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Youth represent the most dynamic element in society. In Ceylon, as in most developing countries, youth also constitute a significant proportion of the country's population and labour force. In recent years, efforts have been made by the Government to organise and implement programmes aimed at the training of youth for participation in development tasks. The traumatic experience of April 1971 has further focussed attention on the problem of youth in the country. However, a systematic study of the more substantive issues underlying the phenomenon of youth unrest — in particular the widespread unemployment among youth, sociological and attitudinal characteristics and value systems — has so far not been undertaken. A great deal more research is required to improve the understanding of this complex problem. In this paper, an attempt is made to present some aspects of the problem of youth employment in Ceylon with a view to stimulating discussion on one of the important factors contributing to the overall problem of youth unrest. For it appears that both the attitudes of youth towards work, social institutions and value systems as well as their role in society are largely governed by the degree of uncertainty to which their absorption into the adult socio-economic environment is subject.

We shall first look into the quantitative aspects of the problem.

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World Trends:

A rapid increase in the child and youth population[1] throughout the world has been the chief demographic feature of the period following the Second World War. This increase has been very much higher in the developing than in the developed regions. Table I gives a comparative picture of the growth rates in the various regions.

TABLE I
Growth of the Child and Youth Population 1950 to 1970

Area	Age Group	Estimated Population (in 000)		Growth - Rates 1950 — 1970(%)	
		1950	1970	Average Compound	
World	0-14	868,064 (100,0)	1,309,078 (100.0)	2.54	2.1
	15-24	463,868 (100,0)	646,164 (100.0)	1.96	1.7
	0-24	1,331,932 (100,0)	1,955,242 (100,0)	2.34	1.9
Developed Regions	0-14	244,302 (28.1)	300,349 (22.9)	1.15	1.0
	15-24	150,340 (32.4)	185,361 (28.7)	1.17	1.1
	0-24	395,642 (29.6)	485.710 (24.8)	1.16	1.1
Developing Regions	0-14	623,762 (71.9)	1,008,729 (77.1)	3.09	2.4
	15-24	313,528 (67.6)	460,803 (71.7)	2.35	1.9
	0-24	937,290 (70.4)	1,469,532 (75.2)	2.84	2.3

Source: I. L. O. "Year Book of Labour Statistics 1970", Geneva.
Note: Figures in parentheses denote proportion of child and youth population in each region to total world child and youth population each year.

It will be seen from Table 1 that whereas in 1950 the developing regions had nearly 70 percent of the world population under 25 years of age, this proportion increased to over 75 percent

1. The Youth age-group is defined here as 15-24 years. There appears to be some difference of opinion regarding the definition of youth, though this is not germane to the issues posed in this paper. On the question of definition, see R. K. Srivastava, S. Selvaratnam and W. B. Selvanayagam, "*Youth Employment Problem in Ceylon*", Ministry of Planning and Employment, Colombo, February 1971. Also I. L. O. "*Special Youth Employment and Training Schemes for Development Purposes*", Geneva 1969.

in 1970. Correspondingly, there has been a fall in the share of developed countries in total child and youth population. It may also be noted that the average rate of growth of the young population in developing countries has been more than twice that of developed countries and slightly higher than the World average. The substantially higher rate of growth of the child and youth population obtaining in developing regions is due to the accelerated increase in total population which the developing countries experienced during the post-war period as a result of the sharp decline in mortality while fertility continued to remain almost unchanged at traditionally high levels.

Further, because of high fertility and rapidly declining mortality since World War II, there are very large proportions of young people in most developing countries relative to the total population. Table II shows the proportion of the child and youth population to total population in various regions for the period 1950 to 1970.[2]

TABLE II
Proportion of Child and Youth Population 1950 to 1970

Year	Region	Proportion in age-group %			
		0—14	15—24	25 and over	Total Population
1950	World	34.5	18.4	47.1	100.0
	Developed Regions	28.0	17.2	54.9	100.0
	Developing Regions	38.0	19.0	43.0	100.0
1960	World	36.4	17.3	46.3	100.0
	Developed Regions	28.9	15.3	55.8	100.0
	Developing Regions	40.1	18.3	41.6	100.0
1970	World	36.4	18.0	46.6	100.0
	Developed Regions	27.1	16.7	56.2	100.0
	Developing Regions	40.6	18.6	40.8	100.0

Source: I. L. O. "*Year Book of Labour Statistics*, 1970".

Not only is the rate of growth of the child and youth population in developing countries very high, but in terms of absolute numbers as well as proportion to total population they are very much larger than the children and youth in developed

2. It is interesting to compare this table with the information for selected developed and developing countries given in "Youth in Ceylon - A Profile" by Godfrey Gunatilleke in *Marga*, Vo.I, No. 3, Table III, page 62.

countries. For the next two decades, the child and youth population is to a great extent already determined by the birth and death rates of the recent past. "With the present rate of increase it is expected that the youth population of the world will mount by 150 million in the period 1970 to 1980; and there will be 1 billion in the twelve to twenty-five age groups in 1980."[3]

Ceylon's Experience:

The demographic experience of Ceylon immediately after the Second World War was in a sense unique; it was different from that of other developing countries. Ceylon was not only the first among developing countries to achieve a drastic reduction in the death rate, but the consequent rate of growth of its population has also been very much higher. Whereas the rate of growth of the youth population (15 — 24 years) in developing countries as a whole averaged about 2.35 percent between 1950 and 1970, in Ceylon this rate averaged 3.82 percent during the same period. Moreover, Ceylon's rate of growth is not only high in comparison with other developing countries but also much higher than what she experienced in earlier decades as is evident from the following figures relating to the average annual increase of the child and youth population.

Age Group	Annual Rates of Growth (%)			
	1881 — 1946		1946 — 1970	
	Compound	Average	Compound	Average
0—14	1.1	1.7	2.9	4.2
15—24	1.4	2.1	2.6	3.6
0—24	1.2	1.8	2.8	4.0

It will be seen that while "between 1881 and 1946, the population aged 15 — 24 years in Ceylon increased at an average rate of 2.1 percent per annum, the rate of growth averaged 3.6 percent per annum between 1946 and 1970. In other words, the average annual rate of increase of the youth population after 1946 was over one and a half times the rate experienced before 1946. The significance of these rate becomes very

3. United Nations, "*Long Term Policies and Programmes for Youth in National Development*", New York 1970.

striking when one realises the fact that it took 65 years between 1881 and 1946 for the youth population to increase by 761,700, but it took only 24 years for the same population to increase by another 1,144,215 persons between 1946 and 1970. A similar trend is observed in regard to the child population aged 0 — 14 years, the rate of growth of this age group after 1946 being over twice the rate before 1946".[4] Table III gives the growth in Ceylon's child and youth population from 1881 to 1970.

TABLE III

Population Aged 0-24 Years, Ceylon

1881 to 1970

Year	Population in the Age-groups				
	0 — 14	15 — 19	20 — 24	15 — 24	0 — 24
1881	1,208,295	297,930	262,546	560,476	1,761,771
1891	1,306,355	313,139	279,929	593,068	1,899,423
1901	1,505,879	385,977	356,479	542,456	2,249,335
1911	1,679,688	346,830	388,957	735,787	2,415,475
1921	1,771,386	413,767	441,573	855,340	2,626,726
1946	2,478,444	680,614	641,571	1,322,185	3,800,629
1953	3,214,929	703,844	767,472	1.471,316	4,686,245
1963	4,399,655	1,021,354	885,859	1,907,213	6,306,868
1970	4,964,000	1,223,800	1,142,600	2,466,400	7,430,400

Note: Data upto 1963 are from the population censuses carried out in each of the years. The figures for 1970 are based on a recent estimate prepared at the Ministry of Planning and Employment.

In Ceylon, the population under 25 years of age increased from 1.762 million in 1881 to 7.430 million in 1970 or by over 4 times in 89 years. Children and youth together constituted 59.1 percent of the total population in 1970, youth alone forming about 19.6 percent. The population under age 15 was about 39.5 percent compared with 27.1 percent for developed countries

4. S. Selvaratnam, "*Youth in Ceylon - Some Demographic Aspects*", Lecture given to the participants of the Seminar on "Problems of Youth Leadership in Developing Countries" organised by the Friedrich - Naumann Foundation, Colombo, Jan. 1972. Published in the Proceedings of the Seminar.

and 40.6 percent for developing countries. [5] This high proportion of young people in Ceylon is annually moving into the child-bearing ages and once they begin having children of their own, there will be many more children simply because there are so many potential parents. This "echo effect" of the country's present age structure on population growth will result in a similar, though somewhat muted, age distortion in the next generation.

Future Outlook:

How fast and how large will the child and youth population grow in the future? The possible range in the future size of Ceylon's young population will largely depend on how rapidly fertility declines during the coming decades. The present age structure will mitigate even rapid fertility decline and will heavily influence growth if fertility should remain constant. According to recent projections (Table IV) prepared at the Ministry of Planning and Employment, [6] if fertility were to remain constant at the 1968 levels, the youth population (15—24 years) will increase from 2.3 million in 1968 to 4.8 million in 1998, more than doubling in 30 years. The population below 25 years will increase from 7.1 million in 1968 to 14.9 million in 1998. If on the other hand fertility rates were to decline drastically over the projection period, the youth population will increase to only 3.3 million and the population under 25 years to 8.6 million during the 30 years ending in 1998. It is thus clear that the population below 25 years of age in Ceylon could reach a low of 8.6 million or a high of 14.9 million by the end of the 20th century and that the country must adopt a policy geared to either of these limits.

5. According to the estimates based on the data from the first two rounds of the Socio - Economic Survey 1969/70, those aged O - 14 years numbered 4.831 million or 39.3 percent of the total population while those aged 15 - 24 years numbered 2.610 million or 21.2 percent of the total population.

6. S. Selvaratnam, Nicholas H. Wright and Gavin W. Jones, *"Population Projections for Ceylon, 1968 - 1998"*, Perspective Planning Division, Ministry of Planning and Employment, May 1970.

TABLE IV
Projected Population Aged 0 to 24 Years, Ceylon, 1968 to 1998

Year	Projection (1)	Population in the Age Group 0 — 14	15 — 24	0 — 24
1968	High	4,804,100 (40.1)	2,334,300 (19.5)	7,138,400 (59.6)
	Low	4,804,100 (40.1)	2,334,300 (19.5)	7,138,400 (59.6)
1973	High	5,274,600 (39.5)	2,676,400 (20.0)	7,951,000 (59.5)
	Low	5,088,000 (38.0)	2,676,400 (20.0)	7,764,400 (58.0)
1978	High	5,891,000 (38.0)	3,042,300 (19.6)	8,933,300 (57.6)
	Low	5,112,200 (34.7)	3,042,300 (20.7)	8,154,500 (55.4)
1983	High	6,831,700 (38.5)	3,286,800 (18.5)	10,118,500 (57.0)
	Low	5,075,000 (31.8)	3,286,800 (20.6)	8,361,800 (52.4)
1988	High	7,911,900 (39.0)	3,568,100 (17.6)	11,480,000 (56.6)
	Low	5,032,200 (29.2)	3,386,500 (19.7)	8,418,700 (48.9)
1993	High	8,995,700 (39.0)	4,131,900 (17.9)	13,127,600 (56.9)
	Low	5,137,700 (27.8)	3,369,300 (18.2)	8,507,000 (46.0)
1998	High	10,106,400 (38.5)	4,838,500 (18.4)	14,944,900 (56.9)
	Low	5,341,900 (27.1)	3,292,100 (16.7)	8,634,000 (43.8)

(1) High projection assumes that the 1968 fertility levels will remain constant upto 1998 while the low projection is based on the assumption of a rapid fertility decline. See *"Population Projections for Ceylon* 1968 - 1998", Ibid, Pages 17 and 18.

Note: Figures in parentheses denote the proportion of each age-group to total projected population each year.

It is also clear from Table IV that if the 1968 fertility patterns were to remain constant over the 30 year period, the proportion of children and youth to the total population in 1998 will be only slightly lower than the present high ratio. If on the other hand, fertility were to decline rapidly over this period as assumed in the low projection, this proportion will be considerably reduced from about 60 in 1968 to only about 44 in 1998. The

average annual rates of growth of the young population will also be very much lower if fertility were to record a rapid decline than if it would remain constant at the current high levels as is shown in Table V.

TABLE V

Average Annual Growth Rates of Projected Population 0 - 24 Years, Ceylon, 1968 To 1998

Period	Projection	Average Annual Growth Rates (%) 0 — 14	15 — 24	0 — 24
1968—1973	High	1.9	2.8	2.2
	Low	1.2	2.7	1.7
1973—1978	High	2.2	2.6	2.3
	Low	0.1	2.6	1.0
1978—1983	High	3.0	1.6	2.4
	Low	—0.1	1.6	0.5
1983—1988	High	3.0	1.7	2.6
	Low	—0.2	0.6	0.1
1988—1993	High	2.6	3.0	2.7
	Low	0.4	—0.1	0.2
1993—1998	High	2.4	3.2	2.6
	Low	0.8	—0.5	0.3
1968—1998	High	2.5	2.5	2.5
	Low	0.4	1.2	0.7

Source: S. Selvaratnam, Nicholas H. Wright and Gavin W. Jones *"Population Projections for Ceylon* 1968 - 1998", Ministry of Planning and Employment, May 1970.

Youth Profile:

We shall now examine some of the salient characteristics of the youth population in Ceylon as disclosed by the first round of 1968 Labour Force Survey.[7] Table VI gives the distribution of the youth population by activity status.

7. Some data on the characteristics of the youth population have recently become available from the results of the first two rounds of the Socio - Economic Survey conducted by the Department of Census and Statistics in 1969-70. Apart from the difference of more than one year in the timing of the Labour Force Survey and the Socio-Economic Survey, there were some variations in concepts and definitions. Moreover, while the Labour Force Survey was concerned wholly with problems of employment and unemployment, the Socio-Economic Survey measured a number of economic characteristics of which labour force characteristics were only a part. Thus the results of the two surveys are not fully comparable, and we have preferred to use the Labour Force Survey results as these provide a wider variety as well as more details on the labour force characteristics. Nevertheless, the basic approach to the problem of youth unemployment postulated in this paper is supported equally well by the results of the Socio-Economic Survey.

