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## EDITORIAL NOTE

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On behalf of the Editorial Board of the Sri Lanka Journal of Social Sciences and Humanities (SLJSSH), I am glad to present Volume 2, Issue 2 of the journal. The journal established in February 2021 has now published 4 issues. This is a multi-disciplinary and bi-annual journal which aimed at promoting research studies in Social Sciences and Humanities. All articles in this journal are subject to a rigorous double-blind peer-review process followed by thorough scrutiny by the Editorial Board to ensure high academic and research standards prior to the final publication. One of the objectives of this journal is to encourage publication from different streams of research that help enriches the discourse with a global audience and interact with experts across the social science community and beyond.

By any measurable standard, our exclusive journal has been successful. Now, SLJSSH is a cited journal in the Sri Lanka Journal Online which is the database of journals published in Sri Lanka handled by the National Science Foundation (NSF). We have seen a significant increase in readership, article submissions, and citations to our published articles. The average download per article is increasing and on average, there are 30 downloads per paper. On the other hand, we have also grown in less quantifiable ways: our reputation and visibility in the academic community continue to broaden, and our editorial board constantly re-assesses and reviews the editorial process to ensure the most efficient and satisfying experience for both authors and staff. We could reach this stage through the constant guidance of the Editorial Board and intellectual support of the readers and contributors, in addition, due to the support of our faculty advisors, the hard work of our editorial staff, the interest of the authors, and the reviewers, and our readers.

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# Democracy, Authoritarianism and the Inflow of Foreign Direct Investments: A Critical Examination of a Debate and its Associated Consequences for Social Science Research

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## Abstract

Are debates of value to social science research? To what extent has the debate on the preconditions and determinants of foreign direct investments (FDI) helped in the understanding of the totality of the forces, factors, and processes of international capitalism? How does the knowledge of the preconditions and determinants present themselves as the knowledge of the debate on how best to attract and stimulate FDI? To what degree/extent do regimes necessarily influence and shape the determinants and preconditions of FDI attractions and stimulations? How can the research on the preconditions and determinants of FDI be designed in such a way and manner that the purpose of the scholarship is best served? What are the associated consequences of the choice and technique of the research design? The article attempts a review of the significant initiatives that give meaning to the debate on the affinities of FDI to either democracy or authoritarianism and presents the debate within the intellectual foundation stones of the understanding and grasp of international political economy. The method of data collection is qualitative and scattered in the diverse sources of information on the subject of study. The objective is to contribute meaningfully to understanding the debate and chart future research directions. The study finds out that while the debate on the subject matter is scintillating, it is, however, convoluted by three interrelated failures and shortcomings: (i) lack of clear specification of the research period, (ii) lack of detailed examination of the domestic economy of study, and (iii) lack of comparative study of the periods, which altogether compound the likelihood of in-depth knowledge and generalization, the ultimate goal of academic debates.

**Keywords:** Democracy. Authoritarianism. Foreign Direct Investments (FDI), Foreign Direct Investments Inflow. Foreign Direct Investments Pre-Conditions and Requirements, Democracy/Authoritarianism Divergence.

## INTRODUCTION

Following the 1980 Berg Report and the injection of “political conditionalities” by the Breton Woods Institutions (BWI), in particular, the International Monetary Fund (IMF) and the World Bank (WB) in their financial relationships with the developing countries, the intellectual issue on how best to attract and stimulate Foreign Direct Investments (FDI) became subsumed within the great debate ignited by the famous Report. The Report recommended, among others, the democratization and liberalization of the totality of social networks and bonds that exist in state-society relations of countries in the Sub-Saharan region of Africa. Specifically, the Report canvassed for the introduction of reforms in the conduct and administration of public affairs, especially in the political machinery and institutions responsible for the maintenance of law and order and the provision of essential services. Prior to the release of the Report in 1980, the social space and academic arenas of the Sub-Saharan Region of Africa were filled with the idea of a ‘developmental state’ and the conclusion that soldiers as “modernizers” should be encouraged

and supported in the extent of being saddled with responsibilities and innovations relating to the advancement of development and social progress. The emergence of the “Asian Tigers” in the global system of international production, distribution, and consumption without having to copy the “Japanese miracle” helped to develop the thesis/argument that for the Third World to develop, they must go the way of authoritarianism. Social science research became focused not only on the reasons for, and strategies of the emerging “praetorian rule”, but more importantly on the attributes of praetorians that allow for rapid industrial growth and development. Social scientists, in particular political economists, consequently investigated (and still continue to investigate) the relationship between authoritarianism and economic performance.

The introduction of the policies of *glasnost* and *perestroika* following the ascension to power of Mikhail Gorbachev in 1985 in the then Soviet Union and the disintegration that eventually followed, again ignited the debate on the precon-

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ditions and determinants of FDI as a reliable source of capital for the purpose of development of the Third World. The consequent liberalization and marketization of the remnants of state-socialism in Poland, Hungary, and Romania, to name just a few, side by side with the implementation of adjustment programmes and the births of all kinds of models of democratization in the 1980s in Africa, helped to redirect and refocus the age-long debate on the appropriate path to, and requirements of, development. As the debate raged on, there was a lack of determination of both the theoretical and empirical relationships, or the validation of the assumed theoretical and empirical relationships between the “new additional ties” and/or “political conditionalities” as postulated and propounded by the BWI and their intellectual hangers-on on the one hand, and the stimulation of FDI on the other. The lack of focus on the theoretical and empirical relationships obviously reveals the fact that perhaps certain preconditions are important for FDI to be stimulated and as well attracted on a permanent basis. The emerging debate has thus assumed interesting and far-reaching dimensions in recent times, especially with the contradictory conclusions of Jensen (2003) on the one hand, Li and Resnick (2003) on the other, and the middle-of-the-road approach/finding of Choi and Samy (2008). It is important therefore that research be focused on the specific character and dynamics of the debate in such a way to build a thorough understanding of the factors, forces, and processes that regularly shape the stimulations and attractions of FDI.

## LITERATURE REVIEW

The literature review of the study is here approached from the perspective of enhanced conceptual amplifications accomplished by critiquing the competitive notions on the subject matter of FDI to establish equivalencies, differences and distinctions between and among the notions as they exist in extant literature. The other section of it discusses, examines and analyzes the specific conclusions of the authors, and further determines the extent of their originalities and uniqueness within the existing plurality of knowledge and understanding in relation to the FDI debate.

### **Overcoming Conceptual Ambiguities: Operationalizing the Key Concepts**

The concepts that need to be urgently defined include democracy, authoritarianism, foreign direct investments (FDI), foreign direct investments inflow, foreign direct investments pre-conditions and requirements, and democracy/authoritarianism divergence. The apt question is: How have these concepts been viewed and conceptualized in the article? Democracy, it is here recalled, is one that means many things to many people. It is famously defined as the “government of the people, by the people, and for the people”. Popular as the definition is, there is the difficult problem of understanding what the definition meant by government, and the urge to want to know what form of governmental arrangement that is being referred to, and who the people are. Government can be despotic or kind and people can either be the selected few or the mass public. The definition introduces into political and social discourses the problematic issue of how best to quantify the *unquantifiable*, and measure the *immeasurable* especially given the fact that the “mass public” is either an expression of emotion or an expression of political activity. Government can as well be used to mean the people; particularly the voting population/ electorate. It can further be used to mean a formalized

institutional arrangement/political machinery where inputs are turned into outputs. Government equally keeps changing even within the formalized institutional arrangement. Accepted that indices such as free, fair and periodic elections, free press, an independent judiciary, competitive multi-party system, and independent electoral bodies, among others, have not only been formulated and served as yardsticks of assessment, they are all, at best, world view/perspective conveying certain sense impressions about how societies are organized or ordered. Consequently, how free and fair is a “free and fair election”? The indices, without argument, collectively provide useful insights into the workings of liberal democracies all over the world. Democracy, therefore, should not be used to only describe the processes and procedures of political recruitments in which political parties and individuals compete for political power. Rather, democracy is the totality of rules, procedures, processes, practices and principles that regularly define and shape citizens’ orientation to politics and competition over political and social goodies in manners that are open, transparent and accountable. It is a service/call for action in the system of allocation and distribution of governmental values which makes processes and procedures of government unique to it as sanctions become imposed when the rules, procedures and processes become violated.

Authoritarianism is used in the article to refer to a form of government characterized by: (1) the restriction of liberty, (2) the absence of parliamentary institutions, (3) tradition-oriented society, and (4) a clique exercising political power - usually military/religious leaders and bureaucrats. It is important to ask the question: To what extent can the above characteristics serve the purpose of indices or the establishment of parameters with which to measure the extent to which the exercise of political power is authoritarian? The question is critical to research, in particular a research that is oriented towards determining the degree and level to which FDI respond to the processes and practices of authoritarian rule and administration. Again, it is important to emphasize the fact that authoritarianism as a political regime or form of government is rooted in the unique forces and factors that have given rise to it in national political systems. It is finally important to stress that it is not the same thing as totalitarianism because an authoritarian regime is not necessarily tyrannical and seeks not to totally control the political life of its citizens. Authoritarianism hence becomes the exact opposite of democracy and democratic rule since its procedures and processes of government are not rooted in the established nuances of majority rule and popular participation in decision-making processes.

Foreign Direct Investments (FDI) is the totality of investments that enter a country from both private and public sources. Private sources of investments are investments being owned by global citizens in their individual capacities. They are largely portfolio investments in share capital. Public sources of investments include loans, grants and technical assistance/aid which governments either at bilateral, regional and multilateral levels made available to themselves within the web of interactions that can be technically described as state-state relations. Foreign Direct Investments Inflow (FDII) both conveys and indicate the volume, nature, character, contents, sectoral allocation, diversity and plurality of sources and movements of foreign direct investments across the countries, sub-regions and continents of the world expressed either quarterly, or periodically, or annually, whichever that is applicable, and as captured in the

framework and instrumentation of representation and analysis. Foreign Direct Investments Pre-Conditions and Requirements (FDIPR) are the sum total of the factors, forces and processes of law, politics and administration, among others, that do allow for the attractions and stimulations of foreign direct investments on a regular and permanent basis usually put in place by countries. They are in specific clear terms the measures and procedures of public policies that are carefully articulated, consciously designed, institutionally enshrined in legal books and documents, advertised and made available through the broad means of media communications detailing the readiness by a country to allow for injection into its economy on regular and permanent basis inflow of foreign direct investments. Democracy/Authoritarianism Divergence (DAD) is a measure of the extent to which the remarkable differences and distinctions between democratic and authoritarian rule do allow for significant observations and results in the inflow of foreign direct investments.

***Democracy/Authoritarian Debate and the Stimulation of Foreign Direct Investment: Understanding the Debate in Context and Perspective***

Which has the greatest affinity to the stimulations and attractions of FDI, democracy or authoritarianism? The question has in recent times engaged the attention of scholars and treatises of different conclusions have emerged. There are two dominant intellectual dimensions to the studies and research on FDI stimulations and attractions. These dimensions, it has become important to emphasize, exist as perspectives, especially in the disciplines of economics and political science where an avalanche of materials and information sources compete for recognition. It is of importance to note further that the present study is a significant attempt to employ the perspective of political science to seek to understand the debate on FDI attractions and stimulations. The above emphasis is to underscore a point of note and as well clarify the focus of the article. Apart from the dominance of economics and political science on the academic issue of FDI attractions and stimulations, there are also the perspectives of sociology, especially following the works of Poona, Thompson and Kelly (2000), Sheen, Wong, Chuan and Fang (2000), Sen and Wheeler (1989), Blackburn (1982), Edington (1984), Fan (1995), Forbes (1986), among others. Accepted to the utility and significance of multi-disciplinary orientation to academic study, in particular to the present effort, each perspective, it is important to note, however, directs its research attention to reflect on the character of each discipline. This no doubt confuses a lot of issues by the very fact that scholars generally encourage a form of analysis that tends to tear apart what ordinarily should have united the social sciences together. Studies were not generally directed at solving existing problems but meant to outwit one another especially in the contained logic of reasoning and in the sophistication of methodology arising there-from. One thing that continues to make social science, and by extension, social science research outstanding and unique among the class of world disciplines, it is here recalled, is its problem-solving mentality. In other words, social research is only appreciated to the extent to which it can help in solving specific societal problems through a presentation that is anchored in the principle of "systematization" with the intention of bringing about clarity through clear-cut methodological substantiation. The imperative need to make a distinction between economics and political science perspectives to the understanding of the debate on FDI is

not only to keep to these requirements but to as well emphasize how the divergent disciplines of the social sciences affect the emerging treatises on FDI. This is the explanation and the reason for the existing character of scholarship on FDI studies and research, a character that only emphasizes on statistical sophistication without the concern to making the sophistication relevant to social policy needs and considerations. It has no doubt created considerable confusion which in turn has affected the age-long defining attributes of social science and social science research.

Extant literature on FDI is generally dominated by the research efforts of very distinguished economists such as Dunning (1970, 1973, 1980, 1981, 1988, among others), Caves (1996), Aharoni (1966), Barros (1994), Balasubramanyam and Sapsford (1994), Bos, Sanders and Secchi (1974), among others. Employing the framework of the "theory of firm behavior" within the greater concept of "economic rationality", these economists tried to explain why firms, in particular the MNEs, seek economic operations all over the world. Among these categories of economists, Caves (1996) stands out even though not as popular as Dunning in the citation. Appropriately titled: *Multinational Enterprise and Economic Analysis (2<sup>nd</sup> ed)*, Caves presents a highly complex explanatory analysis of the MNE as an economic organization. Employing the tools of econometrics without proper definitions, Caves presents an explanatory mode of MNE activity in the very tradition that confuses, not only because of the associated statistical elegance and theoretical sophistication but primarily because he chose to limit his understanding and conceptualization of "economic analysis" to that form of analysis that is purely academic rather than emerging from the details of daily life activities and challenges confronting MNEs in which decision-makers (investors) either regularly face or live with. In the other words, Caves (1996) approaches his subject of intellectual preoccupation from the perspective of isolationism, a perspective that fails to recognize the intertwined nature of stark, social realities. In the preface to the book, Caves (1996: xi) notes boldly and without apology that: "*Students will find these expositions terse but (one hopes) adequate when augmented by appropriate professorial arm-waving. The hard cases are the sections on general equilibrium theory in chapters 2, 5 and 7 (my emphasis).*" As part of the series titled: Cambridge Survey of Economic Literature, Cave's *Multinational Enterprise and Economic Analysis (2<sup>nd</sup> ed)*, from 1996 onwards, exert a serious effect on the contemporary studies and research on FDI, especially from the perspective of "economic analysis" even though he never thought it necessary to distinguish between what he meant by economic analysis and the broad understanding of economics and its science following the "methodical debate" of the 1960s in the social sciences as a whole. Part of the responsibilities of this article is to situate the character of the emerging literature on FDI stimulations and attractions within a framework of reasoning that should help to enhance the specific political science understanding of the issues and problems, especially how the understanding of the issues and problems would in turn help in the shaping of recommendations on how best FDI can be stimulated and attracted with the return to political and constitutional democracy in most of the Third World countries beginning from the 1990s.

However, before efforts will be made to reflect and or focus on the political science perspective to the problematic issue of attracting and stimulating FDI, and hence in the emerging debate, it is considered important to provide a very comprehensive examination and analysis of theoretical discourse on

FDI stimulations and attractions first, from the perspective of economics to be able to understand the debate better since the discipline of economics is much inundated with materials on FDI attractions and stimulations. The economics perspective no doubt provides the much-needed intellectual foundation stones to the understanding of the focus of the article, foundation stones that are important as well to the shaping of the arguments that will be advanced here and hereafter. Therefore, the article seeks to further theoretically explore, expatiate and elaborate on the determinants of FDI. The immediate question is: What is the nature of the explanations of these “theoretical determinants” of FDI? Before then, it is here observed that the varied intellectual explanations are embedded (depending of course on the type of explanation) in certain assumptions which are in most cases very clear and straightforward to understand. However, as they are yet to be empirically validated, they are best referred to as hypotheses and hence they remain as “hypothetical explanations”. Beyond the considered need to ensure clarity in the presentation and analysis of the debate on FDI, there is also the need to stimulate further research and build on the avalanche materials on FDI attractions and stimulations. To begin with, what are the core assumptions that underline these hypotheses? To what extent have the hypothetical explanations and analyses been able to comprehensively capture the nitty-gritty of FDI inflow? And finally, of what relevance are they to the analyses of the developing countries experience? These are indeed inescapable critical questions significant for knowledge advancement, especially as the advancement relates to the problematic issue of stimulating and attracting FDI. Obadan (2004) classified these determinants into seven. They include differential returns hypothesis, size-of-market hypothesis, growth hypothesis, protectionist policies, need-for-raw materials hypothesis, investment climate and other factors.

Before a focus is made on the political science perspective, it is of importance to examine first, the arguments, points and assumptions of those who combine together the perspectives of economics with political science. In this regard, working independently, two joint works of Motta and Norman (1996) and Gliberman and Shapiro (2003) remain outstanding in literature. Putting the research question and hence the debate in clear and specific terms, Motta and Norman (1996) ask very elegantly that: “Does economic integration cause foreign direct investment? According to them: “Our primary motivation is to formulate, a more satisfactory explanation of the spectacular growth of foreign direct investment in the emerging regional blocs of Europe, North America and the Pacific Rim than is currently available” ... in the tradition of recent game-theoretic models of foreign direct investment (Horstmann and Markusen 1987, Smith 1987, Rowthorn 1992, Motta 1992). However, these models are two-country models and so, for several reasons, do not allow us to investigate the effects of economic integration and the attendant global regionalism to which it is giving rise”, (Ibid: 758). This does not only point to the confusion in which the perspective of economics has brought to the understanding of a more wider social science perspective to the subject of FDI determinants and the preconditions for their attractions and stimulations, it has, again, from the angle of methodological and conceptual clarification, muddled-up all the expected gains of the research. This is because, if the authors did state in clear, unambiguous terms, that the investigation is rooted in the tradition of “game-theoretic models” which to them have their inherent problems (which they knew and pointed out), the question then

becomes inevitable, why the use of the same method for the purpose of data collection and analysis without provisions for adjustments that would, in turn, make the “game-theoretic models” useful for their research? The classification and categorization of the efforts of Motta and Norman (1996) as sharing both the perspective of economics and political science are as a result of the modest understanding of the idea of economic integration and the various forces and factors propelling the drive towards regionalism and regional political trappings globally. What Motta and Norman (1996) needed to have done was to allow the process of data collection and analysis to be influenced by the same framework of research accomplishment which had earlier informed the framing of the topic and research question. The only academic justification that tied the research to a political science orientation is the reference to the “regional blocs of Europe, North America and the Pacific Rim” which gave rise to the European Union (EU), North Atlantic Free Trade Association (NAFTA), and the Association of South East Asian Nations (ASEAN), which, in political science, are best referred to as territorial federal systems.

In their contributions to FDI studies using the combined perspectives of economics and political science, Gliberman and Shapiro (2003: 19) examined “... the statistical importance of *governance infrastructure* as a determinant of United States foreign direct investment” (my emphasis). According to them: “... governance infrastructure comprises public institutions and policies created by governments as a framework for economic, legal and social relations” (Ibid: 20). They go further to break down the infrastructure in specific terms as “...those elements that can affect the investment decisions of multi-national corporations MNCs. A beneficial governance infrastructure might before include: an effective, impartial, and transparent legal system that protects property and individual rights; public institutions that are stable, credible and honest; and government policies that favor free and open markets”. (Ibid: 20-21). Relying on Kauffman, Kraay and Zoido-Lobaton (1999) formulated indices of “governance infrastructure”, but what Glibermann and Shapiro (2003) prefer to call “meta indices” or KKZL indices, the six governance measures which included (voice, political freedom and civil liberties: political instability, terrorism and violence; the rule of law, crime, contract enforcement and property rights; the level of graft and corruption in public and private institutions; the extent of regulation and market openness, including tariffs and import controls; measures of government effectiveness and efficiency). Focusing on over one hundred and forty-three countries in the world and studied between 1995 and 1997, Glibermann and Shapiro (2003) sought to know the extent to which governance infrastructures helped in stimulating FDI of the United States origin to what they described as: (a) all countries, (b) developing and (c) transition economies. For the purpose of attracting FDI, they found out that: “... improvements in governance are likely to be more important for developing and transition economies than for all countries and average”. (Ibid: 36). They also found out further that: “Developing economies are the least likely to receive any positive FDI, and improvements in governance that put those countries over the minimum threshold will encourage positive FDI flows” (Ibid: 36). Finally, they found out that: “... Countries whose legal systems originate in English Common Law attract more United States FDI, other things being equal” (Ibid: 36).

The two types of research of Motta and Norman (1996), and that of Gliberman and Shapiro (2003), were no doubt based

on issues of importance to a political science study of FDI. However, the impression should not be created that prior to 1996 and 2003 that there were not political science studies on FDI. Of course, there were, but the studies then were ideologically based and they, therefore, focused on the desirability or otherwise of FDI, the broad activities of MNEs, (all subsumed in the ideological hurricanes of international political economy), and without a deliberate examination of the scientific relationship between FDI and “governance infrastructure”. But following the collapse of the then Union of Soviet Socialist Republic (USSR), the revolution of the “democratic waves” in both Africa and Eastern Europe, the rise of leaders (military and civilian) imbued with nationalist spirits, the development agenda (pre and during the cold war) resurfaced as there were new challenges that attended these developments. In Africa and Eastern Europe, there were, among others, massive unemployment; degradation and poor conditions of social facilities; de-industrialization; etc, the solutions to which call for rationalization, state roll-back, privatization and commercialization and renewed efforts at stimulating and attracting FDI. All these developments ignite a political science perspective on the stimulations and attractions of FDI, especially as military regimes tried to democratize politics while at the same time implementing structural adjustment programmes.

Taking the bull by the horns, and appearing jointly in the same issue of *International Organization*, Jensen (2003), and Li and Resnick (2003), working independently, came up with conflicting findings on whether or not FDI inflows responded to democracy or democratic governance or democratic institutions: three changing concepts that are being used to differently describe what Globermann and Shapiro (2003) prefer to call “governance infrastructure”. To be able to understand the debate on FDI attractions and stimulations, the purpose of the article, the study by Jensen (2003: 612), and his conclusion that: “There is simply no empirical evidence that multinationals prefer to invest in dictatorships over democratic regimes. On the contrary, the empirical evidence in this article suggests that democratic regimes attract as much as 70 percent more FDI as a percentage of GDP than authoritarian regimes”, are first and foremost here examined.

To begin with, what precisely was Jensen (2003) problem of study? Jensen’s problem arose from the broad critique of the theories and models of FDI. In his words, and specifically attacking John Dunning’s thesis on FID stimulations and attractions revolving around the ownership, location and international argument (commonly referred to as OLI theory of FDI), Jensen (2003: 592) observes that: “Although the OLI framework and the horizontal/vertical/ knowledge capital models of multinationals all remain strong tools for understanding the motivations for MNEs’ investment decisions, *they still do not go far enough in answering of the more important questions of international development* (my emphasis). The attraction and stimulation of FDI, rather than responding to OLI thesis/argument as already advanced by John Dunning, according to Jensen (2003), are fundamentally dependent on specific MNEs investment decisions. He boldly argues: “FDI remains a firm-level decision, but countries have differed in their abilities to attract it. *The question remains, what are these country-specific factors that affect FDI inflows?*” (Ibid: 592) (my emphasis). “Which countries attract FDI?”, and “what... country specific factors” affect FDI inflows, consequently became the research questions with which to address the age-long theoretical concern about how to explain the determinants of FDI especially given the

fact that FDI is “... a key element of the global economy”, and that it is as well “... an engine of employment, technological progress, productivity improvements, and ultimately economic growth” (Ibid: 187).

Specifying that these factors include, among others: policy stability, sound and excellent macro-economic and monetary policies, tax holidays and concessions, efficient social infrastructure, etc., Jensen (2003), argues that these factors in themselves add to the “credibility” of political regimes and hence help in the reduction of “political risks” that are associated with FDI inflows. According to him: “Democratic institutions can be a mechanism by which to decrease political risks” (Ibid: 594). Democratic institutions, therefore, provide a better environment for the purpose of attraction of FDI since, and according to him, an increasing number of “veto players” like the legislature, Supreme Court, etc, already serve as “institutional constraints” which may help ensure the credibility of democracies “... by making the possibility of policy reversal more difficult” (Ibid: 594-595).

Le and Resnick (2003) on the other hand, found something contradictory and quite significant to that of Jensen (2003). Jensen (2003), it is here recalled, found out that: democratic governance” helps to attract FDI. In the case of Li and Resnick (2003), two results emerged. They are that (1) “democratic institutions” help to stimulate FDI, and (2) also that “democratic institutions” hinder FDI inflows. The findings are indeed wonderful when placed within the array to the literature on the determinants of FDI, especially in the wake of the increasing economic globalization and political democracy. To be able to understand the details and dimensions of the debate on the theory of FDI, Li and Resnick’s (2003) study demand a very deep and profound analysis. In the fashion in which Jensen’s (2003) study was previously examined, the question is again asked: What was the problem that confronted the study of Li and Resnick (2003)? According to them: “... the lack of an adequate explanation for the effect of democracy on FDI suggests an important gap in how scholars explain interactions between economic globalization and political democracy” (Ibid: 176). For this singular reason, they engaged themselves with the specific question: “... does increased democracy lead to more FDI inflows to LDCs?” (Ibid: 176). They were able to find out what they referred to as “a theoretical synthesis and extension” (Ibid: 177).

The questions can now be boldly asked: How can the differences in the conclusions reached between Jensen (2003) and Li and Resnick (2003) be explained, and to what extent does the explanation that is here provided help to underscore the importance of this article? The differences between them can be explained largely by the methods adopted in going about sourcing for data and in the analysis arising therefrom. For Jensen (2003), the methods of data collection and the empirical tests of the relationship between FDI and democracy took four different dimensions. According to him, “The first set of tests estimates the effects of democratic institutions on FDI inflows in a cross-section of countries in the 1990s. These tests examine the general relationship and the robustness of the findings on the effects of democracy on FDI inflows. The second set tests the relationship by using a time-series cross-sectional analysis of more than 100 countries for almost thirty years”. (Ibid: 596). He continues: “The third set of empirical tests employs a Heckman selection model to further examine the robustness of the relationship. The final set examines the causal mechanism linking democracy and FDI by examining the effect of democratic institutions on sovereign debt ratings” (Ibid:

596-597). In the case of Li and Resnick (2003) data collection method was based on an assessment of "... both the positive and negative effects of democratic institutions on FDI inflows with empirical tests covering 53 developing countries from 1982 to 1995". (Ibid: 176).

It is apt to ask: what are the shared differences and similarities in their methods of data collection, and to what extent do the differences and similarities help to advance the debate on the preconditions and determinants of FDI further? These are indeed important and challenging questions. Let us consider the differences first. They include: (1) while Jensen (2003) examined only 53 developing countries; (2) Li and Resnick (2003) specified the category of the 53 examined countries, and limited them to the developing world, which is not what Jensen (2003) did even though we know that the term and or expression: developing, is very unique; (3) Jensen (2003) methods of data collection were not uniform and certain, they generally reflect on the type of test that was to be carried out; for example, under time-series cross-sectional test, he increased the number of countries to 114 and studied them between 1970-1997. They share the following similarities: (1) they were both quantitative in nature and placed within a known body of knowledge on qualitative research methodology; (2) they both relied on the same source such as polity in their understanding of what and what democratic indicators are.

Now to the second component of the question: To what extent do the differences and similarities help to advance the debate on the preconditions and determinants of FDI further? The differences and similarities tend to underscore the very nature of social science research methodology and the very meaning and understanding of what science is in social science. Social science understanding of science is based on certain essential characteristics whose intention of the formulation is to ensure that using the same method by another social scientist, the same conclusion can be reached or arrived at. While it cannot be fully said that Jensen (2003) and Li and Resnick (2003) made use of the same method (since they differ in techniques of properties), the fact remains that the conclusion of the two studies reflected on the nature of the subject matter of social science characterized as it were by irregularities and lack of uniformities.

## MATERIALS AND METHODS

The discussion and presentation of the materials and methods in relation to the study urgently require making some important points of note and emphasis. Academic debate, especially in relation to the discourse on FDI attraction and stimulation requires ingenuity to be able to make significant contributions and efforts aimed at ensuring the understanding and comprehension of the debate. The debate, in particular its knowledge and understanding, therefore requires carefully formulated mental intuitions and instrumentations that are capable of enabling critical assessment and evaluation of the conclusions reached by the authors from the perspective of their logical consistencies and grasp of realities on the subject matter. Because the discourse on the subject matter of FDI is embedded in diverse methods, especially in relation to the collection, aggregation, and analysis of data, the methodology that is here adopted is unarguably qualitative and technically arranged in line with the thematic engagements of the issues and problems of research. The first theme tackles the conceptual issues in relation to the ambiguities in the knowledge and understanding of FDI through the study-specific operationalization of key concepts. The

second thematic arrangement of the accompanying qualitative research methodology entails the organization of books and other information materials on the knowledge and understanding of the debate in line with the subject matters of political science, economics and sociology, thereby providing a data source that is eclectic and embedded in the multidisciplinary engagement/subject matter of the social sciences as a whole.

