

Land Tenure, Labour and Markets:

**A Study of Rural – Urban Linkages in North
Central Sri Lanka**

By

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**Thesis submitted to the University of Sri Jayewardenepura for the award of the Degree
of Doctor of Philosophy in Geography**

DECLARATION BY CANDIDATE

The work described in this thesis was carried out by me under the supervision of Prof. Y.A.D.S.Wanasinghe (University of Sri Jayewardenepura, Sri Lanka) and Dr. Clas Lindberg (Uppsala University, Sweden). A report on this thesis has not been submitted in whole or in part to any University or for a Degree or a Diploma.


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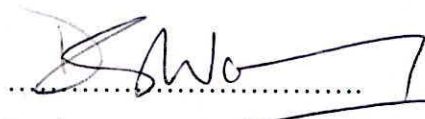
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DECLARATION BY SUPERVISORS

We certify that the above statement made by the candidate is true and that this thesis is suitable for submission to the University for the purpose of evaluation.



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CHAPTER ONE

Introduction

1.1 Background to the study

Recent research underlines the potential advantages of urban centres in stimulating regional development (Dewar et al, 1986, UNCRD, 1996, Wanasinghe, 2003). Small towns or rural service centres can help to transform the economy in rural areas by providing access agricultural inputs (seeds, fertilizer), as well as support services (agricultural extension, credit facilities) and maintenance of agricultural machinery, can usually be provided directly to farmers. Small urban centres (small towns) or rural service centres that are at the lower levels of the central place hierarchy are also the first collecting points in the agricultural marketing chain. In addition, small urban centres are considered as suitable locations for concentrating lower order public sector services such as administration, primary and secondary education, health care and institutional credit facilities. In turn, rural households provide resources such as food, labour and markets for urban goods and services. Thus, small towns can serve as “effective instruments” for improving beneficial rural – urban linkages (Baker, 1996). Linkages between rural and urban areas can therefore generate incomes and improve the quality of life of people in both rural and urban areas (Douglass, 1998 and Unwin, 1989). This symbiotic relationship between rural – urban centres is well illustrated by Douglass in Table 1.1 which shows how beneficial agriculture-related linkages can emerge between urban centres and rural areas.

Table 1.1

Urban and rural linkages and interdependencies

Urban	Rural
Agricultural trade/transport centre	Agricultural production
Agricultural support services	Agricultural intensification
Production inputs	Rural infrastructure
Repair services	Production incentives
Information on production methods	Education and capacity to adopt innovation
Non-agricultural consumer markets	Rural income and demand for
Processed agricultural production	non-agricultural goods and
Private services	services
Public services (health, education etc.)	
Agro-based industry	Cash crop production and
	agricultural diversification
Non-agricultural employment	All of the above

Source: Douglass, 1990

Rural agricultural produce can find a market in the nearest urban centre, which is link to regional and international markets while the expansion of urban markets leads to the increase in the volume of agricultural produce and this, together with the development of rural resources, acts in a positive way to increase the income of rural families. Increase in rural incomes in turn would create a demand for consumer durables and services provided by urban centres.

Some of the beneficial linkages shown in Douglass' model can be observed in rural Sri Lanka, but urban centres have not always been able to provide neither non-agricultural employment opportunities for rural communities through the establishment of agro-based industries nor reasonable prices for local produce. This is especially true in the major

paddy producing areas in the Dry Zone such as the North Central Province (NCP), where the Government has upgraded existing junction settlements and established new urban centres with a view to providing essential services, markets and job opportunities to rural communities.

Regional development in Sri Lanka is the result of the two concurrent processes namely, a development process and a political process. The development process involved initially, infrastructure development, irrigation development and land settlement associated with river basin development including the multi purpose Accelerated Mahaweli Development Program in less developed areas. The political process involved devolution aimed at greater power sharing by sub national governments. The main visible power sharing by Act No 42 of 1987, enabled the devolution of power to a system of Provincial Councils (Karunanayake and Abhayaratne, 2002).

A salient feature in regional development in Sri Lanka is the emergence of a well defined core area and a periphery can be clearly identified in Sri Lanka. Imbalances between the core and the periphery have intensified in Sri Lanka since the 1970s. The more developed and highly urbanized Colombo Metropolitan Region (CMR) that approximates to the Western Province of the island has emerged as the centre of gravity in the national economy. The CMR in which 25.8 percent of the population of the country is concentrated covers only 5 percent of the land area (Department of Census and Statistics, 2001). The total contribution of the CMR to the GDP in 2004 amounted to 49 percent in 2004. Its share in the manufacturing sector had increased from 56.8 percent in 1981 to