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A BACKGROUND TO THE MAHAWELI DEVELOPMENT
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Interpreting the Politics of Settlement Policy:
a background to the Mahaweli development scheme

David Dunham

One of the most daring development efforts of contemporary Sri Lanka has been the attempt on the part of the government of the United National Party (the UNP) to settle a significant part of the Mahaweli river basin with several hundred thousand peasant families on irrigated land within the legal course of its parliamentary life - within a spell of five years. The same programme was also designed, and in turn presented as a major thrust of the government's search for a satisfactory solution to the recurrent energy rationing and energy crisis that has seriously hit the country's few "large" urban centres (especially Colombo), and plagued the life of "the urban elite" in last few years.

Such was the enormity of the programme by any standards that it was inevitable that it should have generated a political debate. In the National State Assembly there were heated exchanges in which both the initial plan and the subsequent (1977) accelerated programme were strongly criticised. The Mahaweli development programme was to prove an issue in Sri Lankan politics; it was introduced to the House on the eve of a general election (in 1970), and such was the discontent of the opposition that they walked out of the chamber in protest at the moment of voting.¹

The programme itself and the way it was implemented had widespread political ramifications, from the terms and conditions of the World Bank loan and the timing of the Bill to contracting arrangements, the selection of farmers' leaders and the management of the settlement schemes after implementation. And yet, looking back, the question remained as to what were the basic issues - how should one interpret the overall pattern of which these might or might not be significant parts?

The political stand adopted by particular observers naturally had much to do with the views that they voiced. Some people were taken aback by the sheer size and audacity of such a venture, and by the political initiative this gave to the UNP. Many viewed the project in positive terms. But the estimated total cost of the Mahaweli development programme was Rs 6,700 million at 1970 prices; the programme was less than convincing on technical criteria, and the total cost of the far more limited accelerated programme is several times higher in real terms today.² The force with which the government projected its efforts in the national media was also of extraordinary proportions, and by the end of the 1970s many observers were beginning to think it could be a serious case of "overkill" and that the UNP was putting at stake its political future.

Others were not so sure that the programme could "fail" in political terms (let alone rebound), and were far from convinced that economic "success" or "failure" was the crux of the matter. They saw behind the government's plan a more sinister threat - a (part conscious, part unwitting) push through various lines of its economic and political strategy to consolidate the

ascendency of Sinhalese-Buddhist groups. From the roots of the UNP in the Ceylon National Congress and the Sinhala Maha Sabha, the protection of existing patterns of ownership, disenfranchising Tamil labour of Indian origin, the push for Sinhalese as official language, and many other government decisions were all perceived as part of a consistent approach buttressing and extending the interests of Sinhalese-Buddhists as voiced in the UNP, the Cabinet and by its leading figures. The previous government had taken control of the crucial export sector (dominated as it had been by foreign companies and Tamil labour), and the UNP was using the foreign exchange acquired from it to finance projects mainly favouring Sinhalese groups. Land settlement was in this view very largely a political manoeuvre; it involved a penetration by Sinhalese-Buddhists of what were traditionally Tamil and Muslim areas, driving a wedge between the Tamil-speaking peoples of the east and the north, and creating a "well-to-do" Sinhalese peasant class in the settlement areas which (in exchange for a favoured, if highly dependent economic position) would become loyal government supporters and the outer nodes of the party machine.³

Still others flatly denied that communal divisions were a central issue. For many of these people policy was formulated by, and largely reinforced the interests of an English-speaking, western-looking Colombo "elite" that included not only Sinhalese-Buddhists, but Sri Lankan Tamils, Muslims and Burghers as well. The leadership of this group was establishment-oriented and it was essentially conservative in its attitudes, cut off from the underprivileged majority of Sri Lankans who they treated in an authoritarian and paternalistic fashion. The "open economy" strategy and Mahaweli

development were to be seen in terms of the links the "elite" were forging with foreign groups, of the opportunities offered by Mahaweli construction and urban investment, of urban food costs and the seasonally limited supply of electric power.

A body of evidence could be arraigned for each of these positions; each group could marshal enough arguments to seem at least plausible, but in as far as they rested in the end on a political stance and on value judgements they were not easily disproved. "Populist" views of this kind are methodologically questionable for that very reason, and a far broader analysis is necessary for any firmer assessment of what was occurring. What was at stake in this was not only "the facts" of the situation, but the interpretation to be given them and the kinds of conclusions derived from one view or another.

Any discussion of the politics of land settlement policy in Sri Lanka (or indeed anywhere else) has to locate it in its historical context, in the light of the changing configuration of social forces within the nation, and of strategies adopted in response to social needs and to social pressures. More specifically, it will be argued that it has to provide answers to at least two basic questions:

- What was the nature of the government that was formulating policy, and what were the interests it represented?
- and what social forces and alliances were being generated with respect to land, and why was it that the State responded to them in the way that it did?

Only a first, rather tentative response can be given to these points in the course of this paper. However, it is to be hoped that it will be sufficient to make it

clear that the Mahaweli development programme has to be seen as the most recent phase in a comparatively long and rich historical experience with land settlement projects (stretching back to the middle of the nineteenth century) and in the context of a very much wider political setting.

The Ruling Class

In examining the composition and interests of those making government policy in Sri Lanka it is necessary to take account of the colonial as well as the post-colonial era. By the second half of the nineteenth century the apex of the colony's power structure was occupied by colonial officials and by the British planting community. The former were preoccupied with the colony's revenues, and with the peaceful development of an export-oriented plantation economy dominated by the latter. Under them was an embryonic Sri Lankan bourgeoisie vying amongst itself for a share of whatever opportunities were left for the taking.

