

Problems in Regional Development in the Northern and Eastern Provinces of Sri Lanka

Introduction

The Northern Province, with an extent of 8884 sq.km, covers 14 percent of the total land area of the country. It consists of 5 Districts, 30 Divisional Secretariat divisions, and 912 *Grama Niladhari* (GN) divisions. Approximately 40 percent of the sea coast of the island is in the Northern Province. The province is rich with fertile land, minerals, forests, wetlands and also picturesque beaches. On the other hand, the Eastern Province which consists of 3 Districts, 43 Divisional Secretariat divisions, and 1081 GN divisions, covers 9996 sq. km which is nearly of 15 percent of the total area of the country. Paddy fields, forests, scrub jungle, wetlands and lagoons are common sights in the province. Further, Trincomalee Harbour which has a very high potential for development and also the Olivil harbour which is under construction are two natural resources of the province. The beaches of the Eastern Province being great attractions for the tourists have a vast potential for development.

The population in the Northern Province was estimated at about 1.2 million in 2009, which was 5.8 percent of the total population of Sri Lanka. Of the total population in the province, more than 95 percent comprises of Tamils. Comparatively, the Eastern Province in 2009 had a population of approximately 1.5 millions which was nearly 7.5 percent of the country's total population. All three communities - Sinhalese, Tamils

and Muslims - live in this province roughly in equal proportions. In terms of land area, Northern and Eastern provinces rank second and third respectively. In 1901, the population in the Northern Province was 341,000 or 9.5 percent of the country's total population. After a century, the population in the province had trebled in absolute terms.¹ In contrast, the population in the Eastern Province was 173,000 in 1901 or 4.8 percent of the total population, and the number has increased by eight times by 2001. Except for the Jaffna District, all districts in both provinces have a comparatively very thin population density. Comparatively a sizable segment of population is live in largely under serviced locations. In this article, the economy of the two provinces is discussed briefly before analysing the problems of regional development, followed by concluding remarks.

Regional Economy in Brief

The contribution of the Northern Province to the National GDP (Gross Domestic Product) was as low as 3.3 percent in 2009. Among all provinces, the Northern Province made the lowest contribution to the national GDP in the recent past. Due to the armed conflicts that prevailed for more than 3 decades, the contribution of this province to the national economy has gradually declined, particularly so in the agricultural, fisheries and industrial sectors. Before the commencement of terrorist activities, the production of paddy, vegetables, chillies, tobacco, dairy

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products, fish products, and fruits were substantial in this province. There were many light engineering, apparel manufacturing and various other small industrial establishments also.

The Eastern Province contributed 5.8 percent to the national GDP in 2009. The economy of the province is based on the natural resources available in the region. Forests, agricultural lands, wetlands, lagoons, sea ports and attractive beaches are prominent among those natural resources. Above all, there had been a well-established ancient irrigation system in the province, which supported the full potential of agricultural production. At present, the majority of these systems are either destroyed or in a state of disrepair. The main agricultural crop is paddy. There is evidence to suggest that the Eastern province including Binthenna and Wellassa had supplied more than 50 percent of the national paddy production, before Sri Lanka came under British rule in 1815. At present, there are more than 130 tank-based major irrigation systems. Gal Oya, Maduru Oya, and Alla are the main irrigation schemes that provide water for agriculture in the province. Since the early '80s, while the terrorist activities increased in the region, agricultural production - particularly paddy and dairy

production – decreased. Prior to the intensification of the terrorist activities, fisheries sector of the Eastern Province made a substantial contribution to the national production, but since the '80s up to the recent past, it could not maintain those levels.

These two provinces belong to the dry zone of the country which gets rain from the north-east monsoon. Most of the crops grown in the dry zone are found in these two provinces, while paddy and coconut are the most common. The land area under coconut in the Northern Province was around 2 percent of the national total in 2002, but due to the conflict situation, the same may have decreased substantially. In the Eastern Province, land under coconut was about 2.7 percent of the national total in 2002.