## RESULTS AND DISCUSSION

The appearance in 2008 of the study by both Choi and Samy adds a new dimension to the existing studies and debates on the preconditions and determinants of FDI. The immediate question then becomes: what are these new dimensions? To what extent are the existing findings on FDI attractions and stimulations affected by the new study? What makes the study new? And finally, what does the article hope to benefit from the 2008 study? However, before attempts are made to answer the questions, it has become important to point out the shared conceptual commonalities in the works of Choi and Samy (2008), Jensen (2003), and Li and Resnick (2003). Given the fact that Jensen (2003) used the word, "democratic governance" Li and Resnick (2003), and Choi and Samy (2008) "democratic institution", meant that they were all influenced by the same liberal understanding and interpretation of what the democratic attributes are. Their understandings do not differ as well from Gliberman and Shapiro (2003) conceptual terminology of "governance infrastructure". They all share the same conceptual framework of reasoning of the liberal perspective; though with marked differences in both the methods of data collection and the subsequent analyses that followed. While Jensen (2003) and Li and Resnick (2003) arrived at different conclusions, the conclusions/findings of Choi and Samy (2008) seem to agree with Jensen (2003) partially and more with Li and Resnick (2003), yet retaining their identity and stature. These identities and stature are here described as "a new dimension".

Consequently, what precisely is this "new dimension"? How can its newness be explained? Answers to the above questions require that the problem of study by Choi and Samy (2008) be instantly focused upon. According to Choi and Samy (2008: 84), "*One of the most interesting dimensions of this topic is whether democratic regimes are capable of drawing more FDI than authoritarian ones*". (my emphasis). They go further: "*If MNEs prefer investing more resources in democracies to un-democracies, and their investment leads to a positive sum of economic growth, national leaders should have an incentive to adopt and hold on to a democratic political system for better national well-being... In this sense, the way democratic leaders conduct their foreign policy regarding FDI may determine the fate of future national wealth and their political survival in the midst of economic war*" (Ibid: 84) (my emphasis). Choi and Samy conclude that: "*Unfortunately, existing literature has produced seemingly contradictory theoretical argument and reported inconclusive empirical findings on the relationship between democratic institutions and FDI inflows. Some studies find that MNEs are more likely to invest in democratic countries..., while others report that authoritarian regimes experience a large amount of FDI inflows*" (Ibid: 84) (my emphasis). Given the research problem stated above, what Choi and Samy (2008) did, and according to them, was to "... deconstruct Jensen and Li and Resnick's causal mechanisms underlying the democracy-related arguments of veto players, audience

vests, and democratic hindrance with respect to foreign investment and then introduce three accurate measures to capture each of those three causal arguments. *The empirical results reveal that democratic institutions are, at best, weakly associated with increases in FDI inflows, While multiple veto players (and counter-intuitively democratic hindrance) may be positively associated with increases in FDI, audience costs are not linked to FDI activities" (Ibid: 84) (my emphasis).*

For a thorough appreciation of the import of the finding by Choi and Samy (2008), some concepts need to be urgently explained. They are the concepts of (1) veto players, (2) audience costs, and (3) democratic hindrance. Their explanations will also help in the understanding of the answers that will be provided to the questions earlier raised at the beginning of the subsection. So, what are "veto players", "audience costs", and "democratic hindrance"? According to Jensen (2003: 594), veto players: "... can include chambers of the legislature, a supreme court, separation of the executive and legislative branches of government, or federal actors". As institutions of any democracy, they tend to guide against or checkmate the likelihood of the emergence of authoritarian instincts by any leader, the possibility of nationalization and the expropriation of multinational enterprise, a generally considered risk of foreign investment. In the opinion of Jensen (2003:295) if: "Multinational that enters foreign markets can be reasonably confident that the government policies in place when the firm entered the country will continue over time", then FDI becomes encouraged under such a circumstance. "Audience costs" is used to describe the consequence that waits for any political leader in a democracy who decides to renege on his promise. According to Jensen (2003: 295), "If the government makes agreements with multinational firms and reneges on the contracts after the investment has been made; democratic leaders may suffer electoral costs. The potential for these electoral backlashes may constrain democratic leaders". He continues: "In democracies, citizens have the incentive and the opportunity to replace leaders with tarnished reputations through the electoral mechanism. Thus the leadership turnover in democratic systems (or the potential for leadership turnover) can be associated with more market-friendly policies for multi-national". (Ibid: 595). "Veto players", and "audience costs" thus become hindrances to the possibility of developing policies that are not favorable to the attraction of FDI in a democracy.

Now back to the critical questions earlier raised. First, what are the new dimensions which the findings of Choi and Samy (2008) have added to FDI studies and research? It is here recalled that Jensen (2003) and Li and Resnick (2003) contradictory conclusions/findings are already known. However, the findings by Choi and Samy (2008:84) that: (1) "... democratic institutions are, at best weakly associated with increases in FDI inflows", (2) "... multiple veto players may be positively associated with increases in FDI...", and (3) "audience costs are not linked to FDI activities", jointly provide new thinking and dimension to the causal factors either propelling or hindering FDI stimulation and attraction. Among others, there are the fresh insights into the theoretical understanding of the liberal attributes of democracy such as rule of law, competitive elections, etc. it is no doubt implied that the indices through which these attributes are being measured need reformulation and refinement to perhaps accommodate a broad conceptualization of these attribute along mid-points, a broad conceptualization that should,

apart from achieving a middle position, in turn accommodate situational exigencies and characteristics. This practice means in effect that the Polity Data series on democracy should be re-evaluated to accommodate the new thinking. This specifically means for instance, that free press can be measured not in terms of individual right to own media houses/newspapers, but the extent to which the right to publish as well as its responsibility for national security and stability.

The findings of Choi and Samy (2008) have no doubt significantly affected the existing conclusions/submissions on FDI studies and research. First, it has faulted solidly the existing sources of data measuring the differential elements of democracy and authoritarianism, as already argued above. Second, it has cautioned us against accepting the existing conclusions and findings. Third and final, it has pointed the direction to how new studies and researches can both influence and challenge the received paradigms on how FDI investigations are best done. What makes the findings of Choi and Samy (2008) new can be seen in two areas viz (1) in the development of their research problem, and (2) in the way in which data were in turn collected and analyzed. The development of their research problem, contrary to existing patterns, is rooted in: (1) the contradictory findings of existing works, particularly in the works of Jensen (2003) and Li and Resnick (2003); (2) the theoretical underpinnings in which the concept of democracy was examined; (3) the diversity in which the entire study was conducted. Finally, the newness of the findings Choi and Samy (2008) can be anchored in the discovery that "audience costs" are not related to FDI activity. This is the first study ever to come up with this type of discovery, and it is indeed novel.

What is the lesson for scholarship and by extension the implication for social research of the examination and analysis of the studies by Jensen (2003), Li and Resnick (2003), and Choi and Samy (2008)? Put it in another way, what is the implication of the contrasting conclusions by Jensen (2003), Li and Resnick (2003), and Choi and Samy (2008) to the debate on FDI attractions and stimulations? The three studies have only confirmed the controversies surrounding the effect of democracy on FDI inflows. Being a very controversial area of research, the lessons are many. In the first place, it requires that the period of any research on FDI needs be clearly defined and an understanding of the concept of democracy within the context of the research needs as well be specified, examined, and in turn placed within the historical context of the changing dynamics that both brought about the regime under study. It further enjoins the research to critically examine the nature of the economy under study so as to provide a convincing framework with which to in turn examine how the factors, forces, and processes of FDI attractions and stimulations are linked together. Finally, for the article and study to contribute meaningfully to the body of knowledge on the controversial area of the effect of democratic institutions on FDI, it should be deeply comprehensive by focusing not only on the period as contained and specified in the study but more seriously by contrasting the period with other periods to show their changing dynamics.

## CONCLUSION

In the article, the debate on the affinities of FDI to either democracy or authoritarianism has been approached in a manner that helps to reveal the associated historical and intellectual foundation stones in the standard fashion of qualita-

tive research methodology. The concepts of democracy, authoritarianism, foreign direct investments (FDI), foreign direct investments inflow, foreign direct investments pre-conditions and requirements, and democracy/ authoritarianism divergence were defined in such a way that their applications in the article are easily understood. The debate constitutes an important element of the understanding of the contemporary international political economy as FDI moves across countries, regions and continents of the world. The different conclusions reached are equally important to the study and analysis of FDI. Research issues and problems are equally as diverse as the existing conclusions. They however constitute the vitality, strength and sophistication in which contemporary social science research methodology can be placed as scholars and researchers continuously engage themselves in the search for the knowledge and prediction of the preconditions and determinants of FDI.

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# Ceylon as an Exotic Escape in James Joyce's Ulysses

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## Abstract

James Joyce's Ulysses has been recognized as a literary masterpiece and has been interpreted in terms of many aspects. Being a quintessential Modernist novel, the novel brings out several post-colonial themes and concerns. Joyce writes about Ceylon in the episode "Lotus- Eaters" and his viewpoint is different from that of the common English perspective of his era. Many critics have interpreted this episode in terms of materialism and the colonial quest of acquiring resources and some critics have recognized the exotic Ceylonese symbols to be connected with psychology and sexuality. A new interpretation of this episode can shine a light on Joyce's unique narrative techniques and his ability to transcend perspective. Therefore, this study would consider Joyce's perception of Ceylon in terms of exoticism as presented by Victor Segalan in *Essays on Exoticism* and Edward Said in *Culture and Imperialism* while exploring how Joyce attempts to radically challenge the Western view of the Far East which was solely based on the acquisition of resources and financial gain.

**Keywords:** Ceylon, Colonialism, Exoticism, Modernism

## INTRODUCTION


Fiction related to post-colonial literature often bases its stories on the themes of the asymmetrical distribution of power between the colonized and the colonizer and also on the constant struggle for freedom and resistance of the colonized entities. However, as travel towards the East expanded, colonial exoticism was introduced as a new ideology developed by Western travelers who did not seek methods to instill power and fear in their colonized lands but to discover the hidden beauties of the newfound world and the secrets of its eccentric civilizations. Thus, colonial exoticism strives to accentuate the polarities of difference and the friction caused by the continuous power struggle in a colonized state. Most scholars have identified exoticism as a form of appreciating hidden cultures, as an ethnic homogenization and it is also seen as a fundamental concept within the social space where cultures are met with the intention of acquiring power within a society where human values are depleted and power rules everything.

Exoticism was identified by early critics as a geographical concept but critics started to expand the idea into the development of eccentric characters bound by individual cultural norms and landscape. For Romantic and Victorian writers, the exotic world served as an example of the fantastical with an undisturbed natural world that was alien to the heavily industrialized and modernized world, they lived in. Early writing that depicted the East as an exotic landscape attracted a wider readership. *The Arabian Nights* are one of the early writings that depict the Arabian cities and their

dwellers as living alongside magical elements, great treasures of gold hidden within previously unknown landscapes which are vastly made up of sand dunes, mountains, and desert lands. Early fiction from the East served as "...illustrators in shaping the first visual forms of Exoticism, dealing with the field of cultural representation in one of its early visual forms" (Khalid, 2011, p. 47).

Thus, critics were familiarized with the idea that exoticism can serve as more than a geographical limitation and function and that it was often defined as a concept that can awaken inner human thoughts and bring in a sense of freedom and act as a tool that facilitates escape from the banal modes of life which were common in the Western world. There is a significant change in some of the canonical English literary works of the 18<sup>th</sup> century as writers incorporated details about this unknown world into their texts. In Jane Austen's 1817 novel *Mansfield Park*, Sir Thomas Bertram travels to the West Indies where he manages and establishes his authority at a plantation that was established by British colonial rulers. There are no detailed descriptions of his work or the surroundings in which he lives but Austen brings in the existence of this other world that the English readers are not familiar with. In *Great Expectations* by Charles Dickens, the convict Magwitch is sent to Australia where he is able to work and prosper. Later in the novel, it is revealed that Magwitch is their benefactor of Pip and has been helping him to achieve his dream of becoming a gentleman. Magwitch describes his life and his series of short-lived vocations to Pip,

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"I have been a sheep farmer, stock-breeder, other trades besides, away in the new world, many a thousand mile of stormy water off from this" (Dickens, 1994, p.291). Similarly in Charlotte Brontë's *Jane Eyre* first published in 1847, Mr. Rochester narrates the stories about his life in the West Indies, its difficulties, and how he had to marry Bertha Mason not knowing of her psychological condition. Brontë's descriptions of Mr. Rochester's life in the West Indies are full of obscure and dark imagery and she fails to bring in any sense of admiration for the colony.

The fiction of many English canonical writers included descriptions of the colonial world but these were often brief and not detailed. As the colonial project was expanding it was a necessity to include these alien nations in their fiction to create a sense of enigma and curiosity in the reading public who were residing in England. The fiction writers gathered details of the colonies through travel writing of those who traveled to these lands for state and business purposes. Thus, the canonical English novelists portrayed these colonies only as sources of income and as a path for the English to flourish and establish financial stability. Thus, Dickens in *Great Expectations* writes about Australia in terms of profit gathered through the labor of English prisoners who worked in the colony, in *Mansfield Park* by Jane Austen, the West Indies is depicted as a place with many resources and the presence of an Englishman, Sir Thomas Bertram is a necessity to establish a sense of stability in the colony and in *Jane Eyre*, Mr. Rochester's life spiraled down into darkness and misfortune because of his stay in the colonies. Thus these writers have completely discarded the aesthetical sense which lies within these lands as they were unable to witness it through first-hand experiences and the travel reports and narratives of the British colonial officers were only written with the intention of explaining available resources, profit maximization, and with a sense of contempt at the natives.

Readers and critics have identified James Joyce's fascination with the new world and many references to these lands can be found in his fiction. In *Dubliners*, the short story "Araby" is about a boy who is in his adolescence and experiencing attraction towards the opposite sex for the first time Araby is the name given to the bazaar where he will buy something for her to make her happy. The boy reveals the impact Araby has on him: "The syllables of the word *Araby* were called to me through the silence in which my soul luxuriated and cast an Eastern enchantment over me" (Joyce, 1996, p.32). The East serves as a place of enchantment and serves as an opening into reality as the protagonist continues to look deeper into the newfound feelings of attraction and once he reaches the bazaar called Araby he realizes his condition, "Gazing up into the darkness I saw myself as a creature driven and derided by vanity; and my eyes burned with anguish and anger" (Joyce, 1996, p.36). In naming the bazaar as Araby, Joyce also brings in the undertones of trade and commerce but gives prominence to the exotic experience.

Another example where Joyce brings in allusions to the East is the mentioning of Haroun al Raschid in the third episode of "Proteus" in *Ulysses*. He was a benevolent ruler of Baghdad and was regarded as one of the best emperors of the Middle-Eastern territory. Stephen Dedalus, one of the protagonists in *Ulysses* recollects his dream of Haroun al Raschid while he is sitting on the beach of Sandymount Strand. His mind is occupied with many things and shifts from different flashbacks and dreams which he has been having recently. This reference to a figure from the East is used by Joyce to bring in a sense of surrealism and enigma to the dreams Stephen has. Just like the other characters in

*Ulysses*, Stephen lives and walks about in Dublin but when engaged in reveries, consciously and unconsciously his mind travels to the East.

Joyce extracts from external culture and infuses them in his narration while creating the idea that the orient world has its mysteries and beauty which could be used for the awakening of the consciousness of the West. In fact, Joyce's perception of the East is inclined more toward a celebration of the East in terms of freedom and for the acquisition of a deeper understanding of the human condition and not merely based on commercial prospects.

When James Joyce first published *Ulysses* in 1920, the British Empire has expanded rapidly and the Western reading public was familiarized with details about the colonial countries, their resources, the climate, and the lifestyles. Unlike Austen, Dickens, and Brontë who wrote during the 1800s, Joyce was writing his novel in an era where the Western world's view of the East was gradually shifting. Famous exotics such as Pierre Loti changed the view of the East by rejecting the idea that the West should continue the establishment of power, governance, and authority and replacing this common thought with his ideas of exoticising the East. The proponents of exoticism threw away modernity by becoming a part of the exotic world and ingratiating themselves as they identified with the Other in an attempt to blend in with their unknown cultures. They identified the capitalist expansion which was slowly devouring the colonies reducing the idyllic and free lifestyles which they wanted to safeguard. The sole interest of colonial bureaucrats was to establish plantations and gather native resources through labor and slavery.

This research would take into consideration the problem of the depiction of the Far East in English fiction and how James Joyce takes a radical step in his presentation breaking away from the traditional viewpoints while providing a new interpretation to the Eastern world. The study would look into the commercial perspective of the Western world on the East and how James Joyce blends in both the commercial view and the aesthetic view deviating from the already established perspectives of the West.

## LITERATURE REVIEW

Literature pertaining to the episode "Lotus-Eaters" is often based on the commercial aspects it generates. Critics and scholars have often viewed this episode as enlightening in terms of the sexual orientation of the protagonist, Leopold Bloom as this episode reveals several instances where he communicates with his lover with whom he has an extramarital relationship.

In *Ulysses*, capitalist concerns often appear, especially in "Lotus-Eaters" when Joyce takes a different twist in his narration connecting the enterprise of tea, capitalist viewpoint, and exoticism of Ceylon. Hart (1993) identifies the Oriental motif in "Lotus-Eaters" and writes how this episode presents exotic sensualism, but mostly in terms of sexuality. The study does not consider the role of imagery associated with Ceylon but builds a bridge between the dimensions of exoticism and sexuality. Similarly, Callow (1992) provides a different point of view as the study explores how the chapter "Lotus Eaters" serves as a paradigm to trace the transition of masculinity. The study takes into account how Bloom is depicted as a man who serves and cares well for his wife in the previous sections but when the readers meet him again in Lotus-Eaters he is depicted as a more virile man who is also communicating with a lover through letters. Thus the

study considers the sexual and gender dimensions presented in "Lotus-Eaters" and does not only limit to *Ulysses* but also considers the sexual thematic concerns in some of Joyce's well-known short stories such as "The Dead". Similarly, Goda (2006) analyses the visual imagery used by Joyce in this episode and how these images are connected with sexuality, gender, and human psychology. The study principally looks into the natural imagery and symbols which occur in this episode connecting with the sexual and emotional tensions within the characters. Even though most critics have been able to trace exoticism and its connection with sexuality, they have not paid attention to rendering a deeper analysis of the function of imagery connected to Ceylon which spans several consecutive paragraphs. The descriptions of Ceylon are well detailed and he brings in the idyllic view which was commonly associated with the country during its colonial rule. There is no doubt that Joyce's parallels, contrasts, and imagery are remarkable but it serves a higher purpose. Most critics have appreciated and recognized Ceylon as a symbol of exoticism presented by Joyce. Yet the most remarkable aspect of this inclusion has not been widely recognized. The canonical novelists of the 18<sup>th</sup> and 19<sup>th</sup> centuries associated colonial countries only with financial implications. Their descriptions were based on the resources and the monetary values associated with these countries and gave the idea that the colonized lands are good sources of income. However, Joyce's mastery lies within his skill in deviating from this commercialization of colonies. He creates an intricate image of Ceylon through a commercial viewpoint which is extended to a more comprehensive and celebrated depiction of the role played by exoticism on this island and its influence on its people. Thus this study would aim to explore the radical view of Joyce as he presents Ceylon not as a country of resources that will generate profit for its colonial rulers but as a place of innocence, harmony, and escape from a world ruled by the chaos of modern development in the West.

## MATERIALS AND METHODS

The objective of this study is to explore how James Joyce challenges the colonial mission of commercializing the East and how he brings in exoticism as the focal point of viewing the new world. The study would take into consideration the "Lotus-Eaters" episode which appears in James Joyce's *Ulysses*. The study refers to theoretical frameworks and ideas presented on exoticism by Victor Segalan in *Essays on Exoticism*. By referring to Segalan's ideas on Exoticism the study incorporates Joyce's perception in building up a new perspective of the East. Theories and ideas presented on the colonial perception of the East as presented in Edward Said's *Culture and Imperialism* are taken into account to develop the contrasting features between James Joyce's perception of the East and the common views of the Western colonizer. Thus, the study strives to view Joyce's perception of the colonized world in terms of his approach toward exoticism.

## RESULTS AND DISCUSSION

This section is divided into two subdivisions. The first category would explore the perspective of travelers who arrived in Ceylon before colonialism. This section would discuss their primary motives to arrive on the island and the events they experienced and their view of the island. The second section would consider the perspective of the travel writers who arrived in Ceylon after colonialism and how these views became crucial to both English readers and novelists in

forming ideas about the Far East. The section would discuss James Joyce's perspective on Ceylon in contrast to other canonical English novelists and how he radically establishes a separate viewpoint.

### *Ceylon as a Centre of Capitalism*

It is important that this study considers the perspective of the West on Ceylon which appears in texts published before the first appearance of *Ulysses* in 1920. In this section, the non-fiction travel writing of several explorers is taken into consideration and this will serve as a fundamental aspect in distinguishing Joyce's view on Ceylon from other previous perspectives.

In the past Ceylon has attracted the eyes of the external world for a long time. The island's geography and resources have been the primary attractions of travelers from both the Eastern and Western nations. Travelers and explorers have been fascinated by the island and its diverse resources even before the arrival of Western colonizers who occupied the nation for decades. Before Ceylon was introduced to the English reading public through fiction, early travelers chronicled their visits in their travelogues. The 13<sup>th</sup> century Venetian born explorer Marco Polo in his *The Travels* narrates the unique geography of the island as below:

Taking a departure from the island of Andaman, and steering a course something to the southward or west, for a thousand miles, the island of Zeilan [Ceylon] presents itself. This, for its actual size, is better than any other island in the world. (Polo, 1997, p. 224)

In the narration of his travels from 1271 to 1295, Marco Polo gives prominence to the geographical location and resources. He describes the Ceylonese king who was in possession of the biggest ruby in the world and expresses his surprise at the size and the pride of the monarch to be in possession of it. He does not present to his readers the beauty of the island, its climate, or its natural landscape. Instead, he portrays Ceylon as an island rich in resources and a prominent place to establish commercial relationships.

It is clear that early travelers to Ceylon saw only the commercial potential of the island and discarded its beauty and the exclusive lifestyles of its occupants. To them, the Eastern world was a place to gain resources in order to expand their commercial gains. The European economy was continuously expanding rapidly and the needs of Western consumers were also going through new changes. Lifestyles of the people were changing with the rapid expansion of the economical world and newly discovered resources from the East became an added advantage to the ongoing development. For the Western traveler, the ultimate motive was to identify the economic advantages that can be obtained from these lands.

In 1344, the Moroccan trader and Sea Explorer Ibn Battuta stepped on the soils of Ceylon and discovered the island to be forfeited and strongly protected by an advanced naval base. He describes a white elephant owned by the king and expresses his surprise at the vast collections of rubies which the locals called "Manikam". Ibn Battuta narrates how these rubies are extracted, polished, and preserved by the locals. He observes the country and its nature from a distance through the viewpoint of an outsider who is on the island for the two main purposes of collecting resources and paying tribute to Adam's Peak.

With the arrival of Western colonial groups, non-fiction writing on Ceylon took a different shift. They were more skilled and unlike the previous arrivals, their intention was to stay on the island, gain its control and establish their

supremacy. Nonfiction writing which appeared in the later years was predominantly based on extensive studies conducted by scholars who came to Ceylon along with the colonial establishments. Elsie Cook's 1931 book titled *A Geography of Ceylon* reveals the hidden secrets of Sri Lanka and she identifies low country and hill country cultivation methods and how settlements have been established by the British colonial officers to ensure efficiency and productivity. James Emerson Tennent's 1859 narrative titled *A History of Ceylon* is a comprehensive narrative about many different facets of the island ranging from religion to culture, geography to climate, and many more.

These non-fictional narratives were well detailed and provided the European reading public with the necessary information on resources and the available potential for commercial growth during a time when the commercial needs of the West were expanding rapidly. Thus, the portrayal of the Eastern world was based on commercialization and deterritorialization. This portrayal slowly stepped onto the narratives of many canonical English novelists whose fiction reached the English readers from the 18<sup>th</sup> century onwards. They described to the English reading public the plantations that were established by the Western colonizers, the prosperity of these lands, and a new world that was opening up with many possibilities and profit.

#### **Seeing Ceylon through James Joyce**

The "Lotus-Eaters" episode in *Ulysses* begins with its central character walking through the busy streets of Dublin on a warm morning. Leopold Bloom is looking at the streets near him and the shops nearby. He sees the building which houses the Belfast Oriental Tea Company and Joyce narrates to his reader that the day is exceptionally warm and different from the usual weather in Dublin. The repetition of "warm" intensifies the atmosphere within which Bloom is placed and the reader also witnesses how he slips a card into his waistcoat pocket. It is revealed later that the card is from Martha, the woman with whom he is having an extramarital relationship.

Joyce (2000) shifts his narration to a collection of descriptions about Ceylon tea appreciating the "... the choice blend, made of the finest Ceylon brands..." (p.86) Joyce's introduction to Ceylon is a candid appreciation of the tea manufactured in the island and through his descriptions, the readers can also understand the importance given to Ceylon tea during the colonial period. His imagery extends from the warm morning to Bloom's secret love affair to the finest tea brands imported from Ceylon. This complex interconnection that extends between several images touches upon the larger theme of the commercialization of colonial lands. It is the sight of Ceylonese tea which awakens their senses in Bloom and transports him to the warm climate of Ceylon. Readers of James Joyce's *Ulysses* are familiar with its characters' struggle to escape the banality of life through different forms. Some escape through illicit human affairs, some by turning towards art, and some characters through their imagination. Thus, escaping life and routine is a fundamental feature in Joycean characters. In this episode of "Lotus-Eaters", Bloom escapes the banality of modern life in Dublin by awakening his mind and soul to the relishing effects of exotic imagery of Ceylon. Many modern critics have identified exoticism with Bovaryism as both these concepts deal with the act of escaping from banal ways of living while seeking an external world with carefree individuality and limitless freedom. Bovaryism is often identified as a personal feeling

which prioritizes escapism through daydreaming while imagining oneself as capable of becoming the protagonist, the hero, or the heroine of a romance refusing to pay attention to everyday realities. Thus, the two concepts share many similarities which involve the human mind and escape through imagination. Bovaryism has been defined as one of the best possible ways through which "...we accommodate our inner or our true selves to the bruise and press of society" (Blackmur, 1951, p. 476).

Exoticism was developed first as a term that was used only to denote geographical separation. It carried the idea of the geographical differences between the two worlds: the West and the East. It was an identification of this geographical separation based on the idea of an elsewhere driven by geographic unfamiliarity. In the act of defining the East, the term "exoticism" acquired the sense of deterritorialization where boundaries were put up by scholars to identify the group of static lands which existed outside the touch of modernity. As a result of the redefinition and reinterpretation of this term, a group of people from the West known as "Exots" identified that exoticism can serve more than geographical limitations and function as more of a tool to awaken the inner thoughts and touch on the human awareness of the world. As a result, a group of people known as "Exots" came to the forefront with the intention of identifying themselves with the Other in an attempt to blend in with unknown cultures. They discarded modern lifestyles and became a part of the exotic world itself by ingratiating themselves in their respective nations. One of the most popular and highly regarded exot was the French traveler and writer Pierre Loti who opposed the colonial bureaucrats and identified the world of the Other as a place of culture and lifestyle and not in terms of commodity-based ideology.

Victor Segalan (2002) identifies exoticism as an important movement in history and expresses his opinion that it should be treated in the same light as other historically important movements such as Renaissance or Surrealism. He writes that it should be felt and experienced individually and does not believe of plural exoticism. Thus, Bloom's feelings on exotic Ceylon are individualistic and personal to him. The activation of a series of thoughts that move from climatic conditions to financial matters and finally to the exotic land of Ceylon through a stream of consciousness is distinctive to Bloom and may differ from other characters. It is Bloom's mind that yearns for freedom and relaxation in Ceylon and it is his desire to abandon and forget all his worries through this exotic escape. Therefore, exoticism is a human feeling which should be felt by both the human spirit and intellectuality.

Joyce (2000) reveals how Bloom stops by the window of the Belfast and Oriental Tea Company the words which come to Bloom's mind are "warm" and "choice blend made of the finest Ceylon brands" (p.86). Through the stream of consciousness, Bloom's mind quickly shifts from one aspect to another as the imagery around him triggers certain aspects of his imagination connected to the Far East. Bloom embodies the exot who yearns to be ingratiated in the eastern land and to live his life as a person belonging to the east away from the cumbersome lifestyle of Dublin. Bloom approves from the words of the exots, he believes that escape from the struggles of modern life can be achieved by establishing a connection with the other world: this connection was physically possible to be achieved by the exots as they were able to travel to these lands whereas Bloom attempts to initiate an escape for a short period of time through his imagination. To Bloom Ceylon is "...the garden of the world" (p.86) rich in

nature and vegetation. Yet life in Dublin keeps him dragging back to reality as he is met with daily happenings in the busy streets as the readers see how "His right hand came down into the bowl of his hat. His fingers found quickly a card behind the headband and transferred it to this waistcoat pocket" and repetitively "His right hand once more slowly went over again" (p.86) as the presence of the card in his pocket reminds him that he has to hand it over to the post office in order to receive the letter from his lover. Although Bloom tries to escape into the east through his imagination, his life in Dublin keeps preventing him from achieving that. He has to continuously remind himself to step onto Ceylon and he visualizes the "...big lazy leaves to float around" (p.87). Imagery connected to water is used throughout this episode to convey the lightness of being in an exotic land. "Where was the chap I saw in that picture somewhere? Ah, in the dead sea, floating on his back, reading a book with a parasol open (p.88)." Joyce sees that life beyond the streets of busy Dublin could be relaxing and that the Eastern world is seen as a source of euphoria and pleasant experiences with a calming effect on the human mind. Segalan (2002) writes about this connection as, "There is an odd opposition between the feeling for Nature and Life in Nature. We do not see, feel, or taste nature with great aesthetic joy until we have experienced a separation or a difference from it" (p.31).