This small and divided Sri Lankan group had acquired its wealth from the possession of land, internal trade and the provision of services, or from its position in colonial administration in the broadest sense of the term. For the purposes of this discussion of Sri Lankan settlement policy, two broad factions can be identified, though the island's social structure was in reality far more complex. First, there was what could be termed "a rural aristocracy" and "local gentry" (comprising not only the quasi-feudal radala aristocracy, but also a range of functionaries - such as Mudaliyars, Ratemahatmayas and other headmen - who had either been incorporated into the colonial system, or

whose land and position was very largely a colonial creation). Secondly, there was an increasingly powerful group of entrepreneurs who had acquired their wealth as contractors, arrack and toddy renters, as mine owners or merchants and who, having accumulated substantial amounts of capital, were re-investing in cash-crop plantations and urban land.

Some members of these groups had entered the professions - the Tamil leaders in particular - and also, at a somewhat later stage, the import-export trade and the agency houses. All were subordinate to British rule (the Legislative Council had a majority of colonial officials and nominated members until 1923, after which the Governor retained veto rights), but they were also a class apart from the rest of Sri Lankan society. English-speaking, they adopted a distinctive, strongly westernised way of life, while at the same time continuing to strengthen their families' position through intermarriage, their use of patronage and of a network of vertically-structured tenancy and other ties (based on local influence, caste or religious affiliations or the ownership, sharecropping or renting of land). The latter was to prove an essential part of indigenous capital accumulation in the colonial economy.

Prior to 1930 the electorate of the Legislative Council was confined to this very limited community, and those from their midst who were eventually elected were not really to be influenced by popular demands. There was mounting competition between the communal factions over the question of their relative representation (whereas Tamil and Sinhalese had pressed together for constitutional reform before 1920) and concern with their own economic and political position.

With the wider Donoughmore Constitution of 1931 universal suffrage was introduced, and Sri Lankans acquired a considerable degree of internal self-management. Even so, anyone "unable to speak, read and write the English language" was in effect barred from the (new State) Council, and leadership of the main political groupings (including the left) was to come from the same emergent bourgeois and professional classes.⁴ There was considerable continuity from the previous period. It was basically the same group of politicians who were returned to the Council, though they had to "re-tailor" their appeal to a wider electorate.

Party structures were very largely irrelevant in such a setting (except with the left) because politicians often presented themselves in electoral districts where their own families were the owners of large estates or else a rural gentry or aristocracy, a part of the colony's rural administration with support from the British. The Lanka Sama Samaja Party (the LSSP) founded in 1935 - Trotskyist with, until the early 1940s, a Stalinist wing - was the one exception to this with the emphasis it placed on organisation, mobilising plantation and urban workers. The reliance of the others on local influence continued after independence in 1948, though by then a party system had taken shape to contest the general election of the previous year.

The major parties - the UNP and the SLFP (the Sri Lanka Freedom Party, formed in 1951 when S.W.R.D. Bandaranaike broke away from D.S. Senanayake's UNP formed six years earlier) - have both tended to work through networks of patron-client relations of local notables, family ties and the reward of a key number of

party supporters, using the state apparatus when in power to shore up their position. The UNP has followed a conservative line; it has been an organ of the country's principal landed interests, financed and supported by increasingly powerful commercial groups in the large urban centres. The SLFP has tended to be more socialist in orientation (though with factions ranging from Maoist leanings to some close to those of the UNP under its one umbrella). Ostensibly it catered to a wider rural base, the importance of appeasing which had become apparent with the insurrection of 1971. From 1970-75 it formed a United Front with the LSSP and the Communist Party which provided it for a while with a much-needed ideological position. Be that as it may, by the middle of the decade it was becoming increasingly clear that the benefits of its policies were tending to reach "well-to-do" peasants and party supporters and were not "trickling down" to the majority of poorer peasants and estate workers.⁵

In short, the nature of the government that was formulating land policy could be summarised as follows. In the nineteenth and early twentieth centuries policy was in the hands of a colonial government promoting the development of plantation agriculture and strongly influenced by representatives of the European planting community and agency houses. With constitutional reforms the Sri Lankan members of the Council became more influential, and from 1931 policy formulation in many key areas (including agriculture and colonisation) was placed in the hands of Sri Lankan ministers representing the country's landed and wealth groups.

After independence this pattern was continued in the leadership of the two main parties. The UNP pro-

moted these interests, while the SLFP comprised factions from such a range of the political spectrum that - for all the appearances formed in the United Front - it was ideologically diffuse. It did not present a sustained alternative to the rule of established power groups. An essential feature in the analysis of Sri Lankan settlement policy is therefore the important fact that these wealthy groups were controlling it, and that it had to be compatible with their overall interests.

Alliances and the Pressures on Policy-Making

An adequate interpretation of Sri Lankan land policy also requires an appreciation of the structures and pressures that were influencing policy-making, and that were built into the operation of the colonial and the post-colonial economy. In doing so, it is useful to distinguish four main phases:

- (a) the colonial period prior to 1914;
- (b) the 1920s and concern for the peasantry;
- (c) the 1930s; and
- (d) settlement policy after independence.

It is difficult to capture in brief the processes and structures at work within such broad time periods. Nevertheless, an attempt will be made to draw out some of the consequences of two kinds of problems.

- Firstly, there were structural problems inherent in a narrow and limited pattern of economic growth dominated by an export-oriented plantation sector. Landlessness and unemployment, an insufficient rate of growth in other sectors and a high degree of dependency on external markets for subsistence needs were a continual and mounting problem for both colonial and for post-colonial governments.