Of the paddy cultivated lands of the country, 6.2 percent is in the Northern Province (2006). Of those, around 1/3 is cultivated under major irrigation schemes. In 1980, when the terrorist activities were not that intense, the Northern Province contributed about 10 percent to the national paddy production. It gradually declined to below 3 percent in the recent past. Besides, fisheries sector in the Northern Province contributed as much as 40 percent to the national production in 1980, but by the year 2000, it had declined to about 10 – 12 percent.

The Eastern Province is of critical importance to the country's paddy production. Of all the paddy lands irrigated by major irrigation schemes, 23.5 percent are in the Eastern Province (2006 *Maha and Yala*). Among the five districts that give the highest paddy production, two (Ampara and Batticaloa) are in the Eastern Province². Since the conflicts in the province were confined to certain areas, the paddy production was not totally

devastated here as it happened in the Northern Province. The Eastern Province contributes 20 percent to the national paddy production, and marginal improvements were seen during the three decades prior to the conclusion of the conflict situation in the province. All the dry zone crops, such as, chillies, maize, cowpea, green gram and gingerly, are cultivated in these two provinces, but those cultivations too have not had much progress during that period. Fisheries production is an important economic activity in the Eastern Province. In 1980, the Eastern Province contributed 16 percent to the national fisheries production. In 2004, it stood at 20 percent. The number of industrial establishments as well as the number of people employed in them is not substantial in the Northern Province. The situation is not better in the Eastern Province too. During the three decades of conflicts, many industries have become dysfunctional.

According to the available data, the poverty level in the Northern Province is higher than the national level. Labour Force Participation Rate³ which was 36 percent in the Northern Province and 46 percent in the Eastern Province in 2004 were both lower than the national level which was 49 percent. The levels of unemployment in both these provinces are also higher than the overall unemployment level in the country. Income received in the form of transfer payments per spending unit is higher in both provinces and are similar to such levels in the Uva and Sabaragamuwa provinces. Total expenditure on food is 40 percent per spending unit, both in Northern and Eastern provinces and that level too is similar to those in Uva and Sabaragamuwa provinces only. There exists a wide gap in the consumption pattern compared with that in the Western Province,

where the total expenditure on food is 27 percent. These statistics shed some light on the disparities in social and economic progress of these provinces.

Problems in Regional Development

The concept of comparative regional development was not an integral component in national planning before the '70s. During that period, certain geographical areas, such as, the dry zone (except Rajarata⁴) were not covered by many development programs, and as a result, there were many regional imbalances in the development of physical, social and economic infrastructure.

Since the '70s, the importance of decentralised resources allocation has been recognised and various mechanisms for that purpose have also been instituted.⁵ Three main development programs begun in the late '70s – 'Accelerated Mahaweli Development', 'Urban and Housing Development' and 'Free Trade Zone' having substantial investments have had serious regional development implications. Further, direct benefits of those investments did not reach the regions which were not within those project areas. In order to minimise such regional imbalances, integrated rural development programs were implemented with the financial help from donor countries and multilateral agencies. These programs were launched in those districts which were not covered by the government's three major development programs. By 1990s, 19 districts were covered by these programs and they were very successful in certain districts. Even though the Northern and the Eastern Provinces too were included in these plans, when it came to implementation, it was not possible due to the unsettled law

and order situation then prevailed. Thus, the first attempt of regional development in these provinces since 1950s was hampered. The social and economic infrastructure that was built since the colonial days was also destroyed due to the prolonged armed conflict. Even the day-to-day activities of the people were severely curtailed. The brain drain that had taken place as a result of the above problems has created additional challenges for the new development thrust.