Segalan (2002) believes in the idea that to experience the truest forms of nature one should be away from it and that the feeling of separateness will help an individual to visualize the differences between being with nature and being away from it. When an individual is away from nature, he understands and realizes the greater value of being with nature. An individual feels the greatest need for something when he is away from it. Similarly, Bloom's exaggeration of the Ceylonese lifestyle and the limitless freedom which he yearns for is magnified due to his monotonous existence in Dublin. Bloom is depicted as a character who is moving about in Dublin, talking to his acquaintances and contemplating his relationships and life with the inability to reach for a life that consists of the aestheticism his soul yearns for.

Joyce wrote *Ulysses* in 1920, during a time when Dublin was changing rapidly; economically, politically, and socially. He lived in an era during which Irish migration was at its highest and people were moving towards colonies in search of opportunities and financial stability. However, in this episode of "Lotus-Eaters" Joyce disregards the commercial basis of journeying towards the east. Segalan's *Essays on Exoticism* was first published in 1955, 35 years after the publication of *Ulysses*. Exoticism began to take shape as an ideology only after Segalan's publication of his essays. In 1920 when Joyce first presented Ceylon through exoticism the readers have not familiarized with the concept and to most readers and critics this portrayal of Joyce of the Far East displayed his attitude towards establishing imperial resistance. Joyce becomes an advocate of the exots and their ideology of exoticism as he opposes the early English canonical novelists whose main concern was to bring in the Western-trained mindset of commercialization, commodification, and the deterritorialization of the east as a part of the project of capitalism and the propagation of the open market system. To Charles Dickens, Australia was the colony of the gold mines and to Jane Austen, Antilles was the land of plantations, and the life of the British officers in the East India Company was portrayed with a dark and somber outlook. Yet, Joyce subscribes to exoticism and its obsession with viewing human

existence through a newly discovered perspective even before the term "exoticism" has been fully developed. This new point of view of Joyce is a remarkable aspect of his writing as he breaks away from the canonical English novelists of his era and secures his place as one who sees the aesthetic of the east. When the European colonizers stepped onto the New World, their intention was to create civilization for they believed they have arrived at places where morality and spirituality were unknown and they continued to believe that subjects such as technology, medicine, and philosophy could only be understood only by them as well as subjects beyond human knowledge such as astronomy. They failed to notice that the lands that were captured by them already owned certain technologies, moral values, and developed civilizations. Edward Said sees how writers like Dickens and Austen used the imperial world to create the two ideas of "home" and "abroad" on their quest to give England a specific identity while contrasting with the other world. He presents this aspect of creating a different identity as follows:

... we must be able to think through and interpret together experiences that are discrepant, each with its particular agenda and pace of development, its own internal formations, its internal coherence, and system of external relationships, all of them coexisting and interacting with each other. (Said, 1994, p.32)

Through Joyce's depiction of Ceylon, the western reading public would witness a glimpse of the unseen world in a different light. The readers would no longer view the east as a place through which the West can rise up and develop further but as a place of cultural richness and a feeling of otherworldliness that they have never heard or seen before. Thus, a different version of the cultural otherness is formed amidst the imperial backdrop.

Segalan (2002) rejects all commercial implications associated with the east. He belittles the colonial bureaucrat and condemns his involvement. He believes that the colonial bureaucrat is blind and deaf to the aesthetic of the east and he predicts that this commercialization will have detrimental effects for years to come. He writes about the colonial bureaucrat with contempt:

Sweep away: the colonial, the colonial bureaucrat. They are nothing like Exots! The former comes into being with the desire for native trade relations of the most commercial kind. For the colonial, Diversity exists only in so far as it provides him with the means of duping others. As for the colonial bureaucrat, the very notion of a centralized administration and of laws for the good of everyone, which he must enforce, immediately distorts his judgment and renders him deaf to the disharmonies (or harmonies of Diversity). Neither of these figures can boast a sense of aesthetic contemplation. (p.35)

The English canonical writers of the 18<sup>th</sup> and 19<sup>th</sup> centuries often gleaned their facts about the Far East from the travel writing or reports which were commonly circulated in England. James Joyce was also one of the writers who never had the chance to visit Ceylon or the eastern countries. He was a traveler but only limited to central European countries. This is apparent in his writing as Bloom tells his readers about Ceylon: "...lovely spot it must be..." "cactuses, flowery meads, snaky lianas they call them", "...wonder it is like that..." (p.87). Both Bloom and Joyce have developed a specific image of Ceylon in their own minds while subscribing to the collections of reports and nonfiction writing written on the island. They assume a land of wonders and as Ceylon was often depicted by English colonial officers as an island where

nature was preserved, both Bloom and Joyce imagine the island as a natural paradise. During a time in which the Dublin city streets were getting overwhelmingly crowded and society mainly centered on the commodification of everything, Joyce saw the need for spiritual human freedom.

Joyce's descriptions of the Ceylonese climate and its effect on the people add more to the essence of exoticism. His imaginary Ceylon is possibly prompted by the descriptions of the climatic conditions of Ceylon written by English travelers. An example from James Emerson Tennent who writes his first-hand experiences of the Ceylonese climate as:

In the low country, ingenuity has devised so many expedients for defense from the excessive heat of the forenoon, that the languor it induces is chiefly experienced after sunset, and the coolness of the night is insufficient to compensate for the exhaustion of the day; ... (Tennent, 1859, p.110)

The idea that Ceylon is a country with mixed climatic conditions was popularized during the colonial era and Joyce subscribes to the exact views of the colonial travelers. The colonial view of the Ceylonese climate is mirrored in Joyce's writing. Bloom visualizes the Ceylonese climate as warm and tender. He imagines a world where the people are in a state of relaxation and tranquility "... Cinghalese lobbing around in the sun, in dolce far niente" (p.87). The Ceylonese are portrayed as doing nothing and in a state of extreme relaxation under the warmth of the sun. Joyce sees Ceylon only through the lens of an admirer of the hidden aesthetic freedom. The human experience is mixed with sensations while the mind is transported to a place of recluse and tranquility. The idea that the Ceylonese are doing nothing and merely idling under the warm sun was definitely a development of previous statements provided in non-fiction travel writing on the island as some English travelogues often presented the colonized groups as lethargic and always resting. Edward Said elaborates on this problematic outlook which was widespread in the West using an example where Freidrich Engles spoke of the Moors of Algeria as a "timid race" merely echoing previous statements presented by colonial officers as "When on September 17, 1857, Engles spoke of the Moors of Algeria as a "timid race" because they were repressed but "reserving nevertheless their cruelty and vindictiveness while in moral character they stand very low" (Said, 1994, p.168).

The idea that the natives are lazy was propagated by the colonizers while disregarding their historical and socio-cultural background. They were reluctant in supplying their labor to their rulers and this was easily perceived by the colonizers as disobedience and laziness. Said refers to the words of John Bowring who was both a colonial officer and writer:

The impressions made upon him [the native] are transitory and he retains a feeble memory of passing or past events. Ask him his age, he will not be able to answer: who were his ancestors? He neither knows nor cares... His master vice is idleness, which is his felicity. The labor that necessarily demands he gives grudgingly (Said, 1994, p.167).

These words presented to the Western world an image where the natives needed to be coaxed and forced into labor. It gives the impression that the presence of Western rulers was a necessity for the progress of the native. Exoticism rejects this aspect of the colonial project. Victor Segalan's quest to make the world familiarized with exoticism was derived from his personal desire of exposing the sensations which were within the colonial countries. The differences and diversities in these countries were new to him and he attempted to bring in the aesthetic of these countries to

be blended with the modernized nations where this same aesthetic was continuously challenged, fractured, and on the verge of complete erasure. The exotics and the proponents of exoticism challenged every existing perspective on the East and propagated the effect exoticism had on the human mind by taking into consideration the experience of shock in discovering an unexpected style of living and the vastly different landscapes and climatic conditions. The brilliance of exoticism is in its ability to capture the other world and introduce its luster and glory to a world where industrialization, modernization, and financial gain were the main concerns.

To further analyze James Joyce's perspective of the exoticism of Ceylon it is necessary to identify the association of other recurrent imagery used later in this episode. As Bloom snaps out from his reverie, the reader sees him walking down the streets of Dublin and arriving at the post office. He takes out the card from his right pocket and hands it over to the postmistress who in turn gives him a letter sealed in an envelope addressed to a person called Henry Flower which is the name used by Bloom to communicate with his lover, Martha. The name "Henry Flower" resonates with the essence of his last name "Bloom".

Joyce (2000) has previously disclosed to his readers that Bloom is aware of the fact that his wife is having an affair with another man. This extramarital relationship has the undertones of excitement and limitless freedom away from the struggles of his domestic sphere. He is aware of his wife's illicit affair and his daughter rarely sends home a letter with the news. Bloom is already struggling with his social life in Dublin and this relationship he has with Martha serves as an escape from the turbulences of his life. He is aware that the exotic escape to the far east can be attained only through his imagination and at moments when his senses are awakened whereas this connection which he has formed with another woman lies in his range of possible achievements. As he observes the people around him, Bloom sees a "... recruiting poster with soldiers of all arms on parade..." (p.88), and through his stream of consciousness, it is revealed that these soldiers are enlisted to work "... overseas or half seas over empire..." and they were "Half-baked they look: hypnotized like" (p.88). The images of the east continue in the episode and it is clear that Bloom's mind throughout "Lotus-Eaters" is imbued with the fascination for exotic lands. He has transformed himself into an exot: thinking, feeling, and viewing the world in terms of exoticism. Segalan (2002) writes about this psychotic change in the human mind: "This world is exterior to us. It includes a series of phenomena that occasion the awakening of the mental world. These phenomena are vibratory . . . nerves . . . centers. . . ." (p.27).

As Segalan (2002) suggests, the escape into the exotic world leaves with the individual an emotional change; a psychosis defined by freedom and escape, release and recluse from materialistic bondage. Throughout "Lotus-Eaters" it is apparent how this emotional transformation has gripped Bloom as his mind wanders to the imagery of the Far East and tries to bridge a connection with the world he is living now and the world beyond his reach. Exoticism redefines and reshapes the act of looking at things, from the perception of the observer (the protagonist in concern) to that of the interpreter (the reader/the critic), exoticism involves a transformation of the mind.

Later in the episode, Bloom is struggling to look for seclusion away from human interaction. He tries to avoid being noticed by another Dubliner as he thinks "M'Coy. Get rid of

him..." (Joyce, 2000, p.89) but eventually has to engage in conversation with M'Coy which clearly depicts his inability to avoid daily conversations and commitments he has. His mind often rests on the contents of the letter from his lover even though he is in conversation with M'Coy.

Joyce's intention in naming this episode "Lotus-Eaters" is also remarkable. The structuring of *Ulysses* was based on Homer's *Odyssey* and Joyce adheres to the chronology of the episode parallels and chooses Ceylon as the central place. To Homer who wrote during an era when exoticism or colonialism was not known, he described in his "Lotus-Eaters" episode about the people who lived on an island visited by Odysseus as:

They left at once and met the Lotus-eaters,  
who had no thought of killing my companions,  
but gave them lotus plants to eat, whose fruit,  
sweet as honey, made any man who sampled it  
lose his desire to ever journey home  
or bring back word to us—they wished to stay,  
to remain among the Lotus-eaters,  
feeding on the plant, eager to forget  
about their homeward voyage (Homer, & Johnston, I. C, 2007, p.170)

The Lotus is presented by Homer as a pleasure-producing plant and the men who traveled with Odysseus are quickly fascinated and attracted to this particular plant and begin to consume it. The people of this island are gentle and kind. They introduce Odysseus and his men to the Lotus plant and request them to eat the fruit of the plant. The group of men who consume the lotus fruit face an oblivious experience and soon forget the tasks they were assigned and especially the task of going back home. They prefer to stay on the island and live within the sleep-induced effect and never return home.

A similar effect is achieved by Joyce in *Ulysses*. Joyce transcends his readers to Ceylon a country where lotus flowers are grown in abundance with endemic varieties. The lotus flower is symbolic of many Ceylonese traditions and customs and the island is connected closely with the flower. Just like the people of the island visited by Odysseus, the people of Ceylon also consume the lotus fruit. Even though Joyce personally never visited Ceylon, he has been able to gather details about its geography, climate, and essentially the aesthetic at the heart of the island.

Thus James Joyce blends in exoticism into his descriptions of Ceylon and conveys the idea that the perspective of the West on the East was flawed and that it needed to be changed. As a Modernist writer, he has been able to invent this new perspective in a world where the other canonical English novelists secluded their views only to the most common views of the East. Joyce is radical in his statements, his interpretations of the East as well as in his ability to revolutionize existing world views.

## CONCLUSIONS

The study identified the place occupied by the non-Western world in English fiction to be solely based on commercialization and the travelers who arrived at the colonized lands viewed these countries through deterritorialization as they did not look at these nations as individuals and unique. However, James Joyce deviates from this portrayal and pays more attention to the aesthetic of Ceylon. His imagery of

Ceylon begins with commercialization at the backdrop but extends towards the aestheticism of the island.

The study brought into focus a topic on Joycean studies which has not been discussed extensively before. Through that, it is possible to view Ceylon in a different light: a changed perspective for the West not only to look at Ceylon as a country full of resources and a point of profit generation but as a country rich with a wonderful and unique aesthetic. This individualization of Ceylon was achieved by James Joyce successfully and the study analyzed this aspect using the ideas put forward by Victory Segalan on exoticism. Both Segalan and Joyce possessed the same attitude towards the East and their perspectives challenged the initial goals of the colonial project. The study also referred to Edward Said's *Culture and Imperialism* to explore the most common Western attitudes of the East and the causes behind them. One of the key ideas Edward Said presents in his *Culture and Imperialism* is the concept that Occidentalism and orientalism are not concepts that can be understood only by people of non-Western origins but both these concepts can be grasped by anyone despite their original roots as they are universal and common to human experience. Joyce's presentation of Ceylon in *Ulysses* is a fundamental example to support Said's statement as the Dubliner Leopold Bloom awakens his senses and his mind through the images of the far Eastern Island of Ceylon which occupy his imagination.

For further research with regard to Joyce and colonial studies, the field of exoticism can be analyzed in terms of psychoanalytical theory. Moreover, the colonial references which appear in *Ulysses* can be analyzed in a comparative study with the short fiction and other novels of James Joyce as well.

Thus, the study explored the role played by exoticism in analyzing the "Lotus-Eaters" episode in *Ulysses* and how by viewing this section through a different lens would position James Joyce as a radical and innovative writer of his time who was able to change perspective and challenge existing thought.

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# Measuring implicit and explicit grammatical knowledge in second language acquisition

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## Abstract

Previous research shows that due to non-facilitative first language (L1) transfer, second language (L2) speakers do not develop implicit knowledge of certain grammatical structures. Therefore, the present paper investigates whether L1-Sinhala–L2-English speakers could acquire implicit knowledge of English object pronouns. To achieve this goal, the paper compares data collected via an untimed grammaticality judgment task (untimed GJT) and an oral production task (OPT). The untimed GJT measured explicit knowledge, whereas implicit knowledge was measured by the OPT. The two tasks tested the knowledge of object pronouns by L2 English speakers. The object pronominalization differs in Sinhala and English. Object pronouns are expressed overtly in English. Sinhala has overt and null object pronouns. However, null object pronouns are ungrammatical in English. Under the facilitative transfer from Sinhala, L2 speakers would accept overt object pronouns (grammatical structure). On the other hand, under the non-facilitative transfer, they would accept null object pronouns (ungrammatical structure). A prediction was also made regarding the two tasks. If L2 English speakers had acquired explicit and implicit knowledge of object pronouns, they would be target-like on object pronouns in the two tasks. In the untimed GJT, the L2 speakers differentiated between grammatical and ungrammatical structures. However, they frequently used ungrammatical structures in the OPT. Therefore, the results suggest that implicit knowledge of object pronouns is still unavailable in Sinhala–English interlanguage.

**Keywords:** object pronouns, L2 acquisition, L1 transfer, object pronominalization

## INTRODUCTION

Previous research shows that due to non-facilitative first language (L1) transfer, the development of implicit knowledge is much slower than the development of explicit knowledge (Ellis, 2005, 2008; 2009, 2011). Therefore, the present paper investigates whether L1-Sinhala speakers learning English as a second language (L2) could acquire implicit knowledge of object pronouns in English.

Implicit and explicit knowledge was first studied in cognitive psychology, and later it developed as one of the central topics in psychology (Perruchet, 2008; Cleeremans, Destrebecqz, & Boyer, 1998). Similarly, implicit and explicit knowledge has a long-stand interest in L2 acquisition research (Ellis, 2005, 2008; 2009, 2011). Initial studies in the field of second language acquisition come from the studies of Krashen (1981). Krashen (1981) maintains that implicit knowledge involves the subconscious internalisation of grammar rules, whereas explicit knowledge involves the conscious formulation of grammar rules and structures. However, he does not define what he meant by ‘subconscious’ and ‘conscious’ (Ellis, 2005). In psycholinguistics and L2 acquisition literature, a number of terms have been used to refer to implicit and explicit knowledge (Bialystok, 1978). Explicit knowledge is often referred to as conscious and declarative knowledge, whereas implicit knowledge is called as unconscious and procedural knowledge (Schmidt, 1990). It

is generally believed that the most acceptable definition of implicit and explicit knowledge in L2 acquisition literature was proposed by Ellis (2005).

According to Ellis (2005), implicit knowledge is the procedural knowledge that can be accessed automatically through input, and it cannot be verbalised. Further, implicit knowledge can be easily and rapidly accessed in unplanned language use (Bowles, 2011; Ellis, 2005). In contrast, explicit knowledge is declarative, and it can only be accessed through intentional learning. Ellis (1995) also maintains that, unlike implicit knowledge, explicit knowledge could be verbalised. Previous studies also show that explicit knowledge is learnable, and it can be learnt at any age (Bialystok, 1982). However, the ability to learn implicit knowledge is constrained by age, and some of the linguistic features are easier to learn than others (Birdsong, 2006).

Another important debate concerns whether implicit and explicit knowledge systems are related or whether the two types of knowledge are separate entities. In other words, researchers try to ascertain whether there is an interface between the two knowledge systems (Ellis, 2005). Three propositions have been discussed, namely, the non-interface, the strong interface, and the weak interface proposals. The non-interface position claims that implicit and explicit knowledge systems are two separate entities (e.g., Paradis, 1994;

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Schwartz, 1993; Krashen, 1981; Ullman, 2001). Paradis (1994) suggest that bilinguals with aphasia gradually lose the ability to use their L1 while maintaining the ability to converse in their L2. According to Paradis (1994), this provides evidence to believe that two types of knowledge are separate systems. Paradis (1994) suggest that bilinguals with aphasia gradually lose the ability to use their L1 while maintaining the ability to converse in their L2. According to Paradis (1994), this provides evidence to believe that two types of knowledge are separate systems. Ullman (2001) maintains that regular and irregular morphological forms are processed differently. He suggests that implicit knowledge allows us to process regular morphological forms, whereas irregular forms are processed by accessing explicit knowledge. Therefore, he also believes that two types of knowledge are two separate systems.

However, some scholars have viewed explicit and implicit knowledge as continuous rather than dichotomous, and they support the strong interface position (e.g., Ellis, 2005; DeKeyser, 1998; Bialystok, 1982). DeKeyser, (1998) maintains that adult L2 learners first develop an explicit representation of L2 grammar. However, they gradually learn implicit knowledge through communicative practice. Further, Bialystok (1982) also points out the two types of knowledge are linked as L2 learners draw on both systems as they acquire an L2. L2 learners typically learn the implicit and explicit knowledge of the same linguistic feature (Bialystok, 1982).

The weak interface position claims it is possible for explicit knowledge to convert into implicit knowledge (Ellis, 2011, 2005, 2008). However, according to Ellis (2011), the conversion depends on different learnability conditions. The following section examines previous studies on implicit and explicit knowledge.

## LITERATURE REVIEW

In previous studies, explicit knowledge is often measured by asking L2 learners to explain a certain grammar rule when it has been violated, whereas implicit knowledge is measured by examining the use of linguistic features in speaking and writing (Sorace, 1985). Implicit and explicit measures used in the present study are explained later in the paper.

Green and Hecht (1992) tested implicit and explicit knowledge in L2 German. They recruited native German speakers who were studying at schools or universities. They collected the data via an error correction task. The results showed that the participants were able to correct 78% of ungrammatical sentences. However, in 54% of cases, they failed to explain the correct grammar rule.

Macrory and Stone (2000) looked at an implicit and explicit knowledge of French perfect tense in English-French interlanguage. The participants were recruited from schools in the UK. First, they were asked to self-report their perception of the French perfect tense. Additionally, they measured their actual knowledge of the French perfect tense via a gap-filling exercise and a written production task. They found that the students have a good explicit understanding of French perfect tense. However, the results suggest that their implicit knowledge has not been fully presented in the English-French interlanguage.

Hu (2002) conducted a study to determine whether Chinese-speaking L2 English learners could use explicit knowledge in spontaneous writing. He first asked the participants to complete two writing tasks, and they were followed by an error

correction task and a rule-verbalization task. After completing these tasks, the participants were asked to complete yet another two writing tasks. Hu (2002) predicted that after completing the error correction task and rule-verbalization task, the learners would perform better in the second series of writing tasks. As predicted by Hu (2002), he found that by increasing the explicit understanding of grammar could improve the learners' ability to use the target language spontaneously (implicit knowledge).

Elder and Ellis (2009) investigated the relationship between implicit and explicit knowledge. The researchers measured implicit knowledge via a timed grammaticality judgment test (timed GJT), and implicit knowledge was measured via an untimed GJT and a metalinguistic knowledge test. They found that implicit and explicit knowledge systems are positively correlated with language proficiency. Implicit knowledge correlated strongly with speaking and listening skills, whereas writing skills were more closely correlated with writing skills. They also found that implicit knowledge develops much slower than implicit knowledge.

Roehr (2008) also reports similar results by looking at an explicit knowledge of L2 German. Roehr (2008) found a positive correlation between language proficiency and explicit knowledge. Renou (2001) also found a positive correlation between listening and comprehension skills and implicit knowledge of L2 French grammar. Additionally, these researchers report that the development of implicit knowledge is much slower than the development of explicit knowledge.

Han and Ellis (1998) investigated explicit and implicit knowledge in L2 English. Participants were recruited representing different L1 backgrounds. The data were collected via four tasks: a timed grammaticality judgment task, an oral production task, a delayed grammaticality task and a metalinguistic task. The first two tasks measured implicit knowledge, whereas the second two, explicit knowledge. The results showed implicit and explicit knowledge systems are unrelated. Further, the findings also suggest that implicit knowledge of L2 grammar is not available in their interlanguage. The next section presents that the rationale of the present study.

## RATIONALE AND LINGUISTIC BACKGROUND

Sinhala and English differ with respect to the object pronominalization. As illustrated in (1), referential object pronouns are expressed overtly in English, and overtly expressed referential object pronouns are obligatory in English as shown in (2). Sinhala also has overt object pronouns as in (3b). However, additionally, it allows null object pronouns as in (3c).

1. Did you see Peter?  
Yes, I saw her.
2. Did you see Peter?  
\*Yes, I saw  $\emptyset$ .
3. a. oyya Mala dækk-a də?  
you Mala see-PST.1.SG Q  
'Did you see Mala?'
- b. ow mame eyya dækk-a.  
yes I her see-PST.1.SG  
'Yea, I saw her.'
- c. ow mame  $\emptyset$  dækk-a.  
yes I (her) see- PST.1.SG  
'Yea, I saw (her).

It was hypothesized that due to the cross-linguistic difference between Sinhala and English, L1-Sinhala–L2-English speakers would encounter learnability issues while acquiring object pronouns in English. Furthermore, they would not develop implicit knowledge of object pronouns in L2 English. Considering the cross-linguistic difference between Sinhala and English, I formulated the following predictions.

## HYPOTHESES

**Hypothesis 1:** If the L1-Sinhala–L2-English speakers have explicit knowledge of object pronouns in L2 English, their performance will be target-like in explicit tests.

**Hypothesis 2:** If the L1-Sinhala–L2-English speakers have implicit knowledge of object pronouns in L2 English, their performance will be target-like in implicit tests.

**Hypothesis 3:** If the L1-Sinhala–L2-English speakers have implicit and explicit knowledge of object pronouns in L2 English, their performance will be target-like in implicit tests and explicit tests.

## METHODOLOGY

### Participants

Two groups took part in the experiment: an experimental group and a control group. In the experimental group, there were native speakers of Sinhala (hereafter L2 speakers). At the time of the data collection, they took part in an intensive English language course in Colombo, Sri Lanka. In the experimental group, there were thirteen participants. However, one participant was later excluded from the experiment, as she could not complete both experiment tasks administered to the participants. The L2 speakers had some exposure to English, and they were at the pre-intermediate level. Eight English native speakers (hereafter L1 speakers) served as a control group. They were recruited from the University of York, UK.

### Experimental materials

The experiment included two test instruments. The data was collected via an untimed grammaticality judgment task (untimed GJT) and an oral production task (OPT). The participants started the experiment with the untimed GJT, which was followed by the OPT.

### Untimed grammaticality judgement task (Untimed GJT)

Sprouse (2011) states that GJTs are used in a wide variety of linguistic domains like generative linguistic research, language acquisition research, psycholinguistic research, and also classroom-based research. The GJTs can be used for a range of purposes, including screening participants, assessing language proficiency, and determining knowledge types: implicit and explicit. Ionin and Zyzik (2014) state that one of the concerns about GJTs is that they are not natural. In other words, the tokens tested in GJTs do not reflect the real-world use of the target language. According to the authors, another concern about GJTs is that they may only tap into learners' explicit knowledge. However, some researchers have used timed GJTs and audio GJTs to measure implicit knowledge of nonnative speakers (Ellis, 2005; Murphy, 1997). Further, judgment data is important as they allow us to understand what structures are allowed and disallowed by native and nonnative speakers (Ionin & Zyzik, 2014; Schütze & Sprouse, 2014). Most importantly, GJTs can be used to test syntactic structures that are rare in spontaneous speech (Loewen, 2009). In this study, an untimed GJT

was used to measure explicit knowledge of object pronouns in L2 English.

The untimed GJT included thirty experimental tokens and twenty fillers. The thirty experimental tokens were divided equally (15 grammatical and 15 ungrammatical). The untimed GJT tested the grammaticality contrast between S-V-ObjPro and \*S-V- $\emptyset$  (as in 4 and 5). The grammatical tokens focused on the S-V-ObjPro structure as in (4b), whereas the ungrammatical tokens tested the \*S-V- $\emptyset$  structure as in (5b). Twenty fillers were divided equally (10 grammatical and 10). Each experimental token and filler consisted of a two-person short dialogue in English (as in 4 and 5). The subjects were asked to judge the acceptability of the statements given by the second person in the dialogues. The judgments of the participants were measured on a five-point Likert scale of -2 to +2 where -2 means completely unacceptable, and 2 means perfectly acceptable.

### Oral Production Task (OPT)

Turning to OPT, Schachter, Tyson, and Diffley (1976) showed the importance of production data in second language research. They state that production data helps us to understand what learners do not know and their sensitivity to different syntactic structures. Selinker (1974) states that researchers need to consider production data as they come from observable and real-life situations. Myles (2005) argues that the language produced by L2 learners, despite processing and parsing difficulties, shows the most directly the state of learners' interlanguage. There are two types of production data: oral and written (Indrarathne, Ratajczak & Kormos, 2018).

In the present study, I focus on oral production data as it allows for more spontaneous data than written. The participants have less opportunity to reflect on learnt linguistic knowledge in In OPTs. Therefore, the OPT was used to measure implicit knowledge of object pronouns in English.

In the OPT, the participants were asked to do a role play with the researcher. The researcher posed questions to the participants (as in Figure 1), and they had to answer the questions by looking at pictures. For each question, the participants were shown different pictures. The total number of tokens was ten. The fillers were not included in the task. The researcher audio recorded the answers, and later the answers were transcribed.

### Figure 1: Oral Production Task Token

*Every day, John does the dishes after dinner.*



*What does he do with the plates?*

## RESULTS

### Untimed grammaticality judgement task

As noted previously, the untimed GJT tested the grammaticality contrast between two conditions: S-V-ObjPro and \*S-V- $\emptyset$  (grammatical vs ungrammatical). In the untimed GJT, the judgments of the participants were measured on a five-point Likert scale of -2 to +2. The endpoints were defined as completely unacceptable and perfectly acceptable. The descriptive statistics are reported in Table 1.

**Table 1: Untimed GJT mean ratings on S-V-ObjPro versus \*S-V- $\emptyset$  (scale = -2+2)**

Group	Word order	Mean	SD
L1 English	S-V-ObjPro	1.92	0.30
	*S-V- $\emptyset$	-1.80	0.33
L2 English	S-V-ObjPro	1.50	0.55
	*S-V- $\emptyset$	0.40	0.72

The native speakers showed a strong distinction between the grammatical (S-V-ObjPro) and ungrammatical (\*S-V- $\emptyset$ ) conditions. They had a high mean rating for the grammatical structure (M=1.92, SD= 0.30), and a low mean rating for the ungrammatical structure (M= -1.80, SD= 0.33). The paired sample *t*-test was conducted for the two conditions. The result was statistically significant ( $t(7)=24.1, p=001$ ).