TABLE VI

Activity Status of Youth Population, Ceylon, 1968 ('000)

	Total Number	Total Percent	Males Number	Males Percent	Females Number	Females Percent
1. Population	2,334	100.0	1,168	100.0	1,146	100.0
2. In Labour Force	1,151	49.3	812	68.4	339	29.6
(a) Employed	808	34.6	572	48.1	236	20.6
(b) Unemployed	343	14.7	240	20.3	103	9.0
3. Outside Labour Force	1.183	50.7	376	31.6	807	70.4
(a) Students	517	22.2	284	23.9	233	20.3
(b) Household Workers	581	24.9	17	1.4	564	49.2
(c) Others	85	3.6	75	6.3	10	0.9

Source: Based on the results of the 1968 Labour Force Survey (First Round)

In 1968, a little less than half (49·3%) of the total youth populaion was in the labour force, i. e. employed or looking for employment (unemployed). While among the males as much as 68 percent were in the labour force, the corresponding proportion among females was only about 30 percent. It is interesting to note that nearly 24 percent of all males and 20 percent of all females aged 15-24 years are full-time students. As is to be expected, a very large number of household workers among youth (564,000 out of 581,000 or 97 percent) are females.[8]

The pattern of regional distribution of the youth population follows the broad lines of general population distribution. Over 85 percent of the youth population and 72 percent of the youth labour force are in the rural areas (including estates) while the urban areas contain 15 percent of the youth population and 28 percent of the youth labour force. Thus, although the general trend in urbanisation in Ceylon has been rather slow,[9] the rural-urban shift of the youth labour force appears to have been somewhat faster. Such a phenomenon is to be expected in the prevailing situation of a high rate of open unemployment.

8. The data from the Socio-Economic Survey shows a slightly different picture. See "*Youth in Ceylon - A Profile*", op. cit. Page 67, Table IV.

9. Gavin W. Jones and S. Selvaratnam; "Urbanisation in Ceylon 1946 - 1953", *Modern Ceylon Studies*, Vol. I, No. 2, 1971.

The educational composition of the youth population presents some interesting features. The distribution of the youth population by educational status is given in Table VII.

TABLE VII

Percentage Distribution of Youth By Educational Status, Ceylon 1968

Educational Status	Males	Females	Both Sexes
Illiterate	6.97	14.09	10.47
Literate			
(a) Below Grade 5	28.14	26.21	27.19
(b) Grade 5 to 7	23.05	19.06	21.09
(c) Grade 8	24.04	22.53	23.30
(d) Grade 8 plus training	3.11	3.19	3.15
(e) G.C.E., O/L	13.38	13.77	13.57
(f) Above G.C.E., O/L	1.31	1.15	1.23
TOTAL	100.00	100.00	100.0

One striking point is the rather even distribution of literacy by sex. Among males, literacy rates are about 93 percent and among females 86 percent. Over 10 percent of the youth population have remained without any schooling inspite of twenty-five years of free education. The proportion of youth who have had less than five years of schooling is also very large. It is also noteworthy that in the total youth population, the share of the educated persons at suceeding levels of education does not vary significantly for males and females. Approximately 27 percent of the males and 26 percent of the females have had eight years of schooling. At the G.C.E. (Ordinary) level, the proportions were 13.4 percent for males and 13.8 percent for females. Also 1.3 percent of the males and 1.14 percent of the females have continued their education beyond the G.C.E. (Ordinary) level.[10]

The results of the 1968 labour force survey also show that there is hardly any differential between the literacy rates of the youth in urban and rural areas. Literacy rates among urban youth are estimated to be over 94.6 percent and rural youth

10. For comparison with the results of the Socio-Economic Survey, 1969-70, see G. Gunatilleke, "*Youth in Ceylon - A Profile*", Op. cit. Tables I and IV. The basic picture does not show a significant change.

(excluding estates) over 93.3 percent.[11] These rates bear eloquent testimony to the rapid and fairly even spread of educational facilities all over the Island.

In terms of educational attainments, Ceylon is unique among developing countries in that its youth are very well educated and are fairly uniformly distributed throughout the country. These factors are important for an understanding of the attitudes and aspirations of the youth in Ceylon.

Youth Unemployment:

We have noted earlier that about 15 percent of the youth population was reported to be unemployed in 1968 (Table vi). In Ceylon, unemployment is predominantly a problem concerning and affecting the youth. The available data on unemployment, though limited, permit some broad conclusions to be drawn.[12]

Data from the Labour Force Survey indicate that the total number unemployed in 1968 was 448,000, of which over 76 percent were youth. The distribution of unemployment by age-groups is shown in Table VIII. The concentration of unemployment in the youth age-group is apparent from this table. It is also to be noted that unemployment among females is almost as high as among males. In this, Ceylon is quite different from other developing countries where female unemployment is generally much lower.

11. Estates form a separate category by themselves as the literacy rates are much lower.

12. The overall data on unemployment are discussed in: R. K. Srivastava; "*Unemployment, Employment Policy and Employment Targets*"- Ministry of Planning and Employment, June 1970 and R. K. Srivastava and S. Selvaratnam; "*Employment Situation and Trends*" Ministry of Planning and Employment, January, 1971.

TABLE VIII

Unemployment by Age-Group and sex, 1968

Age Group	Total	Male	Female
10 — 14	8,445 (1.88)	5,739 (1.83)	2,706 (2.02)
15 — 19	174,845 (39.02)	129,794 (41.33)	45,051 (33.63)
20 — 24	168,160 (37.54)	110,479 (35.18)	57,681 (43.05)
25 — 29	49,275 (11.0)	31,035 (9.88)	18,240 (13.62)
30 — 34	19,873 (4.44)	13,955 (4.44)	5,918 (4.42)
35 & Over	27,402 (6.12)	23,024 (7.34)	4,378 (3.26)
TOTAL	448,000 (100.0)	314,026 (100.0)	133,974 (100.0)

Source: Based on the results of the 1968 Labour Force Survey, First Round

Note: Figures in parentheses denote percentages.

Another notable feature of the unemployment pattern is the sharp fall in unemployment rates in the age-groups 25—29 and above. This is best illustrated by age-specific unemployment rates as has been done in Table IX. The table shows that in the youth age-group, urban unemployment rates are markedly higher than the rural rates for both males and females. Moreover, female unemployment rates in urban areas are higher than the male rates in respect of youth as well as older age groups.

TABLE IX

Age Specific Unemployment Rates, 1968

Age Group	Male			Female		
	Total	Rural	Urban	Total	Rural	Urban
15 — 19	34.6	33.2	44.0	25.7	23.0	52.6
20 — 24	23.0	21.1	31.2	28.3	25.8	46.1
25 — 29	8.4	8.1	9.7	13.8	11.3	24.3
30 — 44	4.3	4.1	5.4	6.7	6.2	11.0
45 — 54	1.5	1.1	3.4	0.7	0.5	3.0
55 +	0.7	0.5	1.8	1.4	0.8	5.3

Source: Based on the results of the 1968 Labour Force Survey, First Round.

Note: The percentages are to the labour force in the respective areas and age-groups.

The distribution of the unemployed by educational status shows a distinct bunching pattern, particularly at Grade 8 and G.C.E. (O) Level. Table X presents this picture. Comparing this table with the educational status of the total youth population (Table VII), it can be seen that in the two categories "below grade 5" and "grade 5—7", the share of the unemployed is well below the proportion of these categories in the total youth population. However, a distinct break occurs after grade 7 and the share of the unemployed increases markedly over the corresponding distribution for the population as a whole in the higher categories of educational attainment. This is particularly marked in the case of females.

TABLE X

Percentage Distribution of Unemployed Youth by Educational Status, 1968

Educational Status	Males	Females	Both Sexes
Illiterate	4.3	2.3	3.7
Literate			
(a) Below Grade 5	22.2	9.8	18.5
(b) Grade 5 to 7	21.5	9.4	17.9
(c) Grade 8	26.8	25.3	26.4
(d) Grade 8 plus training	4.9	5.2	5.0
(e) G.C.E., O/L.	18.3	42.6	25.5
(f) Above G.C.E., O/L.	2.0	5.4	3.0
TOTAL	100.00	100.00	100.00

Source: Based on the results of the 1968 Labour Force Survey, First Round.

In considering the interaction between education and employment, it is possible to identify three different trends. Firstly, it appears that the proportion of the employed falls with the rising level of schooling. In other words, the probability of obtaining employment tends to diminish as the educational level of the labour force entrant rises. Table XI illustrates this tendency.

TABLE XI

Rates of Employment and Unemployment by Education, Ceylon, 1968.

Educational Status	Employed	Unemployed
Illiterate	93.0	7.0
Literate		
(a) Below Grade 5	85.0	15.0
(b) Grade 5 to 7	77.0	23.0
(c) Grade 8	52.6	47.4
(d) G.C.E., O/L.	40.9	59.1
(e) Above G.C.E., O/L.	47.7	52.3

Source: Based on the results of the 1968 Labour Force Survey, First Round.

Note: The percentages are with reference to the youth labour force. Grade 8 includes those with additional training.

These estimates have their limitations. Nevertheless they appear to indicate the definite disharmony between the educational output and the employment market, and serve to disprove the impression that a longer stay in the education system would result in better chances of obtaining employment.

A second discernible trend shows that despite this shrinkage in the probability of obtaining a job with more education, the actual range of "better" jobs rises with educational level, and with this increases the income level. Table XII indicates the income differentials.

TABLE XII
Average Income by Education 1953 - 1963

Educational Status	Average Income Rs.		1963 as percentage of 1953 income.	Index of Differentials	
	1953	1963		1953	1963
No Schooling	117	154	131	100	100
Primary	189	225	119	161	146
Secondary	427	366	86	364	238
G.C.E./S.S.C.	590	600	102	502	390
Higher	1,009	1,041	103	858	675
Total	215	268	125	184	174

Notes: (a) Computed from data appearing in Table 54 of the Report on Survey of Ceylon's Consumer Finances, 1963, published by the Central Bank of Ceylon.

(b) The indices of differentials in the average incomes of various educational groups have been computed by treating the average income earned by the "No Schooling" group as 100 for each of the years.

These data serve to show that the economic benefits conferred by education have increased over the period 1953—63. During the same period, however, the differentials in earnings received by the educated employed have been reduced. [13] Thus, inspite of the fall in differentials and the rise in unemployment among the educated, the point has not yet been reached where youth are discouraged from continuing in the school system. Further, the distribution of the income benefits by social class emphasizes the social inequalities between the few who succeed through education and many who do not.

13. It is not possible to extend this analysis to 1969-70 as the relevent education-income data from the Socio-Economic Survey are not yet available.

A third trend in the education — employment relationship is manifested in increasing unemployment among educated women. Table X shows that at Grade 8, the proportion of females employed is only slightly lower than that of males, but at G.C.E.(O) Level, it is more than double that of males.[14] This is a disturbing feature and is indicative of the possibility of increasing participation of educated women in the labour force inspite of high unemployment levels. It also shows that the reservoir of educated women in the working age-group, and particularly the youth age-group, is potentially capable of joining the labour force at short notice if special efforts are made for employment generation for this group. This factor has important implications for employment policy.

Neither the problem of youth unemployment nor the seriousness of its magnitude are new in Ceylon's experience. Unemployment was first investigated by an official committee in 1936, and at least since 1959—60 various enquiries and surveys have attempted the measurement of unemployment.[15] Thus while one can re-emphasize the lack of reliable statistical data or argue about the difficult conceptual problems involved in the measurement of unemployment,[16] these technical issues should not be allowed to conceal either the intensity of the problem of youth unemployment in Ceylon or the urgency of devising policies and programmes for dealing with it.

14. This is further confirmed by the results of the first round of the Socio-Economic Survey 1969-70.

15. A Summary of unemployment rates reported by different enquiries is given in "*Employment Situation and Trends*", op. cit. p.43, Table XXV.

16. Convential Statistics on employment and unemployment do not tell us very much about the actual nature of the problem. Myrdal in *Asian Drama* has suggested changes in the concepts of measurement of both employment and unemployment (Vo. II, Chap. 21, Sec. 10-18). However, "the conceptual problems of these measurements do not seem to be more formidable than those of national income. We have grown accustomed to ignoring the latter.....Still, it might be argued that national income series are at least available whereas those on poverty, unemployment and inequality are very scrappy. This is, however, the result not so much of basic difficulties in estimation as attitudes to development. The type of data collected reflects priorities; if governments become more interested in social problems than in national income, statistical offices will prepare the statistics", Dudley Seers, "*Challenges to Development Theories and Strategies*", Presidential Address to the Society for International Development, 11th World Conference, New Delhi, November 1969.

To conclude the quantitative picture, we wish to quote recent estimates made by us for 1971. The youth population in 1971 was approximately 2.53 million. Of this, about 1.27 million or 50 percent was in the labour force. It is also estimated that about two-third (852,000) of the youth labour force was employed and one-third (421,000) unemployed. The unemployed youth formed 76 percent of total unemployed in 1971 (550,000). Almost 30 percent of the unemployed youth were females. The distribution of the unemployed youth by educational status showed that about 26 percent had completed grade 8 and almost the same number had completed G.C.E. (O) Level.

Employment Attitudes:

We have earlier referred to the fact that there has been very little investigation into the attitudes and aspirations of the youth in Ceylon. A few isolated studies have, however, been carried out in recent years but these have not probed deep into the problem.[17] In regard to attitudes towards employment, the data that have been collected in the course of various inquiries and surveys are discussed in the following paragraphs.[18]

Information on employment preference was collected for the first time during the Labour Force Survey in 1968. The unemployed respondents were asked to state their preference in terms of eight categories, viz; (*a*) any employment, (*b*) unskilled employment, (*c*) semi-skilled or skilled employment (*d*) clerical employment, (*e*) teaching, (*f*) professional employment, (*g*) further training and (*h*) other. The results have to be interpreted with caution, specially because the employment preference of an individual is influenced by a variety of factors such as income expectation, district or region of proposed employment, nature and status of the job, short-term and long-term prospects etc. In the absence of more specific information

17. Mention may be made of a study on the "*Needs and Aspirations of Youth in Ceylon*" by K. Haniblesz for the U. N. Social Survey Division.

18. The Marga Institute (Ceylon Centre for Development Studies) is at present developing plans for a comprehensive research study on attitudes to employment, job aspirations and causes of idleness among unemployed youth in Ceylon.

regarding the alternatives, the questions asked in a survey tend to be hypothetical and therefore the responses may not reflect well-considered options or choices. On the other hand, it is also likely that an unemployed person would respond realistically in the prevailing conditions of a more or less stagnant employment market and the very limited possibilities of finding alternative jobs, and hence the sum total of the responses would not differ significantly from the actual preference patterns.