- Secondly, there was also a political problem. While the colonial state could often afford to ignore the needs of the vast majority of the population, this was no longer so once the political representation of Sri Lankan Council members became increasingly based on popular support. With constitutional reforms, universal franchise and then independence, elected members (and indeed the state as a whole) had to face and in turn to contain the social pressures that were generated by this particular pattern of growth.

Governments ensured that the interests of the ruling class were not seriously damaged, but they had to come to terms with these problems in policy-making. The granting and control of land was a part of their solution, and settlement policy must be seen within this setting.

(a) The colonial period prior to 1914

According to one author, the colonial government by the second half of the nineteenth century acted largely as "an appendage" of the planting community.⁶ "Waste" land (to which villagers often claimed to have traditional rights) was expropriated under the Crown Lands Encroachment Ordinance of 1840, and much of it sold to European and, somewhat later, Sri Lankan investors. There were pressures on the government to open up plantation areas with road and rail, and these expenditures had to be met from revenues derived to a large extent from import duties, the sale of land, and from various taxes that were levied on the peasantry.

However, by this time the structural imbalances being built into the economy were beginning to be felt. Firstly, there was a growing problem of access to staple foods due to increased demand and the vulner-

ability of the colonial economy, and to increasing pauperisation amongst the peasants. The planters looked to an Indian labour force (almost 70,000 migrants entering the country each year in the 1860s), and the demand for staples from estates saw a sharp increase. The total consumption of rice in Sri Lanka was estimated to be growing at 4% p.a. and, in the absence of technological change and easy access to land, over 60% of rice supplies had to be imported.⁷ By the end of the period this proportion was still the same.

At the same time, colonial officials were becoming increasingly aware that heavy dependence on the import of the principal staple meant that the economy as a whole was vulnerable. The main source of foreign rice was India, and it was unreliable because India also suffered from periodic scarcities. When these coincided with a period of bad harvests and shortages in Sri Lanka, prices rose sharply; most people could not afford to buy the rice that there was for sale, and the government was faced with vehement protests from the planting community (whose labour cost soared) and with rioting in towns.

It was also confronted more generally with a barrage of criticism (already strong by the end of the century) of British plantations "plundering" village land, and with protests against the overall thrust of an economic strategy in which food production and peasant farming were but minor concerns. With an iniquitous and highly discriminatory grain tax, the collapse of coffee and the depression years from the 1870s and 1880s there were often forced sales of village plots and compulsory evictions. Much of this land was bought up by headmen, agrarian entrepreneurs and specu-

lators who were opening up an increasing gap between themselves and the growing body of landless workers and tenant-farmers. In the wake of the Reform Acts in Britain, the changing political climate began to increase the sensitivity of many officials to chronic poverty, destitution and even starvation, and the administration was politically alert to the potential dangers of policies that squeezed too much from the Sri Lankan peasant.

There were, as a result of these various pressures, attempts to alleviate problems of rice production, and a series of governors (Henry Ward, William Gregory, Arthur Gordon and Arthur Havelock) looked to the improvement of village irrigation systems. Between 1855 and 1904 some 779 village tanks were restored and 45 larger ones, though the cost was less than 2% of total government expenditure.⁸ Any vote for investments favouring the peasantry had to be carried in the face of representatives of the planting community. Estate workers subsisted on, and had "a notorious preference" for Indian rice. But more importantly, improved access roads to deliver grain meant not only cheaper food and lower labour costs, it reduced the cost of evacuating coffee and later tea. The construction of the Colombo-Kandy railway in 1867, for example, was said to have cut the transport costs of the estates by as much as 60-70%;⁹ such investments were for them far more rewarding than any that aimed at increasing peasant production, and in their view rice for plantations warranted priority if supplies were reduced.

A concerted programme of peasant settlement was never to emerge in such a context. Initiative in

acquiring Crown lands lay with individuals, and the government, having to work within a limited budget and influenced both in London and Sri Lanka by planting interests, was preoccupied with the monetary returns on any investment and the principle that alienated land would have to be bought. What is more, the land that it did make available (however little) on settlement projects in the sparsely populated Dry Zone area was not taken up by the village poor. This was partly because malaria was hyperendemic; peasants shied away from the costs and the prospect of paying taxes (commuted grain tax until the 1890s and water rates), and those who eventually bought the land were headmen or speculators who then rented it out on ande (a form of sharecropping) to peasants from other areas.¹⁰

The basic imbalances being built into the export economy were to prove a continuing, and a mounting problem in subsequent periods, but prior to 1914 they were not seriously tackled. There was an awareness within the colonial administration that certain problems existed with peasant production and that, generally speaking, they tended to be neglected. However, economic and political priorities lay with plantation interests. The needs of the peasantry were essentially a secondary issue and no coherent policy was to emerge regarding the alienation of lands to villagers or irrigation investments to increase yields. Projects were taken up on an ad hoc basis, allocations were low, and decisions hinged on the short-term monetary returns in relation to costs.

(b) The 1920s and concern for the peasantry

In the 1920s "the preservation of the peasantry" and "the allocation of land for peasant production" became for the first time a focus of government policy. Structural imbalance in the colonial economy was particularly apparent, attitudes to the peasantry were undergoing change in the administration, and the balance of political power within the country was beginning to shift in the wake of constitutional reform. However, underlying the concern for these issues on the Sri Lankan side there was another fundamental factor at work - a struggle amongst wealthier groups in the rural areas to acquire lands earlier appropriated by the colonial government.