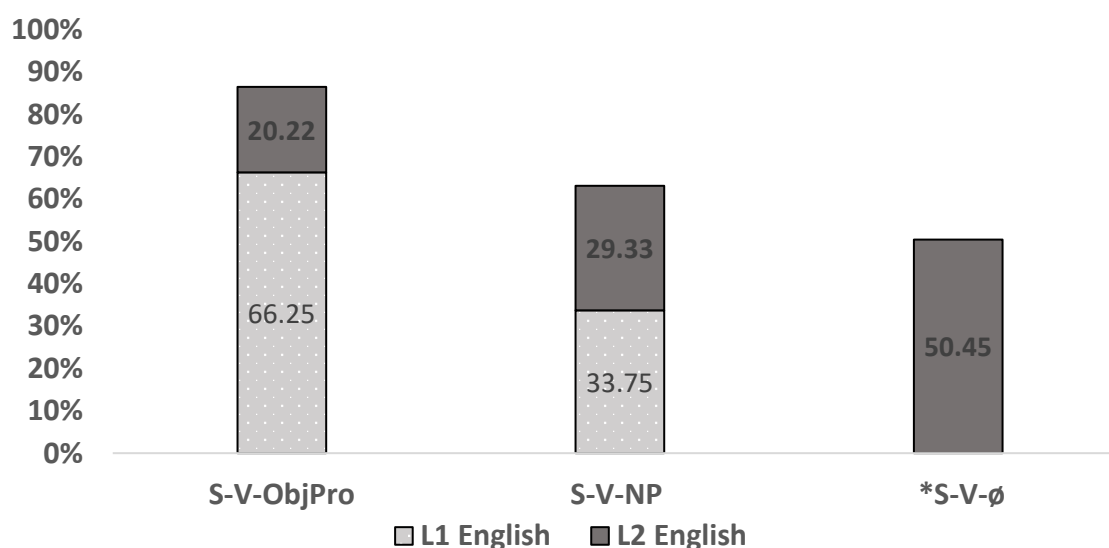
In contrast to the native speakers, the nonnative speakers did not differentiate between grammatical and ungrammatical conditions. They attributed a relatively low mean rating to the grammatical condition (M=1.50, SD= 0.55), while their mean rating for the ungrammatical structure was high (M=0.40, SD= 0.70). The paired sample *t*-test was conducted for the two conditions, and the results were statistically significant for the two structures ( $t(11)=1.24, p=.001$ ). This suggests that, like the native speakers, the nonnative speakers have also made a distinction between the grammatical and ungrammatical conditions.

#### Oral Production Task

**Table 2: S-V-ObjPro, S-V-NP and \*S-V- $\emptyset$  choices in percentages**

	L1 English	L2 English
S-V-ObjPro	66.25	20.22
S-V-NP	33.75	29.33
*S-V- $\emptyset$	00.00	50.45

Source:

**Figure 2: Percentage of each structure produced by groups**

## DISCUSSION

In this section, the results detailed in the previous section will be discussed in light of the hypotheses, and then I will conclude which hypothesis is compatible with the results. As noted previously, the present study tested three hypotheses.

The OPT results are reported in Table 2. The data given in Table 2 are further illustrated in Figure 2. The response pattern of the nonnative speakers included three structures: S-V-ObjPro, S-V-NP and \*S-V- $\emptyset$ . As expected, the native English speakers did not use the ungrammatical structure. Furthermore, the native group has 66.25% use of object pronoun structures, suggesting their strong preference for that structure. The nonnative group looks very different from the native group (see Figure 2). The nonnative group has only 22.22% use of S-V-ObjPro structures in their responses. Interestingly, the nonnative speakers predominantly used ungrammatical \*S-V- $\emptyset$  structure (50.45%) in their production. Following Rogers (2009), I suggest that they use null object pronouns at above chance level. The L2 speakers also used full NPs (29.33%) in their responses. However, they used this structure less frequently than the English native speakers (33.77%). The following section discusses the results in relation to the hypotheses.

Hypothesis 1 states that if the L2 English speakers have explicit knowledge of object pronouns in L2 English, their performance will be target-like in explicit tests. In the present study, explicit knowledge was measured by the untimed GJT. In the untimed GJT, the native speakers made a stark differentiation between the grammatical and ungrammatical

cal conditions. The L2 differentiation between the grammatical and ungrammatical conditions is relatively smaller. However, like the native speakers, the nonnative speakers made a statistically significant distinction between the grammatical and ungrammatical conditions. Therefore, the results are compatible with Hypothesis 1, and it suggests that explicit knowledge of object pronouns is available in the English-Sinhala interlanguage.

Hypothesis 2 states that if the L2-English speakers have implicit knowledge of object pronouns in L2 English, their performance will be target-like in implicit tests. As noted previously, in the present study, implicit knowledge was measured by the OPT. The native speakers predominately used the S-V-ObjPro structure in the production task. However, the L2 speakers look very different from the native English group. They used the ungrammatical structure \*S-V- $\emptyset$  more frequently than any other structure. With over 50% use of the \*S-V- $\emptyset$  structure, the L2 English speakers showed that they were not target-like on object pronouns in the OPT. Moreover, their linguistic behaviour in the production task suggests a non-facilitative transfer from their L1. Therefore, the OPT results do not support Hypothesis 2.

Turning Hypothesis 3, states that if the L2-English speakers have implicit and explicit knowledge of object pronouns in L2 English, their performance will be target-like in implicit tests and explicit tests. As discussed previously, the L2 speakers were target-like on object pronouns in the untimed GJT, whereas their performance in the OPT clearly diverts from the native norms. Therefore, Hypothesis 3 is not compatible with the results.

It is widely accepted that implicit and explicit knowledge is important to grammar development in L2 acquisition (Ellis, 2005, 2008; 2009, 2011). Further, the two types of knowledge also contribute to L2 proficiency (Ellis, 2005, 2011). The overall results of the present study suggest that implicit knowledge of object pronouns in L2 English is readily available for L2 speakers. However, the experiment shows that spontaneous production of object pronouns is problematic for L2 speakers. Therefore, the findings suggest that the L2 speakers cannot access implicit knowledge of object pronouns in English at this stage.

## LIMITATIONS

The present study is not exempt from limitations. The way the explicit and implicit knowledge was measured could have been improved. The study could have been benefited from having additional implicit and explicit measures. For example, for measuring explicit knowledge, a metalinguistic knowledge test could have been used additionally. With respect to measuring implicit knowledge, the experiment could have benefited from a self-paced reading task.

## CONCLUSION

The present study was designed to measure implicit and explicit knowledge of object pronouns in L2 English. In line with previous research, it was hypothesized that the L2 English speakers would develop implicit knowledge much slower than explicit knowledge. As predicted, the L2 English speakers were target-like on object pronouns in the explicit test (untimed GJT), whereas in the implicit task (the OPT), due to detrimental L1 transfer, their performance was not target-like. Therefore, the results suggest that implicit knowledge of object pronouns is still unavailable in L1-Sinhala-L2-English interlanguage.

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# Situational Problems as a Major Factor in the Inadequacy of Speaking Competency in Sri Lankan Adult ESL Learners

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## Abstract

The main objective of the current study was to explore the impact of situational problems i.e. poor input, low topical knowledge, lack of time for practice, lack of opportunities to practice, the inability to make constructions, and low feedback on adult English as a second language (ESL) learners in learning speaking skills at a government monitored institute of higher education. The current research was prompted by major research done previously in the same local context on problems faced by ESL learners in learning speaking skills which revealed that cognitive and psychological problems are made worse by situational problems. This qualitative exploratory study was done with 50 adult ESL learners following the higher national diploma in English HNDE at this institute. Open questionnaires and interviews were used as the data gathering instrument of the study that followed the grounded theory. A triangulation of questionnaire data and transcripts of interview data were analyzed through thematic analysis. The findings confirm the existence of situational problems in the particular context and disclose the lack of time and space given to the subject speaking skills in the curriculum following unwise revisions brought to it. The main cause of students' low speaking competence is sadly bad teaching.

**Keywords:** learner inadequacy, speaking skill, situational problems, speaking competency, teacher misbehavior

## INTRODUCTION

Speaking or spoken language production is considered by many researchers as a most difficult aspect of language learning and a most difficult skill to acquire (Brown & Yule, 1983; Celce-Murcia and Olshtain, 2000; Gan, 2013). Research findings in the ESL, as well as EFL contexts, testify to this reality. Few studies done in the Sri Lankan ESL context also attribute to it (Perera, 2001; Karunaratna, 2003; Wijesekara, 2011; Samaranyake, 2016). In both western and local ESL and EFL contexts, a variety of learner problems and difficulties with speaking skill is found. A careful analysis of all these speaking problems can be categorized as cognitive, psychological, and situational problems. Lack of knowledge of grammar; vocabulary; pronunciation difficulties and other language-related issues which can also be called linguistic difficulties are cognitive problems. Shyness to speak in English, anxiety, and fear for that which contributes to hesitation, inhibition and lack of motivation are different forms of psychological problems. This situation promotes a lack of confidence causing an unwillingness to speak. These are psychological problems. The findings of this research confirm this view of problems of learning speaking skills. These cognitive and psychological factors appear to be all problems for poor speaking competence. However, there are situational factors such as the lack of curriculum emphasis on speaking skills, teacher factor, unsupportive class conditions for practice, limited opportunities outside of class to practice, exam-

ination system regarding speech testing, environmental support, and motivation of learners. The findings of an earlier major research on the speaking competence and learner problems in learning speaking skills in adult ESL learners following the English diploma at a government-monitored institute have revealed that the cognitive and psychological problems in learners are made worse by situational problems. The findings of that research postulate that the teaching and learning process of the speaking skill was a failure due to situational problems in the particular learning environment (Jayanetti, 2017). The students who enroll in the English diploma course in this government institute are post A/L students having studied English for more than ten years and having sat for two general examinations. However, there is hardly any emphasis on speaking and listening skills in the general curriculums. Therefore, it is a fact that the students are weak in their speaking competence (National Education Commission, 1997; Fernando, 2010; Wijesekara, 2011). This conclusion is supported by Fernando (2010) where she rather reveals that listening and speaking have been 'irresponsibly left aside' from the general curriculum. However, unlike the Sri Lankan general curriculum, the curriculum of this government-monitored diploma awarding institute regards listening and speaking as being as important as the other two skills, i.e. reading and writing, and they are two core subjects in it. These diploma students are supposed to have a fair command of communication skills in

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English mainly because lectures on all subjects in the course are conducted in English medium. Apart from that, these students aim to find themselves employed as government teachers of English upon completion of their diploma. While all this stresses the significance of the speaking skill and speaking competence for the followers of the particular English diploma, the findings of the previous research done in 2017 in the same setup revealed that the teaching and learning experience of speaking there was a failure (Jayanetti, 2017). The study revealed situational factors as the major causes of speaking failure. Thus, the objective of this research was to explore if the situational problems still prevail in the same learning environment three years after the aforesaid study and if yes, what particular factors cause to contribute to them.

## LITERATURE REVIEW

In language, learning speaking is perhaps considered the most important skill because 'people who know a language are referred to as speakers of that language' (Ur, 1996). However, speaking is a difficult skill not only for ESL and EFL learners but also for L1 speakers of English worldwide (Celce-Murcia and Olshtain, 2000; Tsou, W., and Huang, Y., 2012; Avery, 1999; Ping and Gu, 2004; Singh, M., 2013; Horwitz, Horwitz and Cope, 1986; Wijesekara, 2011).

Situational problems have been the focus of research in English as a Foreign Language EFL context. In a previous study on speaking problems conducted on Sri Lankan adult ESL learners in a government-monitored institute, all learner problems were categorized as cognitive problems, psychological problems, and situational problems. The findings of the study postulate that psychological problems are caused by cognitive problems and made worse by situational problems. The study identifies poor input, lack of practice, and lack of opportunities to practice as the main problems that fail the learners in achieving speaking competence. These are all situational problems that aggravate cognitive and psychological problems in learners (Jayanetti, 2017, pp. 85-86).

In a recent research in the Spanish EFL context based on 100 high school students, Garcia and Maria, (2015) state that situational factors such as teaching styles, teacher's attitude, class environment, and materials must be improved to firstly meet students' expectations about learning English and secondly to motivate students positively towards the practice of oral communication in English. They further concentrate on the teacher's involvement in error correction in the EFL class and maintain the subjects' dissatisfaction with the teachers' less involvement in their language learning process.

In a Hong Kong-based study Gan, (2012) identifies problems with oral English skills of ESL teacher trainees at a tertiary teacher training institution and categorizes them in sociocultural, institutional, and interpersonal contexts. He identifies the following six problems facing the undergraduate teacher trainees regarding their English speaking skills: inadequate vocabulary, grammar as a barrier, imperfectly learned pronunciation and intonation, inadequate opportunities to speak English in class, lack of focus on language improvement in the curriculum, and input-poor environment outside class (pp. 49-53). He stresses the teacher's ability to speak the target language fluently and confidently in the classroom as an important factor and that the teachers' lack of this ability will have an impact on their teaching when they start to teach (p. 55). The last four of the six speaking

problems facing the undergraduates in Gan's 2012 research are situational problems. Although incorrect pronunciation and intonation can be considered cognitive problems, since with the subjects of this research it is 'imperfectly learned', the cause of this deficiency can be attributed to the teachers of these learners. Thus, it can be taken as a situational problem. This is further proven by the alarm Gan (2012) sounds that a 'teacher's ability to speak the target language fluently' (p.55) is important.

Li & Li's (2009) study identifies ineffective teaching as the main reason for the poor speaking competence of university students. They identify three important factors which they call 'abnormal phenomena' as time-consuming but low efficiency, mute English, and high grades but low competency. They suggest that college English teaching usually emphasizes imparting language knowledge and language skills but neglects the cultivation of English apprehension ability.

In a research based on the Indian sub-continent on the problems facing higher secondary students in learning English speaking skills Riyaz and Mullick, (2016) identify six problems disturbing the students in achieving the speaking competence. They are 1. Inadequate vocabulary, 2. Grammar deficiencies, 3. Pronunciation problems, 4. Inadequate opportunities to speak, 5. Large classrooms and 6. Lack of audio-visual aids. These problems are very similar to those found in the Sri Lankan context also (Perera, 2001; Karunaratne, 2003; Samaranyake, 2016). The researchers make three conclusions: 1. There is no significant difference in speaking skills from their initial level to final levels, 2. Poor performance in speaking skills, and 3. Poor exposure to English language use inside and outside the classroom. As a remedy, they recommend interactive activities that consider all skills.

Another study was done by Younes & Albalawi, (2016) in the Saudi university context to investigate the factors leading to speaking difficulties that involved both university students and teachers and the data from class observations show that students' speaking performance is mainly affected by four factors: insufficient input, time for preparation, poor instructions and the unsatisfactory amount of practicing speaking. Thus, it is clear that situational problems are not uncommon in foreign EFL contexts.

### **Sri Lankan Context**

In the Sri Lankan English language teaching (ELT) context few important ESL studies related to the current research can be found (Perera, 2001; Karunaratne, 2003; Samaranyake, 2016).

Perera (2001) researched the role of classroom interaction in second language acquisition based on four urban schools in Sri Lanka collecting data from both the teachers and students. She concentrated on two factors. The first was the relationship between the teacher, learner, and the learning materials in the classroom in providing opportunities for learning the second language. The second was the teacher-pupil oral interaction in the classroom that would promote possibilities for second language development. Her findings reveal that the teaching of English in Sri Lanka is not satisfactory and does not meet the needs of the majority of Sri Lankan students. A few of her outstanding findings include teacher inadequacy concerning training, complex relationship between teacher, students, and the learning materials, and too much use of L1 by both teacher and students during the English lesson although the use of L1 to some extent in the L2 classroom is recommended (Perera, 2001, Karunaratne, 2003).

Karunaratne (2003) conducted a qualitative study on teaching English in urban Sri Lanka with grade nine students and teachers. She focused on the methodology of English instruction with special reference to the communicative language teaching-CLT and its achievement of communicative objectives apart from the GCE O/L exam-focused developments of writing and reading stressed in the curriculum. There are three main findings and the first is textbook-based teaching. She observes the textbook being used by the teachers and (therefore) by students as the 'syllabus' placing importance on completing the textbook instead of the actual syllabus, taking away students' opportunities of listening to or speaking English in the classroom. Karunaratne (2003) attributes this heavy dependency on the textbook to two factors. One is the inadequate use of non-textbook-based teaching material in the classroom while the other is teachers' lack of English proficiency and maintains that '... many Sri Lankan teachers of English lack this competency (linguistic knowledge) even after some years of pre-or in-service training' (p. 12). The second main finding is students and teachers seem 'accustomed' to using the mother tongue in the English classroom because the wider school curriculum is in the mother tongue medium. The third finding is that students and teachers seem comfortable with a teaching approach that attributes a dominant role to the teacher in the classroom also because all other school teaching occurs within a similar framework. Their (teachers) lack of English proficiency is to result in excessive dependency on the textbook and the mother tongue. The students' lack of proficiency, she maintains, deviates them from group work that would enhance their ability to communicate in English. To remedy the situation the researcher proposes teacher training that focuses more on improving English proficiency and communicative teaching abilities of English teachers.

Samaranayake (2016) does a case study in the rural school context on the oral competency of ESL learners and finds that the instructional method used by English teachers does not provide the learners with adequate input of the target language to improve their oral communication skills in rural school contexts. Samaranayake's sample comprises 54 students of Grade 10 in two-state school classes and their two teachers who teach English to them. He had two research questions through which he wanted to know why a majority of students in rural schools show a low or limited oral proficiency in the target language and if their teachers apply CLT in their classroom teaching. The literature gathered showed that the students in rural schools do not receive adequate language input that leads to the oral proficiency of the learners. Regarding the teachers' application of CLT strategies properly to facilitate and encourage student oral activity Samaranayake's finding is the teachers' failure to do it. Therefore, based on these findings Samaranayake suggests using unorthodox teaching approaches and classroom techniques along with the appropriate materials to help students improve their oral proficiency. Samaranayake (2016) also stresses the need for teacher training on classroom instruction and CLT like Perera (2001) and Karunaratne (2003). While the studies of Perera, (2001); Karunaratne, (2003); and Samaranayake, (2006) are situated in the Sri Lankan school context, perhaps the only study on speaking problems in the adult ESL class (as already mentioned above) of the higher education setup is done by Jayanetti, (2017). While cognitive, psychological, and situational problems prevail in the particular college context also, as elsewhere, the research has found input poor speaking class, lack of practice, and lack of opportunities to practice as the real

problems there. These problems account for the student's lack of confidence and poor speaking competence. While all four types of research suggest that English education is not very successful in both the Sri Lankan school system and the higher education sector, the study by Jayanetti, (2017) goes beyond the scope of traditional research that gives only a picture of the problem or situation since it probes into the root causes of such problems which ultimately unearth revolutionary findings. Bad teaching or teacher inadequacy is exposed as the main cause of failure of speaking competence of the research subjects in the particular setting. However, a comparative study in a similar context done for getting verification of the causes of student failure in gaining speaking competence has proved that quality teaching with knowledge of the subjects, skill, and commitment to teaching together with love and satisfaction with the work done can make a difference despite other lapses and limitations in the teaching-learning context.

### **Teacher factor**

As it has come out very clearly, successful learning is always impacted by good teaching. The impact of the teacher factor on the success or failure of the learner achievement has been the focus of research in the foreign EFL and L1 contexts although such research seems almost nonexistent in the local ESL context except in the study by Jayanetti, (2017).

Until the last decade of the 20th century (1990) learner difficulties and learner failure in gaining speaking competence were attributed to other factors and the learners themselves other than teachers. The first study that focuses on teacher behavior that students do not like (misbehaviors) is reported to have been conducted in 1991 by Kearney, Plax, Hays, and Ivey (Banfield, et al., 2006). Kearney, et al. (1991), did their study with more than 500 university undergraduates in two European universities as a two-way investigation. The study made a lot of findings that prompted the researchers to analyze teacher misbehavior under three factors: teacher incompetence, offensiveness, and indolence. Misbehaviors represented by incompetence reflect the lack of very basic teaching skills; offensiveness entails several misbehaviors that implied teachers can be mean, cruel, and ugly. Offensive teachers humiliate students in front of the class: insult and publicly embarrass them. They may use profanity, become angry or yell and scream in their efforts to intimidate students. They are rude, self-centered, moody, and whiners; moreover, they condescend to students by acting superior and arrogant (Kearney, et al., 1991). Indolence is defined as a teacher's disregard for students. They are also called 'absent-minded professors' (Banfield, et al., 2006).

Research has been done to find out the operation of teacher nonimmediacy and misbehavior. In instructional research, nonimmediacy is behavior that distances the instructor from the learner in the classroom. Not smiling, lack of eye contact, lack of movement in the classroom, not encouraging student input and discussion, not having relaxed body language, etc. are traits of nonimmediacy. Thweatt and McCroskey, (1996, pp.198-204) discovered that teacher nonimmediacy and teacher misbehaviors cannot be manipulated independently. The findings indicated that nonimmediate teachers were perceived to be misbehaving even when no misbehaviors were induced in the experiments. It was concluded that students perceive teachers who communicate in nonimmediate ways as misbehaving. This means students perceive nonimmediate teachers as misbehaving



teachers. Thus, the finding was that teacher misbehaviors and immediacy are interdependent variables.

In another research done, later on, Thweatt and McCroskey, (1998) studied the impact of teacher immediacy and misbehaviors on teacher credibility. Credibility was considered in three dimensions as competence, trustworthiness, and caring (goodwill). Two studies were conducted with 350 undergraduates in a large university in the east of America the results of which indicated the presence of strong positive main effects for teacher immediacy and strong negative effects for teacher misbehavior on all three dimensions of credibility. However, significant interaction effects were observed between immediacy and misbehavior on all three dimensions of credibility. Probing of the interaction results suggested that high immediacy tends to soften the negative impact of teacher misbehavior, particularly on the caring dimension. They further advise teachers that, ‘...since behaviors that are likely to be seen as ‘misbehaviors’ by students are often unavoidable by teachers, it is very important that teachers maintain high immediacy to protect their credibility in the classroom’ (p.348).

It is clear now that negative teacher behavior (misbehavior) in classroom instruction as the main cause of learner failure in gaining speaking competence should be a vital factor of focus and concern.

## RESEARCH QUESTIONS

1. What are the situational problems facing the English diploma students in gaining speaking competence?
2. What are the causal factors of the situational problems they face in acquiring communicative competence?

## METHODOLOGY

This qualitative, exploratory study used a thirty-item open questionnaire to know learner attitudes, abilities, and specific problems about their learning of the speaking skill as the main instrument of data collection. According to Brown, (2004) “Questionnaires are any written instruments that present respondents with a series of questions or statements to which they are to react either by writing out their answers or selecting from among existing answers (p.6). The thirty-item questionnaire consisted of two parts. Part One of the questionnaire sought demographic information of the subjects through six items including their English language and literature qualifications at the General Examinations, the type of schools they attended (urban, rural dichotomy), and their Advanced Level stream. Part Two contained twenty-four open questions that sought attitudes, abilities and specific problems the research subjects had about speaking in English. For every item in Part Two of the questionnaire, the option of multiple choices was given in addition to space for expressing their views and opinions. The questionnaire was designed by the researcher after casual conversations with some of the subjects and on-site visits. The informants selected for the study were the final year (year two) students on the higher national diploma in English, HNDE at the particular college. The researcher got all the research population for an informal meeting where they explained of his research intent and its pure academic purpose. The consent of the population to be informants was obtained verbally; the questionnaire was delivered to them and the questionnaire items were explained to them for their clarification using English and their L1 Sinhala for nearly

two hours. This informal meeting aimed to enlighten or familiarize the informants with the items so that the possible disadvantage of pencil-and-paper questionnaires that the respondents may not understand questions may be eliminated. They were asked to respond independently with concern and were given a week to attend to it at home and then submit it. The thirty-item open questionnaire was administered to the entire population of second-year English diploma students that was 50 in number. These informants were on their final (fourth) semester having had Speaking as a subject in the first three semesters and Speaking was not a subject for them in the final semester. The questionnaire was meant for them to respond to the items in it independently based on their learning experience of speaking skills in the first three semesters. 44 completed questionnaires were received and the data in them were triangulated on a coding system. Based on the triangulation of questionnaire data, semi-structured open-ended interviews were held with four students who had best articulated in the questionnaire. These were individual interviews based on 10 semi-structured open-ended questions. The interviews were held two weeks after the reception of the completed questionnaires from the student informants. All interviews were conducted in English; the informants were asked to respond in English or their L1 Sinhala. All interviews were audio-recorded with the prior permission of the subjects. The prior permission of the Head of the particular diploma awarding institute was obtained in writing. The transcripts of interview data were analyzed through thematic analysis. In this analysis, the data were closely examined to identify the common themes - and their patterns of meaning that posed themselves repeatedly.

## FINDINGS AND DISCUSSION

Higher National Diploma in English is a course of two and a half years duration having four academic semesters and a six-month teaching practice in a government school. The course stresses the four skills in addition to linguistics, literature, and teaching methodology. However, while writing and reading occur in all four academic semesters, speaking occurs only in the first three semesters comprising a four-hour weekly classroom learning time with listening being confined to the first two semesters. The 30-item open questionnaire had two parts demographic information and learner attitudes, abilities, and specific problems with speaking in English. 57% of the informants have been educated in popular and urban schools mainly in the Southern province while 43% of them come from rural schools. However, all the informants (100%) have passed GCE O/L English language with or above the C grade. 85% of the students had done A/L in Arts and Commerce streams and only 09% of them had done Maths and Science for A/L. When asked about their participation in speaking activities, all informants stated that they participated in speaking lessons/activities because they believe speaking competence is very necessary for their future employment: teaching in the government and private sectors. The informants’ concern when speaking English is accuracy (50%), and 43% of the informants maintain accuracy and fluency together. They also opined in favor of discourse competence (40%) over sociolinguistic competence and strategic competence as what they should improve most to become an efficient speaker.

The responses given to other items of the questionnaire, however, gave the idea to the researcher that the learners have many situational problems and that they are not satisfied with their speaking competence after learning speaking

skills for three semesters in class. Therefore, in the student interview that included ten semi-structured, pre-prepared questions, the researcher wanted to know the informants' ideas about their improvement in speaking during the three semesters separately, because the informants were taught speaking in the first two semesters (Effective Communication Skills) by one teacher and the third semester (Technology-Based Communication Skills) by another teacher. The unanimous idea of the respondents was that their learning experience during the first two semesters was more successful than that of the third semester:

"First-year second semester our lecturer gave a topic to hold a debate. He divided us into many groups and gave us the positive side and negative sides of the topic. In the debate, my part came. At the end of my part, the lecturer discussed errors in my speech. Then he told me, 'Your presentation is good.' I was happy. I like to say first-year experience is better than Second-year first semester in improving my speaking skill" (Respondent D, from transcription)

When asked about the factors affecting their speaking performance in the questionnaire, the respondents had mentioned topical knowledge (68%) as the most affected factor. The other factors they identified as affecting their speaking performance were respectively confidence (66%), pressure to perform well (59%), time for preparation (50%), and motivation to speak (50%). As the respondents had mentioned too, topical knowledge, pressure to perform well, and time for preparation are situational problems whereas confidence and motivation are psychological problems. While it is clear that the respondents don't get enough time and opportunities to practice speaking, pressure and topical knowledge seem to be different knots of the same thread. "Topical knowledge can be attributed to the 'input' learners are provided with as the first step of a speaking activity" (Jayanetti, 2017, p.54), because it activates "Language Acquisition Device (LAD)—an innate language-specific module in the brain" (Chomsky cited in Lightbrown & Spada, 2006, p.38), which carries out the further process of language learning. As "in classroom learning situations, 'input' mainly comes in the form of teacher talk" (I bid., p. 60), it seems something to do with the teacher's role. Thus, as this researcher has stated previously, "Teachers can encourage students and guide their speaking practice by providing them content-oriented input as well as form-oriented input" (I bid., p. 60).

Since the questionnaire data revealed that the learning of speaking skills in the particular setting was not successful and that it was due to situational problems mainly, the researcher wanted to know more about the ground picture of teaching and learning experience of speaking in the class over the three semesters and asked the following question from the respondents at the interview: **What semester or semesters do you think was/were most fruitful for you in improving speaking? What would you attribute the success/progress to?**

The student responses to the above are worth quoting:

"In these two semesters (first two semesters) I had the chance to learn many new things that were a new experience for us. And there were many presentations and many speaking

activities in the first two semesters. So I think these two semesters were better than the second

year first semester" (Respondent A, from transcription).

"It is first-year first semester. We learned a lot in this period. ...But the first time we did English Society and it was a very new experience for all of us.....and it was a good chance for all the

students to talk and improve their speaking ability" (Respondent B, from transcription).

"Among the three semesters we had, first-year first semester was the most fruitful for my

speaking practice. After leaving school I couldn't get a chance to speak in English. So,

entering back to speaking, having chances to speak in front of the class, having a teacher

to demonstrate the way how we should speak, and getting feedback attribute to that success.

The first semester moved us to the correct way of speaking" (Respondent C, from transcription).

"The first year was most fruitful for me to improve my speaking. ....I like to say that the

lecturer is the main reason for that saying. He wanted to improve students' speaking ability.

He used different ways for that. He acted his feelings about the lesson to achieve skills of

students" (Respondent D, from transcription).

When asked about the effectiveness of the College speaking course in the questionnaire 61% of the respondents maintained that only the first-year speaking courses were effective whereas 30% of the respondents claimed that the second-year speaking course was not effective. Upon investigation, it was revealed that it is not a problem with the curriculum content for speaking. As it has already come out through the responses of the respondents above, the reason for the degree of success in the learning of speaking in the first year and the failure of it in the second year is the teacher factor. However, the researcher wanted to get it further clarified. Thus, the following question was asked from the respondents during the individual interviews:

**According to the Questionnaire data, the College speaking course was successful and effective in the first year, some say that the speaking course was not effective during the second year. What is your comment on this?**

What one respondent said opened up another complication that prevailed in the second-year speaking class:

"I say the main reason is the subject lecturer. I remember the Effective Communication Skills

assignment day in the first semester. All students in the class participated in it. I also,

remember the second-year Technology-Based Communication Skills assignment day. Some

students didn't come for it. Presenting a recipe of Mrs. Mayadunne (a famous chef who often

appeared on television) was our second-year assignment. All the students downloaded Mrs.