With the intensification of the conflict, the number of internally-displaced persons increased.⁶ To provide the essential day-to-day requirements of these people, the government was compelled to meet substantially large expenses. The next challenge was the reconstruction and rehabilitation of the damaged houses and infrastructure. For the success of any government intervention, it has to be supplemented with people's participation. Therefore, the scarcity of human resources in the regions is a challenge for all regional development efforts. The number of IDPs was around 250,000 at the commencement and they have been successfully resettled in an orderly manner.⁷

Since the liberation of the Eastern Province in 2007, the government launched a three-year (2008-2010) accelerated development program. With a view to restoring the normalcy in civil life and economy, the "*Negenahira Navodaya*" (Re-awakening East) program was launched with a focus of six key areas:

- i. Resettlement of IDPs
- ii. Revival of the regional economy
- iii. Development of economic infrastructure
- iv. Strengthening of infrastructure for social development and services
- v. Skills development
- vi. Re-establishment of State institutions and productivity improvement

For this three-year regional development plan, the government has sought assistance from donor countries, multilateral agencies and non-governmental organisations. The estimated total expenditure was approximately Rs. 199 billions. This program has progressed satisfactorily since its commencement.

The democratic political institutions and leadership have been re-established in the East since 2008. The members for the provincial council and other institutions of local government have been democratically elected, and they are now firmly and actively integrated with the development process and due both to the positive political developments and development program being implemented, the civil life of the region has come to the complete normalcy. The infrastructure and the socio-economic conditions are being restored after years of destruction due to the terrorism. Agriculture, fisheries and State services are being revived expeditiously. Even though the progress has been satisfactorily implemented during the last several years, large additional investments are required for infrastructure projects in the fields of communication, highways and transport. The disparities in the regional development can be minimised only with such investments. This is however, common to several other regions as well.

The intensity of conflict was much higher in the Northern Province and hence the infrastructure and civil life had been much more devastated. Of the total population in the province, a higher percentage has migrated either to other regions of the country or to foreign countries. ⁸ Even though there are similarities in certain aspects, the regional development in the Northern

Province is different from that of the Eastern Province. The problems of regional development in the Northern Province are comparatively much more challenging. Even prior to the commencement of terrorist activities, two distinct regions of development were evident within the Northern Province. They were:

- i. District of Jaffna
- ii. Wannu (Currently the districts of Vavuniya, Mullaithiev, Kilinochchi and Mannar)

Between these two regions, the District of Jaffna was far ahead of Wannu in terms of development. Social and economic infrastructure of both these regions were severely affected by terrorism, but more so in the Wannu. By the time the conflict was over in May 2009, nearly all the population in Wannu was internally displaced and more than 300,000 people were in temporary welfare centres. The day-to-day maintenance of these people was itself a monumental challenge. Therefore, tackling of the development needs of the region was a very difficult task. However, the government has successfully met the immediate requirements of those people.

The government has launched a multi-faceted program called "*Uthuru Wasanthaya*" for the development of the North. The program is expected to be completed in four years (2009 - 2012) and the estimated expenditure was about Rs 244 billion. Basically, this program covers five sectors as follows:

- i. Social security and livelihood development
- ii. Development of economic infrastructure
- iii. Strengthening of social infrastructure facilities and restoration of the social services
- iv. Revival of productivity
- v. Development of human settlements

Of the total investment under this program, more than 50 percent is expected to be spent on development of economic infrastructure, such as, roads, transport, electricity, housing, water supply, agriculture and irrigation.

Both the "*Negenahira Navodaya*" in the East and the "*Uthuru Wasanthaya*" in the North aim at re-integration of the people of these two provinces with those of the mainstream by restoration and development of social and economic infrastructure, resettlement of IDPs and strengthening of livelihoods. As a result of that process, it is expected that the unemployment, poverty and social and economic inequalities prevailing in these regions would be brought down to some extent.