Turning first to the structural imbalance in the colonial economy, this was brought to a head by crisis conditions when imports were hampered in the course of the 1914-18 war. In the post-war years the country's import purchasing power was sharply reduced by a slump in the export sector, and there was a constant threat of high Indian export duties being placed on rice in an effort to better its own food situation. Confronted with this, the colonial government had for the first time to consider seriously ways of increasing domestic supplies of rice. Its initial reaction was to turn to "the modern sector", to the planting community (employing Tamil or Sinhalese labour on rice estates) and, as paddy secured phenomenal prices, to companies (such as the Ceylon Mills Co. and the Minneriya Development Co.) that were formed amidst "breathless activity" by entrepreneurs.¹¹ Efforts were also made by voluntary bodies, but none had both the capital and the necessary experience to make rice production pay on any large

scale. Furthermore, the interests of these investors was very short-lived and declined when the crisis was over and prices fell. If the government wanted an increase in paddy production, then it had in practice to look to peasant producers.

At the same time there was also a growing shortage of land in the Wet Zone of the country. By the 1920s there were not only tea plantations in the Up-Country areas, rubber and coconuts had spread in the lower elevations. Many peasants had sold their land to speculators in the rubber boom, landlessness was increasingly apparent, and villages were often "hemmed in" with little room for expansion. In this situation Sri Lankan political leaders saw advantages to be gained from a public airing of grievances, and they bemoaned "the deep wrongs done to a trusting people".¹²

Sri Lankan members of the Legislative Council were more belligerent after the crude handling of the anti-Muslim riots by the British in 1915. They denounced the presence of European estates depriving villagers of land, they stressed the need for self-sufficiency in rice production, and the need for peasants to be given land was taken up as an important theme in their struggle against British control. Even so, they were not interested in the redistribution of land per se so much as the allocation of Crown Lands to Sri Lankan peasants and "the Ceylonisation" of British-owned plantations. Many of these people were themselves from landowning families, their estates had eaten into paddy and chena lands, and they had a personal interest in deflecting any discontent towards the British. Their strategy implied access to British wealth and political power, while at the same time containing unrest and building

support in the rural areas. It was essentially one of consolidating their class position.

A third factor at work was in the administration. The colonial government was reacting under pressure, but there was also a changing attitude amongst colonial officials and a greater sensitivity to social conditions influenced by political thinking in Britain in the post-war era and by the welfare policies of the Campbell Bannerman and Asquith governments.¹³ There was a growing body of information from official sources regarding the situation in rural areas. A series of reports, official diaries and publications attested to the indebtedness, landlessness and the chronic poverty that were prevalent amongst Sri Lankan villagers, while the Food Supply Committee of 1920 recommended that the (crucially placed) Irrigation Department "should not in future be regarded so much as a revenue-earning Department...as a spending Department".¹⁴ A shift was taking place in government thinking as a result of which it was also more responsive to social pressures.

These developments set the stage for a reassessment of settlement policy and the way it was implemented. Several points were by this time already clear. The government's principal interest (for all its social concern) was increasing the marketable surplus of rice through peasant production, and this harboured at least three implications. Firstly, given the limited technology available in the 1920s, raising the physical output of peasant producers depended almost entirely on their access to land. The latter was to come not from the plantations, but from "surplus" land under government control (the so-called Crown Lands). Secondly, the concern being not only with production but with a

marketable surplus, it was looking to create a kind of yeomanry, a "prosperous, self-supporting multitude of peasant proprietors", and these were very different from the majority of peasants in a Sri Lankan village.¹⁵ Thirdly, since the government could only hope to direct this process if it had controls, it was clear that conditions were likely to be placed on the allocation of land. Paddy would have to be grown wherever possible, Government Agents having the power to evict a peasant whose land was uncultivated or considered misused. Land was not to be mortgaged or put up for sale, and there were to be strict rules of inheritance to prevent fragmentation.

On the Sri Lankan side the Council members wanted to minimise government control. They were concerned that "the right to acquire Crown Land...be restricted to the indigenous population". But at the same time government conditions were not to constrain potential support at local level through speculative ventures or alliances with local notables. In what was to prove at times an acrimonious debate, the government was forced to accept the principle that Crown Land was held "on behalf of the people", abandoning its earlier position that what was needed was a shift in the balance of priorities between plantations and peasants rather more to the latter. For reasons on both the government and on the Sri Lankan side success was to lie in creating a kulak class, dependent on and loyal to those in power, and acting as an effective buffer between the ruling class and potential discontent that might emerge from below.

The outcome of this struggle was reflected in the reports and proceedings of the Land Commission of

1927-29 which were to provide the basis for subsequent settlement policy. The Commission succeeded by focusing attention on technical requirements surrounding the allocation of land. Attributing many of the earlier defects in settlement policy to "the lack of an adequate machinery of land administration", it established the notion that "the preservation of the peasantry" should govern land policy (the growth of a large landless class being "most prejudicial") and that Crown Land be allocated and settled with government assistance.¹⁶ Land was to be "mapped out" in a system of land use allocation with priority given to the needs of village expansion, and while villagers (not simply peasants) would be given security of tenure there would be "a certain sacrifice" through rules limiting the transfer of land and the use to which it was put.¹⁷

The class interests and compromises behind this policy were to be revealed in at least two ways. Firstly, the Report did not suggest that land allocations should be confined to the village poor. On the contrary, it recommended that larger than normal plots should be made available to "middle class" Sri Lankans "providing employment for peasants, but also ...securing residence amongst the peasants of men of culture and position".¹⁸ Secondly, when it came to the allocation of land outside the village, the landless (admittedly a proportionally smaller category than for example in India) were to be quite explicitly excluded. The Final Report was to state very firmly that:¹⁹

"any attempt to establish this class wholesale upon the land is in our opinion doomed to failure and does not fall within the legitimate scope of colonisation...It is from the class of small landowners that we should mainly draw".