Mayadunne's food recipe the previous night, noted it down on a sheet and presented in

class. I don't think this is proper to improve our speaking ability. These reasons prompted us

to say the second-year speaking course was not effective. Also, the second-year lecturer disturbed our presentation

while we were doing it to correct our errors despite our being students. That action of the teacher affected fall down our self-confidence" (Respondent D, from transcription).

This episode can be situated with teacher misbehavior of all incompetence, offensiveness, and indolence dimensions (Kearney, et al. 1991, p.29). Not doing anything to give input to students, developing brainstorming attribute to incompetence while disturbing students at presentation and thereby collapsing their self-confidence and interest for the activity is offensiveness whereas letting all the students read out a downloaded piece of secondary information as if it were their self-prepared presentation and evaluating them on that is indolence misbehavior. This can also be attributed to teacher nonimmediacy which distances the teacher from the learner in the classroom (Jayanetti, 2017, p. 22).

In the English diploma curriculum that was designed by an expert in curriculum and material design in 2011, all four skills came as main subjects in all four academic semesters. However, less than two years after the introduction of that original curriculum, many revisions were introduced to it by the English teachers in the College. Removing speaking from the final (fourth) semester syllabus and listening from the second year both semesters was a result of these curriculum revisions. Speaking entails only 60 hours per semester thus, being a four-hour block of teaching and learning a week. The insufficient time allocation for speaking and the removal of the subject from the final semester have been discussed by this researcher earlier: "It cannot be helped recording that removing speaking from the fourth-semester subjects is an unwise and arbitrary decision of the reviewers" (I bid., p.74). What the respondents stated to the following question when asked during the individual interviews confirms the researcher's comment made in 2017:

**Questionnaire data reveal that opportunity to practice speaking in class was not enough. You also know that speaking is missing from the final semester. What is your idea about the allocation of time for speaking and the unavailability of the subject in the final semester?**

"Yes, that opportunity is not enough to practice speaking in class. .... Speaking is essential to the final semester. It must be included in the final semester" (Respondent D, from transcription).

"As I think, the final semester is the semester which highly requires speaking subject. Now we are aware that we have to go to school and work as English teachers. So we try to speak in English. If there is a speaking period, students will join it effectively" (Respondent C, from transcription).

"I think that not only the final semester but the timetable of all semesters should also be revised for developing our speaking skills" (Respondent B, from transcription).

Correcting the students while they are making presentations as well as pointing out their strengths and areas to work further on after the student has finished in the form of feedback are methods of correcting students adopted by teachers teaching speaking skills. However, in this particular ESL setup, the first method seems to be considered a disturbance by the learners:

"Our first-year lecturer never disturbed us while doing speaking practice. He corrected our errors at the end of our speaking time. I remember while doing my presentation in the second-year first semester the

word 'five' was pronounced by me. The lecturer suddenly stopped me

and told me that my pronunciation was wrong. At that time I was shocked. That incident killed

my self-confidence and presentation" (Respondent D, from transcription).

The following question was also asked of the respondents at the individual interviews:

**70% of your responses in the Questionnaire suggest that the English diploma curriculum does not emphasize speaking. At the same time, 73% of the Questionnaire responses say that the College examination system emphasizes speaking. Can you explain this with reasons?**

To this question, three respondents answered that both the curriculum and the examination system emphasize speaking. One respondent opines that the curriculum emphasizes speaking, however:

".....the improvement is not enough. The College system can do better than this. The time duration

for speaking should be increased. And one teacher should take the responsibility throughout

the whole two years because he knows our weak points and how to correct them. And

selecting the right person to teach speaking is very necessary. And the final semester should

have more time for speaking. If space for speaking cannot be found, it should be situated at

the cost of one other subject. My idea is any of the other subjects is not as important as speaking.

However, the examination system of College indeed emphasizes speaking more than

the curriculum does. On the exam day, we had to do our best and participate in many

presentations. Though curriculum emphasizes speaking examination does it more than that"

(Respondent C, from transcription).

Respondent D also laments over the insufficient time and opportunities in the College classroom for improving their speaking competence. What Respondent C says as quoted above sheds light on some complications of the English diploma curriculum and the teacher factor again. All they say gives a notion that the removal of the speaking subject from the current curriculum following revisions brought about by College teachers is an error. Whereas the four-hour weekly time allocation for speaking is inadequate, removing the subject from the final semester from these students who are going to be future teachers of English is an error by all means.

By removing listening from the second year and speaking from the final semester, the curriculum reviewers introduced three new subjects such as 1. Principles of Education, 2. Educational Measurement, and 3. Educational Psychology while English Language Teaching Methodology ELTM is also available as a subject in the last two semesters. What Respondent C above referred to as 'other subjects' that are 'not as important as speaking' are the above-mentioned three subjects. These are subjects introduced to teachers doing professional courses. Although those who were involved in the HNDE curriculum revision may have Master's degrees, the researcher has doubt if their academic qualifications, skills, and experience could justify the work they did. The 'examination day' the respondent referred to is the

semester-end diploma examination of speaking skills which is methodical and conducted in the English language.

Although the researcher's idea regarding teaching speaking skills is that it is better for learners if they can learn speaking from many teachers so that they can learn more from a variety of teachers, Respondent C above reiterates that they wish it to be 'the right person teaching the subject all four semesters'. This claim may be an outcome of their experience of learning speaking in the class since they found a good teacher during their first year and its opposite in the third semester.

61% of the respondents had mentioned in the questionnaire that opportunities for practicing speaking outside of the class are 'limited'. This was questioned further during the individual interviews. They stated that they come from humble family backgrounds and that they don't have English-speaking members in their families. One student said that they don't have opportunities since they are not connected with English-speaking people. Respondent D lamented, 'If we talk to students following the other courses in the College in English, they laugh at us. This is disappointing and at the same time, the information gives the notion that the standard of English of College students following non-English diploma courses may also be very poor despite that they follow their courses in the English medium. This remains a whole research area to touch on.

"Language-related extracurricular activities such as oratory, debating, drama, English literary

association etc. can be of immense value in finding more opportunities to practice and

improve speaking skills" (Wijesinha, R. 2016, p. 27).

This was inquired in the questionnaire to which 61% of the respondents had indicated 'not at all while 39% of the responses had indicated 'plenty' and 'somewhat'. Thus, this was inquired of the respondents during the interviews. Their answers were two-fold. One respondent told that there are extracurricular activities in Sinhala, their L1. Two respondents stated that they had activities such as English association, debate, and conducting meetings in the speaking class during their first year:

"To promote students' speaking ability there should be extracurricular activities. Once we

held an English society in our class. That gave us many chances to improve our speaking. We

had debates and picture descriptions, also. We learned how to conduct meetings also. We had

a very short time for that subject. However, we did our best with that time" (Respondent C,

from transcription).

Brainstorming, writing the script of the speaking task, getting it corrected by the teacher, and the teacher's feedback/comment after they have presented the speaking activities are very important for the

improvement of the speaking skills. The respondents were asked about their experience of this procedure in their speaking classes finally. Three respondents appeared not to have understood the question and maintained that they agree with the procedure but didn't apply it to their learning experience. However, one respondent indicated that the procedure is very important and she experienced it from the first-year speaking teacher:

"Yes, I agree with that comment. It is very important to us. I have experienced that. It helped

Me to achieve and improve my skill. The teacher's feedback gave me strength and confidence. I

experienced it in the first year more than the second year first semester" (Respondent D, from

transcription).

## CONCLUSION

Since the present study is based on the English diploma students of a government-monitored institute of education, the findings here will not perhaps be generalizable to all ESL situations in the country's tertiary education fields such as the universities. Even in other similar situations such as other diploma awarding institutes the major findings in the present research may perhaps not be generalizable if the teacher factor is positive there.

As has already been discussed in this study, the speaking problems prevailing among the adult ESL learners in Sri Lanka are very many cognitive, psychological, and situational problems. Problems in the three categories are almost interrelated and bound to one another. However, the current study concentrated only on the situational problems facing ESL learners, and that makes the problems of the other two categories worse. The research was done on adult ESL learners facing cognitive and psychological problems in Sri Lanka, unfortunately, seems hardly exists. Especially, in the tertiary education sector including the universities, empirical studies on speaking skills and speaking problems appear to have been minimal. Thus, these can be considered as further directions for much-needed research in the ELT field in Sri Lanka.

However, the present study of situational problems as a major factor of the inadequacy of speaking competency in Sri Lankan adult ESL learners has been able to draw a worrying picture which is the reality of the particular ESL teaching and learning context. The findings that came through questionnaires and interviews have answered the two research questions that have also been situated in the review of related literature.

Lack of opportunities to practice, lack of practice, and lack of time to prepare are three situational problems that prevail in this ESL setting. These problems can be attributed to the current, revised English diploma curriculum in which only four hours weekly are allocated to the speaking skills subject which is not enough at all. In such a situation the successive curriculum revisions brought to the original English diploma curriculum have removed the speaking subject from the final (fourth) semester subjects depriving the students of non-English speaking family backgrounds and who aspire to become teachers of English in the future, of the opportunity to practice the language in the classroom under a teacher. It should be stated here, that the removal of the speaking subject from the curriculum is an error.

Input poor speaking class where they are not engaged in brainstorming is a prevalent problem in the particular ESL context for which bad teaching or teacher misbehaviors are responsible. Low topical knowledge in students and pressure to perform well are two other situational problems that coexist with the aforesaid poor input caused by teacher misbehaviors. Inability to make constructions too is a situational problem that may be symptomatic of low or hardly any feedback given by teacher misbehaviors or teacher nonimmediacies (Thweatt and McCroskey, 1996). The non-availability of extracurricular activities can be a cause for other situational problems such as the inability to make constructions and pressure to perform well since authentic and creative

opportunities to practice speaking do not turn up due to this. Curriculum designers and strategic decision-makers in the College are partly responsible for this situation.

As it has been disclosed in the findings of this research that the real problem in this particular College setup is that the situational problems are not addressed there. Addressing situational problems is vital because they make worse other links of the chain: cognitive problems and psychological problems in ESL learners.

Lapses of the new curriculum as mentioned above and those who took part in the successive curriculum revisions become causes of the situational problems with bad and irresponsible teaching or teacher misbehaviors being the main cause of the inadequate speaking competence in the learners.

The findings of this research generate new and revolutionary knowledge and address a long-standing research gap in the tertiary ESL setup in Sri Lanka. The findings affirm that situational problems prevail in the particular ESL setup and they make cognitive and psychological problems worse. This may be a common finding in any ESL situation. But the real problem in this particular institution is that those situational problems are not addressed there. The main reason for that is bad teaching or teacher misbehaviors. This study becomes important among similar works in Sri Lanka because it probes into the problems (situational) and continues until it finds out the real reason for speaking inadequacies of the subjects: bad teaching. In this respect of the findings, this research becomes an eye-opener to all stakeholders in the tertiary ESL field in Sri Lanka. At the same time, this study has also shown that the teacher can be an oasis in a desert for students. From what the students have mentioned in the questionnaire and the interviews, parts of which are quoted for the discussion in the previous chapter, it is very clear that with a good teacher who is committed and cares for the students some degree of success can be achieved despite all other situational problems.

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# Nexus Between Transaction Cost and Livelihood Success of Samurdhi Beneficiaries in Sri Lanka

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## Abstract

The study explores the effect of transaction costs on the livelihood success of Samurdhi beneficiaries in Sri Lanka. Data were collected from 1820 Samurdhi beneficiaries selected from Sabaragamuwa and Uva provinces employing a multi-stage sampling method, while a well-structured questionnaire was equipped for the data collection process. Data analysis was done with the help of Partial Least Square Structural Equation Modeling (PLS-SEM). The current study tested four hypothetical relationships between four dimensions of transaction cost; searching cost, negotiation cost, monitoring cost, enforcement cost, and livelihood success of Samurdhi beneficiaries. The transaction cost of beneficiaries was assessed from both the marketing perspective and the Samurdhi activities perspective. The result revealed that there exists a negative association between transaction costs and the livelihood success of Samurdhi beneficiaries. Results further exhibit that searching costs and monitoring costs are higher on the marketing side. When moving to the Samurdhi activities context, there showed high costs related to negotiation and enforcement. Thus, the research confirmed that transaction costs have a negative impact on the livelihood success of Samurdhi beneficiaries in Sri Lanka. Developing a mechanism to empower Samurdhi beneficiaries to access information relating to the transaction using modern technology to contact reliable transaction partners and integrate them with the market properly and reducing complex administration processes that led to the waste of money and time of Samurdhi beneficiaries would lead to improving livelihoods of Samurdhi beneficiaries by minimising transaction costs.

**Keywords:** Livelihoods, Samurdhi Beneficiaries, Transaction Costs

## INTRODUCTION

Sri Lanka is still facing challenges in achieving economic development, especially in the Asian region. New business opportunities are the better solutions to get stand in front of these economic demands because they accelerate economic growth, create new employment permissions and diminish poverty (Bernard, Teng & Khin, 2017). A better way to alleviate poverty is by empowering people economically and in that context, people could be emboldened to get engaged in new business or entrepreneurial income-generating work through poverty reduction programs (Wei et al., 2021). 'Samurdhi' is one of the poverty reduction programs in Sri Lanka, which is being maintained by the government since the year 1995 (Damayanthi & Champika, 2014). In 1998 Samurdhi program covered one-third of Sri Lanka's entire population and the relief is currently distributed among 1.8 million beneficiaries in the country (Central Bank of Sri Lanka, 2019). Generally, the government spends around 0.35% as a share of GDP on Samurdhi payments annually. In 2021, the government has spent Rs. 52.5 billion on Samurdhi Relief Payments- the single largest welfare program for people in poverty. It is an average of Rs.

2428 per family (Ministry of Finance, 2021). This is the greatest welfare program currently operating in Sri Lanka, covering 21 districts out of 25. More than 27000 officers including nearly 2000 managers have been employed by the government for the well-functioning of the program to attain intended outcomes (Samurdhi Authority of Sri Lanka, 2019). Amidst the functioning of Samurdhi, there had been a 4.1% poverty headcount ratio depicting Sri Lankans whose poverty was below that of the international poverty in the period of 2016s (Bandara, 2016). However, it is said that the \$3.20 poverty index is increased to 13% in 2020 (World Bank, 2020) indicating that poverty has not been well reduced in the country. In accordance with the latest statistics of the Department of Census and Statistics in Sri Lanka (Department of Census and Statistics [DCS], 2021), the official poverty line at the national level for August 2021 is Rs.5353 (\$ 0.884 per day). This emphasises that the poverty level in Sri Lanka is still at a substantial level, especially in rural regions, even though prior governments had tried to moderate poverty through various programs (Gunasinghe, 2010). According to the key objectives of this Samurdhi

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program, poverty has been planned to reduce by guaranteeing the participation of the public or beneficiaries of the program in the production processes (Gunasinghe, 2010). Thavarasasingam and Balagobei (2020) have mentioned that the Samurdhi program consists of three main aspects; microcredit, livelihood activity, and welfare activity.

The mission of the Samurdhi program includes identifying low-income families in society and implanting relief programs to enable them to maintain at least a sustainable standard of living (Samurdhi Authority of Sri Lanka, 2019). The program is working on the development of the livelihood of people via micro and small-scale industries, agriculture, animal husbandry plus marketing development schemes (Samurdhi Authority of Sri Lanka, 2019). Training, capacity building, marketing, finance, and information networks are the main programs operating under Samurdhi in order to improve peoples' livelihood. The financial concession is provided in three ways by this program; providing microcredit for members of Samurdhi, providing finance by turning funds, and providing distinctive relieving loans for those who need livelihood development (Bandara, 2016). Thibbotuwawa et al. (2012) say that Samurdhi activities have not helped in improving the welfare of overall households, although they have good results in primary education and income related to agriculture. Sri Lanka's poverty ratio has declined in a considerable manner, but the poverty reduction has not happened satisfactorily (Nawaratnam & Mayandi, 2011). However, the typical effect of the Samurdhi program on the livelihoods of beneficiaries is not intelligible and needs more investigation. Providing credit, advice, fund, and loans for entrepreneurs and Samurdhi beneficiaries is a basic task of the program. There, engagers initially get the chance to start their works or new livelihoods on small scales. Small-scale firms most commonly called small enterprises have been identified as a vigorous side in a country's economic development (Bradford et al., 2004).

However, when analysing the development of small businesses, the relationship between the enterprise and transaction costs (TC) is noticeable (Dorward, 2008). A transaction, the process that emerges when a product is commutated via a technologically separable interface, can generate various costs incurred in the exchange process stages: contact stage, contract stage, and control stage (Nooteboom, 1992). When Samurdhi beneficiaries are funded with microfinance and essential training for initiating microenterprises they are empowered for doing business. Small firms inherit disadvantages regarding costs, although they have behavioral advantages. Generally, they are inexperienced in the processes and businesses, missing gains from economies of experience (Nooteboom, 1993). The inability to have sufficient information as a result of narrow chances for knowledge acquisition generates asymmetrical information for them as lack of experience and uneven knowledge create disadvantages of scale economies (Abdi & Preet, 2014). This situation results in poor decision-making. Therefore, small enterprises face many issues regarding the opportunistic behavior of parties involved in the exchange where opportunism is very costly to bear for small firms (Carmel, 2005). The transaction costs of the entity will go up if cash has been given out for searching for correct information, negotiating to decide transaction agreements, and monitoring dealings (Coff, 2001). The hazards associated with opportunism are sales taking place at low accounts while purchases of materials

taking place at high values (Lyons & Mehta, 1997). This results in low profits for the enterprise. The incomplete information, unreliable details, and limited knowledge may carry more time for small-scale businesses inducing higher TCs (Pitelis & Pseiridis, 1999). Such a condition may cause the malfunctioning of livelihoods of the Samurdhi beneficiaries in Sri Lanka as well.

There could be found only very few studies in Asia related to TC and its perspectives. Although there is plenty of research under TC, the concept has not been applied on the side of Samurdhi programs and its small-scale producers in Sri Lanka. Also in the Sri Lankan context, a little amount of research has been conducted from the TC perspective. When considering the Samurdhi program, the sides such as microfinance (Thibbotuwawa et al., 2014), and poverty (Bandara, 2016) has been paid more attention, but not the TC's point of view. No previous researchers have measured and analysed the situation, especially in accordance with the livelihoods of Samurdhi devisees. Therefore, the study attempts to explore the effect of TC on the livelihood success of Samurdhi beneficiaries in Sri Lanka. The finding will certainly assist policymakers and Samurdhi program administrators in taking proper actions regarding the extant matter in order to seize contemplated outcomes. The learning is organised as follows; after the basic introduction first, it reviews the literature on TC and livelihoods. Based on the literature review, the hypotheses are formulated. Then the study describes the materials and related methods followed. Results are presented and discussed in the next section. Finally, the paper is concluded by reviewing its findings, contributions, limitations plus directions for future scholars.

## THEORETICAL BACKGROUND

The study focused on two main economic concepts and reviewed the Transaction Cost Economics (TCE) and Sustainable Livelihoods in asset's approach to understand the variables clearly.

**Transaction Costs:** Transaction costs are generated more generally by transferring the ownership during businesses which are simply called a cost in making any economic trade when related parties are participating in a market (Williamson, 1981). Scholars believed that the market forces determine and coordinate the transaction between exchange partners in a perfect competition market (Wang, 2003). If exchange partners have perfect knowledge about the market (prices, quality, etc.), the transaction will reasonably take place for both partners. However, a perfectly competitive market is far away from reality and exchange partners need to bear costs when using the imperfect market mechanism. TC generates due to imperfect market mechanisms (Coase, 1937). Since asymmetrical information exists in an imperfect market, the customer fails to make rational decisions which are called bounded rationality; on the one hand, exchange partner may encourage to behave opportunistically (opportunism) against the customer on the other hand (Williamson, 1981). TC is the costs incurred by a firm when using market mechanisms due to opportunism in the market and limitations of decision-makers in solving complex problems processing information (bounded rationality) (Zhang, 2009). The cost of transactions could be aroused in several ways. Nooteboom (1993) discusses three aspects; searching cost, negotiation cost, and monitoring cost. Searching costs originated when finding lower material costs as buyers while

higher prices as marketers (Hobbs, 1996; Lu, 2007). The costs arise when searching for proper and comfortable information regarding exchange partners on whom reliability could be kept and future chances or risks related to the current field or business (Lu, 2007; Williamson, 1985). After a successful encounter with the reliable parties, he must be taken into an agreement based on the contract. They are termed negotiation costs which include costs for legal purposes and guarantees where there could be blackouts (Dyer, 1997; Hobbs, 1996). Monitoring costs are the expenses that could be identified in cases of checking deals, quantities, settlements, and prices. Monitoring costs are the costs the partners make to observe the transaction as it unfolds and to verify the compliance with the agreed terms (Hobbs, 1996; Williamson, 1985). Enforcement costs are the expenses of insisting on compliance if monitoring detects divergences from the agreed terms of the transaction. They may be incurred in the form of litigation or administrative proceedings (Hobbs, 1996; Williamson, 1985). The TC of the entity will go up if cash has been given out for searching for correct information, monitoring dealings, and negotiating tasks (Coff, 2003). Dyer (1997) states that each of these costs is brought out by the foremost matter that the party which is suffering from opportunism by having deficient information makes efforts to safeguard the transaction. Most economic-related scholars, such as Dyer (1997) and Williamson (1985) mention that these costs are called TC. These costs make the small enterprise holders' livelihoods more complex and enfeeble they may get collapsed due to the inability of encouraging the ventures (Priyanath & Lakshitha, 2020).

**Sustainable Livelihoods:** Li et al. (2020) mention that there exists the need to realise the connection between providing capital and sustainable development where capital is given to improve sustainable livelihoods to take down poverty, especially for smallholder industries. The Sustainable Livelihood Approach was developed by the Department for International Development (DFID) and it is generally used in development aspects for discussing rural development, poverty alleviation, and environmental management (Udayakumara & Shrestha, 2011). Moreover, Masud et al. (2015) express that the concept considers the assets that poor people and small firms need for sustaining a sufficient living income rather than taking poverty as a lack of income. Mushongah and Scoones, (2012) and Avila Foucat and Rodríguez-Robayo, (2018) explained human capital is the major driving factor determining the success of livelihood. They define labor resources have both qualitative and quantitative dimensions such as household size, age, and the number of individuals engaging in earning activities in a household is quantitative dimensions and qualitative dimensions mean the level of education, health care, population growth, urbanization, displacement, and skill of the members of a community. Natural capital can be widely categorized into three main categories; land resources, water resources, forest resources as well as they include environmental resources (Feldman, 2014). Financial capital means financial resources accessible to people. The major determinant of financial capital is total income, credit accumulations, savings, subsidies, remittances, and pensions (Kabir et al., 2012; Serrat, 2017). Physical capital means basic infrastructure like transportation, shelter, water, energy, and communication used to produce tools that enable people to pursue their livelihoods. Moreover, the hand tools and machinery necessary are the variables used to describe physical capital (Canas, Robayo, & Cesin,

2018). Social capital is the most important aspect of all types of aspects in livelihood success (Foucat & Robayo, 2018). Mushongah and Scoones (2012) determine membership within different groups, institutional networks, relationships of trust, norms, and reciprocity.

## HYPOTHESES

Having discussed the circumstances of the poor population's small enterprises and the effects of TC on them, it is important to observe to which extent the Samurdhi program in Sri Lanka has taken necessary steps to reduce poverty through its strategies. However, the programs like human resource development, group savings, and credit component have long-term aims on poverty reduction by improving and empowering the asset base of the poor population. The current study considers TC as the independent variable that is consisting four dimensions of the TC, i.e. searching cost, negotiation cost, monitoring cost, and enforcement cost. Livelihood success is the dependent variable that reflects sustainable livelihood in an assets-based approach. Association among each transaction cost dimension with the livelihoods is explored critically in the following section.

**Searching costs and livelihoods:** As mentioned above, the Samurdhi program is for the poor of the country. On this basis, it encourages the beneficiaries to start livelihood activities by themselves initially as a small business. Nooteboom (1993) specifies that in smaller firms, rationality is less due to the limitations of accessing more information. He further mentions the reasons for this which are low education level and inadequate training of the entrepreneur and firm's other workers which results in costs for searching such as minimum charge suppliers and advice. According to Nooteboom (1993), small producers may have to experience high search costs in the absence of competing suppliers among whom standardisation has not happened. Generally, searching costs include procedures of being aware of needs, possibilities, probable matters, replacements, trials, and assessments (Nooteboom, Coehoorn & Zwaan, 1992). Carmel (2005) mentions that small firms have to bear high searching costs due to the lean support from the staff and high set-up costs they have to incur with the sizes of transactions. His findings reveal that small firms incur search costs as buyers and vendors when searching for reliable transactions, future contingencies, and potential risks in the investment. Johnson and Kuehn (1987) come up with the fact that small business owners have to spend more time for searching details, which is a sacrifice on the side of the firm. According to Dyer and Chu (1997), they explained firms that achieve the lowest searching costs are likely to realise efficiency advantages in the marketplace and hence, towards performance. With the unavailability of sufficient empirical findings on the relationship between searching cost and livelihoods, the current study attempts to explore the connection by hypothesising that;

**H1: Searching costs have a negative association with the livelihoods of Samurdhi beneficiaries in Sri Lanka.**

**Negotiation costs and livelihoods:** Negotiation costs are generated in the cases of lack of confidence in the information given by an exchange partner who engages in transactions (Dyer, 1997). Firms have to bear these costs in the instances where the deals are away from the trust (Zaheer, McEvily & Perrone 1998). Chiu et al. (2006) state that negotiation costs could be reduced by avoiding opportunistic activities, and the uncertainty of businesses



and by inspiring business opportunities and resources which lead to deducting the cost of firms. According to Nooteboom (1993), negotiation costs emerge and bring costs to the firms at the contract stage, where there could be costs of legal activities, resolutions, precautions, and safeguards including guarantees. Proper negotiation between exchange partners is required to safeguard the transaction from the opportunistic behaviour of the other partners (Hobbs, 1996; Priyanath, 2017; Priyanath & Butsala, 2017). TC generates an additional cost for the firm with the negotiation and reaches transaction agreements, and it directly influences the business performance (Brouthers & Brouthers, 2003; Dyer & Chu, 1997). Thus, the study assumes that negotiation cost has a negative impact on the livelihoods of Samurdhi beneficiaries;

**H2: Negotiation costs have a negative association with the livelihoods of Samurdhi beneficiaries in Sri Lanka.**

**Monitoring costs and livelihoods:** As mentioned by Nooteboom (1993), in a firm's stage of control, small firms are at a stumbling block resulting in more costs as they possess only a limited capacity to monitor performances. His declarations further say that monitoring should be done for both supplier and customer for the protection of the investment in the firm. Nooteboom (1993) further discusses the condition that small businesses may incur considerable monitoring costs when monitoring a firm's members or other related partners, against unethical practices, miscounts, and activities of ignoble quality which can bring problems to the business. However, investigations by Priyanath & Premaratne (2017) and Priyanath et al. (2016) show that monitoring costs could be reduced under the presence of a high level of trust where there are no opportunisms and it will lead the firm to spend little time and fewer resources which lead to improving firm performance. According to Kaufmann and Dant (1992), monitoring costs would be lowered if exchange partners are sure of their transactions in a way that the other party would perform all the dealings correctly as expected; otherwise, it may give rise to more costs. Furthermore, it is demonstrated that the poor supplier performance such as late delivery, delivery unreliability, order incompleteness, poor delivery speed, poor quality of provided goods or services, the infrequency of delivery, faulty deliveries, high prices, failure to match specifications, and unfair conditions can increase the cost. It will directly interact with the business performance (Ntayi, Eyaa, & Ngoma, 2010). Related to these facts, it is assumed and hypothesised that;

**H3: Monitoring costs have a negative association with the livelihoods of Samurdhi beneficiaries in Sri Lanka.**

**Enforcement Costs and Livelihoods:** Enforcement cost which is an ex-post cost is connected with the trust between exchange parties (Dyer & Chu, 2003). If the partners are not working confidently and cooperatively with each other, it will generate enforcement costs for the firms while reducing their performance (Kaufmann & Stern, 1992). Tate et al. (2011) state that this is highly related to opportunism risks which can generate more costs for an entity. A firm has to bear enforcement costs in prosecuting and penalising a wrong, unexpected act of the other (Polinsky & Shavell, 2011). The firms may have to incur costs with respect to enforcement when contacting the dealers who made disvalues in the forms of time, money, and labor. However, small firms become unable to bear such costs for enforcement even though large firms can handle them in anyway as they have sufficient resources to use more

effectively than small firms (Carmel, 2005). Dishonoring contracts, careless work, shirking, and failure to fulfill promises are common characteristics of the opportunistic behaviour of the business partner. It raises more contractual enforcement and monitoring mechanisms to reduce the partner's opportunistic behaviour and is required for business success (Wathne & Heide, 2000). Therefore, enforcement costs lead to increased transaction costs. Hence, the study proposes that;

**H4: Enforcement costs have a negative association with the livelihoods of Samurdhi beneficiaries in Sri Lanka.**

## METHODOLOGY

The study attempts to observe the effect of transaction costs which is consisted of searching costs, negotiation costs, monitoring costs, and enforcement costs on the livelihoods of Samurdhi beneficiaries in Sri Lanka. The reality is costs always cause to deduct profits and earnings. Because of this objective nature, the study follows a positivist flow where the reality is assumed to be measured with reliable and valid tools to obtain the intended outcomes. This is a cross-sectional study that gathers data at a single point in time. It uses a deductive approach with quantified variables having objectives for an exploratory design where it is going to explore new ideas on transaction cost and livelihoods of Samurdhi beneficiaries. The research used primary data to evaluate the hypotheses. Samurdhi beneficiaries in Sri Lanka were the population, while individual Samurdhi beneficiaries who engaged in an income-generating activity are considered as the unit of analysis. Cluster sampling, which is a more accurate sampling method coming under probability sampling was used to obtain the sample as Samurdhi beneficiaries are there all around the country. As the sample was the Samurdhi beneficiaries in two provinces, Sabaragamuwa and Uva provinces were selected randomly at first. Then the list of Samurdhi societies functioning under all Divisional Secretariats (DS Divisions) in each province was obtained by contacting the Department of Samurdhi Development. After that, two villages were randomly selected from each DS Division, and then all the Samurdhi beneficiaries who were engaging in livelihood activity were taken into the sample. Accordingly, 1820 beneficiaries were selected for the sample in the way that 1120, 700 from Sabaragamuwa and Uva provinces, respectively.