The devastation caused by the 2004 Tsunami was another factor that negatively affected these regions. The coastal areas in the districts of Ampara, Batticaloa, Trincomalee, Kilinochchi, Mullaithiev and Jaffna were seriously affected by the Tsunami. Post-tsunami rehabilitation in the East was successful to a certain extent, but it was not so in the North due to the conflicts that prevailed until mid 2009. Particularly, the districts of Kilinochchi and Mullaithivu were virtually inaccessible for post-tsunami rehabilitation work, due to the conflict situation. In the entire country, 98,525 houses were destroyed by the tsunami, and out of that, 10,253 (11 percent) was in the Northern Province and 50,460 (50percent) was in the Eastern Province. Around 150,000 livelihoods were destroyed in the two provinces. These two provinces used to contribute 60 percent to the national fisheries production. But, almost all the fishing equipment and infrastructure were destroyed as a result of the Tsunami. All the beach hotels too faced the same

fate. Similarly, schools, medical facilities and State institutions in the coastal areas were also damaged, but could not be reconstructed soon due to the conflicts that prevailed at that time. As a result, the civil life of the regions was under tremendous pressure.

Concluding Remarks

The terrorism sprang up in the Northern and Eastern provinces at a time when the concept of balanced regional development was recognised in government policies, plans were drawn up and resources were allocated for that purpose. Thus, in terms of development, these provinces were denied of the opportunities to be in line with the other provinces of the country. The Tsunami in 2004 too caused considerable destruction for the life and resources of these provinces. Post-tsunami reconstruction too was extremely difficult in the area and almost impossible in the Mullaithiev and Kilinochchi districts due to the conflict situation that prevailed. Therefore, the problems of regional development in these two provinces have been quite challenging.

When considering the situation of regional development in the country, there are some exclusive problems in the North and East. More than 300,000 people became internally displaced in the North alone at the end of the conflict by the mid 2009. A section of people belonging to certain ethnic groups have been chased away from the area by the armed groups. Additionally, people in large numbers had temporarily migrated to other provinces with the expectation of returning after normalcy is restored. The IDPs have to be looked after until they are resettled. Security has to be ensured in the areas identified for resettlement by the completion of

de-mining. The shelters and the livelihoods have to be restored for the resettled people. Similarly, the entire system of State sector services has to be re-established. Infrastructure in all the sectors has to be rebuilt. At the same time, the process of integration of the social and economic system of the North and East with that of the rest of the country has to be completed. All these are challenges for everyone involved in regional development. Indications are such that government has successfully dealt with all these aspects of development of these two provinces during the post-conflict period.

In meeting the needs of the displaced persons, an area of concern has been the mental trauma and stress caused by the prolonged conflict. Disrupted families, children who have lost one or both of their parents, underage marriages and child bearing are some of the complex problems that need attention. While the physical development takes place, hostilities created by the conflict too have to be soothed. The sociological problems that may surface are new, large and complex in all of their dimensions.

In terms of development of social and economic infrastructure, the Northern and Eastern provinces lag behind the other provinces of the island. Therefore, different strategies and approaches are required by the planners of regional development. The government's approach is to bring normalcy to the people's life while developing the physical infrastructure facilities. For this purpose, the government has launched two broad programs with large quantum of investments - "*Negenahira Navodaya*" for the Eastern Province and "*Uthuru Wasanthaya*" for the Northern Province - encompassing all the aspects required for the restoration of economy and the civil life in

respective regions. The restoration of these two provincial economies will enhance their contribution to the national economy, thus paving the way for rapid integration with the rest of the country.

Footnotes:

1. The slower rate of population growth is due to the migration from the Northern Province.

2. The other three districts are; Kurunegala, Anuradhapura and Polonnaruwa.

3. Labour force participation rate = Labour force as a percentage of household population, aged 10 years and above.

4. Except for irrigation schemes and agricultural settlements, even Rajarata was lagging behind in development, compared to other provinces.

5. Examples are: Decentralised Budget, Divisional Development Councils, District Political Authority, District Ministries and District Development Councils.

6. The number of confrontations was comparatively low during 2002 - 2004.

7. At present, the re-settlement of IDPs is nearing completion.

8. Reliable data relating to the Northern Province were not available during the last three decades. Therefore, any analysis in respect of that province would be subject to that limitation until a comprehensive survey is undertaken in the future.

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