The Labour Force Survey results indicate that among males, 46 percent were willing to accept any employment, 21 percent unskilled work and 13 percent clerical work. Among females, 34 percent were willing to accept any employment or unskilled work, 24 percent clerical work and 16 percent teaching. The pattern was realistic with reference to educational attainments. Almost 75 percent with educational attainment below grade 8 were willing to take any employment or unskilled work. Among those who had 8 years of schooling, nearly 70 percent of the males and over 50 percent of the females were willing to accept any or unskilled employment. Less than 10 percent wanted clerical jobs.

It is possible to examine in some detail the attitudes to employment of those who have completed G.C.E.(O) Level because of the availability of data from three different surveys: Labour Force Survey, Rural Credit Survey and a Special Sample Survey of G.C.E. (O) Level Unemployed.[19] Looking at the picture provided by the Labour Force Survey, it appears that the G.C.E. (O)Level unemployed were distributed in urban and rural areas in the proportion of 22:78, and this proportion did not change for males and females. Of the males, 21 percent were willing to take any employment, 53 percent clerical employment and less than 9 percent wanted to take up teaching. Among the

19. Labour Force Survey 1968 to which reference was made earlier was conducted by the Department of Census and Statistics at the instance of the Ministry of Planning and Employment. It consisted of two rounds. The Special Sample Survey of G.C.E. (0) Level Unemployed was undertaken by the Ministry of Planning and Employment for the I.L.O. Comprehensive Employment Strategy Mission in 1971. The Rural Credit Survey was organised by the Central Bank of Ceylon in 1969.

females, 43 percent preferred clerical, 30 percent teaching and 14 percent any employment. The rural-urban differences were not very pronounced with 48 percent of the rural and 50 percent of the urban G.C.E., (O) Level unemployed wanting clerical employment while 20 percent in rural and 16 percent in urban areas opting for teaching.

The Special Sample Survey of G.C.E.(O) Level unemployed showed that 44 percent wanted clerical-typist level jobs and 19 percent teaching jobs in urban areas, the corresponding proportions for rural areas being 32 percent and 28 percent respectively. These proportions are rather different from those disclosed by the Labour Force Survey. The Rural Credit Survey, however, gives the following proportions: 54 percent clerical, 13 percent teaching and 13 percent any employment. Table XIII provides a comparative picture.[20]

TABLE XIII
Pattern of Employment Preference of Unemployed Youth G.C.E. O/Level (Percentage)

Preference Category		Urban	Rural
Clerical Employment	1	50	48
	2	44	32
	3	—	54
Teaching Employment	1	16	20
	2	19	28
	3	—	13
Any Employment	1	13	19
	2	—	10
	3	—	13

Note: 1 - Labour Force Survey 1968
2 - Special Sample Survey, 1971
3 - Rural Credit Survey, 1969

It has to be noted that the scope and objectives of the three surveys were different and therefore the results are not strictly comparable. The Labour Force Survey was specifically directed towards finding out the characteristics of the employed and unemployed and covered an adequate sample of the population. The Special Sample Survey was, on the other hand, based on

20. Other categories of employment indicated by the respondants in the different surveys were not significant and are therefore, not discussed.

a very small sample of G.C.E. (O) Level unemployed selected from the first round of the Socio-Economic Survey and the Survey of Disguised Unemployment. The information on unemployment characteristics collected through the Rural Credit Survey was only incidental to the main purpose of the survey, viz. an examination of rural indebtedness. Further, the survey methods and techniques are as yet not effective enough to ascertain the specificity of qualitative answers since much depends upon the manner in which questions are framed and asked by the investigator, and understood and answered by the respondent. It is, therefore, not surprising that the results do not show closer correspondence, nor indeed should this have been expected in initial enquiries of this kind. However, the results are valuable to the extent that some broad and general conclusions can be drawn from them.

The marked preference among males as well as females for clerical type of employment both in the urban and rural areas with the second largest number preferring teaching employment is borne out by all three surveys. It may perhaps be that those who mentioned "any employment" were more desperately in need of a job than those who indicated a definite answer to the question on employment preference. The proportion decreased with increasing educational level. Of those with 8 years of schooling, over 8 percent, and of those with G.C.E. (O) Level only 4 percent did not give definite response. It may therefore be inferred that for the last group, the pattern of employment possibilities had become clearer.

Some information is also available on the employment preference of university graduates. In a survey of unemployed graduates conducted in 1969, it was reported that out of over 6,200 university graduates, 94 percent clearly preferred employment in a government department, 76 percent were willing to accept jobs in State Corporations and about 25 percent would consider Co-operatives as an employment possibility. Only 1.5 percent were willing to join the private sector and 1.3 percent mentioned self-employment.[21] The report of a more recent

21. "*Employment Situation and Trends*" op. cit. Table XXVII.

survey observes: "On one thing near unanimity was striking. Asked whether they would prefer a job in the public sector, the private sector or self-employment, 87 percent chose the public sector, 10 percent the private sector and 3 percent self-employment."[22] Among the reasons advanced for preferring public sector employment, 'security' appeared to be overwhelmingly important. The report further states, "Those who believe in the value of monetary incentives to stimulate risk-taking entrepreneurial behaviour might ponder on the following tabulation of the reasons given by those who said they preferred the public sector. It is also notable how the insecurity of the arts students is reflected in a greater-than-average concern for the security promised by a government job."[23]

TABLE XIV
Reasons for Prefering Public Sector Employment

	Security	Pensions	Salaries	Other Material Benefits	Opportunity to serve the country
Professionals	50	17	9	27	23
B.Sc.	58	9	13	20	17
B.A.	77	27	11	13	10

The Conflict:

As has been observed above, these attitudes to employment are the cumulative expression of a multitude of factors and over the years various social and economic processes have helped in their consolidation. Ceylon perhaps represents the classic case of an emergent society in transition from a fairly stable laissez-faire socio-economic order to a socio-cultural and political renaissance coupled with the stresses and strains of economic development. In this transition, there are several areas of conflict which influence the attitudes, aspirations and choices of the youth. The most apparent conflict can be seen between the subjective perception of individual goals and the

22. I.L.O. "*Matching Employment Opportunities and Expectations - A Programme of Action for Ceylon*", Technical Papers, Geneva, 1971.
23. I.L.O. "*Matching Employment Opportunities and Expectations - A Programme of Action for Ceylon*", Technical Papers, Ibid, p. 148. These observations are based on the results of 336 questionaires of the Survey of Attitudes Among Under-Graduates.

socio-economic perception of national advantage which is evident in the employment market. There are forces which continue to support and strengthen job choices which have become relatively less important for development. Among these are the system of rewards and incentives and the status structure. There are also systems and institutions which foster values which are becoming less and less relevant in tomorrow's context. In an imperceptible but significant manner, this role is largely fulfilled by the family environment, community environment, education system and the administrative structure. The hierarchical relationships have become so entrenched that it has been difficult to change them even to a limited degree.[24]

In the prevailing situation, therefore, the attitudes of youth towards employment are understandable since they simply represent a continuation of what the rest of the society appears to support. The institutional preference for wage employment, and particularly, government employment, is looked upon as a means of reducing risks and achieving greater stability of incomes against the background of high incidence of open unemployment.

What are the alternatives to white collar employment in the government sector? How should the shift to these alternatives be programmed? In examining these questions, the major difficulty is the absence of data and information at micro-level. Village-level typological studies are lacking, and in their absence

24. A forceful illustration of this situation is given in G. Uswatte Aratchy's "From Highway to Blind Alley" in *Marga* Vol. I, No. 3, pp. 84-85. However, the concluding paragraph appears to suggest that the free education scheme and the Official Languages Act were primarily responsible for aggravating unemployment. While this is no doubt partially correct, it is evident that greater responsibility rests on the slow growth of the economy and of employment opportunities during the period this educational explosion was taking place. Moreover, concurrent action was not taken to balance the educational expansion by (i) diversifying the educational system to make its output more self-reliant (ii) raising the entry qualifications of various jobs, and (iii) adjusting the wage and status structure deliberately to meet not only the increased educational output but also the emerging needs of development. Thus, the "sanctum" was already overflowing by the time the new aspirants reached it, and they had also by that time been alienated from their home environment and had only gained the security of a doubtful foothold in the flood.

we have to fall back on the kind of aggregative and numerical information presented above which assumes that behaviour patterns will conform strictly to black and white alternatives. This may not be true. Before considering other possibilities, we shall briefly review some of the special efforts made in the recent past in the field of youth employment.

Two Experiments:

A major scheme for youth employment which was recently attempted was the Agricultural Development Corps. This envisaged the possibility of employing under semi-military discipline about 15,000 unemployed youth in the age-group 20—30 years for work connected with agricultural development including construction, irrigation and clearing of land. The first camp was established in March 1967, and upto September 1968 as many as 27 camps had been established. Over 590 thousand mandays of work was completed during this period of eighteen months. However, the operating losses during the period were over Rs. 4.6 million. In the following year with over 1 million mandays of work, the operating losses increased to Rs. 5.2 million. It may be pointed out that during the period March 1967 to September 1969, the total number of potential mandays was over 3.5 million and of effective mandays over 2 million. However, only 1.59 million mandays were actually used. About 8,500 youth were employed at the peak of the Corps' operations which were stopped in August 1970.

A complete cost-benefit analysis of the scheme is required to assess and evaluate its success or failure, but it is striking that while the operating cost per manday over the entire period of operation was Rs. 13, the earnings per manday were only Rs. 7. This in itself is a serious drawback in an employment scheme. Obviously, the lessons from this experience should be used to ensure that future schemes for employment creation do not become top-heavy, do not overstep the limits of overhead and maintenance expenditure and are programmed in such a manner as to ensure the maximum utilisation of potential mandays available. It is also not desirable to undertake a scheme which is weighted in favour of indirect benefits and

which cannot demonstrate its success and financial viability early enough.[25]

Another important scheme for youth employment was the Youth Settlement Scheme. A tentative assessment of the costs and benefits of this scheme has been completed.[26] This assessment was based on information available upto the end of 1968 and took into account the total number of youths resident in the schemes (2526) and total acreage cleared (5873). The study indicated that the cost of settling youth in the different types of settlement schemes was high. Table XV shows the variation in costs.

TABLE XV
Net Cost of Settlement per Youth 1968.

('000 Rs.)

	Reservoir Irrigation Schemes	Lift Irrigation Schemes	Coconut Schemes	Other Commercial crops Schemes	Vegetables or potatoes Schemes	Poultry Schemes
National Cost	15.3	11.7	10.2	8.9	8.8	8.2
Foreign Cost	2.2	2.2	2.5	2.5	2.2	2.2
Total	17.5	13.9	12.7	11.4	11.0	10.4

When the youth settlement schemes were planned, it was envisaged that each youth should be able to earn an annual income substantially higher than the average income from traditional agriculture. The expectation was that annual income should be of the order of Rs. 3,000 — Rs. 3,500 per youth.

25. The Agricultural Development Corps involved an annual recurrent expenditure of Rs. 28.8 million while the receipts were expected to be of the order of Rs. 16.0 million. It was argued that "though there will be operating loss on the expenditure and receipt side, this is unavoidable because of the overheads involved. The indirect benefits by bringing land under cultivation 2 to 3 years before due date by early provision of irrigation and land development more than compensate for the operation losses. About 20,000 acres per year above the normal Irrigation Department capacity will be brought under production and the annual saving on foreign exchange on one year's production on these lands will be about Rs. 10.0 million," "*Note on the Agricultural Development Corps*", Ministry of Land, Irrigation and Power, November 1966.

26. I.L.O. "*A Tentative Assessment of Costs and Benefits of the Ceylon Youth Settlement Schemes*", Geneva 1971 (unpublished). The study covers 40 schemes.

During the short period of about two years, (which the study covered) most schemes had not achieved maximum performance. However, the gross incomes were unexpectedly low, ranging from Rs. 17 for commercial crops schemes to Rs. 1884 for poultry schemes over a two year period.[27] After taking into account the discounted value of total output over the next three years as well as over the rest of the active life of the settlers, it was estimated that the total life-time benefits were significant only for non-traditional activities.[28]

TABLE XVI
Estimates of Benefits per Youth in Different Youth Schemes

Type of Scheme	Total Life-time Benefits	Benefits in first 2 years
	('000 Rs.)	(Rs.)
1. Reservoir Irrigation	12.4	537
2. Lift Irrigation	15.7	225
3. Coconut	13.9	39
4. Other Commercial Crops	15.6	17
5. Vegetables	19.8	56
6. Poultry	20.9	1884

There are many limitations of data and methodology in this exercise which require that the results should be interpreted with caution. However, some broad conclusions can be drawn. Firstly, the total impact of this scheme on the unemployment problem is very small. Secondly, the costs of settlement per youth are rather high, and almost all the benefits are deferred. Thus, while the scope for creating employment by opening up new land would, at first sight, appear to be considerable, the relatively expensive nature of settlement schemes limits this scope. It is necessary to keep the costs down if the benefits have to be spread wider. At the same time factors inhibiting the early maturation of these schemes should be studied and measures devised for overcoming them.

It would be observed that given the number of currently unemployed youth, the future increase in the labour force, the slow rate of employment creation averaging less than 100,000

27. By the middle of 1970, over 2,900 youth had been settled. The average net income of the young settler was estimated to be about Rs. 1,800 per annum.
28. Tables XIV and XV are based on the I.L.O. study. The figures have been rounded off.

over the last few years,[29] the limited impact of expensive special schemes and the attitudes and preference patterns of the unemployed youth, the task of employment creation in the immediate future is indeed gigantic. A simultaneous attack on various fronts is required to accelerate the process of comprehensive socio-economic development which alone can in the long-run, bring about a satisfactory solution of the unemployment problem.[30] However, in this multipronged attack, two aspects, which are particularly relevant to the problem of youth employment, should be the focus of urgent attention. The first is the question of effective utilisation of the period during which the youth are waiting for employment. The other is the need for creating the organisational and institutional framework to promote self-employment.

A special feature of the unemployment problem in Ceylon is that while the youth unemployment rates have remained fairly steady over the period 1959 — 1971, the unemployed in the older age-groups appear to get absorbed, though slowly, into the employment market. This indicates that there is some degree of adjustment in attitudes and aspirations of the unemployed youth during the period of unemployment. No investigation has been made of the social and economic factors which bring about a steep decline in unemployment rates above the age of 25. Current theories concerning unemployment in developing countries also cannot explain satisfactorily this fall in unemployment rates.[31]

29. According to available statistics, the average annual growth in employment has varied from time to time. It was about 50,000 per annum during 1946-1953, 21,000 during 1953-1963 and 90,000 during 1963-68.
30. Such a comprehensive approach is the central theme of the government's "*Five Year Plan*" and the recent I.L.O. Comprehensive Employment Strategy Mission's Report "*Matching Employment Opportunities andExpectations-A Programme of Action for Ceylon*" -op. cit.
31. The explanation that individual unemployment may be a rational response to the market situation which is implied in the "lag approach" does not completely meet the Ceylon situation. Many more factors are obviously involved. The view advocated by Peter Richards in "*Unemployment in Ceylon, the Figures and the Facts*". Marga Vol. I No. 2, 1971, page 86, namely that 'Unemployment must be faced squarely as a structural problem in Ceylon', thus should be regarded as only part of the explanation.