The data were collected in the form of a survey that used a structured questionnaire administered by an enumerator to the individual respondents who belonged to the sample. The livelihoods among the Samurdhi beneficiaries were assessed according to the classification of social capital, human capital, physical capital, financial capital, and natural capital which was developed by DFID (2000) sustainable livelihood analysis framework. The measurements of the particular classification of livelihoods were developed according to the theories put forward by Kollmair and Gamper (2002).

The study measures the TC of Samurdhi beneficiaries from two main angles; a) the marketing perspective of Samurdhi beneficiaries and b) Samurdhi activities' perspective. The items such as searching costs, negotiation costs, monitoring costs, and enforcement costs that are believed to critically affect the TC are used to measure both angle of TC. The study used four items to measure each cost items, which are adopted by Dyer and Chu (2003); Nguyen and Crase (2011). Time, labour, traveling, and communication costs for searching information and information related to the credit and Samurdhi activities, costs for handling legal

matters relating to the transaction, and Samurdhi activities, the costs for monitoring the selling and purchasing activities and Samurdhi activities, and costs for monitoring transaction and Samurdhi activities.

The variables were evaluated and measured to investigate the association with the Partial Least Square Structural Equation Modeling (PLS-SEM) which is an extended newer version of regression analysis, the main analysis tool of the study. Based on the questionnaire items, a first-order analysis was performed to check the validity and reliability of the study. Discriminant validity and for testing validity with Cronbach's Alpha, composite reliability, and average variance extracted (AVE) for reliability were computed for testing. The model's efficiency was assessed by  $R^2$ ,  $f^2$  (effect size), and  $Q^2$  (predictive relevance). Data were analysed by the SmartPLS (version 2) software. Moreover, descriptive statistics were performed for obtaining inferences.

## RESULTS AND DISCUSSION

The descriptive results of the study reveal that 47% of the people under Community Based Organization (CBO) in the two provinces are Samurdhi beneficiaries. That means, nearly half of the total CBO are receiving Samurdhi benefits. Of this population of Samurdhi beneficiaries, 69% are females who are engaging in income-generating activities

(livelihoods). Of all the beneficiaries who do income-generating activities, 47% of them have received education up to Grade 10 or Ordinary Level while 5% have not even gone to school. The majority of beneficiaries are housewives. That is 41% and also 23% are jobless but seeking jobs. Their livelihoods have been recorded as 92% doing agriculture, business, or related things, 7% are earning daily wages while only 1% have permanent livelihoods receiving monthly salaries. Most of them (82%) do not have any other income methods. Not only that, 78 % of the beneficiaries have not received any vocational pieces of training.

Centered on the PLS-SEM measurement model, first-order analysis was performed initially. According to Table 01 depicted as follows, all the constructs that are coming under first-order analysis possess indicator reliability as the outer loading values of the items in the questionnaire take values higher than 0.7. The T statistics values too are greater than 1.96, showing that the construct has been developed in a reliable manner. They fulfil the indicator reliability criteria of the construct. The Composite reliability value and Cronbach's alpha value have been obtained for testing internal consistency reliability. All the values being greater than 0.7 say that there exists—strong internal consistency reliability in the model.

**Table 01: Reliability and Validity of First Order Constructs**

Construct	Loading	T Statistic	Composite Reliability	Cronbach's $\alpha$	AVE
<b>Livelihoods</b>					
<b>Financial Capital</b>			<b>0.843</b>	<b>0.722</b>	<b>0.641</b>
Increase the direct income	0.811	78.73			
Increase the savings	0.776	68.20			
Increase the accessibility to credit	0.814	104.02			
<b>Human Capital</b>			<b>0.879</b>	<b>0.828</b>	<b>0.592</b>
Increase the vocational knowledge	0.843	97.34			
Increase the general knowledge	0.766	55.74			
Increase the vocational skills	0.774	62.68			
Increase the health status	0.717	54.15			
Increase the professional experiences	0.743	58.44			
<b>Natural Capital</b>			<b>0.890</b>	<b>0.815</b>	<b>0.730</b>
Availability of favourable soil	0.887	146.29			
Availability of sufficient water facilities	0.886	127.13			
Having fewer natural disasters	0.787	70.57			
<b>Social Capital</b>			<b>0.965</b>	<b>0.958</b>	<b>0.799</b>
Develop a relationship with many members of the Samurdhi society	0.921	179.68			
Ability to meet many people regularly	0.835	62.61			
Ability to build relationships with many people	0.925	163.40			
Ability to exchange many information/ knowledge	0.932	202.54			
Increase mutual support	0.913	154.73			
Decrease the selfish behaviours	0.835	81.96			
Increase the flexibility among members	0.889	111.46			

Source: Survey data, 2021.

On the other hand, regarding the discriminant validity, table 02 depicts that none of the inter-construct correlation values are above the square root of the AVE and then this satisfies the criterion of the discriminant validity of first-order constructs.

**Table 02: Discriminant Validity (Fornell-Larcker Criterion) of the First Order Analysis**

	Financial Capital	Human Capital	Natural Capital	Physical Capital	Social Capital
Financial Capital	0.801				
Human Capital	0.500	0.770			
Natural Capital	0.443	0.712	0.855		
Physical Capital	0.479	0.264	0.248	0.791	

Social Capital	0.634	0.565	0.559	0.467	0.894
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Source: Survey data, 2021.

When moving to the second-order analysis, the study evaluated four latent variables that consisted of the dependent variable, Livelihoods, while evaluating the four independent variables: Searching costs, negotiation costs, monitoring costs, and enforcement costs. At first, reliability and validity were tested for each and every dependent as well as the independent variable, based on the two main angles of marketing and officers. Four constructs were used to reflect the dependent variable with the four independent variables. They were financial capital, human capital, natural capital, and social capital. The standardised factor loadings are shown in Table 03. From the tables, it is clear that all the factor loadings were statistically significant at a 0.05 significance level as they are higher than 0.7 by loadings and 1.96 by T statistics.

**Table 03: Analysis of the Second-Order Constructs**

Marketing Perspective			Samurdhi Activity's Perspective		
	Loading	T		Loading	T
<b>Livelihoods</b>					
Financial Capital	0.787	70.874	0.796	83.896	0.796
Human Capital	0.838	90.874	0.824	77.977	0.824
Natural Capital	0.814	72.142	0.804	68.976	0.804
Social Capital	0.851	94.927	0.862	119.44	0.862
<b>Searching Costs</b>					
Time & labour costs for searching for buyers to sell products & suppliers to purchase materials	0.897	121.17	Time is spent for searching information on Samurdhi assistance activities	0.866	195.35
Traveling & communication costs for searching for buyers to sell products & suppliers to purchase materials	0.929	251.37	Spent money for searching information on Samurdhi assistance activities	0.839	110.30
Spend more money for searching buyers to sell products & suppliers to purchase materials	0.893	138.70	Time is spent when attending constant meetings searching for information on Samurdhi assistance activities	0.880	158.62
			Spent money when attending constant meetings for searching information on Samurdhi assistance activities	0.776	56.709
<b>Negotiation Costs</b>					
Time & labor costs for making transaction decisions & reach agreements with negotiations	0.905	153.44	Time is spent on the discussions with officers & members related to Samurdhi assistance activities	0.807	85.05
Traveling & communication costs for making transaction decisions & reach agreements with negotiations	0.932	233.48	Money is spent for the discussions with officers & members related to Samurdhi assistance activities	0.877	196.40
Spend more money for making transaction decisions & reach agreements with negotiations	0.934	266.24	Time is spent when attending constant meetings for the discussions with officers & members related to Samurdhi assistance activities	0.814	83.93
			Money is spent when attending constant meetings for the discussions with officers & members related to Samurdhi assistance activities	0.793	75.71
<b>Monitoring Costs</b>					
Time & labor costs for supervising transaction activities	0.916	174.97	Money is spent for supervising the activities apropos to the agreements formed with the Samurdhi program	0.882	172.20

Travelling & communication costs for supervising transaction activities	0.920	240.09	Time is spent when attending constant meetings for supervising the activities apropos to the agreements formed with the Samurdhi program	0.839	91.04
Spend more money on supervising transaction activities	0.909	148.82	Money is spent when attending constant meetings for supervising the activities apropos to the agreements formed with the Samurdhi program	0.876	121.90
<b>Enforcement Costs</b>					
Spend more money on settling transaction disputes, paying commissions for marketing agents/ intermediaries after the transactions, paying license charges & sales taxes	0.906	176.52	Time is spent settling disputes related to the Samurdhi program	0.852	107.58
Spend more time & labour costs for settling transaction disputes, paying commissions for marketing agents/ intermediaries after the transactions, paying license charges & sales taxes	0.900	171.60	Money is spent for settling disputes related to the Samurdhi program	0.808	79.00
Spend more travelling & communication costs for settling transaction disputes, paying commissions for marketing agents/ intermediaries after the transactions, paying license charges & sales taxes	0.904	142.87	Time is spent when attending constant meetings for settling disputes related to the Samurdhi program	0.848	173.86
			Money is spent when attending constant meetings for settling disputes related to the Samurdhi program	0.777	69.23

Source: Survey data, 2021.

Table 04 conveys that the internal consistency exists as all the composite reliability values and Cronbach's alpha values are greater than 0.7 which are the recommended values for the respective measurements. The AVE values are higher than 0.5 confirming that the construct is adequately represented by the items. Table 05 shows the results obtained for testing discriminant validity. As the square root of AVE values, the discriminant values are greater than the correlation values between the constructs, which can be authenticated the construct's discriminant validity.

**Table 04: Internal Consistency Reliability and Convergent Validity**

	Internal Consistency Reliability		Officers' angle		Convergent Validity	
	Marketing angle		Marketing angle		Marketing Aspect	Activity Aspect
	Composite Reliability	Cronbach's $\alpha$	Composite Reliability	Cronbach's $\alpha$	AVE	AVE
<b>Livelihoods</b>	0.893	0.841	0.893	0.841	0.677	0.675
<b>Searching Cost</b>	0.933	0.891	0.906	0.865	0.822	0.708
<b>Negotiation Cost</b>	0.946	0.914	0.894	0.846	0.853	0.678
<b>Monitoring Cost</b>	0.939	0.903	0.900	0.834	0.837	0.749
<b>Enforcement Cost</b>	0.930	0.887	0.893	0.844	0.816	0.676

Source: Survey data, 2021.

The discriminant validity of the second-order constructs is presented in table 05. It depicts that all the inter-constructed correlation values lie below the square root of the AVE. Thus, it satisfies the criterion of the discriminant validity of the second-order constructs.

**Table 05: Discriminate Validity**

	Enforcement Cost	Livelihood Success	Monitoring Cost	Negotiation Cost	Searching Cost
<b>Marketing Perspective</b>					
Enforcement Costs	0.903				
Livelihood Success	-0.484	0.823			
Monitoring Costs	0.660	-0.574	0.915		
Negotiation Costs	0.765	-0.552	0.787	0.923	

Searching Costs	0.590	-0.559	0.742	0.690	0.907
<b>Samurdhi Activity's Perspective</b>					
Enforcement Costs	0.892				
livelihood Success	-0.773	0.822			
Monitoring Costs	0.637	-0.629	0.866		
Negotiation Costs	0.811	-0.792	0.750	0.875	
Searching Costs	0.886	-0.762	0.665	0.823	0.891

Source: Survey data, 2021.

Following Hair et al. (2014), the study consists of five basic paces for testing hypotheses as assessing the structural model: for collinearity issues, the significance and relevance of the structural model relationships, the level of  $R^2$ , the effect sizes  $f^2$  and the predictive relevance  $Q^2$ . The extent to which an indicator's variance is explained by the other indicators of the same construct is indicated by the Variance Inflation Factor (VIF) in order to evaluate multicollinearity. All the VIF values are significantly lower than ten which is the considered cut-off for VIFs. Table 6 shows the absence of multicollinearity issues between the dependent and independent constructs of the model.

**Table 6: VIF Values**

	(Marketing Perspective)	(Samurdhi Activity's Perspective)
	Livelihoods	Livelihoods
Enforcement Cost	2.480	7.647
Monitoring Cost	3.307	2.392
Negotiation Cost	3.777	8.776
Searching Cost	2.394	5.390

Source: Survey data, 2021.

Table 07 discusses the significance and relevance of the path coefficients. The t-values were obtained through the bootstrapping procedure and were used to evaluate the statistical significance of each path coefficient. As all the t-values are greater than 1.96 at 0.05 significance level, the path coefficients are assumed to be statistically significant. Variables' suitability with the model, in accordance with the path coefficients of variables, is also shown here. Transaction cost dimensions, the independent variables have been regressed with the Livelihoods, which is the dependent variable for marketing angle and Samurdhi officer's angle. The  $\beta$  values represent the degree of the extent to which an independent variable can affect the dependent variable when other independent variables are kept constant. The coefficient of determination,  $R^2$  value related to the transaction cost of beneficiaries in marketing angle is 0.385 (38.5%) which shows the percentage of variation in the dependent variable explained by the independent variables. That means livelihoods are explained in 38.5% by the four dimensions of transaction costs in the marketing angle. It is a moderate value. The  $R^2$  is 0.656 (65%) for the case in transaction cost of beneficiaries in Samurdhi officers' angle, indicating that, livelihoods are explained in

66% by the four dimensions of transaction costs. It is a substantial indication. When considering the effect size ( $f^2$ ), it measures the influence a selected predictor construct has on the  $R^2$  values of an endogenous construct. All the effects of searching, negotiation, monitoring, and enforcement costs are known to be small from both marketing and officers' angles because every  $f^2$  value lies around 0.02 and none is greater than even 0.1.  $Q^2$  value indicates the predictive capability of the model by reproducing the observed values by the model itself and its estimating parameters. The predictive relevance ( $Q^2$ ) value of the transaction cost of beneficiaries in marketing perspective is 0.250 and at the same time, it is 0.423 for the Samurdhi officers' angle. The effects are large for both aspects showing high predictive capabilities. When paying attention to the associations, all the four hypotheses were accepted at a 95 % significance level because coefficients and t statistics of both marketing and officers' angles were significant, as displayed in Table 06. Therefore, the four hypothetical relationships (negative associations) that searching cost, negotiation cost, monitoring cost, and enforcement cost had with the livelihoods were accepted with sufficient statistical evidence.

**Table 07: Path Coefficients and Significance**

H	Relationship	Marketing Perspective			Samurdhi Activity's Perspective		
		$\beta$	T Statistic	Results	$\beta$	T Statistic	Results
H1	Searching Cost -> Livelihood Success	-0.245	9.241	Accepted	-0.206	7.114	Accepted
H2	Negotiation Cost -> Livelihood Success	-0.141	4.265	Accepted	-0.335	8.764	Accepted
H3	Monitoring Cost -> Livelihood Success	-0.227	7.024	Accepted	-0.100	4.624	Accepted
H4	Enforcement Cost -> Livelihood Success	-0.082	3.382	Accepted	-0.221	6.405	Accepted

Source: Survey data, 2021.

According to Table 07,  $\beta$  coefficients of all the searching cost, negotiation cost, monitoring cost, and enforcement cost in both the marketing perspective and Samurdhi activity's perspective are less than the considered alpha level of 0.05 leading the null hypotheses to get rejected. The t statistics also confirm that null hypotheses are rejected as all the t statistic values are greater than 1.96, the critical value. Therefore, it is proven that there are negative relationships between the transaction costs (searching cost, negotiation cost, monitoring cost, and enforcement cost) and the livelihoods of Samurdhi beneficiaries. Thus, the relationships indicated by the hypotheses H1, H2, H3, and H4 are significant.

The new enterprises initiated through the Samurdhi program are surely small in scale. When these small businesses do a production, they have to search for a buyer to purchase their product. Then they have to spend time effort and money (transportation cost) to find a chance to sell their products, dedicating their other agriculture or related livelihood activities. As these persons are small-scale producers and very often work as self-employers who do not possess much wealth, these searching activity-related costs directly influence their livelihood success on behalf of their sacrifice in time and money. Another fact behind the Samurdhi fund system is that the borrower has to formulate small groups including at least five members in order to be eligible to apply for loans. There, they have to search for other members, and also when they need to obtain a loan, the respective member has to explain to the other members about his need to have a loan with the promise of properly paying it back. Otherwise, the members would not sign the agreements on behalf of that borrower. From the perspective of Samurdhi activity, finding people who need credit facilities, respective guarantees for them, Samurdhi coordinators/ guides, and credible personnel for formulating groups will increase the searching costs. There it may have to bear wastages in both time and money when dealing with the above-mentioned tasks and also when attending relevant meetings, faring to Samurdhi offices and banks, meeting relevant officers, preparing minutes and other necessary documents, and waiting for loan approvals. These facts lead to increase searching costs for Samurdhi beneficiaries, resulting in bad effects on their livelihoods. As well as the path coefficients ( $\beta$ ), are indicated as -0.245 ( $t= 9.241$ ) from the marketing perspective and -0.206 ( $t= 7.114$ ) from the Samurdhi activity's perspective. Thus, H1 is accepted with the finding that searching costs have a negative association with the livelihoods of Samurdhi beneficiaries.

Negotiation costs are common for small businesses in cases of preparing agreements and lending products to various shops and customers. When the borrowers hesitate to pay money or delay the payments, the small business holders have to chase behind them for acquiring their money. There, they have to sacrifice their valuable time and money as well. Sometimes they have to wait for long times to receive their money for the products at times of trouble made by middlemen. In the perspective of Samurdhi activities, the officers have to make the members aware of the agreements regarding Samurdhi loans, they have to wait until members create their own small groups, to check whether all the group members agree to grant a loan for a certain member in their respective group, to check whether all the agreement related documents are duly filled, check the documents and present for the Council (The general governing body), to obtain approvals, to remake or recheck

documents in the presence of mistakes or unacceptable details. All these tasks make burdens on Samurdhi beneficiaries as well as Samurdhi officers, generating negotiation costs, especially with regard to time and money. The above scenarios become causes to rise in negotiation costs for Samurdhi beneficiaries, creating more expenses on their livelihoods. Also, the path coefficients ( $\beta$ ), were -0.141 ( $t= 4.265$ ) from the marketing perspective and -0.335 ( $t= 8.764$ ) from the Samurdhi activity's perspective. With that, H2 is accepted with the finding that negotiation cost has a negative association with the livelihoods of Samurdhi beneficiaries.

Monitoring costs occur when beneficiaries have to monitor or find out whether the borrowers in their group are working accordingly after obtaining Samurdhi services. Also, they have to keep alert on other group members behaving well in Samurdhi activities as faults made by groups will harm future chances for members. The officers have to monitor whether the beneficiary groups maintain minimum balances of deposits, for granting loans, as loans could not be released without that certain level of balances in the savings accounts of groups. Activities should be done on monitoring whether Samurdhi beneficiaries attend meetings and pay membership fees. It is the task of Samurdhi officers to monitor whether the members have requested for loans fair and true reasons. For that, they have to visit members' business places or houses in order to confirm the presented reasons. These activities act as reasons for gathering monitoring costs on Samurdhi beneficiaries, bringing out difficulties in their livelihoods. In this case, the path coefficients ( $\beta$ ), were recorded as -0.227 ( $t= 7.024$ ) from the marketing perspective and -0.100 ( $t= 4.624$ ) from the Samurdhi activity's perspective. Consequently, H3 is accepted with the finding that monitoring cost has a negative association with the livelihoods of Samurdhi beneficiaries.

After obtaining Samurdhi facilities, the beneficiaries have to prove that they keep the words of prior agreements related to the services they obtained. They have to attend the meeting once a month, they have to pay their monthly membership fees and have to go to the Samurdhi bank or office to pay the instalments or they have to persuade the relevant borrower in their groups to pay the loans as otherwise, the other group members have to face inconveniences one day. There, they may have to incur time, transportation, and communication costs. Along with the Samurdhi activity perspective, costs are incurred when credit bearers do not make the proper instalment payments. They may have to find the relevant people and accompany them to the offices asking for arrears and reasons to neglect. However, there exist low enforcement costs. When considering the path coefficients ( $\beta$ ), they were -0.082 ( $t= 3.382$ ) from the marketing perspective and -0.221 ( $t= 6.405$ ) from the Samurdhi activity perspective. At all events, H4 is accepted with the finding that enforcement cost has a negative association with the livelihoods of Samurdhi beneficiaries. These costs discourage the small business holders signalling them it is better to move to other options except Samurdhi facilities. They tend to focus on black market activities due to the above costs and losses they have to carry. Sometimes the activities of officers that cause the beneficiaries to loaf on behalf of obtaining Samurdhi services also called bureaucracy, will discourage the beneficiaries to deal with Samurdhi activities.

## CONCLUSION

The research aimed to assess the impact of transaction costs on the livelihoods of Samurdhi beneficiaries in Sri Lanka. The study revealed that searching costs, negotiation costs, monitoring costs, and enforcement costs have a negative association between the livelihoods of Samurdhi beneficiaries from both the marketing perspective and Samurdhi activity's perspective. Searching and monitoring costs are strong in the marketing aspect while negotiation and enforcement costs are comparatively higher in the Samurdhi activity perspective. As a whole, transaction costs act as a negative cause on the livelihood success of Samurdhi beneficiaries. Thus, the current study contributes to the field of research by investigating empirically the effect of transaction costs on the livelihood success of Samurdhi beneficiaries, which is very rarely taken into consideration on account of a social beneficiary program. The most important thing here is the effect of transaction costs has been considered from the perspective of the two main sides of the Samurdhi program: the marketing context, and the Samurdhi activities context. Although the Samurdhi program has been subjected to various studies along with various aspects, transaction costs associated with Samurdhi involving parties have not been studied adequately. Therefore, the research creates a dominant contribution to the existing literature by furnishing empirical evidence pertaining to TC and the livelihood success of the Samurdhi beneficiaries. On this wise, the study lengthens the understanding of the comparative effectiveness of theories in a contrasting economic context.

Respective administrators and policymakers have not given sufficient consciousness to the alleviation of transaction costs on Samurdhi beneficiaries along the line of their livelihoods. Hence, the current exploration brings out recommendations to policymakers for being more attentive to the matter highlighted here. The main suggestion is to increase the formation accessibility. As lack of proper information at the right times is the primary cause for the emergence of transaction costs for Samurdhi beneficiaries, it is essential to provide the correct information in a way that can be obtained easily. Technological applications must be introduced for them together with the necessary knowledge, infrastructure, and connections with relevant personnel. It will help people to find what they need when they need it. It will waste neither their time nor money. The people engaged in Samurdhi activities, including beneficiaries, will not need to fill out documents, chase for other people, travel or wait in different places, wait for approvals, and so forth. Thus, they can commit their available resources to prevailing livelihoods. It will not harm their usual activities also about occupations while encouraging people to do more and more in company with the Samurdhi program. Also, the Samurdhi officers must be guided to encourage the beneficiaries to deal with program activities while gaining maximum usage of the government investment/ expenditure on the program. Moreover, officers' activities must not discourage the benefit of Samurdhi.

Related this study, uses only searching cost, negotiation cost, monitoring cost, and enforcement cost to measure and analyse transaction cost. Therefore, future researchers are suggested to measure transaction cost with more types of costs other than the costs discussed here. As the Samurdhi program is operating on a huge population in the country while a considerable amount of funds is granted by the

government, studies have to be conducted on this perspective in order to observe its issues or achievements. Future scholars are suggested to use quantified methods or mixed-method to study the relationship between TC and livelihoods since the reality of both variables can be assessed more accurately in the nature qualitative.

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# Language Endangerment: A Critical Destiny of Indigenous Mother Tongues Decline in Nepal

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## Abstract

Language is the vehicle for people to communicate socio-cultural reality which transmits culture and knowledge from one generation to another. Language and culture are intimately related and dependent on each other. Endangerment is one of the stages of language loss which is a very critical issue in the 21st century because the extinction of each language results in the irrecoverable loss of unique expression of the human experience and the culture of the world. A language is dying every time in the world which will create difficulty to understand the pattern, structure, and function of human languages, prehistory, and the maintenance of the world's diverse ecosystems in the future. Language is thus essential for the ability to express cultural knowledge and the preservation of one is paramount to the preservation and further development of the others. It is believed that half of the world's languages will disappear within this century. In Nepal, there are 92 indigenous or minority languages out of 123 are in endangered situation. This paper describes the context and stages of language endangerment in the global and Nepalese context and indigenous language situations of Nepal.

**Keywords:** Endangerment, extinction, preservation, vulnerable languages, intergenerational transmission.

## INTRODUCTION

A language is endangered when its speakers cease to use it, use it in rare domains, use fewer of its registers and speaking styles, and/or stop passing it on to the next generation (UNESCO, 2003). It is a language that is at risk of falling out of use and its speakers no longer pass it on to the next generation. A language is considered to be endangered when the population of its speakers is diminishing, and the last generation does not exercise the use of the language actively or not at all. Similarly, UNESCO's Ad-hoc expert group on endangered languages (2003) offers that, when its speakers cease to use it, use it in an increasingly reduced number of communicative domains, and cease to pass it on from one generation to the next, it is supposed to be declining. It means that there are no new speakers, adults, or children to speak that language. Similarly, Rogers & Campbell (2015) mentioned four criteria for language endangerment: the absolute number of speakers, lack of intergenerational transmission, decrease in the number of speakers over time, and decrease in domains of use. According to Woodbury (2012), an endangered language is likely to become extinct in the near future. Many languages are falling out of use and being replaced by others that are more widely used in the region or nation, such as English in the U.S. or Spanish in Mexico, or Nepali in Nepal. Unless current trends are reversed, these endangered languages will become extinct within the next century. Many other languages are no longer being learned by new generations of children or by new adult speakers;

these languages will become extinct when their last speakers die (Gyanwali, 2019).

Today, many languages or speech communities of a minority language are shrinking and their language will ultimately vanish if these developments are not reversed. Children may no longer acquire their mother languages even when they are still spoken by many thousands of elderly speakers. It means, that the sustainability of language is based on the number of speakers or the number of children who are using their mother language in daily activities, and that language will be in an endangered position. There is no definite rule/law to identifying a language as endangered. According to Krauss (1992), mainly there are three criteria for identifying endangered languages: (a) The number of speakers currently living (b) The mean age of native and/or fluent speakers, and (c) The percentage of the youngest generation acquiring fluency with the acquisition of the languages. He further described those languages as safe if children will probably be speaking them in 100 years, endangered if children will probably not be speaking them in 100 years, and moribund if children are not speaking them now. It indicates that the endangerment of language is based on the attitude, acquisition of the mother language, the number of young speakers, and the total ecology of the language.

The National Census (2011) had enlisted 123 languages spoken in Nepal. But in 2019 the National Language Commission added six more new languages in Nepal including Rana Tharu, Nar Phu, Chum (Syaar), Nubri (Larke), Poike, and

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Serake (Seke). With the new six languages, the number of languages spoken in Nepal has reached 129 (Khabarhub, 2019). According to the Language Commission (2019), as many as 37 languages are on the verge of extinction in Nepal. As many as 117 out of the 123 languages are spoken by indigenous communities in Nepal (Lama, 2020). Among the total languages, most of the indigenous languages are in an endangered situation. Due to the loss of population, increasing rate of migration, global domination of English and national domination of the Nepali language, lack of awareness of the importance of the mother tongue, illiteracy, mass media, multicultural influences, etc. are the major causes of indigenous language extinction in Nepal. Most of the languages spoken in Nepal exist in oral form and the government does not have the proper policy to protect endangered languages from becoming extinct.

### THE OBJECTIVE OF THE PAPER

The overall objective of this paper is to discuss the context and stages of language endangerment and the language situation in the context of Nepal. The specific objective is to analyze the linguistic situation, stages of language endangerment, and the contemporary situations of the indigenous languages of Nepal.

### METHOD OF STUDY

Regarding the aforementioned objective, the descriptive research design is applied for this research. This research design focuses on the 'what' of the research subject than 'why' and helps to analyze the secondary data with the predetermined research topic. The data used in this research is quantitative which are collected from secondary sources like the Central Bureau of Statistics, Ethnologue, Central Department of Linguistics, University publications, reports of the National Language Commission, UNESCO, research articles, and other organization/individual research documents. This research has applied the comparative method in tabular form for the analysis of data. It compares the secondary sources of data across time, place, speech communities, and linguistic populations.