The basic model that they were trying to establish was an induced form of capitalism: entrepreneurs from the wealthier groups were to be encouraged to take up the production of paddy on a commercial basis, using the labour of the village landless to serve their purposes. Thus, while ostensibly concerned with the needs of the peasantry, the Commission's report was in practice little more than a thinly veiled appeal on the part of landowning and entrepreneurial groups for access to those Crown Lands which the government controlled. This strategy satisfied the government's concern with rice production, while at the same time being cast in a way that seemed to meet social needs and to be able to gain support within the country at large.

(c) The 1930s

The world depression of the 1930s exposed even more forcibly than earlier periods the contradictions built into the pattern of growth, and it did so at a time when the country's political environment was in the process of change. Firstly, the Donoughmore constitution of 1931 heralded in a system of universal adult suffrage and, secondly (in the face of increasing unemployment and widespread poverty), there was growing influence and activity of left-wing groups. Under these pressures leaders of the new State Council (and indeed the government as a whole) turned to the "opening up" and colonisation of drier parts of the country as a means of relieving the congestion and social problems in Wet Zone areas without disturbing its ownership patterns and tenurage structures or affecting the powers and the prerogatives of landlords who were giving them support. As this policy began to take

shape a struggle developed between factions within the Council over whose supporters were to benefit from the granting of land, and nationalistic and communal cleavages were to become rallying points that could be used to blur and defuse the class issues involved.

The depression exacerbated poverty and suffering in all parts of Sri Lanka. With the slump in the export industries wages were lowered (in 1931 and again in 1933) and people thrown out of work, the number employed in rubber (and worst hit) being reduced by half.²⁰ Unemployment increased throughout the country, and when Sri Lankans looked to the Wet Zone villages for subsistence they were faced with concentrated ownership of land and exploitative tenurage systems that had remained untouched. While debates on settlement and the needs of the peasants resounded in Council, speculators and landowners were buying up land and renting it out on an ande basis. With lower incomes and the serious drought of 1931 there was increased indebtedness and distress selling of land; health conditions deteriorated rapidly, and thefts of food-stuffs and cattle saw a marked increase as the poor found it increasingly difficult to make ends meet.²¹ Impoverished conditions, malnutrition and intestinal disorders paved the way for a malaria epidemic of crisis proportions, and between September 1934 and December 1935 over 100,000 people died.²²

At the same time, parallel to this, a radicalised working class movement was taking shape in the urban sector; there had been militant strikes in Colombo in the 1920s (culminating in the tram strike of 1929, when a police station was burned), and union organisation had begun in the plantation areas. The left was active

helping the needy in the malaria epidemic (especially the Suriya Mal movement), and it was taking up specific grievances of the peasants (such as the headman system, the availability of free pasture, the Cattle Trespass Ordinance and class discrimination in colonisation) that directly affected the interests of the ruling class.²³ It began publications in the island's three languages (The Young Socialist, Samasamajaya and Samatharman); it was building an effective base in the low-country Wet Zone, and in the general election of March 1936 two of its leaders (N.M. Perera for Ruwanwella and Philip Gunawardena for Avissawella - both LSSP) were returned to the Council. There was serious (if exaggerated) talk of "the communist threat", and for conservative leaders it was increasingly imperative that the peasantry should be "stabilised as a social force".

With the new constitution, mounting rural discontent and the left gaining ground, politicians had to tailor their appeal to peasant constituents even when family influence and patron-client relations gave an electoral base. The government therefore tried to outflank the opposition by turning public attention to the opening up of the Dry Zone that had been raised as a possible area of settlement very much earlier. D.S. Senanayake (a leading figure in the Land Commission, now Minister of Agriculture and Lands, controlling the Departments of Agriculture, Irrigation, Survey, Forestry and Land Settlement and the Land Commissioner's Department, and ruling the Executive Committee on Agriculture and Lands - and main policy-making body - with "an iron hand") used his authority to develop an alternative policy to the interference with Wet Zone interests.

The distribution of population was becoming such that migration from over-populated zones to less-crowded areas was no longer "a matter of choice, but a grim necessity".²⁴

Between 1938-40, in the wake of a series of important rural surveys, the government looked to a policy of rural reconstruction that was portrayed by Senanayake with "visionary zeal" as a return to Rāja Rata - to the heartland of the ancient irrigated civilisation of the Sinhalese. In February 1939 he presented a plan for "Aided Land Colonisation" to speed up this process and to generate further interest and support for this Dry Zone settlement. Under the latter, the government was not only to construct irrigation channels and to block out land, but to undertake clearance and in effect to provide the colonists with "completed farms". Dry Zone settlement was to suffer confused objectives, expected to serve politically as an end in itself just as much as a means to increase rice production.

Over the period from 1930-45 ten settlement schemes were actually implemented; they totalled a little under 24,000 acres and they created just under 3,000 family plots at a cost to the government of Rs 26.6 million (still well under 2% of total government expenditure).²⁵ The Dry Zone was still at this time a malarial area, but such were the problems for peasants and landless workers in the settled Wet Zone areas that a slow yet steady out-migration had already begun. The government wanted to increase this stream of migrants, but with it the question arose as to which of them should actually be given land and what would be the eventual electoral consequences of such a migration. The result was a

struggle between different factions within the Council, distracting attention further from problems in settled parts. In effect the second State Council from 1936-42 had an all-Sinhalese cabinet; citizenship was made the crucial factor in the allocation of land, and it was defined in such a way that it "shut out" the majority of Tamils.²⁶ Even when colonists were selected from communal groups on a proportional basis, the majority were bound to be Sinhalese, and they would often be allocated land in the Dry Zone areas that Muslims and Tamils saw as traditionally their own.