Waiting Period:

Some information is available on the length of the waiting period. According to the Labour Force Survey 1968, almost two-thirds of the males were waiting for employment for over 12 months, and the corresponding proportion for females was slightly higher. Information collected by the Bureau of Graduate Employment in 1969 shows that out of over, 6,200 unemployed graduates, the distribution by waiting period was: 4 years — 5% 3 years — 15%; 2 years — 23%; 1 year — 36%. The Special Sample Survey of G.C.E. (O) Level Unemployed showed that on the average these school-leavers had been unemployed for 4 to 5 years.

In the absence of comparable information on waiting period for earlier years it is difficult to draw firm conclusions. However, two general points need to be made. Firstly, unemployment statistics only show the total numbers without jobs at a certain point of time, and, in the absence of frequent periodic inquiries, it is difficult to ascertain the rate and pattern of absorption of the labour force into economic activity over time. Secondly, the constant high rate of unemployment among the youth and the increase in this rate in respect of the next higher age group over the years appear to indicate a prolongation of the waiting period. A detailed statistical investigation of the movement of the unemployed into economic activity would require the assembly of time series data on employment by age-group, sector and employment status.

More important than the absorption-time of the unemployed into productive work is, however, the manner in which the waiting period is utilised. The survey on attitudes of undergraduates indicated that among the arts students at least 15 percent would continue their studies, 13 percent would work on the family farm and 14 percent would do some other work within the household.[32] However, for the under-graduates this was a hypothetical question. A scrutiny of the questionnaires

32. "*Matching Employment Opportunities and Expectations*" - Technical Papers, op. cit. page 149, para. 11 and table.

from a Sample Survey of Disguised Unemployment [33] shows that those who had no work during the reference week had no possibility either of working on land or in other self-employment. The unemployed youth, particularly those with G.C.E. (O) Level qualifications, also indicated that they were unwilling to participate in work on the family farm.

Youth Mobilisation:

The question of mobilising the youth during the crucial period prior to full absorption into productive work has been discussed in Ceylon for some time. An Official Committee recommended in 1968 that "the principal approach to mobilisation of surplus manpower should be through a special Island-wide programme of National Service for Development. The main objective of this programme should be to support and encourage the implementation of productive and useful work-projects for national development and thus harness our surplus man-power resources in the task of national reconstruction. This programme will not be a substitute for normal employment creation and it may not fulfil the expectations of those who are looking for permanent employment. But we believe that it is only through such a programme that we can offer avenues for the productive utilisation of our idle manpower resources till such time as permanent avenues of employment become available through normal development effort. Moreover, such a programme should help to strengthen the economy and create conditions favourable for higher levels of productive employment eventually".[34]

This basic approach has been the guiding principle behind the various efforts made to utilise the waiting period of unem-

33. This survey was conducted in 11 selected villages to ascertain the pattern of income and activity among persons of the working age-group. Nearly7,000 questionaires were returned but the interpretation of the results has not been completed.

34. "*Report of the Official Committee on the Mobilisation of Surplus Manpower for Development*", Ministry of Planning and Economic Affairs, March 1968, para. 13. Also see: R.K. Srivastava, S. Selvaratnam and V. Ambalavanar, "*Unemployment in Ceylon-A Possible Line of Action*", Department of National Planning. Colombo, March 1967, for the arguments underlying this approach.

ployed youth in Ceylon. A good deal of experience is available in regard to organising and conducting rural-works programmes. The rural development movement has been of fairly long standing and the amount of work done over the years on a self-help basis has not been inconsiderable. Table XVII provides some estimates of the value of work done during 1964-1965 to 1968-1969

TABLE XVII
Value of Work Done by Self-Help Projects

Year	Value of work (Rs. million) (2)	Self-help contribution (Rs. Million) (3)	Percentage (3 of 2)
1964—65	2.7	1.3	48
1965—66	5.1	2.6	51
1966—67	2.4	0.8	33
1967—68	6.1	4.5	74
1968—69	7.1	5.5	77

A similar effort has been made in the *Shramadana* project.[35] The recorded man-days of work show that a fairly steady level has been reached over the years (Table XVIII).

TABLE XVIII
Mandays of Work in Shrarmadana Projects

Year	No. of Mandays (thousands)
1965	511
1966	1,472
1967	1,389
1968	810
1969	1,062

It has, however, to be noted that both the rural development and the *Shramadana* activities have not been limited to the unemployed or the youth. Both have been concerned with village-level work programmes for the development of infrastructure, land clearance, irrigation facilities as well as strengthening of rural services such as education and sanitation. The

35. Besides this government sponsored programme, there is the Sarvodaya *Shramadana* Movement, which is a completely voluntary non-governmental effort with very rich experience in rural social work. Its Hundred Villages Development Scheme is based on very little capital and does not involve sophisticated organisational arrangements.

scope for work in these fields should be enormous as is the potential in terms of mandays. On the basis of the 1971 estimates of unemployed youth and the assumption of 200 mandays per year, it is calculated that over 80 million mandays can be actually pressed into service if required. However, in order to achieve any target substantially higher than what has been possible in the past, it is necessary to understand that the logistics of carrying through a massive rural public works programme requires an organisational and institutional effort of a completely different magnitude.

To some extent the organisational needs were met by the creation in 1968 of the National Youth Service Council.[36] The Council drew up an ambitious programme of work with a target involving 500,000 youth in field projects and 50,000 youth in training. A National Youth Organisation was set up as the operational (direct service) agency of the Council. During one year of its work, the Council succeeded in establishing about 200 work centres at which over 40,000 youth were enrolled and about 27,000 were reporting for work on any particular day. The work of the Council was suspended in May 1970. A new Council has since been appointed and the programme of work has been reformulated.[37]

It is thus appropriate to say that the final plans for the mobilisation of youth have not yet been firmly drawn. Although a wide range of programmes has been undertaken in the past, their objectives have not always been related to the utilisation of youth and their direct and indirect impact has been small relative to the nature and magnitude of the problem.

Some Imperatives:

There is thus a clear need to rethink the strategy for youth mobilisation and the effective and meaningful utilisation of the

36. The Council was set up in October 1968 as a statutory body under the Voluntary National Youth Service Act No. II of 1967. However, it started its programme of national service in May 1969.

37. National Youth Service Council: *Youth Service Plan*, October November 1970.

waiting period. In this connection we would like to stress several factors. In the first instance, it is unwise to imagine that the problem of unemployment can be solved by palliative or emergency measures which are more often than not limited in their approach and sporadic in nature. Secondly, the various programmes of rural development, rural public works and national service should be conceived as one common programme and implemented as an integral part of overall national development. Such a programme cannot be expected to make any appreciable impact if it struggles for survival on the fringe of the development effort. The ideology and objectives of such a programme should be clearly defined and publicly stated. It must also be made known that such a programme is only a holding operation which helps to mobilise idle human resources for development work while at the same time providing an opportunity for participation in national effort and also relieving social tensions.

Further, the programme should be sufficiently large and wide-spread to match up to the magnitude of the problem. The component projects should represent the felt needs of the local area. They should as far as possible be early maturing and their demonstration effect quick so that the momentum gained during the early stages can be carried forward. The overall policy, direction and control of the programme should be entrusted to one central agency with a view to avoiding duplication of effort and waste of scarce financial resources. Moreover, the programme should provide for training and preparation which in turn could serve as one of the important means of bringing about changes in the attitudes and aspirations of the youth.[38] Finally, the programme should provide the youth with an opportunity for self-appraisal as well as re-recognition and acceptance.

It may also be stressed that the various factors discussed in the last two paragraphs can be suitably integrated into a practical island-wide rural regeneration programme which

38. Complementary action would also be needed in other sectors of the economy in order to reinforce this. In particular, action would be required on three fronts: wages, education and status structure.

will eventually provide the basis for accelerated development resulting in the creation of adequate employment opportunities. The difficulties experienced in organising schemes of this kind, not only in Ceylon, but also elsewhere, are well known; but they are not insurmountable. It is also relevant to mention here that the Five Year Plan of the Government refers to the need for organising special works programmes in the urban, rural and estate areas to mobilise available manpower resources for economically productive activities. The recent I.L.O. Employment Mission has recommended a similar programme. What we are emphasising is the central role which such a programme should play in the development effort and the comprehensive and integrated approach which is essential for its success.

Of course, several questions can be raised in regard to the financing of this programme. We, however, feel that the pooling together of the various amounts at present spent on isolated efforts will in the first instance provide the financial basis for initial planning. In addition, a deliberate policy of increasing funds for the programme will have to be adopted.

The urgency of undertaking such a programme needs to be re-emphasized in the context of the rapid growth of the labour force in the immediate future and the employment effort envisaged in the Five Year Plan. Recent projections [39] indicate that during the ten year period 1970 — 1980 the additions to the labour force will be of the order of 1.5 million, and of these one-third will be in the youth age-group. Together with the backlog of unemployment, these numbers pose an enormous challenge for employment creation.

The Five Year Plan, which provides for an employment potential of 810,000 implies that the rate of employment creation will be increased from less than 100,000 in earlier years to an average of 160,000 per year during 1972—76. A time-lag is inevitable in reaching this level of employment creation.

39. R. K. Srivastava, Gavin W. Jones and S. Selvaratnam; "*Labour Force Projections for Ceylon*,1968-1998", Ministry of Planning and Employment, June 1970.

Thus, while development strategy is seeking to reduce the period of waiting by accelerating the tempo of development, concurrent action must be taken for youth mobilization during the lead-time.

Further, it is estimated that about half the new employment opportunities to be created by the Five Year Plan will be self-employment[40] — about 200,000 in peasant agriculture, 100,000 in industry, particularly small industry, and about 100,000 in tertiary sectors — infrastructure and services. The average rate at which opportunities in self-employment are expected to grow is, thus, about 80,000 per annum. Compared to past rates, this means a four-fold increase in self-employment over the next five years.[41]

This then, is the real challenge on the employment front. "Simply stated, it amounts to this: the old pattern of wage employment has to change. All developing nations require in greater measure the entrepreneurial and managerial leadership, skills and abilities necessary to transform traditional structures in every field, but particularly in the field of employment because it is here that the real push for economic development must be made."[42]

The achievement of these targets of self-employment depends upon the decisions of thousands of individuals to take the risk and invest their energies and resources into productive activity in the field of small scale agriculture, small scale industry, small scale trade, transport and business. This calls for a new approach to the promotion of self-employment directed towards the individual entrepreneurs, the nature of his activity and the institutional structure for the provision of required services and facilities.

40. We have taken a wide view of self-employment and not the usual "own-account worker" approach which is generally used in censuses and surveys.

41. Between 1963 and 1969, there was a net addition of 120,000 in this category, i.e. about 20,000 per annum on an average.

42. R. K. Srivastava, "*Youth and Self Employment*", Lecture to the participants at the seminar on Problems of Youth Leadership in Developing countries Organised by the Friedrich-Naumann Foundation, Colombo, January 1972.

The main task then centres round the fundamental need to change the present attitudes of young job seekers and turn them towards self-employment. The whole problem of motivation, involvement, training and preparation for this shift should be handled during the waiting period. At the same time steps should be taken to reduce the attractiveness of wage employment as also to reduce risks and stabilise the income of the self-employed. "In the effort to encourage and promote self-employment, several concurrent but complementary measures must be taken — in the community, the school, the labour market, the administrative set-up — and whenever necessary new organisations and institutions should be created to speed up the process of change and reform. This is particularly true of administrative units which deal with services like information, extension, credit and supplies, since a completely new approach is required if the inertia in these sectors is to be overcome."[43]

43. "Youth and Self - Employment", op. cit.

CHANGES IN THE PATTERN OF INCOME INEQUALITY IN CEYLON

WARNASENA RASAPUTRAM

Introduction

Large divergences in the distribution of the social product have caused social upheavals in many countries and therefore both the politicians and economists are keen to work out a basic structure conducive to long term growth whilst at the same time attaining a high degree of social equality. Historical experience suggests that the pressure for equality gets intensified when the economy itself does not grow adequately to enable the bulk of the population to obtain increases in income. The co-existence of the richer and poorer countries and the growing inequalities among them tend to release polarising forces which make the rich countries richer and those countries who are poor, poorer relative to the richer countries. When such large inequalities in income exist both within the country and among nations, men find it difficult to reconcile themselves to such growing social inequalities and their economic and social frustrations are reflected in their political actions to change the existing order of things, not only within national boundaries but also at the international level. There is a clamour from below for a better distribution of national wealth so that the welfare of the greatest number could be looked after within the shortest possible period.

In the effort to rationalise economic welfare policies an attempt is usually made to change the distribution of income in favour of the lower income groups in a conscious and deliberate manner. But there is no consensus of opinion about the most acceptable type of income distribution nor is it possible to determine the optimum degree of income equality or the most acceptable standard of inequality consistent with policy objectives and rapid rate of economic growth. It is strongly felt that there is an urgent need to move towards greater equality, or the

reduction of inequality, to prevent or forestall the ill effects arising from the increased insecurity and uncertainty that pervades all aspects of economic, social and political life in an economy with wide divergences in the distribution of income and wealth. Clearly, there is a need to raise the living standards, while at the same time not permitting either inequality to widen or concentration of incomes to grow at the expense of the underprivileged. Nevertheless, social equality cannot be attained at the expense of economic growth, and the required rate of growth cannot be achieved without a high rate of savings and investments.

Governments in Ceylon in the past have made deliberate attempts to distribute the social incomes more equitably, and will continue to do so in the future at a faster rate. When an economy has not grown adequately to meet the aspirations of a growing population, the people tend to become restive and oppose all privileges enjoyed by the upper income groups. In the face of this egalitarian push caused by discontent and frustrations and aided by an economic system that remains basically weak, the efforts are most often directed at a redistribution within the existing structure rather than making the basic changes required for long term growth and stability.