#### *The context of language decline in the world*

A lot has been written on language since the period of 1990s, especially since Krauss (1992). Recently the literature has been augmented by books such as Crystal (2000), and Nettle & Romaine (2000) as well as more regionally focused publications such as Brenzinger & Tjreed (2008), etc. According to Mufwene (2002), this literature has expressed apprehension, primarily deploring the fact that linguistic diversity is being lost at a dramatic speed and occasionally arguing that the native speakers of these languages are losing their cultural heritage. Similarly, Skutnabb-Kangas (2000), mentioned that demographically less than 300 languages accounted in the early 1990s for a total of over 5 billion speakers or close to 95% of the world population. But this 95% of the world population speaks considerably under 5% of the world languages. This means that more than 95% of the world's languages have fewer than 1 million speakers each. Most of the figures about them are very unsure and estimates differ. Probably around 40% of the world's languages are spoken by 1 million and 10,000 speakers each (smallish, small, and very small languages). Somewhat over half of the world's oral languages and most of the sign languages are spoken by communities of fewer than 10,000 speakers. These languages are minimal-sized. And half of these, in turn, meaning around a quarter of the world's languages are

spoken by communities of 1,000 speakers or fewer (Skutnabb-Kangas, 2000). These minimal-sized languages are the most vulnerable oral languages in the world. All sign languages are threatened, except maybe around 200 one per country. At present, According to UNESCO (2003), about 6000 languages exist in the world. About 5760 of those languages are spoken by 3% of the world's population, mostly of indigenous or tribal descent. The remainder of the languages is spoken by 97% of the world's population. It is estimated that about 90% of the 5760 languages will be replaced by the dominant languages by the end of the 21<sup>st</sup> century. Ethnologue (2011) indicates that about 30% of the languages of the Americas had extinct and most of the European languages are in a safe condition. But the number of world languages has not been confirmed and is various according to linguistics and other international organizations. Ethnologue is the largest present-day survey of language, attempting a worldwide review since 1974. In the first edition, it mentioned the existence of 5,687 languages in the world. Since the period of 1980s, the situation has changed dramatically, with the improvement of information gathering techniques to get the data of the existing languages of the world.

The thirteenth edition of Ethnologue (1996) contains 6,703 language headings and about 6,300 living languages are classified in the International Encyclopedia of Linguistics (1992). There are 6,796 names listed in the index of the Atlas of world languages. The off-the-cuff figure most often heard these days is 6,000, with the variance sometimes going below, sometimes above. The latest edition (22<sup>nd</sup>) of Ethnologue (2019) mentioned that there is a total of 7,111 living languages worldwide - a net increase of 14 living languages since the 21<sup>st</sup> edition was published one year ago. Similarly, Crystal (2000) mentioned that about 96% of the world's languages are spoken by just 4% of the population. Nearly 500 languages have less than 100 speakers; around 1,500 have less than 1,000, and 3,340 have less than 10,000. The data shows 51 languages with just a single speaker. Among them, 28 in Australia, 8 in the USA, 3 in South America, 3 in Africa, 6 in Asia, and 3 in the Pacific Islands. This figure indicates that small tongues get abandoned by their speakers, who stop using them in favor of a more dominant, more prestigious, or more widely known tongue. This process of language loss has no proper words and calls it 'language death', 'language shift', 'threatened languages', 'language extinction', 'last words', or 'vanishing voices'.

The statistical data related to language use may illustrate the extent of the problems of language endangerment. According to Ethnologue (2009), about 97% of the world people speak only about 4% of the world's languages; and conversely, about 96% of the world's languages are spoken by about 3% of the world's people and 90% of the world population speaks the 100 most-used languages. Approximately 85% of the almost 7000 languages of the world are spoken in only 22 countries of the world. This means that there are at least 6000 languages spoken by about 10% of the people on earth. These data and other information indicate that 90% of languages in the world are in an endangered situation and facing the problem of extinction. Globally, 95% of the 6,700 languages that exist are spoken by indigenous people. Of them, 2,267 languages are spoken in Asia. Nearly 40% of the indigenous languages are in danger across the world (Lama, 2020). This figure shows the very critical conditions of the minority languages which has been spoken by ethnic people, indigenous, marginal, and tribal communities of the world.

### **Language endangerment in the context of Nepal**

Nepal is a small and landlocked country but very rich in the diversity of languages, cultures, and ethnic groups. Out of ten high mountains in the world eight are located in Nepal. From one mountain to another mountain and from one valley to another, people speak different languages and different dialects. Just as the diversity of topography and vegetation ranges from tundra to tropical, the diversity of languages is another characteristic of the country. Due to the high mountain and remoteness, many places were isolated and cut off from the mainstream for centuries, keeping the mother tongue intact, or developing independently from other languages. In many areas, there used to be little contact even among the speakers of the same language, allowing different dialects to develop.

A global record of language, Nepal currently has as many as 126 living languages (Ethnologue, 2005) and according to CBS (2011), there are 123 languages. That is a huge figure for a country with a total area of only 147,181 sq. km. over 22 times smaller than India (which has 415 living languages), over 65 times smaller than China (236 living languages) or the USA (162 living languages) (Ethnologue 2005). Compare to the dead (extinct) languages in each of the above countries, at least 3 of Nepal's languages are extinct- Dura, Kusunda, and Waling. Ethnologue also lists 13 extinct languages for India, 1 for China, and 73 for the USA. The fear that other indigenous languages may become extinct is legitimate. Although Nepali is spoken by almost half of the entire population of 20.6 million people, and other major languages such as Maithali (12.1%), Bhojpuri (7.4%), Tharu (5.8%), Tamang (5.1%), and Newar (3.6%) may not be facing an immediate extinction, and more than 100 other less known languages are in the endangered situation. (Fyuba & Koirala, 2006).

According to CBS (2001), out of 92 identified languages 59 languages each has less than ten thousand speakers and the total population speaking these non-dominant languages is about 0.5%. Linguists classified the different types of language based on their number, intergenerational transmission, documentation practices, and other components. Similarly, there are different views on the number of endangered languages in Nepal. There are 77 (Noonan, 2008 & Regmi, 2012), 47 (Moseley, 2010), and 60 (Yadav & Turin, 2009) languages in endangered and extinct status in Nepal. Similarly, according to CBS (2011), out of 123, there are about 45 languages that have less than a thousand speakers. There are 16 languages that have less than 500 speakers like Kusunda - 28; Sam - 201; Koche- 280; Limkhim - 129; Khimchi (Raute) -461; Kaike - 50; Khariya - 238; Kagate - 99; Mizo-32; Kuki - 29; Baram - 155; Kurmali - 227; Khariya - 238; Dzongkha - 80; Assamese - 476 and Sadhani - 122. Some more languages which have less than a thousand populations are also included in the population census 2011, and these are Byansi (480), Surel (287), Bankariya (69), Gadhawali (38), Malpande (247), Dhuleli (347), Belhare

(599), Phangduwali (290), Jumli (851), Sonaha (579), Dadeldhuri (488) and Manange (392). Hence, according to this data, more than 40% of languages have less than a thousand populations and are severely in an endangered situation.

In the high Himalayas, Tibeto-Burman families of languages dominate, but other areas have a mixture of language families. In terms of diversity, the Terai is the richest due to the greatest settlement from other areas. Different ethnic groups speak all four families of languages, and in some recently settled villages, residents need to speak at least two languages to carry out daily tasks (Poudel, 2010). The official language of Nepal is Nepali, a member of the Indo-Aryan branch of the Indo-European language family of the world. There are over 17 million Nepali speakers in the world, in countries including Nepal, Bhutan, Myanmar, Brunei, and India (translater without boarder. org). It is a macrolanguage spoken by 12,300,000 in Nepal (78% of the total population) according to the 2011 census; 2,870,000 in India according to the 2001 census, and 156,000 in Bhutan. The language is also called Eastern Pahadi, Gorkhali, Gurkhali, Khaskura, Nepalese, and Parbate. Nepali is also the official language of Sikkim, an Indian state in the Himalayas, and the Darjeeling district of West Bengal (<https://www.mustgo.com/worldlanguages/nepali/>). Hence, the dominant language (lingua franca) of Nepal is Nepali but it is the home of more than 130 languages and more than 200 dialects.

### **Stages and number of endangered languages in Nepal**

According to UNESCO (2010), there are five categories of endangered languages: vulnerable (most children can speak the language, but it is restricted to certain realms); definitely endangered (children no longer learn the language as a mother tongue); severely endangered (older generations speak the language and younger generations understand, but cannot speak); critically endangered (the only surviving speakers are old and speak infrequently); and extinct (no speakers at all) (Singh & Chhetri, 2019). Based on this category, the languages of Nepal are also classified into different groups. According to Noonan (2008), there are five categories: Safe (10 lakh to 1 lakh); Endangered (1 lakh to 10 thousand); Most endangered (10 thousand to 1 thousand); Dead languages (less than 1 thousand), and Dead languages (no listed no.). Among these categories, Regmi's categorization is most comprehensive and more detailed than others. In the sense of endangerment, Regmi (2012) says that many spoken languages especially of indigenous nationalities have not yet been recorded in the 2011, census. Linguists from home and abroad as well as the speech communities have been concerned about the situation of the languages of Nepal. Many languages in Nepal are used in a few domains only by a few adult speakers. Such languages have been categorized as seriously endangered. He presents the categorization of the languages of Nepal in terms of language endangerment.

**Table no.1: Endangered languages of Nepal**

S.N.	Category	Characteristics	Number	Name of languages
1	Safe	Without no danger of being lost	17	Awadhi, Bantawa, Bhojpuri, Gurung, Khaling, Kham, Limbu, Magar, Maithali, Nepali, Nepali sign languages, Newari, Rajbanshi, Sherpa, Tamang, Tibetan, and Tharu.
2	Almost safe	With little danger of being lost	15	Angika, Bajjika, Chamling, Chepang, Danuwar, Darai, Dhimal, Dolpo, Jhangad, Kulung, Sangpang, Santhali, Thami, Thulung and Yakkha.

3	Potentially endangered	Heavy pressure from a large language and beginning to lose child speakers	8	Athpaharia, Belhare, Chantyal, Dumri, Jirel, Kumal, Mugali and Thakali
4	Endangered	Have few or no children chilling, learning languages	22	Bahing, Bhujel, Bote, Byansi, Dura, Ghale, Hayu, Kharia, Kou, Lepcha, Lorung, Majhi, Meche, Nachiring, Pahari, Puma, Raji, Sunuwar, Umbule, Yamphu and Yholmo
5	Seriously endangered	Have the youngest good speakers age 50 or older	12	Baragaunle, Baram, Chaurauti, Dungmali, Mewahang, Jerung, Kaike, Kisan, Mangwa, Narphu, Raute and Tilung.
6	Moribund	Have only a handful of good speakers left, mostly very old	7	Chingtant, Kagate, Koche, Kusunda, Lhomi, Limkhim, and Sam
7	Extinct	Have no speakers left	11	Baybansi, Bungla, Chonkha, Chukwa, Hedangpa, Khandung, Longaba, Mugali, Pongyong, Sambya and Waling

Source: Regmi, 2012

But there are multiple views about the number of languages in Nepal. According to American Linguist Michel Noonan (2008), there exist 140 living languages in Nepal, and among them, 91 mother languages are in an endangered phase. But due to the prioritization of the Nepali language and the discriminatory language policy of the government, more than 90 percent of ethnic and indigenous languages are in endangered situations in Nepal.

#### **Documentation of tradition of indigenous languages**

The documentation of language is the process by which endangered languages can be preserved for the next generation. It is the subfield of linguistics that deals with creating multipurpose records of languages through audio and video recording of speakers and signers and with annotation, translation, preservation, and distribution of the resulting materials (Austin, 2019). Language documentation aims the record the linguistic practices and traditions of a speech community and it may be characterized as radically expanded text collection processes (Himmelmann, 1998). Himmelmann (2006), further mentioned that it is a lasting, multipurpose record of a language, and the author defines language documentation as a field of linguistic inquiry and practice in its own right which is primarily concerned with the compilation and preservation of linguistic primary data and interfaces between primary data and various types of analyses based on these data. Similarly, Woodbury (2011) defined that, language documentation as the creation, annotation, preservation, and dissemination of transparent records of a language.

The documentation of language has initiated in the period of the 1950s in Nepal. The statistics on the mother tongues of Nepal were first made available after the 1952/54 census. A total of 52 mother tongues were reported, according to Gurung (2005), of which five were Terai dialects related to Awadhi, Bhojpuri, and Maithali, and two were duplications-Bhote-Sherpa and Tibetan, and Santhali and Satar. Thus, the actual number of mother tongues recorded was 45. Subsequent censuses (1961, 1971, and 1981) reported progressively fewer numbers of mother tongues. The number of languages reported in the Panchayat era declined from 36 in 1961 to 17 in 1971 and 18 in 1981. The number of languages was increased since the establishment of democracy in Nepal. This has meant a proliferation of reported languages from 31 in 1991, 92 in 2001, and 123 in 2011. Similarly,

Gurung (2003) mentioned that that are various ethnic groups for which mother tongue retention levels can be derived in all census reports. Besides the census, there are two other estimates. One is the Ethnologue (2005), which lists 126 languages, while American linguist Noonan (2008), approximates the presence of at least 140 languages, among them 16 languages are spoken by 97% of the total population while more than 75 languages are spoken by about 3%, of which half of the languages are spoken by the population under 1000 and another half by less than 10,000. Similar types of data are presented by Yadav (2009), in his article, Linguistic Diversity in Nepal. According to him, there are 16 of 92 languages (i.e., about 5%; all spoken by more than 100,000 speakers) are used by 97% of the population whereas more than 76 (i.e., about 95%; all spoken by less than 100,000 speakers) are confined to only 3% of the total population. Among these all-Nepalese languages only nine indigenous languages have a writing system or script. They are as follows:

1. Limbu is written in Sirijangnga script.
2. Tamang is written in Sambota or Tibetan script or Devnari script.
3. Newar is written in Ranjana or Devanagari script.
4. Lepcha is written in Rong script.
5. Santhal is written in Olchiki or Santhali script.
6. Gurung is written in Devanagari, Roman, and Khema.
7. Magar is written in Devanagari or Akkha script.
8. Nepali, Bhojpuri, Awadhi, Hindi, Rajbanshi is written in Devanagari script
9. Maithali is written in Mithilakshar or Kaithi script

Most of the indigenous languages of Nepal are in endangered situations. Due to the awareness of the mother language and the efforts of indigenous peoples, there are some initiatives taken by various language communities to develop writing systems appropriate to the phonetics of their languages and practically acceptable to them. According to Yadav (2007), they are Tharu, Tamang, Magar, Gurung, Rajbanshi, Kusunda and Rai group of languages such as Bantawa, Thulung, Chamling, Khaling, Kulung, and so on. But only a little number of indigenous languages have access to publish their documents in their mother script. Some major languages and their number of newspapers/journals are listed in the following table.

**Table no.2: Number of journals/newspapers**

S.N.	Languages	No. of journal/ newspapers	S. N	Languages	No. of Journal/ Newspapers
1	Newari	30	7	Tharu	8
2	Maithali	17	8	Limbu	2
3	Bhojpuri	5	9	Dotel	2
4	Sanskrit	2	10	Tamang	4
5	Urdu	3	11	Rai	1
6	Tibetan	1	Total	11	75

Source: Information Department of Nepal (2010, 2019)

According to CBS (2011), there are 123 languages in Nepal, among them, only 8 indigenous languages have their publishing documents. Currently, 93.07 percent of the newspapers published in Nepal are in non-indigenous languages. Among them, 68.42 percent are published in the official language Nepali and 24.65 percent in English, Hindi, and English-Nepali. The media in indigenous languages accounts for only 6.58 percent of the total while indigenous people make up 37.2 percent of the national population. Now there are 43 Newari, 13 Tharu, 10 Tamang, and two Rai language newspapers. Also, 294 supplements in other languages have been published (Rajbhandari - Amatya, 2016). It indicates that most other languages have an only oral traditions and have more chances of endangerment. The tradition of writing is a very important criterion of language endangerment and in Nepal, only a limited number of languages have written traditions.

## CONCLUSION

More than 90% of the languages of Nepal are in an endangered situation which is a serious issue because each language shares such an intricate bond with the culture, it is associated with that it alone can facilitate a somewhat thorough analysis of culture. It is believed that language is the vehicle of culture, belief, ideology, and history. Anthropologically, language is one of the major pillars of culture and both are mutually constitutive. That being said, different languages across the globe are continuously dying and causing the death of the premise and the backbone of entire civilizations forever losing their heritage and tradition. This stands as true for Nepal's endangered languages as it does for any other country's language. Most of the mother tongue of indigenous people of Nepal is in oral form and has been spoken by the 60+ years of age group. These languages have no script, are not documented, and are not transmitted to the new generation. Mostly, potentially endangered, endangered, seriously endangered, and moribund languages are on the verge of extinction. Hence the study, research, and documentation of endangered languages is a very urgent and essential issue in the world as well as in Nepal.

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# Online Examinations in the State Universities of Sri Lanka: Perceptions of Examiners and Students

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## Abstract

Sri Lanka's educational system has negatively been impacted by the COVID-19 pandemic. Especially, drastic changes in the regular pattern of learning and evaluation have serious impacts on undergraduates and lecturers in Sri Lankan universities. The aim of this study is to explore the state university undergraduates' and the test administrators' perceptions of online examinations, thereby understanding the challenges and issues of online assessments. To this end, a qualitative investigation was undertaken with forty undergraduates of four government universities and seven lecturers of two universities in Sri Lanka. The study used questionnaires to gather data from the undergraduates and interviews with lecturers. Thematic analysis was used for data analysis. Ninety percent of the undergraduates and university lecturers reported that online evaluation has become ineffective due to their lack of expertise in the learning management systems and inadequate knowledge of using digitized internet-assisted platforms. Moreover, undergraduates' economical, technical and personal issues have also hindered the effectiveness of online evaluation. Since the online examinations could not evaluate undergraduates' learning outcomes accurately as onsite examinations, the results of online examinations cannot be considered valid and reliable. The current study has implications for the university undergraduates, test administrators, and university management.

**Keywords:** COVID 19 Pandemic, Effectiveness, Online evaluations, State universities, Undergraduates

## INTRODUCTION

COVID-19 is a newly identified coronavirus that causes an infectious disease. The first patient infected by COVID-19 was reported on December 1, 2019, and the patient was admitted to the hospital on December 16, 2019 (Huang et al., 2020). COVID-19 is caused by Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2). The virus has spread to every continent except Antarctica since its discovery in 2019. From then onwards, the virus spread all over the world and as of 20 September 2021, 219M people were infected and 4.55M people were dead. COVID-19 has been classified as a pandemic by the World Health Organization, however, it is identified as a manageable epidemic.

The pandemic resulted in the destruction of social and economic stability in the world, including the world's most unexpected decline in the economy. Many educational institutions and public places were either partially or entirely closed, and many activities were canceled or postponed. Many sectors, including education, business, health, and information technology (IT) industries moved to online platforms during the Coronavirus Disease (COVID-19) pandemic. The emergence of coronavirus COVID-19 became a challenge for socializing across the world, and the learning and teaching system is no exception (Michael, 2020). As a result, all the schools, educational and higher educational institutes, and universities began offering online teaching and learning. Due to travel restrictions, social isolation, quarantines, campus closures, and border closures, the spread of

the coronavirus has had a significant impact on students in the higher education sector.

Sri Lanka is a developing country that provides its citizens with free education. The University Grants Commission (UGC) admits students to state universities based on their results in the GCE Advanced Level Examination; a national examination administered by the Ministry of Education. With the spread of the COVID-19 pandemic, Sri Lanka has faced issues in incorporating online learning into the university curriculum (Gunawardana, 2005). This is mainly because traditional classroom learning and teaching have been the practice of the universities for many years. Conversely, most universities could transform their academic and administrative activities online with the support of new and sophisticated software applications and technological devices. The adaption to online education instead of the traditional academic paradigm is considered a significant development in Sri Lanka's higher education sector (Rameez et al., 2020). However, this sudden transformation of conducting educational activities online has become a complicated issue and a challenge for teachers, students, and other staff members of the universities as they have no adequate knowledge and skills for using modern devices and technologies. Despite these issues, universities are increasingly attempting to align with the virtual teaching and learning model (Alipio, 2020; Hodges et al., 2020) as it is essential to continue the

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country's education without failure (Basilaia, 2020; Plancher et al., 2020).

Currently, Sri Lanka universities utilize the Learning Management System (LMS), Virtual Learning Environment (VLE), and the Lanka Education and Research Network (LEARN) to facilitate teaching and learning in their respective universities. Although only the lectures were conducted online through the Zoom Application at the initial stage, given the spread of COVID-19 virus, the universities were forced to conduct even the examinations online (Rameez et al., 2020). However, conducting online examinations in a manner that accurately assess students' course learning outcomes has become a critical issue at present for many reasons. As such, online evaluation has developed unfavorable attitudes among undergraduates and lecturers in state universities in Sri Lanka. On the other hand, as researchers argue (Haththotuwa & Rupasinghe, 2021), a country requires increased economic growth and infrastructure development for continuing online teaching and assessments. In this context, it is important to examine how state university undergraduates and test administrators view online examinations and understand the difficulties and problems with online assessments.

## LITERATURE REVIEW

### *Impact of Covid-19 Pandemic on Education*

COVID-19 is transmitted mostly by unknowingly inhaling and by close personal connections with the droplets in the air (Hamzah et al., 2020). When considering the overall infections as well as deaths, COVID-19 already has overtaken other infectious diseases such as SARS and MERS (Murphy, 2020; Zu et al., 2020). However, apart from supportive care, no particular therapy for COVID-19 has been identified (Yan et al., 2020; Hamzah et al., 2020; Yang et al., 2020). In Hubei, China, only CT scan data are considered significant evidence for COVID-19 clinical diagnosis (Zu et al., 2020). The outbreak of COVID-19 virus recently necessitated the closing of educational institutions in 192 nations in the whole world, and around 91.4 percent of all enrolled pupils were forced to leave the schools for a few days until the issues were sorted out (UNESCO, 2020). In Sri Lanka, the conventional educational system was the practice of schools and universities. Given this background, adhering to online teaching/learning and examination has now become a challenge for many educational institutions in Sri Lanka.

### *Physical and Online Education*

Physical education is considered the most dynamic and interactive way of learning and teaching. In a face-to-face learning situation, teachers can divide learners into pairs and different groups, and monitor everyone concurrently (Stanton, 2021). This context allows teachers to understand their students better and assess their strengths and weaknesses. In particular, students in higher education can productively use the discussions in a physical classroom to reach competencies and demonstrate them in tests. As Razeeth et al., (2019), claim in a conventional classroom, undergraduates can directly "share their perspectives and clear up their own inquiries with the educator, in this way getting their inquiries addressed immediately" (p. 217).

Classroom learning and teaching were forcefully disturbed as a result of the spread of the COVID-19 virus and every higher education institution was advised to continue their educational activities through the virtual platform. As such, E-Learning came into practice as the most commonly used

teaching and learning method. E-learning, defined as an instructional process that makes a range of resources available to online learners, has evolved in tandem with significant improvements in information technology (IT) during the last two years.

Currently, online education has been broadly applied in education as well as in higher education (Islam, 2016). Many schools and institutions in the world started to offer some of their courses online even before the COVID-19 outbreak. It is important to note that online education is increasingly popularizing in the world "due to the influence of new technologies, global adoption of the internet, and intensifying demand for a workforce trained periodically for the ever-evolving digital economy" (Palvia et al., 2018, p. 233). In comparison to traditional education, e-learning requires fewer resources, is accessible to a vast number of students due to their expansion, and is simple to execute due to the widespread availability of technology. As a result, e-learning is increasingly becoming the key viable choice for continuing education during the COVID-19 epidemic. Along with E-learning, M-Learning evolved.

### *Mobile Education*

The spread of the covid-19 virus enabled educational institutions to expand their reach and provide more educational opportunities to students. As indicated previously, through the advancements in technology, students received the necessary materials for learning through their computers and laptops. Mobile learning (M-Learning) is the next advancement of online learning where the learning materials are received via mobile devices by the students. As Luong et al. (2021) underscore, mobile learning is a type of learning that can be done anytime, anywhere in a handheld or palmtop device. The widespread availability and ownership of devices such as iPhones, iPads, and tablets have allowed users to access educational resources and activities which are related to their personal needs. "M-Learning in the open and distance learning landscape holds promise and provides exciting new opportunities" (Brown & Mbat, 2015, p. 115).

With the spread of the covid-19 virus, modes of delivery have moved gradually from Physical learning to E-Learning and then to M-Learning. All the institutions including the state universities in Sri Lanka are advancing ahead with the current trend to provide education in an extremely challenging phenomenon without any disruptions.

### *Distance Education*

The term "distance education" refers to a method of learning in which the learner and the instructor are physically distanced. It uses a variety of technologies such as e-mail, audio, video, computers/laptops, and the internet (Roffe, 2004) as the means of delivering at least 80% of course content (Allen & Seaman, 2011; Shelton & Saltsman, 2005). In fact, over the years, distant education has been described in a variety of ways. According to Bri Stauffer (2020), the main distinction between online and distance learning is the geographical location. Students work from home and the teacher allocates work, and reports about the progress digitally after student submits them. In other words, students continue their studies with the support of an instructor while studying their lessons and doing exams through online.

Most importantly, distance learning is carried out in conjunction with other teaching methodologies as a hybrid learning method. The strategy used in teaching can be considered another distinctive difference between online education and distance education. Online learning is meant to



be utilized alongside a range of different in-person educational modalities. It is an extra method to liven things up in the classroom and provide the learners with a range of learning opportunities.

### **Testing and Evaluation**

Testing has become the practice in the education systems for assessing students' performance. A test is defined as "any procedure for measuring ability, knowledge and performance" (Richards et al., 1985, p. 291), "in a given area" (Brown, 1994, p. 252). In education, testing refers to the process of measuring students' performance in order to appraise or determine their competencies by comparing their work with others or some other standard forms (Weir & Roberts, 1994). The performance is mostly evaluated through grades which play a key role in determining the process' efficiency and quality (Howard & Donaghue, 2015). Such an assessment can be presented in the form of a graded paper. Language tests usually evaluate learners' content knowledge and skills such as listening, speaking, reading and writing, and sub-skills such as comprehension, vocabulary, grammar, spelling and punctuations.

Although tests are commonly used in educational settings as a technique of assessment it is also a useful tool for the improvement of learning. Test has a significant impact on subsequent retention, hence increases the possibility of retrieval later. The recalling practice also increases the capacity of knowledge transfer to novel situations. Transfer can be described as the application of knowledge gained in one context to another (Roediger et al., 2011). Moreover, learners can better calibrate their overall knowledge on a specific lesson through testing. This means that students can understand the areas they need further improvement, thus they will learn more difficult aspects and prepare productively (Thomas & McDaniel, 2007; Kornell & Son, 2009).

Evaluation, on the other hand, is a systematic gathering, analysis, and interpretation of data regarding any facet of an educational program for the goal of making decisions. Evaluation can be utilized as a continuous management and learning tool to promote learning with five key components: a) outlining the aim of educational system, b) identifying and collecting relevant data, c) gathering significant and useful ideas of learners in their daily lives and careers, c) interpreting and analyzing students' data, and d) managing classroom or decision-making in the classroom (Kizlik, 2010). As Howard and Donaghue (2015) claim, gaining a broader understanding of measurement is the key aim of evaluation. This results in a change of attitude as well as the educational programmes' intended outcomes.

As indicated, testing and evaluation play a significant role in teaching and learning. Although online testing is currently undertaken for assessment of university undergraduates' performance and learning outcomes due to the covid-19 pandemic, to which extent such online examinations can accurately measure students' competencies is a question.

### **Student Online Assessments**

As indicated previously, testing is an essential element of the educational process, and evaluation systems that are fragmented or disconnected from the teaching mode pose a major conceptual risk. When this occurs continuously, testing creates burden on the learning process as it does not measure what it aims (Rueda et al., 2021)

During the Covid 19 pandemic, educational establishments all around the world have turned to different forms of legitimate alternative assessments to examine if students have

met the course learning objectives. The practice of conducting online examinations has accelerated significantly due to the impossibility of administering face-to-face closed-book written tests (University Grants Commission, 2020). With the spread of Covid-19 virus, the University Grant Commission in Sri Lanka issued a circular for general guidelines for conducting alternative assessments in the universities and higher education institutions that recommends many alternative assessments to assess student achievements instead of written examinations such as "open-book examinations, take-home examinations, student portfolios, performance tests, examinations via zoom, online quizzes, timed-quizzes, online group and individual presentations, time-bound examinations, mini-projects, reflective journals, collaborative/cooperative team-based assessments, participatory co-creation, online viva and online presentations, e-portfolios, project-based assignments and presentations, design projects, and case studies" (University Grants Commission, 2020, p 1). The necessary guidelines were provided by the UGC to shift the traditional mode of testing and evaluation to other alternative methods. The Faculty Boards and the Senates of each state university and higher education institutes were given the authority to decide the method of evaluation for instance, "marks for continuous assessments shall be increased up to 60 % and final examination marks can be reduced to not less than 40% in the final exam" (p.2).

As indicated in the circular, modifications to the assessment criteria should be informed to the students beforehand in order to provide them with sufficient time to adapt to the new evaluation procedures. The new evaluation process should treat the students equitably while the quality and standards of assessment activities and results are maintained. Most importantly, if any student disagreed with the proposed alternative assessments, she/he can postpone that examination, and the particular individual can complete that unit in the following semester without any academic penalty.

## **METHODOLOGY**

### **Context and Participants**

In order to identify the effectiveness of online evaluation in the state universities in Sri Lanka, a qualitative investigation was undertaken with forty undergraduates and eight lecturers of four state universities in Sri Lanka. As Lichtman (2013) points out, a qualitative case study method may successfully achieve these goals because it can "bring understanding, interpretation, and meaning" (p. 17) to the whole phenomena of undergraduates in Sri Lankan state universities. Participants in the current study were English medium Science undergraduates who were offered English as a compulsory course unit. Participants belonged to the disciplines of Management, Applied Sciences, Geomatics and Science and Technology. The selected group which includes both males and females was between the age of 22 and 25.