With this, the pattern was set for subsequent policy. It was to incorporate the basic model and the mechanisms of government control that were laid out earlier in the report of the Land Commission (and formalised in the Land Development Ordinance of 1935). It was to distract attention away from the patterns of ownership and tenure in Wet Zone areas and, by generating rivalries for the allocation of land, to foster communal and nationalistic divisions rather than any conflict between rich and poor.

(d) Settlement policy after independence

The Sri Lankan economy since independence in 1948 has revealed the same basic structural dilemmas as earlier periods. Governments have been dependent on the plantation sector for foreign exchange, they have been confronted with a heavy bill for food imports, and with the political tensions arising from unemployment and from mounting congestion on peasant lands in the Wet Zone of the country. However, there were also significant differences from the past. Firstly, income disparities could no longer be blamed in quite the same

way on colonial masters; policy choices were in the hands of wealthy Sri Lankans and they affected not only a party's electoral support but the plausibility of the national leaders as well. Secondly, welfare measures (begun in the 1930s) to cushion the worst social effects of the export-oriented economy became difficult to sustain in the face of declining world market prices for the island's principal crops. Finally, DDT spraying and malaria clearance made Dry Zone settlement a far more viable proposition than in earlier periods.

Given these changes, governments increasingly looked to the colonisation of Dry Zone areas as a politically viable solution to both their social and their balance of payments problems. It was seen to provide the needy with land and employment, increasing the domestic production of rice and, by capturing the people's imagination, winning for the government time and also popular support. In doing so it was to create a stratum of wealthier peasants, playing a strategic political role within these areas and serving as a buffer between the ruling class and the rural poor. This particular model of government-assisted colonisation (Gal Oya, Walawe and Mahaweli) would, it was hoped, be able to achieve these ends without having seriously to disturb agrarian structures in the more settled areas.

An impression of the growing rate of congestion on peasant land can be gleaned, however general, from official sources. It can be seen from the following table that there was a significant increase in the pressure on cultivable land in Sri Lankan villages in the post-war era.

Average Annual Growth Rates of Cultivated Peasant Land and Peasant Population 1921-59 (Estimated compound growth rates, per cent p.a.)

Period	Growth of cultivated peas. land	Growth of peasant population	Peasant population per acre
1921-31	0.8	2.5	2.2
1931-46	0.9	1.6	2.4
1946-59	1.0	3.2	3.1

Sources: see Donald Snodgrass, Ceylon: an export economy transition, Illinois 1966, p.48 and pp. 333-344.

Since "cultivated peasant land" in this definition included a large area under export crops that were extensively grown (43% in 1946), it was clear that the congestion on paddy land was very much greater. In the Wet Zone 75-80% of asweddumised paddy holdings (depending on the area) were of less than one acre, and most considerably less.²⁷ A series of reports attested to high levels of landlessness and rural indebtedness, and the Kandyan Peasantry Commission reported villages in 1950 "in the condition they were at the commencement of the plantation economy".²⁸

Agrarian problems created a potentially fertile ground for opposition, and one which in the minds of conservative leaders had to be forcibly tackled. Left-wing groups had begun to be active in rural areas in the 1930s, and the left recorded significant gains in the general election of 1947. Together, the three

Marxist parties (the LSSP, the Bolshevik-Leninist Party and the Communist Party) received 23% of the votes that were cast. The old Congress leaders (now the UNP), though they emerged with the largest number of seats, failed to obtain an overall parliamentary majority.²⁹

In the colonial period the Sri Lankan ruling class had painted the image of a prosperous and contented peasantry dragged to misery and destitution by colonial rule. Implicitly, therefore, it created an expectation that once independence had been gained then conditions would change. Conservative leaders met the political challenge by giving priority to welfare measures, enshrined in ethical statements about redistributive justice. Junius Jayewardena (then Minister of Finance) maintained in the 1947-48 budget that:³⁰

"we do not intend...to starve any of the progressive social and economic schemes of development such as free education, free milk feeding and free meals for children, subsidies on essential goods".

the proportion of total government expenditure devoted to social and welfare services (including subsidies on food) rose to 38% in 1947-48, and it was to increase to 40% by the mid-1960s.³¹ The allocation of lands in Dry Zone areas was also seen as very much part of the overall package.

However, with emphasis placed on the provision of services rather than on productive investment and employment creation, structural problems inherent in the country's pattern of growth were postponed rather than solved. While export earnings were high the cushioning effect could be sustained, but once they declined the costs of welfare package of such dimensions began increasingly to tell. By the mid-1960s this was already occurring, and a series of economic factors

(an overvalued exchange rate, debt servicing 20% of export earnings, a sharp decline in the world price for tea - and for a while also for rubber, and uncertainty in plantations fired by rumours of an imminent "Ceylonisation" or nationalisation) had led to a financial crisis of major proportions.

Reducing the welfare package (and more especially any tampering with the subsidy on rice) was not a politically viable response in this situation. Dudley Senanayake (Prime Minister) had fallen victim of this in the explosive protest of 1953, as had Felix Bandaranaike, the Minister of Finance a decade later. What the government could do was to lower the cost of its rice imports by increasing production. Until the 1960s both the area sown and rice yields per acre were increasing faster than population growth, and output increased despite a growing volume of rice imports. Village expansion exceeded the area allocated under colonisation, but by the 1950s (and the publicity attending the Gal Oya Project) available land in the Wet Zone was scarcer and the pattern had changed. By the 1960s the rate at which new land was opened up was very definitely slowing.