In the context of present ideological and political factors, the clamour for a better distribution of wealth becomes uncompromising and irresistable. Such a distribution has to be done very fast and with the least amount of delay. Unless growth takes place at a sufficiently rapid rate, burdens will have to be imposed on all sections of the population until a better distribution of wealth emerges with economic growth, and development policies have had their effects on the distribution of income. Such development policies aimed at a fast rate of growth must produce the desired effects within the required time span so that short-term measures taken to reduce the income inequality do not have adverse side effects.

An assessment of the extent of re-distribution that is feasible or desirable cannot be made without reliable and accurate data[1] about the distribution of income and the consumption pattern of the people. In the measurement of standards of living it is generally agreed that the simplistic notions of national income are poor indicators. The available measures are insensitive and inadequate and tend to give a distorted and superficial view of society. It is even more difficult to assess growth in society with rigid class structures. Of the tools that are available, the most commonly used are the data on rate of growth of gross national product, the size and rate of growth of per capita income and the distribution of that per capita income. It is this distribution of income that determines the level of living or the living standards of the people and which the planners attempt to raise to the highest possible levels within the minimum period. It is altogether more important because productivity, labour efficiency and a high rate of economic development are all directly influenced by existing and attainable levels of living. This does not mean that social aims are to be given a place of less importance. Politicians have to deal with the masses whose aspirations require increased employment opportunities and greater equality in the distribution of income. Any development strategy will have to conform to the dual objectives of economic production and social welfare while at the same time facing economic realities. Growth, as such, may not lead to a better

1. The main sources of data on the income distribution are
   (1) Ceylon Consumer Finance Survey conducted in 1953 by the Central Bank of Ceylon,
   (2) Ceylon Consumer Finance Survey conducted in 1963 by the Central Bank of Ceylon, and
   (3) The Socio-Economic Survey conducted in 1969/70 by the Department of Census and Statistics, (First round)

   The Central Bank surveys obtained information on income received by income receivers and by spending units. Both money income and income in kind are included in the information supplied by the Central Bank survey, whereas in the survey of the Department of Census and Statistics. income in kind is included in the data of household incomes only. Income in kind received from garden produce or from property shared in common are included as income of the chief of household. In all surveys of this type income data are under-estimated while expenditure data are over-estimated. There is the usual bias among the respondents in replying to questions on incomes, while recall lapse tends to under-estimate the income in kind when the reference period is too much spread over time. Household enterprises engaged mainly in agriculture do not keep accounts of their activities and all answers to questions from memory are bound to have a bias towards under-estimation,

distribution of wealth, although there is the commonly held belief that greater equality of incomes and higher living standards could be automatically achieved by high rates of growth. On the contrary, it has been observed that high rates of growth have also resulted in a more unequal distribution of income and social waste as a result of larger social incomes not being shared by the largest number of people for the betterment of their living standards. It is also clear that high rates of growth did not always result in an expansion of employment opportunities. The pursuit of policies which exclusively concentrated on growth often did not favour the pattern of economic activity that could have produced a higher level of employment as well as a distribution of income which was socially more acceptable.

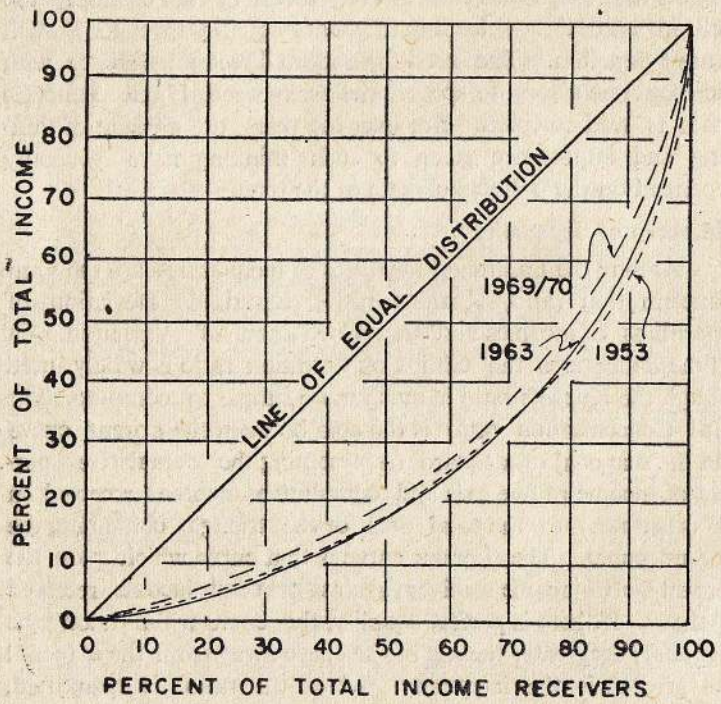
Lack of fulfilment of expectations makes the modern generation rely heavily on a welfare state to match the deficiencies in performance under laissez faire capitalism. In a country like Ceylon where rigidities exist in every sector of the economy the built-in natural law leading to greater equality through growth cannot function. The need for a more direct interference with the economic system to achieve the various social and economic goals is well accepted. But over the years the amount of thinking and importance given to such thinking have generally depended on the political climate of the time.

Measures of Inequality

Among the traditional measures of inequalities are the Gini Concentration ratio, Kuznets ratio, Standard Deviation of logarithms of incomes and the Coefficient of Variation. Of all these measures the Gini Concentration ratio is widely used though the Kuznets ratio is much more simple to compute. The Gini Concentration ratio is the area between the Lorenz curve and the diagonal of a square (representing the cumulative percent of income of one axis and cumulative income received on the other axis) to the total area of the triangle containing the Lorenz curve. The Lorenz curve is that curve which plots the percentage of income receivers against the total income received by them. If there is perfect equality, the curve will lie along the diagonal; the greater the sag of the curve away from the diagonal the greater is the inequality. When the ratio is quantified,

perfect inequality will give a ratio of one, while zero represents perfect equality. In this study the Gini Concentration ratio is used as a measure of inequality and will be supplemented by other measures whenever required. It should be remembered that Gini's ratio is insensitive to small percentage changes which actually may represent a significant change in income shares of lower income groups. The Gini ratio lies between 0 and 1 and the presence of innumerable points between these two would dampen the actual effects of a shift towards equality. In such instances it would be more reasonable to supplement this ratio with the standard deviation of logarithm of incomes. This logarithm coefficient is sensitive to all percentage changes in income and the extremely high incomes have very little influence on it.

The following chart gives the Lorenz curve for the distribution of incomes by income receivers for the years 1953, 1963 and 1969/70.



It can be seen from the above curve that there was definite movement towards a reduction of inequality over the years. Before we comment on this shift it will be necessary to examine the main short-comings of the data on income distribution.

It is not always possible to compare income data that are too much spread over time. The data for 1963 and 1969/70 for income receivers are in fact not strictly comparable in that the former includes non-money incomes of the income recipients while the latter excludes such income in kind. Normally when income in kind is included the distribution of income tends to move towards greater equality. Thus if a distribution without inclusion of such income in kind exhibits characteristics that result in reduction in income inequality, evidently, any comparison with an income distribution of a later period inclusive of such non-money incomes would clearly indicate a more pronounced shift towards greater equality.

Income data for only a year may not provide a satisfactory measure of income inequality. Comparisons between two periods are somewhat mis-leading in that the data for one year may include or exclude certain types of incomes.

Most of the data are obtained by sampling methods; however scientific these sampling methods are, the limitations of the data tend to get magnified in the measurement of income accruing to the same group of persons and the movement of that group from one income bracket to another in two different periods of time. It is well known that income differences cannot be measured with any degree of precision because of inclusion and non-inclusion of income in the form of fringe benefits, social welfare benefits, pension fund contributions, provident fund contributions and the like. Nor can changes in income be measured without eliminating the effects of price changes; it is well known that the eliminaton of effects of price changes is a difficult task. Furthermore the definition of income varies from time to time depending on the recipient's attitude towards income received and reported and the employers attitude towards income given or withheld.

The inclusion of capital gains, deferred compensatory payments, may restrict the usefulness of income data, if much information is not included in the two periods compared. Clearly, the measurement of changes in inequality is thus to be related to income data collected on the basis of a comprehensive definition of income rather than a restricted narrow one. It is in this respect that the quality of data must be sifted, weighed and analysed so as to conform to maximum possible comparability.

The degree of the shift towards equality could always be challenged. We have, therefore, to examine the existing data and make the maximum possible use within the context of the limitations of not only basic data but also the measures o inequality. It can be seen from the Lorenz curve that equality of incomes in 1969/70 was much greater than in 1963 or 1953. In addition to this shift, if a factor which drags the distribution towards greater inequality is to be looked for it lies among the forces that were at work on account of government policies adopted in the past rather than in the competitive conditions in a free market economy. A glance at the size distribution of income together with the indexes of income inequality would throw more light on this shift.

Size Distribution of Income

The shares taken by each tenth of income receivers indicate that there was a marked shift towards a reduction in income inequality in the last two decades. The concentration ratio, which is a fair measure of the extent of inequality, confirms this shift both in respect of income receivers and the spending units or households.

The changes in the pattern of income distribution can be seen from Table 1.

TABLE I

Percent of Income Received by Selected Groups---Income Receivers & Spending Units or Households

	Income Receivers			Spending Units		Households
	1953	1963	1969/70	1953	1963	1969/70s
Highest 10th	42.49	39.24	29.0	40.60	36.77	29.1
Second 10th	14.16	16.01	16.2	13.20	15.54	16.1
Next 20th	18.33	19.44	18.0	18.40	20.22	18.0
Next 20th	12.02	12.37	17.8	13.30	13.81	17.9
Next 20th	7.93	8.07	9.4	9.30	9.21	9.5
Next 10th	3.56	2.70	4.9	3.30	2.95	4.5
Bottom 10th	1.51	1.17	4.7	1.90	1.50	4.9
Concentration Ratio	0.50	0.49	0.34	0.46	0.45	0.33
S. D. of Logs Income	0.328	0.307	0.269	0.302	0.287	0.221

S. D. — Standard Deviation

It may not be possible to compare the income distribution of 1969/70 with that of 1963 because of the inclusion of non-money income in the 1963 data for income receivers, while in the case of spending units and households though non-money incomes were included the definitions were different. Obviously household income distribution would be less unequal than that of spending units. There has been a substantial reduction in the income received by the top 10% of income receivers. In 1963 their share fell to 39.2% from 42.5% in 1953 while in 1969/70 it had fallen to 29.0%. This decline is even steeper when incomes are grouped into spending units or households. On the other hand the share taken by the bottom 10% has more than doubled.

In 1969/70 more than half (56.2%) of the income receivers obtained incomes less than Rs. 200/- for 2 months, while in 1963 there were 59.2 per cent in this income category. There were only 0.4% drawing incomes over Rs. 2000/- for 2 months in 1969/70 while in 1963 their number was almost double at 0.76%.

The reduction in income inequality took place at a time the property share comprised an appreciable proportion of total income. In 1969/70 the property share was 27% of total income and indicates a very substantial increase from the level

of 1963 which was only 10% of total income and still greater increase over that of 1953 when it was 5.5% of national income. There is no doubt that the effects of the Green Revolution and the rapid increase in industrialisation contributed to this substantial increase in the property share. This was particularly true after 1969 when net accretions to wealth were substantial. Import liberalisation and rapid rise in industrial output soon after 1967 together with the effects of the Green Revolution caused the share of property owners to rise faster than the share which wage earners received. Output and productivity both in the industrial sector increased. The rise in productivity largely benefited the property owners; the labour share as a proportion of value added was very much less than 50% in most industrial ventures. The average return to capital was thus higher than that accruing to labour In a country like Ceylon where the industrial entrepreneur enjoyed practically fully sheltered market conditions it is not surprising that the property share rose. This was not only because of higher productivity of existing inputs but also because of the existence of mass unemployment which makes it possible to boost profits by the hiring of labour at lower wages.

Generally when economic growth takes place without any direct interference from the centre aimed at the achievement of distributive justice, it is most likely that the concentration of incomes moves towards more inequality. During the period 1966-1968 Gross National Product in real terms grew at an annual rate of nearly 6.4%. In 1968 the GNP rise over the previous year was as high as 8.3%. This increase accrued mostly to the non-wage earners. It was increasingly evident that it did not seep down to the lower income groups from the social tension and discord that grew in the subsequent years. The contrast between the rich and the poor showed up far more quickly than under normal conditions of growth because of the failure of policies adopted to cause a decline in unemployment.

Kuznets contends that increase in inequality of incomes is a transitional phase in economies advancing towards a higher

rate of growth in the process of industrialisation. Because of the consistent checks made by governments against the worsening of income inequalities it is rather difficult to check this proposition against Ceylonese data. The large growth in agricultural activity in 1968 and the rise in industrial production about the same year worsened the position of low income groups or improved that of the high income groups who received most of the gain. Ceylon has not yet broken into structural changes in the industrial field. There is certainly no inherent bias towards greater inequality in a pre-industrial or industrial economy. As long as conditions requisite for industrial development are deeply imbedded, the movement towards greater equality takes place fast. India's industrial base was built as far back as 1936. Ceylon's base began to be built only recently. This was mainly due to the existence of an over-valued exchange rate together with mis-guided policies. The protective arm necessary for industrial development in the form of a correct rate of exchange was lacking and increases in agricultural productivity were frittered away in high consumption imports. Such a situation was encouraged by large differences in income equality. The inequalities in income distribution should have encouraged higher rates of investment and larger degree of savings. But the openness of the economy together with a drift towards conspicuous consumption by the richer classes aided by an over-valued rate of exchange resulted in the gains from trade being wasted away by a still higher rate of consumption.

Normally, the distribution of income with its heavy bias towards property share would perpetuate a situation of this nature. But still the distribution in 1969/70 was less unequal than in 1953 or 1963. In looking for an explanation for this behaviour, it is necessary to examine the impact of direct and indirect policies on economic growth in general and on distribution of income in particular. This will be done in a subsequent section.

Sectoral Inequality

Inequality in income differences between urban and rural sectors stems mainly from the lack of opportunities in

the rural areas compared to the urban sector. The dualistic structure of the Ceylonese economy aggravates this problem. Urban growth and development in the colonial era was characterised by the need for servicing the plantation economy. Between the urban and plantation sectors the traditional semi-subsistence sector grew only very slowly. The transformation of this traditional sector had to await the "awakening" of the rural people by their political consciousness particularly after 1956. From being passive onlookers and choosing to remain in the poor and inactive periphery the usually apathetic rural people demanded the transformation of their socio-economic conditions. This demand expressed through their political representations since 1956 had positive effects. Only when the whole population is actively engaged in economic development and the transformation of the traditional society could we say that at least an attempt is being made to produce the necessary motivation required for growth.

In the table given below the average 2 monthly incomes are shown for the years 1963 and 1969/70 for income receivers by sectors.

TABLE II

Average 2 monthly incomes by sectors & percent of income by top 10% and bottom 10 per cent of income receivers

	1963			1969/70		
	Average Rs.	Percent of income Top 10%	Bottom 10%	Average Rs.	Percent of income Top 10%	Bottom 10%
Urban	510	42.9	1.2	514	32.7	2.2
Rural	254	32.7	2.2	278	27.6	4.3
Estate	129	24.2	5.5	136	20.8	8.8
Total	267	38.1	2.3	286	31.7	4.2

Evidently there was an appreciable change in the distribution of income in favour of the rural classes. This is clearly seen from Table 3.

TABLE III

Average Income by Income Groups (Rupees per month) of income receivers

Income Groups	URBAN		RURAL		ESTATE	
	1963	1969/70	1963	1969/70	1963	1969/70
0-100	31.71	54.73	28.55	60.15	35.39	59.90
101-200	77.70	157.77	75.44	148.84	67.48	131.58
201-400	150.58	296.05	143.71	283.68	127.39	282.65
401-600	248.14	502.17	241.65	507.64	240.55	438.60
601-800	352.96	692.80	342.29	699.25	328.00	—
801-1000	453.30	894.74	453.06	877.19	471.33	—
Over 1000	1097.77	1863.16	916.66	1157.90	3248.00	—
Total	255.09	257.00	127.00	139.09	64.46	67.99

Not only has the average income of the rural classes increased almost at the expense of the urban income receivers but the average income in each of the income classes showed appreciable gains. Compared to urban income receivers who received 28.2% of income in 1963, the rural masses received 60.0% of the total. In 1969/70 the share received by the urban class declined to 25.2% while that received by the rural population increased to 63.9% of total income. The proportion of income receivers to the total had shifted in favour of the rural areas. Thus in 1969/70 nearly 85 per cent of the total income receivers (compared to 65.4% in 1963) were in rural areas. In the urban areas the percentage of income receivers had shown only a small increase from 14.8% in 1963 to 20.8% in 1969/70. It is however to be noted that the rate of increase in the number of income receivers failed to keep pace with the rate of increase of population both in the urban sector and in the rural sector. The urban work force grew at an average annual rate of 2.8 per cent while the number of income receivers in this sector grew at an annual rate of 2.2% between 1963 and 1969/70. Over the same period the rural work force increased by 3.0% annually but the number of income receivers rose only by 2.0% per annum. Obviously such a situation would result in the growth of unemployment and this no doubt is one of the main causes for the differences in income observable today.

The sectoral differences in activity rates cannot explain the differences in income distribution between the two sectors. In

urban areas the opportunities for higher education are higher than in rural areas; the drop out rate in rural areas is higher. Accordingly, a larger proportion of males and females enter into the labour force from rural areas than from the urban sector, thus raising the participation rates in rural areas to a higher level than observable in the urban sector. This tendency is partly explained by demographic factors. Rural population is less mobile than their urban counterparts and this mobility varies with age, education and marital status. There seems to be a relationship between age specific participation rates and the choice of employment. Productivity is an important factor in determining the income differences. The per capita input of labour in rural areas in 1963[2] was 2.25 months while for the urban sector this was 2.50 months. The lower per capita input of labour for rural areas was observed despite a larger number of gross years of active life (29.0 rural compared to 28.1 urban) in this sector.

Income patterns among males and females

The sectoral differences in the pattern of income distribution are in certain respects related to the income differences between the sexes.

Women are sometimes paid less than men for the same occupation. This is mainly true in the unskilled categories. In 1963 the average (median) 2 months income of a female was Rs. 139/- compared to Rs. 311/- received by males. In 1969/70 the income of a male for two months was Rs. 325/- while that of a female was Rs. 158/-. Thus there was only a slight change in the differences in incomes received by these two categories. However in 1969/70 women improved their position by deriving an income equivalent to 48 per cent of that of a male whereas in 1963 women received on the average 45% of the income of a male. The following table compares the changes in the income differences by sex by sectors.

2. Ceylon Consumer Finance Survey p. 53 – Central Bank of Ceylon 1963.

TABLE IV

Income & Sex — Average Income for 2 months

In Rupees

	1963	1969/70	1963	1969/70	1963	1969/70	1963	1969/70
	Urban		Rural		Estate		All Island	
Males	567	542	282	304	154	159	311	325
Females	245	278	144	160	101	112	139	158
Total	510	514	254	278	129	136	267	286

Source: Ceylon Consumer Finance Survey 1963
Socio Economic Survey 1969/70 (First round)

Clearly, changes in income have been mostly in the urban sector where the participation rate of females has increased and most of the female income receivers have received more skills than their counterparts in the rural areas. The distribution of income by sex indicates a higher concentration of income receivers among the lower income groups of females than in the case of males. In 1963 the top 10% of males and of females received an equal proportion of total income (with 38% of total income going to this group); the bottom 10% received less than 2% of income for both groups. The position has changed somewhat in 1969/70 in that the top 10% of the males received 31% of the total income while in the case of females it was 37%.

As education and skills of females rose over the years one would normally expect a reduction of income inequalities at a faster rate than what has been observed. The proportion of women who had received an education equivalent to G C E (O) Level and above was almost equal to that of men. Participation rates for women have consequently risen. An increasing number of women with higher education have begun to enter the work-force. Thus the rate of unemployment among women in these categories (Ordinary Level and above) was very much higher than for males. If at the same time more and more women enter the labour market without at least an 'O' level qualification, the income distribution would continue to be more unequal as long as wage differences among sexes for the same type of work continue.

But it should be noted that the productivity of female workers such as unpaid family workers, self employed and those

engaged in retail distribution, services and agriculture tend to remain lower than that for males. In fact this is one reason for wage differences between the two sexes. Within the prevailing system, males have attained better and broader skills than women and in the circumstances, it is natural that men would earn more than women.

Education and Income Equality

The skewness of the personal income distribution is often attributed to educational differences and the concomitant variations in abilities. Actually it is the chance factor due to property shares that generates a skewed income distribution. The economic rationale of educational differences adds to the skewness and creates many problems.

In the colonial era formal education was a prerogative of the richer classes, and the colonial rulers, in some instances, tried to preserve these conditions for their own benefit. After Ceylon obtained a substantial measure of self Government under the Donoughmore Constitution free education was introduced in 1945. This gave the average person opportunities for improving his earning capacity. Ability to earn is highly correlated with education. This is particularly true in Ceylon as evidenced by the following table.

TABLE V

Average Income of Income Receivers for 2 months by educational attainments

Educational level	Years of education	In Rupees 1953 Rs.	1963 Rs.	Concentration ratio 1963	Standard Deviation of logs of income
No Schooling	0	117.40	154.38	0.425	0.321
Primary	3	189.00	224.73	0.339	0.317
Secondary	8½	427.40	365.69	0.427	0.226
PASSED GCE/SSC	11	590.40	599.72	0.398	0.302
Higher	13	1008.80	1040.88	0.406	0.417
Technical	14	—	1186.00	0.429	0.425

Source: Ceylon Consumer Finance Survey 1953 & 1963 Central Bank of Ceylon

There is no doubt that there is a premium on educational attainments in regard to earning capacity. Those who are better

educated and have spent more years in school have received steeply rising incomes. In 1963, those with 13 years of schooling and having an education beyond the GCE/SSC had an income that was 74% more than those with 11 years of schooling. It is significant to note that the index of inequality (concentration ratio) was lowest for SSC/GCE qualified income receivers thus indicating a narrowing down of wages and income differences within certain educational groups. The data from 1969/70 survey was not available by educational groups. It remains to be seen whether the increase in the supply of educated people relative to their demand has narrowed down the wage differentials. But an examination of the concentration ratios and standard deviations of logarithms of incomes indicate that, mainly due to differences in quality of higher education and differences in skills achieved from such education, the income receivers with higher education exhibited a greater degree of income inequality than those with primary education.

There has been a shift towards a reduction in income inequality by educational standards between 1953 and 1963. It is most likely that this trend would have continued into the seventies as the educational gap narrowed down significantly.

TABLE VI

Percentage Distribution of Population by Education 1953, 1963 and 1969/70

	1953	1963	1969/70
No Schooling	41.6	36.6	16
Primary	46.8	39.3	39
Secondary	9.8	19.6	32
Passed GCE/SSC	0.9	3.4	12
Higher and Technical	0.9	1.1	1
	100	100	100

Source: Ceylon Consumer Finance Survey 1953, 1963 Socio Economic Survey 1969/70

The proportion with GCE/SSC has increased more than 3½ times between 1963 and 1969/70 while there was a substantial reduction in the proportions without any schooling. The striking feature of the educational profile is the narrowing

down of rural-urban educational differences. It was shown earlier that the shift of incomes towards rural areas was greater between 1963 and 1969/70 than between 1953 and 1963. Narrowing down of educational differences is perhaps one reason for this shift. But it cannot be denied that in respect of coverage, drop out rate, quality of education and facilities for higher studies particularly in science, there exists a vast imbalance between urban and rural areas though the present position is better than what it was ten years ago.

Inequalities in income differences due to educational achievements are a common feature in most developing countries. Taken by itself it shows not only a lack of proper development but also serious shortcomings in co-ordinating manpower programmes and educational planning. As development takes place rapidly the demand for skills also grows and the demand for people with general academic qualifications is lower than for those with specific skills and technical qualifications. In fact this is seen even today. We are already approaching the situation when the supply of those with academic qualifications far out-number the demand for them, while those with lower levels of education but with specific skills earn higher wages than those with higher education of a general and academic type. In an economy such as ours the educational system where emphasis is on academic education tends to create more income differences and inequalities. Thus there will grow an elite class who will cut themselves off from the rest of the population and look towards advanced countries for their own betterment. If the educational structure is not given the necessary structural reforms at the correct time, then a country with a high degree of unemployment, as is found today, would release a large number of educated unemployed who will constitute a very dangerous group and pose a constant threat to the stability of a country. The educational system as such has serious structural weaknesses, and is in need of changes, both on a quantitative and qualitative basis. The rural classes have not been able to avail themselves of the limited opportunities afforded because of severe competition from their urban counterparts. Their inability to compete with the more educated urban population is mostly due to the fact that the bulk of the facilities for higher education

in the skills and disciplines which are in demand have been concentrated in the urban areas. Changes required, thus, will relate to the structure of the system particularly in the rural areas. Enormous imbalances in the urban and rural sectors are therefore one cause for this inequality. Drop-outs in the rural areas tend to be very high, and as the educational level increases the rate of drop-outs tends to rise mainly because of lack of availability of facilities for higher education that limits their competitive ability.

The transformation of old attitudes and institutions and the expansion of incentives and opportunities for productive employment would enable the rural masses to compete with their urban counterparts on better terms than at present. This would necessarily mean the provision of equal opportunities to people in all regions.

It was earlier seen that an academic education would give rise to income differences in a steep and progressive manner. A situation of this nature cannot be sustained without adequate growth and development. The rate of change of income as education grows also shows sharp increase. In the past an academic education was a quick and sure means of moving up in the income ladder. This situation has been changing radically in recent times and the supply of the academically educated is far exceeding the demand. Since education influences job aspirations, development can be fast if the particular attitudes and motivations in regard to employment are in balance with economic opportunities and needs. The role of education has to be positively directed towards creating such conditions. On the other hand when educational policy is unrelated to development needs, and the prevailing social structure makes it possible for massive unemployment among the educated to exist side by side with the highly previleged position of the educated minority who are fortunate enough to secure employment, then inequalities in income distribution are inevitable.

Income and Occupation

Differences in income by occupational categories are closely related to the educational attainments and the size of property incomes that are already included in the incomes of these categories. It is not possible to separate the amount of property incomes from the available data. However, it may be safely assumed that the bulk of the property incomes are concentrated in certain categories of occupations such as commerce and managerial groups and generally in the higher income brackets. In addition to the inclusion of property incomes, regularity of employment, the availability of skills and the extent to which they are engaged in subsidiary occupations would tend to influence the size distribution of incomes by occupation. Within particular categories of incomes there can be large differences in the type of work and responsibility. The managerial, professional and commerce groups are noted for wide dispersions within such categories themselves. A large degree of heterogenity in these categories exists not only due to education and training and inheritance but also due to the extent of risks that they may take in raising the level of their property incomes. The following table gives measures of inequality by various categories of occupations.

TABLE VII

Inequality of income distribution by occupational categories 1963

Occupational category	Share of income received by Top 10%	Bottom 10%	Concentration ratio
Agriculture & Fishing	15.4	2.9	0.43
Labour & Unskilled	15.0	4.9	0.30
Clerical & Allied	15.7	2.1	0.34
Managerial	12.4	1.7	0.50
Professional	18.8	3.8	0.57
Technical	13.9	2.1	0.30
Crafts	14.5	1.7	0.37
Commerce	16.7	1.2	0.52
Services	17.8	2.6	0.38

Source: Ceylon Consumer Finance Survey 1963

The professional, managerial and commerce categories had the highest concentration ratios. The average income of the managerial group in 1963 at Rs 1006 for two months was almost twice that of the commerce group and was two third more than that of the professional group.

It is not possible to assess the degree of the shift in the inequality of the income distribution by occupation because the results of the socio-economic survey for 1969/70 have not been classified so far by size of income and occupational categories. Considering the policies of governments in trying to bring about a higher degree of social equality it cannot be denied that the shift towards a reduction in income inequality would have been substantial. Though it is not possible to examine the structure of incomes of all types of occupations a study of income data in respect of wage earners in government and semi-government institutions may show the existence of such a trend. The distribution of income of central government employees behaves contrary to the general trend in certain years. This is mainly because the distribution of income of fixed income earners may not keep to the all island pattern either in slack years or in prosperous years. In the early sixties there was a definite trend for the reduction of income inequalities, but between 1966 and 1967 there was a reversal of this tendency which was subsequently corrected in 1968. The concentration ratio was 0.29 in 1965 but rose to 0.41 in 1966 and dropped somewhat to 0.36 in 1968. The top 10% of income receivers increased their share to 33% of total income in 1966 compared to 26% in 1965 but in 1968 their share in the total income dropped to 28%.