This trend was to be offset in the strategy of Senanayake by "the green revolution". In 1966 an FAO/IBRD mission advised the rehabilitation of earlier settlement schemes on such a basis rather than more and larger capital work, and this was to lead to a series of "special projects" as part of the effort to "modernise" paddy production in existing areas. Output rose from 593,000 tons in 1966 to a million tons in the exceptional harvest of 1970.³² But by this time the rate of growth was levelling off, and even in the latter year 38% of the country's rice was still imported.

The balance of payments situation remained very critical. As elsewhere, the policies that provided the basis for this "green revolution" tended to benefit most the producers who adopted first, and these were usually the owners of land and more affluent peasants who could afford the risks and the inputs that the strategy implied. The cost of living was rising sharply, especially in rural areas, as was unemployment, and the narrowness of electoral support was revealed in 1970 when peasant voters decisively rejected the government in power. The Paddy Lands Act and its various amendments (1958-66) had failed to provide the mass of the peasantry security of tenure, sharecroppers could not benefit greatly from the green revolution, and the landless who could not find work were being left behind.

It was in this economic and political climate that the colonisation of the Mahaweli basin was put to the State Assembly in March 1970. Several dimensions of this proposal were to prove indicative of subsequent developments. First, the desirability and necessity of such a programme was completely accepted. The Bill came to the House on the eve of the general election and there was strong opposition to rushing it through as a campaigning device, but (apart from the reservations expressed on particular clauses) there was no objection from any side to the scheme as such.³³ Secondly, there were, however, indications of contradictory pressures in the ranking of objectives, reflecting differing concerns with growth, employment, welfare and political stability. At the same time, finally, the Mahaweli programme retained the underlying political formula of trying to resolve the country's rural problems without disturbing Wet Zone agrarian

structures. So important were these dimensions that they outweighed the technical considerations favouring more intensive production of rice in existing areas.

The perceived importance of this programme was to grow in the 1970s with a number of events. The leftist insurrection of 1971 (which was rural-based and an attack on the ruling class, not just on the party in power) led the government to introduce land reform measures in 1972 and 1975. However, while these reforms did see a transfer of land to the State, there was no redistribution to peasants in any large measure and the power structure in the villages was left largely intact.³⁴ Unemployment had reached 20% (by Central Bank estimates) in 1975, three quarters being located in rural areas.³⁵ And while income disparities declined in the post-war period, the bottom 30% of income earners received only 9% of total income and the share of the bottom 20% had in fact decreased.³⁶ Many more, being unemployed, had no income at all.

The United Front (later SLFP) government was confronted with a continuing financial crisis. The country's foreign debt increased almost five-fold between 1971-77, an element being loans associated with Mahaweli development. There was a sharp rise in the price of essential items (such as food, clothing and fuel), and it was clear that the benefits of the government's rural policy had failed to reach the poorer peasants and improve their condition.³⁷ So severe was the economic situation that in the election of 1977 the SLFP (and indeed the LSSP and the Communist Party) suffered a major defeat, and it lost all the seats in the Mahaweli development area.

The UNP government that replaced it was clearly alarmed at the high level of (roughly a million) unemployed. A political solution to this situation had to be found, and it took the initiative by "telescoping" the Mahaweli development programme into 5-6 years to settle land quickly and to make "unemployment a thing of the past". This decision, accompanied as it was by enormous publicity, represented the boldest of a series of gambles designed to increase the country's rice production and to generate jobs while forestalling the risk of popular backed demands and opposition of a more radical nature.

In summary, therefore, strong alliances were built with regard to land policy between various factions of the ruling class and their supporters (the colonial government, foreign plantation owners, and indigenous bourgeoisie and leading figures in the liberal professions, rich peasants-cum-mudalalis and speculators) to strengthen their standing, with different configurations emerging from period to period. Settlement policy was more aligned to their interests than to those of poor peasants, landless workers and the unemployed for whom it was supposedly intended and who, but for a few brief periods, failed to form an effective counter-alliance. Controlled by tenancy ties and patronage relations, and distracted by an emphasis on communal divisions, they were unable to press collectively or concertedly for change in tenure arrangements or the distribution of landownership and wealth. Settlement schemes were introduced as a means of resolving or postponing the problems that this created without seriously threatening the power base of the ruling class.

Conclusion

The basic concern that runs through this paper is with the way the politics of settlement policy in Sri Lanka is viewed and in turn interpreted. Having examined the history and background of this policy from the mid-nineteenth century, a number of methodological points can now be made by way of conclusion.

Firstly, it would seem extremely inadequate (and perhaps even dangerous) to suggest that Sri Lankan settlement policy has been shaped by a single powerful group or any one causal factor. A government policy line of such major dimensions is almost invariably the resultant of several social forces and political reactions. Settlement policy in Sri Lanka has been the outcome of a long political struggle in which structural constraints, the interests and relative strengths of various alliances and external pressures have each played a role in moulding the directions and outcome of government policy. The Mahaweli programme has to be seen in such a perspective. It cannot be completely understood by looking within the Ministry of Mahaweli Development, at the technical feasibility studies available or at the scheme as the brainchild or an electoral device of the UNP.

Secondly, following from this point, these social forces cannot be adequately interpreted by analysing them in isolation at local level. They have not only to be seen in the more limited context of the Dry Zone setting, but in relation to macro-objectives in the economy at large and to economic, social and political conditions in other parts of the country. On the one hand, financial crises, the cost of food imports and high unemployment have together increased the urgency

of agrarian problems. On the other hand, class formation and potential conflict have pressed towards this particular form of colonisation. The importance of plantations, the political support of existing landlords and speculators, the peasants' shortage of land and unemployment (all of which to a significant extent have been Wet Zone phenomena) have together had a considerable influence on the notion and priority of Dry Zone settlement.

Thirdly, all these aspects have also to be seen in a historical context. Structural imbalance in the pattern of growth, class formation and the resulting political struggle all stem from historical processes, and the nature of settlement policy (whether as an alternative to land reform or as a welfare measure) has to be seen as a part of this social dynamic. Similarly, the fact that the present Mahaweli development programme follows on such a long history of Dry Zone settlement reflects a continuity in the economy's structural problems and in the political response. Many past schemes and many of their problems (low rates of return on the capital invested, administrative top-heaviness, internal differentiation and employment problems amongst the second generation of settlers) have proved to be remarkably similar. It is important, therefore, in viewing Mahaweli development to retain a clear picture of what has happened before.

Finally, underlying all these aspects of settlement policy is the question of power and wealth and the way it is distributed. Who gains and who loses in implementation is not simply an abstract exogenous issue, irrelevant to the technical scientist or to planners caught in the bureaucracy of government procedures.

That rice production and local employment have expanded is in itself a laudable achievement, but the fact that a sizable part of the Sri Lankan peasantry has not benefitted so far from these massive investments, that class issues have been hidden by rhetoric of communal appeals, and that increasing control has been placed both on colonists and planning procedures by (internal and external) power groups is also very much part of the nature of these settlement schemes. The success of the Mahaweli development programme - at present one of the country's major policy ventures - will depend in the end on just how far these social conflicts can in effect be postponed or reconciled.

Notes

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3. On this see Michael Roberts, "Meanderings in the Pathways of Collective Identity and Nationalism", in Roberts (ed), Collective Identities, Nationalism and Protest in Modern Sri Lanka, Colombo 1979 pp.74f.
4. Howard Wriggins, Ceylon: dilemmas of a new nation, New Delhi 1980, chapter 5.

5. See Satchi Ponnambalam, Dependent Capitalism in Crisis: the Sri Lankan economy 1948-1980, London 1980; H. van Roosmalen, "Social Aspects of Settlement in the Mahaweli", NEDECO op. cit. 1979, Vol. V annex L; N. Shanmugaratnam, "Emerging Agrarian Trends and Some Reflections on the Agrarian Reforms in Sri Lanka", Social Science Review, No. 2, January 1980.
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8. A.C.M. Ameer Ali, "Rice and Irrigation in 19th Century Sri Lanka", The Ceylon Historical Journal, Vol. 25, 1978 p. 263; and Snodgrass op.cit. 1966.
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12. C.E. Corea, Hansard, Legislative Council (LC) Debates, 20 July 1922, col. 264.
13. See for example Leonard Woolf, A Village in the Jungle, London 1913 and An Autobiography: Vol. I 1880-1911, London 1960.
14. Report of the Food Supply Committee, Sessional Paper II of 1920, p. 5.

15. See Farmer op.cit. 1957, chapter 6.
16. Final Report of the Land Commission, Sessional Paper XVIII of 1929, p. 12.
17. Ibid. p. 17.
18. Third Interim Report of the Land Commission, Sessional Paper II of 1928, p. 6; and Hansard, LC Debates, 25 February 1932.
19. Final Report of the Land Commission, loc.cit. 1920.
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22. Report of the Commissioner of Relief, Sessional Paper V of 1936 p. 25; and the Public Records Office (PRO), London, CO 54 925/8.
23. G.J. Lerski, Origins of Trotskyism in Ceylon: a documentary history of the Lanka Sama Samaja Party 1935-42, Stamford 1968.
24. D.S. Senanayake, Agriculture and Patriotism, Colombo 1935, quoted in Samaraweera op.cit. 1973, p. 457.
25. AR, Land Commissioner 1939-49.
26. Hansard, SC Debates, 22 November 1934, cols. 2825ff. This can also be seen from a reading of documents and notes in PRO (London) CO 54 926/8 and CO 54 933/8 (Land Development Ordinance). The colonial government, aware of this implication, was not prepared to intervene.

27. Report of the Kandyan Peasantry Commission, Sessional Paper XVIII of 1951 p.91.
28. Ibid. p.16. Other studies, for example, were those by P. Kandiah, "Land and Agriculture in Ceylon", The Ceylon Economist, Vol. 1 No. 2 1950 and "An Analysis of Peasant Economy in Ceylon", The Ceylon Economist, February 1951.
29. The Bolshevik-Leninist Party split from the LSSP under Colvin de Silva in 1943 and reunited with it again in 1950.
30. J.R. Jayewardena (Minister of Finance), Budget Speech for 1947-48, Colombo 1947.
31. See Snodgrass op.cit. 1966 table A-66; MARGA, Welfare and Growth in Sri Lanka, Colombo 1974, table 11 p. 90; and R. Mahalingaswam, "Food Subsidy in Sri Lanka", Sri Lanka Journal of Social Sciences, Vol. 1 No. 1, June 1978.
32. Economic Review, People's Bank, Colombo January 1978.
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34. Only 3% of the land that was taken over under the 1972 Land Reform Act was paddy land (Central Bank, Review of the Economy for 1975, p.25). See also Ponnambalam op.cit. 1980 pp. 116-121.
35. Central Bank, Land and Labour Utilisation Survey, Colombo 1975.
36. Central Bank, Consumer Finance Survey, Colombo 1973 p. 60.
37. Ponnambalam op.cit. 1980, chapter V.

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