The share of government income (including public sector corporations) in the total national income and the proportion of government and public sector corporation employess in the total labour force will be the basis for computing the relevant wage parity ratios. To obtain this wage parity ratio, the percentage of employee compensation is divided by the percentage of employees in the labour force. The wage parity ratio will help us to measure the growth of incomes for this category of employees relative to other sectors of the economy. A rise in the wage parity ratio shows that employees are getting better terms and improving their relative position. The data presented in the following table have been obtained from published and unpublished sources. The total employment data in the economy have been obtained from the records of the Employees Provident Fund. Data relating to income

have been obtained from published information released by the Treasury, Department of Census & Statistics and Central Bank of Ceylon.

TABLE VIII
Wage Parity Ratio

Year	Govt. and Public Sector Corporations Wages as % of total Wages	Govt. & Public Sector Corporations Employees as a % of total Employees	Wage Parity Ratio (2)÷ (3)
(1)	(2)	(3)	(4)
1965	11.4	19.6	58.2
1966	12.0	18.8	63.8
1967	12.5	17.9	69.8
1968	13.0	18.7	69.5
1969	14.4	19.8	72.7
1970	14.7	19.9	73.8

There was a slight fall in the wage parity ratio in 1968 perhaps mainly due to the impact of private sector job expansion which was fairly marked in 1968. These figures, however, do not show any structural change in the economy. They do not point to any declining rate of private sector participation in economic expansion, nor do they indicate that government is taking an increasing share in the total national income. In fact the Government share in total national income had declined from 15.5% in 1962 to 14.7% in 1970. Such a decline could be mainly attributable to the growth of public corporations and the consequent reduction in government business activity. When the entire public sector is considered there was certainly an expansion in the share going to this sector.

Unemployment and Income Distribution

Though growth has had the effect of raising living standards it is possible that rising incomes would have accrued to a section of the population that were enterprising enough to derive the benefits of industrialisation and agricultural growth. Productivity increases may have passed on in the form of higher profits and would have acted as a constraint in the expansion of employment opportunities. Planning was more concerned with aggregate growth and employment

creation was considered a by-product of such economic growth. Under these circumstances the shift towards greater equality was more a result of governmental policies than an autonomous movement under free market forces. Events prove that the reduction of income inequalities have taken place despite a rapid and a consistent rise in the rate of unemployment which has caused serious stresses and strains in the development field. It is evident that the distribution of income receivers had moved towards a reduction of income inequality as a result of government policy on social welfare, taxation and fixation of minimum wages and other re-distributive schemes. However, it should be noted that this reduction in inequality was more towards a mean that was low by any standard. In 1969/70 the average income of an income receiver was Rs. 286 compared to Rs. 267 in 1963. This was in money terms and when the price effects are removed from this the real incomes show a decline of nearly 4%. It should also be noted that in 1969/70 nearly 56% of income receivers were in receipt of incomes of less than Rs. 200/- per 2 months and represented a reduction of 3 percentage points from the proportion of income receivers in this same category observed in 1963.

The number of dependents in each household in 1963 was 4.19 while in 1969/70 this has increased to 5.83. Reduction of unemployment from its present level of nearly 14% of the labour force would have made the distribution of income move towards greater equality and perhaps at a higher level of average income. If the unemployed were absorbed into gainful employment at a level of productivity almost equal to the national average, if not more, the rise in incomes in the lowest income brackets would reduce the proportion going to upper income classes. On the other hand if development policies were to aim at the achievement of higher levels of productivity without any expansion of employment this would make the distribution of income more unequal.

The problem of unemployment will become worse as the labour force expands. With growing unemployment there is a tendency to intensify inequalities despite progressive fiscal measures aimed at ameliorating and re-distributing incomes. If

we assume that a new entrant to employment will receive at least Rs 100 a month, then a reduction of unemployment by 10% would reduce the share of top 10% to 26% from its present level of 32%.

No agreement can be reached in recording the numbers actually unemployed. The various estimates of unemployment are shown below.

Table ix
Unemployment Estimates

Source	Total Unemployed Number	As % of work force
1959 I. L. O. Survey	340,000	10.5
1963 Central Bank Survey	457,700	13.8
1964 I. L. O. Survey	450,000	12.5
1969/70 Socio Economic Survey	552,000	14.0

The figures given here are not strictly comparable because the concepts used in the different surveys differed. However the rate of unemployment remains very high and there had been a lack of sensitivity to this growth. Every unemployed individual is not only a social waste but is himself a tragic individual who is highly disillusioned about what he can get, let alone what he can do. It should not be forgotten that the figures include only the open unemployed while there is a large section of the labour force that is under-employed and struggling to exist at low levels of incomes-levels well below what is required to maintain a reasonable standard of living. The fact that the largest proportion of unemployed are in the households with low incomes aggravates this situation as evidenced by the following table.

TABLE X
Percentage Distribution of Unemployed by Income Group

Income Per month	Urban	Rural	Estate
0 - 200	19	35	42
200 - 400	43	34	47
400 - 600	17	21	9
600 - 800	10	7	2
800 - 1000	6	1	-
Over 1000	5	2	-
	100	100	100

The heavy concentration of the unemployed in the income groups of households with low incomes would cause serious social and political problems. The government re-distributive activity without any direct onslaught on unemployment would have only temporary effects. The pressures generated from an increasing labour force and a growing population would result in larger hardships among the lower income groups.

Government Policies

Let us finally look at the effects of the redistributive policies of the government on the distribution of incomes. Budgetary policies must necessarily bring about a redistribution of income through progressive taxes aimed at reducing the income of the tax-payers and transfers designed to raise the real incomes. Since 1948 attempts made to bring about a better distribution of income varied according to the policies pursued. It could be said that it was not until 1956 that statements of policies were clearly set out and if they were actually announced, were taken seriously by the people. Accordingly the tax structure as such remained progressive in keeping with the trend of thinking but efforts made to broaden the base or redistribute the incomes were half hearted. One important factor was that the need for such a measure was not strongly felt by the policy makers nor was it pushed from below. The devaluation of 1947 which was soon followed by the Korean boom resulted in an expansion of export incomes and a further widening of the income inequality as most incomes accrued to the propertied class. Economic conditions at that time favoured growth but required vigorous efforts to stimulate growth with stability and social justice. It was not till the early sixties that a conscious attempt was made to give the necessary emphasis with a new sense of urgency to economic policies designed to promote economic development. Social justice and the welfare problems had been the preoccupation of policy makers throughout and there had been little effort to implement strategies that would have brought about the same social results through economic growth, although with a time lag.

In 1965 the government gave priority for the creation of more employment opportunities but the efforts put in or the results achieved were insignificant compared to the gravity of the

problem. The much needed official committment actually came in 1970. Past governments had postponed attempts at bringing about a fairer income distribution except by indirect measures not only because such policies required complete rethinking of many economic and social measures but also because it would run into serious opposition from sections of the population. There was no doubt that policies were required to bring about a major social transformation as speedily as possible. Ceylon, however, was more pre-occupied in arresting a fall in the living standards than actually raising their levels by direct action. It was a type of "stop go" economic policy that would result in a "tinkering" operation that provided short - term solutions as problems occurred. Such a policy which could not chart a growth path for the economy as a whole would naturally cause bottlenecks and rigidities to grow in certain sectors. In the meantime uncertainties prevailed and growth was adversely affected; in conditions of slow economic growth, the distribution of income would move very slowly towards equality only through indirect policies.

Taxes have their effect on the distribution of income through disposable incomes. During the period 1948-55 the efforts taken to reduce disposable income were directed towards the maintenance of the existing status quo. The Budgetary policies aimed at increasing the national wealth but expected the presence of competitive conditions among the producers, within a period of prosperity following the boom conditions after the Korean War and the existence of relatively low levels of unemployment, to achieve the objective of redistribution indirectly. In the Budget Speech for 1950 it was stated.,

"The State has not the resources to undertake this gigantic task (redistribution of wealth) directly. If we believe in orderly progress, and not in revolutionary chaos, we have to utilise the existing pattern of economy and give every possible encouragement to private initiative to develop our natural wealth in those sectors, which the State finds difficulty in developing immediately".

With a political philosophy converging almost entirely on laissez faire capitalism it is not surprising that no conscious and direct attempts were made to change the pattern of income distribution in favour of the lower income groups. In a country like Ceylon where the competitive system does not work because of the existence of rigidities in every sector of the economy, it is necessary to have direct interference with the economic system to prevent disparities of incomes from widening.

There is no doubt that some of the measures such as increase in direct and indirect taxes had a favourable impact in the reduction of disposable income of upper income classes. Normally taxes - direct and indirect - do not curb private expenditures by the full amount of tax yield mainly because some tax payers prefer to stay on at the same level of expenditure by withdrawing their hoardings or savings. Since the marginal propensity to consume among the lower income groups is high a rise in incomes in this category would even raise the marginal propensity to consume. On the other hand a reduction of income will bring down marginal propensity to consume by a smaller proportion than the rise in the propensity to consume consequent to an increase in income. The total effect would be an increase in marginal propensity to consume for the entire population, for people are generally more reluctant to reduce their established standards of consumption when their incomes fall, than to increase their consumption when their incomes rise.

The classical argument is that unequally distributed incomes would not only give incentives for a higher rate of investments but generate a high degree of savings. Thus a highly unequal distribution of income would favour employment growth in the long run though it may harm such a growth in the short run. It cannot be denied that a redistribution of incomes towards the lower income groups would raise the marginal propensity to consume.

The final effect of redistributive measures would be to reduce the availability of savings with consequent adverse effects on investment. But it should not be forgotten that though such measures tend to restrict investment activity and thereby curtail

expansion of employment they can also create conditions which are conducive to employment. This comes about mainly through an alteration of the pattern of consumption by a reduction of aggregate demand of the richer classes. It is well known that the consumption pattern of the richer classes are highly biased towards imported goods.

Admittedly, the higher income groups waste a large amount of resources through conspicuous consumption, particularly in the form not only of higher imports of goods but also on foreign travel. A reduction of such demand would therefore release a certain amount of foreign exchange to increase the imports of capital and intermediate goods that are needed to expand employment. Though savings are a function of income, they are more habit forming in the rural areas than the object of a conscious policy.

The low income earners are too poor to save while the rich fritter away their savings in the form of higher consumption. Savings data are deplorably unreliable; the available data indicate that the rate of personal savings was below 8% in the fifties. It is likely that some of the savings are held abroad. Under conditions of uncertainty and with a distribution of incomes that is unequal there is a likelihood of savings flowing abroad faster. The adoption of welfare policies for the promotion of equity, therefore, would not have harmful effects on employment. In fact the benefits derived from a higher rate of capital formation as a result of a reduction of aggregate demand for imported goods among the rich and the diversion of demand towards domestically produced goods would accrue to the economy in the form of higher employment, output and income.

In addition to resorting to taxation Governments attempt to redistribute income through welfare schemes and by its trading activities. Income tax affects nearly 100,000 individuals and about 2,500 companies. In 1963 the taxpayers had nearly 20% of the total income; on the average their tax liabilitity was around 10% of their income. The tax structure was highly progressive; those earning Rs. 800-900 for 2 months paid 3.3% of their income as taxes and those earning Rs. 1,600-1,800 for 2

months paid 8.9 per cent, while those earning Rs. 3,000 for 2 months paid 19.3%. The number of tax payers today is around 5% of the income receivers. Using the tax rates for 1969/70 and those of 1963 it is possible to work out the incidence of direct taxation and their effects on redistribution.

TABLE XI
Tax Incidence

Income Group (2 month income)	Spending Units Income tax as % of income 1963	Households Income tax as % of income 1969/70
800—900	3.28	2.18
900—1000	4.24	
1000—1200	6.00	9.37
1200—1400	7.80	
1400—1600	8.46	
1600—1800	8.92	12.32
1800—2000	9.63	
2000—2500	11.22	20.75
2500—3000	12.81	
Over 3000	19.27	
Total	9.91	12.17

The progressivity of tax rates is seen from the above table. Comparison between 1963 and 1969/70 is made difficult because of the grouping of income in the later year. The average tax as a percent of income has risen 23% between 1963 and 1969/70. The tendency towards increased progressivity has been strengthened by the reliefs given to lower income groups. The following table compares incomes after tax of the top 10% of the income receivers for the three survey years.

TABLE XII
Shares taken by Top 10% of Income Receivers

Year	Share of income taken before Tax	Share of income taken after tax
1953	42.5	39.5
1963	39.2	34.1
1969/70	29.0	22.7

This table throws light on the fact that the tax rates have had a significant influence in making the distribution of income more equal. In 1969/70 the share of the top 10% had been reduced by 6 per centage points. This reduction of income, however, is not a final reduction because the government gives back welfare measures and subsidies that benefit all individuals.

Since transfer payments such as consumer subsidies and social service benefits add to real incomes they have a equalising effect. In the case of the poor the amount they receive as subsidies adds to their real income. In the case of the rich the amount of benefits they receive are less than the taxes they pay. The following table summarises the welfare expenditures since 1956.

TABLE XIII
Welfare Expenditures (Current Payments) (Rs Millions)

	1956/57 to 1960/61	1961/62 to 1965/66	1965/66 to 1969/70
1. Transfer Payments (Annual average)	1789.9 (357.9)	3582. 0 (716.4)	4777.4 (955.4)
2. Social Services (Annual average)	1779.8 (355.9)	2338.1 (467.6)	3000.2 (600.0)
3. Total (Annual average)	3569.7 (357.0)	5920.1 (594.2)	7777.6 (1555.5)
4. Total as % of total Government Expenditure	42.00	43.62	49.2
5. Total as % of G.N.P.	13.22	14.36	16.2

It should be noted that some transfer payments such as interest on public debt and direct relief do not enter national income computations, but they are a part of personal incomes. The amount of redistribution through public expenditure on welfare schemes cannot be estimated except in a crude way, mainly because of the absence of family budget data specifically directed towards finding out the incidence of subsidies. In any case any distribution of subsidy effects among income classes will have to be very crude and will have a very low degree of reliability

Governments trading activities attempt to give the consumer. a product at the most reasonable price. In the circumstances all profits made from trading activity would be tantamount to taxes. Similarly any losses would be equivalent to subsidies. Incidence of indirect taxes has to be related to trading activities. Income from trading enterprises almost doubled between 1956 and 1968. Over the same period indirect taxes more than doubled. Indirect taxes are normally regressive. In 1963 the spending units that had an average income of Rs. 330/- for two months paid nearly 34% of income on indirect taxes, while those with an income of Rs. 544 for two months paid nearly 5% of their incomes on indirect taxes. When the subsidy element is netted out these two groups paid 10% and 2½% of their incomes as indirect taxes. But it should not be forgotten that all indirect taxes are not regressive. Duties on petroleum and luxury items are progressive and have wide spread redistributive effects. The Tax Commission of 1966/67 attempted to work out the incidence by income groups. Due to lack of detailed information as released from the results of the socio-economic survey 1969/70 it has not been possible to work out the change in this incidence on income groups.

Summary and Conclusion

Most of the redistribution that has taken place has been largely due to Government policies and very little due to the operation of free market forces wedded to economic growth. The ingredients required for redistribution of income resulting from growth are somewhat lacking. Price distortions exist throughout the economy. In the desire to achieve social welfare in the quickest possible time restrictions of all types had been imposed; such restrictions add to the existing rigidities. The next round of policy formulation though intended to maximise welfare failed to achieve a high rate of growth and even resulted in the adoption of misguided policies. Employment promotion which is so essential for economic growth and income redistribution have been adversely affected.

Industrialisation policies via import substitution became more inward looking than export oriented and caused severe price distortions. The over-valued exchange rate, quantitative

restrictions and various other controls over imports together with low interest rates favoured the introduction of capital intensive industries. The encouragement of such capital intensive industries would obviously place a levy on the expansion of agriculture which is labour intensive. Price distortions tene to creep into agriculture as well. As long as the exchange ratd remains over-valued an added stimulant is given to the imports. If imports are strictly controlled money tends to flow out of the country in one way or another. It is necessary to aim at reducing consumption through tax measures and other policies so that the altered composition of demand would lead to the creation of more productive employment and more equitable distribution of income. In this policy mix the direction of demand has to be towards locally produced labour intensive commodities. If there is a need for the reversal of past policies they should be carried out with speed and with a purpose. Both the Green revolution and attempts at industrialisation have not had the desired effects on employment and on distribution of income. Over-straining of the economy to subsidise industries will have to end and employment oriented programmes with output targets have to be implemented.

It is well known that the employment potential in rural modernisation is larger than in the development of urban industries. Labour has to be given incentives for the promotion of agriculture. In this respect agrarian reforms involving land redistribution are desirable. Experience from other countries like India, Japan, Iraq and Taiwan indicate that soon after agrarian reforms are introduced productivity tends to drop but subsequently it rises at a very fast rate as the cultivators have higher incentives to raise productivity than they had in the past. Employment creation and the raising of output and incomes have to be pursued with vigour and determination along with other fiscal policies to reduce both unemployment and inequalities in the distribution of income. A direct outcome of the change in income distribution in favour of the lower income classes is a reduction of pressure on foreign exchange and an increase in demand for domestically produced goods. The release of foreign exchange for the importation of capital and intermediate goods and shift of demand for local consumption goods would create more productive employment. Since the poorer classes spend more on agricultural goods this sector would get an added boost and it being a labour intensive sector would generate more employment. With the problem of employment so grave and getting more critical every day a shift towards greater equality would not only create the psychological climate required for growth, it will also enable government to implement other progressive policies with the least amount of opposition from vested interests.

THE MARGA INSTITUTE

Readers of Marga will recall that in the first issue of the Journal we expressed our intention to organise a Centre for development studies. We have been able to achieve this objective and have established the Marga Institute - the Sri Lanka Centre for Development Studies. The Institute commenced work in April 1972 and has its office at 75, Ward Place, Colombo 7.

Organization

The Institute is incorporated as a non-profit organization under the Companies Act and has been granted the status of an approved charity. It has a Governing Council of 5 members and a Board of Management of 10. The Governing Council will be responsible for the overall management and policy of the Institute and the receipt and allocation of funds. The Board of management will be responsible for the detailed formulation of the Institute's programme of work and its implementation after approval by the Governing Council. The Governing Council will contain two members from the Board of Management to ensure close co-ordination between the two bodies. The list of the personnel on the Governing Council and the Board of Management is given at the end of this note.

These two bodies consist of persons who came together to work in collaboration for the establishment of the Institute, being convinced of the need for such an Institute in Ceylon. They are drawn from different disciplines. The composition of the Council and the Board of Management is expected to provide the multi-disciplinary approach that is necessary for the studies and activities which the Institute will undertake. Those who have collaborated to organise the Institute do not pretend to an identity of outlook but all of them share a common concern with the problems of Ceylon's social and economic development and the modernisation of her society.

Most of them have personal histories of active involvement in these problems. They are also persuaded that the intellectual integrity with which problems are analysed and interpreted will provide a common ground for the meeting of minds which may acknowledge different ideological approaches. Therefore Marga Institute will function in a manner that will enable it to achieve what the Journal set out as one of its objectives in its first issue - it will seek to establish itself as a centre of activity which will promote conditions for the growth of a more active intellectual community in Ceylon. But the spread of the Institute's activities and the participation it will seek from different groups in society will be deliberately aimed at preventing the growth of an isolated, intellectually superior elite, preoccupied with problems at a level of sophistication irrelevant to our conditions. The Institute's method of work will include a conscious effort at bridging the gaps in communication between decision - making groups and the rest of society.

Objectives

The Institute will

— Undertake the study and analysis of development problems in Ceylon in selected fields which have high priority for the social and economic development of the country;

— through the studies undertaken, fill existing gaps in information and knowledge relating to our development problems;

— seek to identify solutions and positive courses of action relating to such problems and make available the results of studies to the policy-makers and decision-makers in government and private sectors;

— disseminate the results of its studies for the purpose of deepening the awareness and understanding of development problems among the people,

— activate larger sections of the people, and in particular the intelligentsia, to participate in the objective and non-partisan analysis of and inquiry into our development problems and thereby actively influence the setting of goals for our society and the direction in which it is moving.

Scope and method of work

(i) In selecting the range of problems for its studies, the Institute will attempt on the one hand to undertake studies which inquire into the problems as they emerge "from below" i,e. the village level, the impoverished and low-income layers in our society; on the other, it will select problems which concern the decision making centres and have an application at a national or 'macro' level. By the range of its studies, the Institute will seek to be in contact with both the non-modern and modern elements in our society and examine the causes for stagnation and change at the most critical points. By these means it will attempt to make the optimum social impact.

(ii) The Institute's approach to the study of problems will be multidisciplinary. In any given study the Institute will bring together all the important disciplines involved-economics, sociology, management, engineering, the applied sciences in the different fields, the relevant technology,-and attempt to examine and understand the development problem in its totality. Apart from the substantive work it does in the analysis of development problems, it also expects to contribute to the methodology of development studies.

(iii) The Institute hopes to achieve its objectives of deepening the awarencess of development problems among the people by

(a) A systematic programme of publications and translations,

(b) organizing discussions and seminars in urban centres on the one hand and at the rural level on the other. These will be organized around the studies and publications of the Institute which have an immediate relevance to the different sectors of the population. The discussion at the local level will be organized in collaboration with other agencies working at that level (e.g, Sarvodaya, Divisional Development Councils, Rural Development Societies, Co-operative Societies,) and will be designed as an "adult education" programme with new dimensions.

(iv) The Institute hopes to make contact with the decision-makers at the national level by

(a) Submitting its studies and recommendations to the decision-making authorities.

(b) organizing public discussions based on the Institute's studies through seminars and workshops to which representatives of the decision-making agencies will be invited.

(v) The Institute also hopes to undertake implementation of development projects which have the character of model, or pilot or demonstration projects which offer solutions or new approaches to specific development problems. In doing so it will collaborate with other agencies interested and engaged in similar work.

(vi) The Institute will establish contact with local Institutes and Institutes abroad which are similarly engaged in development studies, and will undertake work in collaboration with such Institutes. It will foster interchange of relevant experience with Institutes in other developing countries and contribute to the comparative study of common problems in the Asian and other developing regions.

Institute's Programme of Work

Initially the Institute has undertaken a number of studies for several United Nations agencies. While these studies deal with development problems of the country, they are not studies selected by the Institute itself. For that reason they may not all rank among the studies which have highest priority. However at its commencement a programme of work of this nature helps the Institute to establish itself. Further, all the programmes undertaken offer scope for the Institute to select certain aspects in them which are of immediate relevance and which could be studied independently and in further depth by the Institute. The current work of the Institute includes:

— a study of development planning, policies and approaches to development problems in Sri Lanka in the last twenty five years. This work is being done for a U.N. R.I.S.D. Project on "A Unified approach to Development analysis and planning",

— a study on agricultural and demographic changes in Sri Lanka and their interaction, undertaken for ECAFE

— A study on the typology of the needs of children and adolescents in the context of social and economic changes in Sri Lanka, undertaken as a part of a UNICEF Project.

— A study on the benefits and costs of the transfer of technology in Sri Lanka. This is part of a comparative study undertaken by UNCTAD.

In each of these studies the Institute will identify various aspects which are of immediate relevance to the problems which agitate our society, whether they be youth unrest, rural unemployment, the relative weight we give to welfare and growth in our development policies or the priorities in the choice of technology as it affects our technological growth, our problems of unemployment and our balance of payments.

In addition to these studies which at present fully occupy the small staff working in the Institute, the Institute has formulated its own programme of work on which it is seeking foreign assistance to finance part of the costs. This programme consists of 3 projects.

(a) A comparative study of work motivation in the public and private sector in Ceylon.

(b) A survey of unemployment among rural youth with special emphasis on self-employment.

(c) A programme of systematic translations which would offer the Swabasha educated a selected range of general reading in economics, popular science, social thought, contemporary political writing and so on, thereby giving them access to the world of modern knowledge and promoting objective critical inquiry into our own problems.

These three projects were chosen as they give an entry into some elements in the critical problems facing our society today—

— The problem of the management of the public sector, employer-employee relations in public and private sectors and the conditions which promote or inhibit productivity;

— the difficulty of matching job expectations with job opportunities particularly in the rural sector and the problems of self employment such as lack of enterprise, capital, credit, know- how.

— The lack of reading material to satisfy a literate reading public and broaden their concepts and modernize their ways of thinking; the consequent danger that in the absence of such a stock of literature simplified ideas and doctrines will establish their hold on the thinking and attitudes of the emerging intelligentsia.

The Freidrich Naumann Stiftung has already expressed interest in these three projects and the Institute expects that it would be able to obtain assistance from this Foundation to meet a substantial portion of the costs involved in carrying out this programme of work.

The Institute has also had negotiations with the International Development Research Centre Canada to obtain assistance on a long term project on the "Modernisation of Peasant Communities". This has been conceived as a multidisciplinary study which will keep under close observation the process of change in five selected peasant communities. The study is phased over a sufficiently long period so as to provide the empirical data needed for a clearer definition and deeper understanding of the problems of modernisation faced by developing countries. The scope of the project includes technological, demographic, socio-economic, institutional and managerial aspects of change. The project will require a multidisciplinary team which will include an agricultural scientist, a sociologist, an economist, (preferably an agricultural economist) a demographer, an engineer with irrigation background and an experienced administratior. The Institute expects to begin work on this project in 1973.

There have also been several other proposals for collaboration with foreign Institutes and Universities in the study of Ceylon's development problems. During the four months of the Institute's existence it has had striking evidence of the serious and deep interest of scolars and researchers in all parts of the world in assisting and collaborating in any organised effort by local scholars and and researchers to understand and study the development problems of our society. While the Institute will provide for an open interchange of experience between foreign scholars, institutes abroad and the local researchers, its principal emphasis will of course be on activities in which the key participants will be local

personnel who seek to enlarge and deepen the understanding of the problems specific to Sri Lanka.

The Institute will not confine its activities to the projects that have been enumerated. Concurrently, it will undertake short term studies which are more pragmatic in character and could have a speedy practical outcome. These could flow from the large projects that have been enumerated or be independent of them.

In collaboration with the Association of Directors, the Institute has already planned to make a few case studies of export enterprises which would throw light on the entrepreneurial, institutional and other factors leading to the success and failure of export promotion efforts.

Finance and Personnel

(i) The Institute has been started by a few persons who have long felt the need for the activities planned for the Institute. The sponsors of the Institute and a few well wishers have been able to contribute an initial capital of about Rs. 15,000 to meet the preliminary expenses in setting up the Institute. The Institute would have to depend for its finances on three main sources.-

(a) Income earned on work done for local organizations both government and non-government, and for international agencies.

(b) Foreign assistance for projects undertaken by the Institute.

(c) Subscriptions and donations from members, associate members, and well-wishers of the Institute.

While the Institute will have to rely to a considerable extent on income from sources (a) and (b), it needs to build up its own

resources and create, if possible, a fund which would be a permanent source of finance for a part of the Institute's Budget. The balance would be then financed from specific projects. A situation where the Institute has to exist entirely from project to project would be unsatisfactory, as it would not enable the Institute to develop its own staff on a permanent basis capable of undertaking its own programme of work. If a permanent source of finance becomes available, the Institute would be able to maintain the 'core' Staff, - a small multi - disciplinary team of senior professionals - on a permanent basis, and around it expand the staff on an assignment basis depending on the projects undertaken.

(ii) At the initial stages the Institute would have to depend on the part time services of various specialists, and a few assistants who will be recruited on a permanent basis. The Institute will draw on part-time services from the various sectors and have panels of consultants for this purpose. While this would continue as a permanent feature, the Institute would have to recruit a number of senior professionals who will be the permanent core staff of the Institute. The core staff will be recruited so as to create the small multidisciplinary team referred to in (i) above, and thereby provide the base for the Institute's approach to its development studies.

During the next three years the income earned by the Institute on the projects already undertaken for U.N.Agencies together with the assistance it will receive for carrying out three of its own projects will provide adequate finances to run the Institute on a modest scale. In a limited way the translation programme will help to generate a continuing source of finance. In obtaining assistance for its programme or in undertaking work for other Agencies the Institute will be guided strictly by its concern to maintain its own independence and objectivity in any work that it does. The Institute will not be inhibited by any current prejudices in seeking assistance with government approval from disinterested sources abroad in order to undertake its work within the framework of its objectives; but in doing so it will not rely on any single source of finance however disinterested the source may be.

In other societies independent institutions of this nature have found ready support from both individuals and private organisations and firms. Trust funds and Foundations can create the necessary climate for groups of people to engage in objective inquiry and analysis of their society's problems without pressures from either vested interests or political groups that tend to impair the objectivity and quality of such work. Marga Institute hopes that one source of finance might be a Trust Fund that could be created in such a manner that would ensure the independence of the Institute. Meanwhile the Institute expects to enrol a selected number of individuals, firms and organisations in the public and private sectors as associate members of the Institute on an annual subscription. Associate membership will entitle these organisations and persons to the publications of the Institute and certain specified services. In time when the Institute has established its usefulness, it also hopes that it would be able to obtain some measure of financial support from Government as well.

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