As indicated in the literature, for a qualitative investigation, the researchers mostly utilized purposeful sampling methods and gathered data from a smaller number of participants. The key objective of intentionally choosing respondents is to make the researcher build a comprehensive study of "information-rich cases" (Patton, 2002, p. 46). Despite the small number of participants (Given, 2008; Hogan, Dolan, & Donnelly, 2009), the study thoroughly examines all instances to gain a complete knowledge of their perceptions (Savenye & Robinson, 2005). Thus, it indicates that the validity of the investigation is mostly influenced by the nature of the study

and the amount to which it investigates "complex in-depth phenomena" (Lichtman, 2013, p. 22).

### Data Collection Instrument

A structured questionnaire was designed to collect data from the university students while the lecturers' perceptions were gathered through semi-structured interviews. The questionnaire was prepared using Google form and it was distributed through online platforms to gather data. The questionnaire contained 16 questions. All the questions required the participant's opinions and they were requested to provide ratings to a statement based on the given Likert-type scale.

The nature of qualitative interviews, especially flexibility and in-depth inquiries (Cohen & Manion, 1994) can help gain a new understanding of a difficult problem (Folkestad, 2008; Abeywickrama, 2019; Abeywickrama & Ariyaratne, 2020). As previous researchers claim, interviews can be undertaken in such a way it encourages the respondents to provide explanatory responses (Ashworth & Lucas, 2000; Cohen & Manion, 1994), thereby assisting the researchers to gain a more holistic understanding of the phenomena and resolving misunderstandings. Hence, this instrument "tends to be most favoured by educational researchers" (Hitchcock & Hughes, 1995, p. 157). Due to this background, semi-structured interviews were used as the tool for gathering data for the current study.

### Data Analysis

Thematic Analysis (TA) is a type of statistical analysis that focuses on grouping and finding themes and trends. TA is clearly a powerful analytical method for qualitative research (Kiger & Varpio, 2020), which can provide scholars with a well-defined explanation while preserving the flexibility associated with its empirical perspective. It can create a wide variety of information to understand various issues from the point of view of the participants (Teng et al., 2012). TA "involves a constant moving back and forward between the entire data set, the coded extracts of data that you are analyzing, and the analysis of the data that you are producing." (Braun & Clarke, 2006, p.92). TA has largely been used in surveys and educational research (Coldwell & Maxwell, 2017; Abeywickrama, 2020a, 2020b). Given that, this study also utilized Braun and Clarke (2006) six phases of Thematic Analysis as its major source of information to recognize, assess and analyze the findings gathered. The following six phases were used in order to analyze the findings: a) familiarize with the findings by re-reading them, b) generate the initial codes, c) identify the themes based on the codes generated, d) evaluate the accuracy of the themes, e) outline a topic to make the themes noteworthy, and f) prepare the report while considering the meaningful contribution of the key themes (Braun & Clarke, 2006).

The researcher first became familiarized with the various perspectives of the interview transcriptions and then developed initial codes that describe the contents of the data. A code can be considered a short description of the response given by the participant and it is more of an explanatory statement than a clarification. In the third phase, the codes were used to develop topics based on opinions and significance. Later, the major themes were extracted and organized into developing themes. In this phase, the researcher referred to the entire collection of codes, as well as the extractions which are connected to them, and then organized them into broader themes. The topics uncovered in phase three were reviewed and improved in step four. The researcher examined all the grouped extracts to check if those

extracts are validated or matched with the themes. According to Braun and Clark (2006), the content within the themes must be logically connected. In the fifth phase, each theme discovered in the earlier stage was assigned a topic. During this process of refinement, the researcher was able to identify many ideas and the way they were linked to the primary research question (Abeywickrama, 2019). The concluded themes, as per, Braun and Clarke (2006), should be detailed and compelling.

## FINDINGS AND DISCUSSION

The undergraduate in the selected group for the study have faced online examinations during the COVID-19 pandemic. The current study examined their perspectives of online examinations and the challenges they encountered with the sudden transformation of traditional examinations to online examinations. Among them, the majority of the undergraduates (51.6%) used the WIFI network while 48.3% of undergraduates faced their online examinations using the mobile network. 58.6% of the undergraduates used laptops and 41.3% of the undergraduates used their mobile phones to attend online lectures and online examinations. They attended online lectures through the Zoom platform and accessed the VLE for assessment submissions. All the lecturers who were taken in this study had assessed students online. 25% of them used mobile networks while 75% utilized both WIFI and dongles during the examinations.

### Undergraduates' Integrity during Online Examinations

The term "cheating" is an act associated with academic dishonesty. According to Trost (2009), "academic dishonesty may include various behaviors like cheating on exams, buying papers written by others, over-referencing, plagiarism, lying about the content of papers, faking references, manipulation of staff to name only a few" (p. 369). As indicated in Figure 1, 92% of the undergraduates reported that there is a high possibility to cheat during an online examination whereas only 8% of the undergraduates stated that the possibility to cheat during an online examination is comparatively low. However, as 2% of the undergraduates claim, cheating may not occur during online examinations.

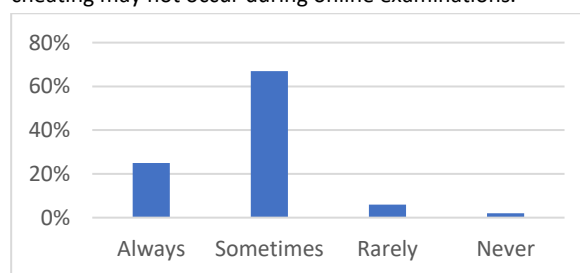


Figure 1: Undergraduates' Integrity

The lecturers have also validated these figures through their perceptions. The integrity of the undergraduates is doubtful due to "less supervision", and the possibility of cheating during online examinations has become a reason for the students to refrain from attending the lectures attentively (L 5). Similarly, the perspective of Lecturer 3 also supports this argument, "students always seek to escape from classes because it is easy to cheat during online tests". Furthermore, the lack of supervision encourages the undergraduates for alternative methods to cheat during online examinations. As Whitley (1998) argues, motivations for cheating are related to students' environmental pressure, increased need for succeeding and scoring, and economic and social benefits.

The findings of the study demonstrate that the key reason that drives students to copy and cheat during an online exam is the need to achieve good grades. "If there is an opportunity to cheat, they may do so because their only goal is obtaining high marks" (L 4). It is important to note that the undergraduates not only copy during the online examination but also help their colleagues to pass the examinations. The response of the undergraduate 10 supports this idea: "They exchange answers through the social media applications and support their friends. I have helped my friends to write exams" (U 10). Since students' achievements are determined through the marks and grades they obtain for the examinations, undergraduates are forced to cheat when they have opportunities to score high marks and grades.

As suggested by the lecturers, cheating during an online examination can be controlled to a certain extent only if the students keep their videos on during the examination. This perspective has been further supported by previous literature. "In terms of security, online proctored exams provide more protection against cheating than online exams without any supervision" (Prince et al., 2009, p.53). However, if this is really the case, measures need to be taken in order to minimize the academic dishonesty during online examinations, and thereby creating an environment where each undergraduate's performance is assessed accurately.

#### **Challenges and Issues during Online Examinations**

According to the results obtained through the questionnaires, 15% of the undergraduates stated that they are unfamiliar with the use of technological devices and the related software issues. 75% of the participants reported that they experienced hardware failures, uninformed power cuts and unstable internet connection during online evaluations. Undergraduates' perspectives such as "laptop and mobile phones get frozen unexpectedly making us helpless (U 7) and "inadequate time due to poor network connection" (U 8), reflected this issue. As the University Grant Commission (2020) reports, "depending on the hardware/software setup on the personal devices, some computers may have performance issues" (p.7).

Similar perception about the challenges experienced during an online evaluation was stated by undergraduate 6.

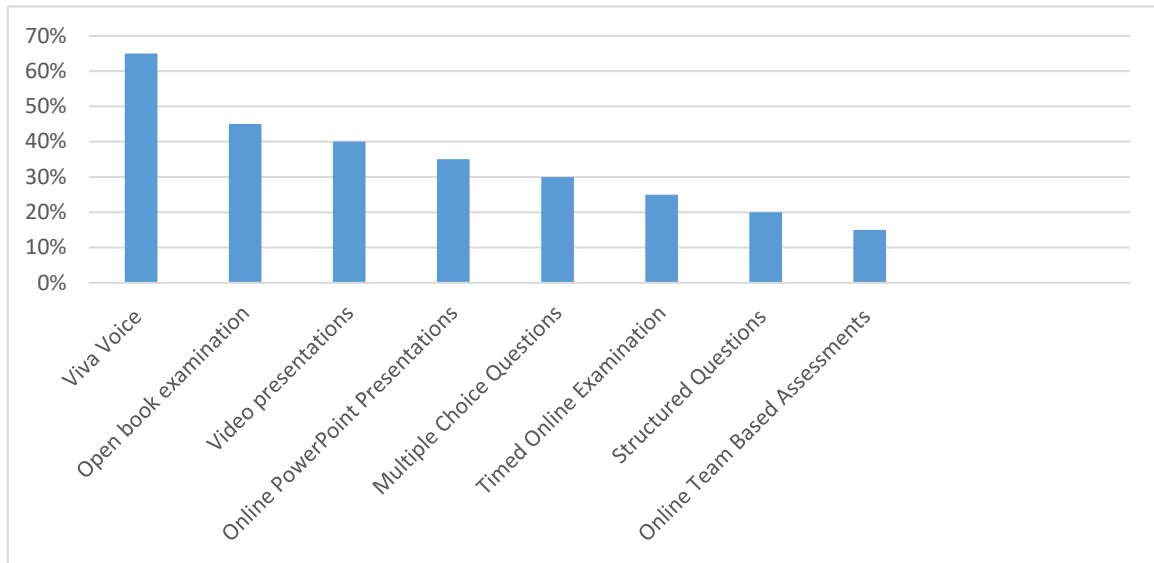
Sudden and uninformed power failures distract us completely when doing online exams. My WIFI takes a long time to provide a network after getting power back and the mobile data doesn't provide a strong network connection. So, I really felt difficult when undertaking one of my online exams. It was so hard with these issues.

The responses received from the lecturers also demonstrate that the undergraduates experienced several technical issues while facing online examinations. Although education in Sri Lanka is free, given the issues they encounter, the students are forced to spend money in order to continue their education without any hassles. Other than the power cut

and coverage issues, the students require hardware devices to access the exam materials and to meet the demands during online examinations as in the case of Lecturer 7, "a student must have various devices to complete an online examination; to access the paper, scan and upload the paper and a web camera for supervision". Furthermore, as reported by the lecturers, the unstable internet connection and power failures hinder the observation of students during supervised online examinations. This situation leads students to access the materials required for the questions. This perception was reflected in the comments of Lecturer 5, "as a result of the unstable internet connections, the test administrators are unable to supervise the undergraduates, no continuous streaming, so measuring students' performance accurately is doubtful". In addition, due to technical issues, the time limit provided for the submission seems to be insufficient. In particular, undergraduates experienced difficulties when they have time-restricted assessments and online presentations for their final examinations. As Khadka et al., (2020) claim, electricity, internet, and network problems are the key issues and challenges of online examinations. Despite all these, most faculties in government universities continued online learning and testing. This indicated the need, desire and perseverance among teachers to continue higher studies with the guidelines and video conferencing licenses supplied by their respective universities (Hayashi et al, 2020).

In general, as Sri Lanka is a developing country, the infrastructure facilities and the necessary knowledge and technical devices that are required for online education and examination are insufficient (Gamage et. al, 2020). Especially, those who have no laptops or PCs accessed Learning Management System on their smartphones which makes them disadvantaged. According to the University Grant Commission (2020), "internet (data) connectivity within the country is not uniform", and some areas have not been covered by the telecom providers (p. 7). Although students are forced to find open places to use the internet, maintaining continuous connectivity in such settings is difficult, thus conducting long-term testing has become impractical. Even though alternative methods such as allowing students to download examination papers and submit them upon completion, and giving students take-home assignments with a 24-hour submission, can solve this issue to a considerable extent, some students may use this opportunity for unprofessional conduct. Enforcing students to answer timed-restricted exams of 1-2 hours duration may negatively impact those who have no mobile phone or portable device. Software troubles, as well as computer malware-related issues, can also hinder students' examination process although they are uncommon. This context points to the need of implementing appropriate mechanisms for online examinations that could allow undergraduates to demonstrate their knowledge and skills with confidence and effectively.

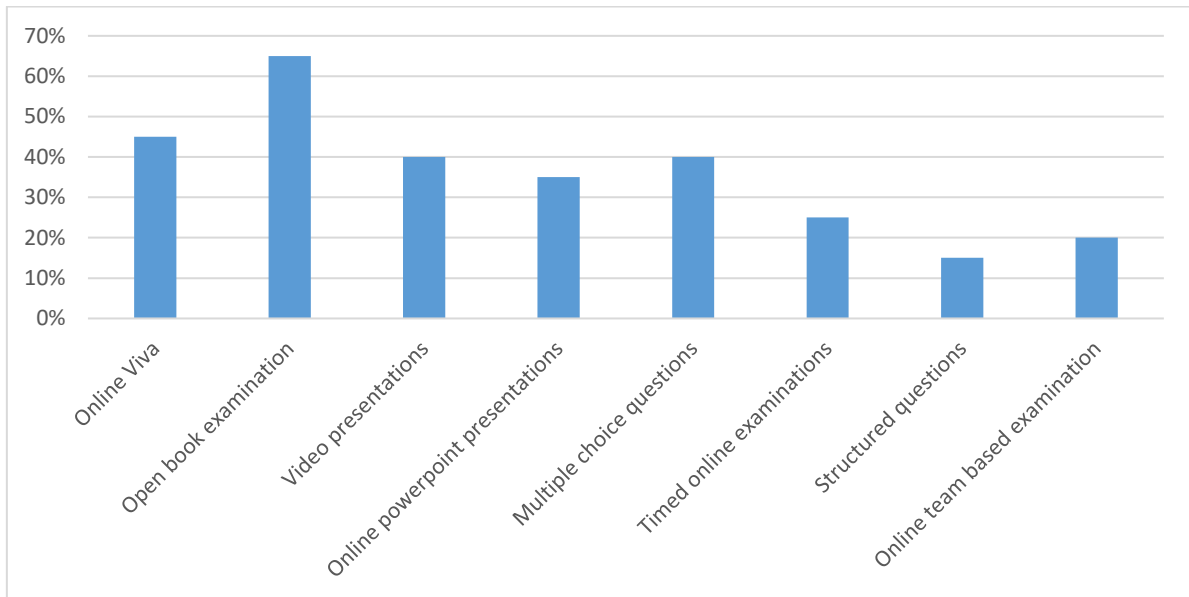
**Types of Online Examinations vs Preferred Online Examination**



**Figure 2: Types of Online Examinations**

As indicated previously, the state universities can select the method of online examination based on the circular issued by the University Grant Commission. Figure 2 demonstrates

the alternative assessment methods employed by the universities for the assessment of their undergraduates' performance. As illustrated in the figure, the majority of the undergraduates (65 %) have faced Online Viva while the least percentage (15%) of undergraduates had Online Team-based Assessments.



**Figure 3: Preferred Online Examination**

Critically, although, the majority of the undergraduates preferred Open Book Examination (see figure 3) 65% of them had to face Online Viva (see figure 2). Even though 15% of undergraduates had Online Team-based Assessments, 20% of students considered it their preferred method. These two figures clearly indicate the divergence between what undergraduates expected as the alternative method of assessments and what they gained. For most participants, Open Book Examinations are difficult to handle, conversely, they preferred Open Book Examinations more than other evaluation methods. It is important to note that 80% of undergraduates were satisfied with the organization and the schedule of the online examinations.

**Impacts of Online Assessments**

The study identified some benefits and detriments of the online examinations. Many undergraduates (75%) regarded

online examination as the best solution for the assessment of their knowledge and competence during the period of COVID-19 pandemic. Furthermore, as they reported, universities' compliance with online tests satisfies the present world's needs. The majority of undergraduates indicated satisfaction as they could finish the academic semester on time, without any delays caused by students, academic and non-academic strikes, or other physical problems. This view is broadly supported by the undergraduates, for instance, "we could finish our exams which were postponed due to this pandemic" (U 30), "this helped us understand the need of aligning with the current world requirements" (U 27) and "the syllabus was completed on time" (U 40).

Similarly, 75% of the lecturers stated that online examinations are beneficial for undergraduates as they have the opportunity to undertake the tests from home or any other

convenient location. This means that online examinations can reduce their exam stress to a considerable extent and provide adequate time for preparation. More specifically, as Lecturer 7 exposed, “undergraduates suffering from different psychological problems and illnesses, and those who have physical disabilities do not need to trouble themselves or worry about attending exams physically”. As far as the benefits of the online examinations are concerned, 25% of the lecturers stated that the paper marking has become convenient for them as in the case of Lecturer 1, “preparation and marking of MCQ papers and extensive oral examinations were easy and quick”. On the contrary, marking open book and structured answer scripts was more stressful and challenging for the lecturers owing to the health hazards they experienced and their inability to deviate from the previous practices of marking. Similar perspective was shared by Lecturer 6, “imagine a teacher who has 100 students which means 10-12 pages from each student. Can a teacher mark them fairly and accurately is a question?”

Critically, the findings of the study reveal that the stress level of the students can increase as a result of their poor psychological and financial status, and Covid-19 restrictions. 90% of the lecturers reported several reasons that may exacerbate undergraduates’ psychological status during online examinations, especially, when undergraduates’ content knowledge is assessed through take-home assessments, open book examinations and structured questions, many have opportunities for cheating, copying and surfing the internet, this may negatively impact on the students who used to perform well in the physical examinations. The undergraduates also strongly supported this perspective through their comments, for example, “bright students are disadvantaged because everyone scores better” (U 19), “not an effective way to evaluate the knowledge gained” (U 12), and “can cheat easily” (U 22), and validate their argument. In addition, a parent or associate being infected with COVID-19, economical issues and their impacts on everyday life, discontinuation of education due to locked down, and sensational news bulletins and misleading news reports, have all been recognized as important aspects that may increase students’ anxiety and psychological well-being. As Sundaresan (2020), underscores, undergraduates and students who undertake online tests are more prone to stress and anxiety compared to the general public. Many case studies have been published around the world on the psychological impact of COVID-19 on children as a result of disruptions in typical assessment processes.

As Hayashi et al. (2020) argue, undergraduates’ performance in assessments was considerably difficult to measure without a consistent, high-speed internet connection thus, they were psychologically disturbed and stressed. As indicated by the study, the health conditions of the undergraduates are at risk as a result of online learning and online examinations, specifically, continuous exposure to phone and laptop screens can affect the eyesight of the undergraduates. Furthermore, as reported by undergraduates, they suffer from overweight, back pain, and shoulder ache as a result of remaining in the same position for a prolonged duration of time. Moreover, the unfamiliarity and the lack of required tools and applications for the online examinations may also significantly contribute to students’ stress (Thomas et al., 2002).

Overall, although most universities in Sri Lanka recently switched to Emergency Remote Teaching (ERT) via online platforms in order to facilitate teaching and learning it has unfavorably affected students’ mental health. This points to

the need of administering online assessments without giving additional pressure on the undergraduates.

### **Effectiveness of Online Examinations**

Although the majority (65%) of the undergraduates considered online examinations to be considered effective, 15% of them revealed that online examinations could not accurately assess students’ performance and skills. Especially, as there is no other alternative method to carry out physical examinations during the Covid-19 pandemic online flat forms can be regarded as the most effective means for evaluating students’ progress and performance. The participants supported this perspective through their comments: “how to continue the units of the next semester without completing examinations in this semester, they all are connected” (U 28), and “in this pandemic situation we haven't any options” (U 5). Conversely, this does not necessarily mean that online examinations are as effective as physical examinations. As reported, students have difficulties in answering certain questions in the examination without being exposed to practical sessions as in the case of undergraduate 3, “we have no practical, and without them it is difficult to answer the questions, all are connected, both theories and practice”. Similarly, as discussed earlier, students have high probability to copy or make another do their examinations, thus their actual performance could not be assessed via online platforms.

Moreover, as participants underscored, current online examinations are unable to maintain the standards of proper examinations, in particular reducing the number of questions and the time duration of the paper has significantly affected the quality of online assessments. Additionally, as lecturers claim, online examinations are not always beneficial, for instance, English language skills, in particular, writing competencies cannot be effectively evaluated through online examinations; “students can copy paste and even the plagiarism detection software can be used throughout, especially if the student number is high (L 5). Despite these concerns, lecturers tended to give additional time to the undergraduates for the submission of their answer scripts and assessments as they were aware of the physical, economical, psychological, and technical issues that undergraduates frequently face during this Covid-19 pandemic.

Overall, as indicated, in order to make the online and alternative examination more effective, a) both students and test administrators should have the access to the internet, b) electricity and other facilities should be made available to all, and c) necessary training should be provided to enhance technical skills and strategies of using ICT devices.

### **CONCLUSION AND IMPLICATIONS**

Although the transition is required from traditional assessment methods to online tests in order to keep up with global trends and changes, this transition has unfavorably affected university students. As revealed by the study, online examinations could not accurately assess the unit learning outcomes in terms of the undergraduates’ knowledge, skills, attitudes, and mindset. Furthermore, students’ knowledge cannot be accurately determined given the opportunities they have for cheating during online examinations. Besides, undergraduates and lecturers have encountered several challenges and issues during online testing. According to the findings, online tests in Sri Lankan state universities are effective to a considerable extent, but they can be developed as a possible form of assessment with more changes and up-

grades. The study highlights the need for Sri Lanka to develop a robust online teaching and examination system that can cater for any circumstances without affecting the country's education system.

The study has implications for the university academics and the management to determine the methods of online examinations that can reduce the undergraduates' stress levels during this COVID-19 pandemic. Furthermore, the findings have consequences for the University Grant Commission in terms of identifying the appropriate standards and methods of assessment in order to successfully evaluate student performance and reduce the chances of cheating during online examinations. Moreover, the research has implications for the school teachers and students to understand the necessary methods to make online evaluation effective.

### Recommendations

During the current COVID-19 epidemic, online examinations are becoming increasingly popular. In this competitive period, every university is seeking for high-quality and low-cost examination methods. However, universities should plan their online assessments in a way that address the requirements of both undergraduates and university management. The study suggested several ways to enhance the effectiveness of online examinations. As reported, the number of multiple assessments and presentations given for every subject/unit should be limited and students' learning outcomes should be measured through Narrated PowerPoint Presentations and Extensive Oral Examinations rather than written assessments.

Furthermore, the findings emphasize the importance of allowing enough time for students to relax during online exams in order to improve their psychology and mental health, this points to the need of conducting online examinations within the necessary time gaps. In addition, as participants reported, test designers should prepare questions in a way students cannot find answers from Google or any other sources during the Open Book examinations. It is also suggested to provide training for both undergraduates and test administrators to guide them how to use the necessary software during online assessments

### Limitations and Future Research Directions

Due to COVID-19 travel restrictions and lockdown, the necessary data for the research was collected through Google forms and telephone interviews. Since there was no proper and official way to contact the lecturers of the other universities, the current study was limited to the perspectives of the lecturers serving in two state universities in Sri Lanka. Similarly, the data were gathered only from the undergraduates of four selected state universities in Sri Lanka which offer the Bachelor of Science Degree (BSc). If participants had been taken from a few other state universities findings would have been generalized.

Future research can be conducted with other degree programs in the Sri Lankan state universities to explore the effectiveness of online examinations. Furthermore, a study can be undertaken to examine the necessary methods and services that need to be implemented in Sri Lankan universities to ensure that the online assessments are conducted in an effective manner. In the "new normal," research should focus on the effective methods that can be used to assess students' learning outcomes accurately while reducing their anxiety and negative psychological consequences. Concurrently, by gathering data from students and teachers, a study can be undertaken to explore the efficacy of online evaluation in schools.

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# Examining the Challenges and Prospects of Women's Political Empowerment in Cameroon Democratic Process

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## Abstract

Democratic governance in most nation-states across the globe has seemingly not been able to maximally address the widespread marginalization, and exclusion of women in decision-making processes and administration in mainstream democratic activities. In Cameroon, the narrative has remained the same amidst the low rate of women's ascension into key political offices. This paper examines Cameroonian women's political empowerment vis-à-vis their capacities to influence state power amidst constitutional provisions and public policies which guarantee women's political rights. The paper argues that the lopsided institutional framework, deep-rooted traditional and cultural barriers exacerbated by poor funding, rough political terrain, and socioeconomic underdevelopment promote women's political disempowerment. Using context analysis the correlation between the variables was determined. Situating its argument within the participatory democracy approach and power theory the findings reveal that women have not advanced to a level where many of them who are academically and professionally qualified can be elected to high executive positions. The paper concludes that the massive mobilization of women into civic activities and political engagement resulting in women's sponsorship of choice candidates in political parties and beyond is a prerequisite for Cameroonian women's political empowerment.

**Keywords:** democracy, political empowerment, decision-making, institutions

## INTRODUCTION

Across the globe, democracy has remained the most preferred form of governance, though the gender gap in political participation still persists. According to United Nations Women, at the global level, the gender gap in parliamentary seats reveals that women constitute 25% of all national parliaments, and there are 23 women serving as Heads of State or Government, ...with just 10 countries having a woman Head of State, and 13 countries having a woman Head of Government (UN Women, 2020). In corroboration, Oloyede (2016) argues that women are severely underrepresented in political leadership positions in African states and this constitutes 23.4% at the regional level, and in the West African subregion the figure stands at 15%.

Scholars have argued that despite the numerous declarations and normative frameworks available for nation states to establish equality on access to democratic structures, the participation and representation of all citizens are persistently absent as there exists a low presence of women in formal political outlets including the acquisition of political power and ascension to leadership positions. Among these frameworks are the 1979 UN Convention on the elimination of all forms of Discrimination Against Women (CEDAW, 1979); The 1993 World Conference on Human Rights at Vienna that affirmed: "women's rights are human rights" (DeLahanty, 2005:5-10); The Beijing Platform of Action in 1999, The African Union Gender Policy which took effect in 2004,

the Cameroon National gender policy which was adopted in 2014 and officially presented to the government on 23<sup>rd</sup> January 2015 (UN, 2015; Mbella, 2015).

Globally, the last twenty years have seen particular progress in bridging the gender gap in politics, governance, and administration, with women's representation, nearly doubling from 11% in 1995 to nearly 25% percent in 2020 (UN Women, 2020). In Africa, the gap in political representation along gender line works against women, as it avails women very limited access to influence politics, ensures their marginalization and their exclusion from democratic structures and processes.

In Cameroon, gender disparity and the marginalization of women still persist despite the significant successes associated with women's participation in the socioeconomic and political processes of the country. Speaking to the subject matter under review, there has never been a female Governor for any of the ten regions in Cameroon nor has there been a female prime minister and head of government in this country where women constitute about 49.98% of the population. This governance structure is at variance with the expectations of Articles 25 and 26 of the Covenant of the United Nations Human Rights Commission (FIDA, 2008) and the BPFA target of 35% affirmative action which seeks women's representation in political institutions in modern

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democracies. The expectations of the numerous international, regional, and national frameworks which aim at minimizing or eradicating gender inequality in modern democracies were predicated on the hope that state parties would address the socio-economic challenges of women's low participation in politics as well as ensure their massive and proportional political engagement in nation-states.

However, this paper seeks answers to the following questions: Is there a visible gender gap in political participation among men and women in Cameroon? what exactly informs this gender gap? To what extent does this gender gap impact women's political empowerment? What are the prospects for women's political empowerment in Cameroon? It is against this background that this paper examines the challenges and prospects of women's political empowerment in Cameroon.

## LITERATURE REVIEW

### THEORETICAL AND CONCEPTUAL CONSIDERATIONS

#### *Theorizing Democracy*

As a multi-dimensional concept, democracy fundamentally relates to how people exercise control and scrutiny over political institutions. Scholars have generally posited that for democratization processes to be viable, stable, and sustainable, there is a need for enhanced citizens' representation and participation in decision-making processes. Popper (1988) sees democracy as an opportunity for people to control their leaders and oust them without the need for a revolution while stating categorically that "democracy is the rule of the people and that the people have the right to rule". Again, Diamond and Morlino (2005, and Agyeman (2003) contend that at the heart of a well-functioning democracy, legal equality, political freedom, and rule of law must be present as the foundational characteristics where the will of the people is the basis for legitimizing power and authority which is to advance their interest.

According to Phillips (1998), early philosophers and political thinkers like Plato, Aristotle, Rousseau, John Lock, Thomas Hobbes, and Hegel considered women fit only for domestic roles in the private sphere and maintained that there was no place for women in politics because of their suitability in caring roles as mothers and wives and as such kept women outside the public domain of politics. To (Rai, 2000), the public/private divide remains the foundation of the various forms of world democracies and the ancient and modern democracies have failed to recognize women as citizens.

It is the argument of this paper that, theoretically, democracy reflects the rule of the majority, within a just and equitable society, where freedom of expression, freedom of speech, freedom of the press, political freedom, the legal protection of individuals and groups rights strive, yet over the years it has built on the public-private divide and perpetuated the exclusion of women from citizenship. At this juncture, it is worthy of note that the political disempowerment of one group lubricates the sustainability of the other.

#### **Elucidating empowerment in the context of women's political empowerment**

Empowerment is a multidimensional concept and reflects the positive change. Empowerment is defined as a social action process that promotes the participation of people, organizations, and communities in gaining control over their lives in their communities and larger societies. Within this perspective, empowerment is not characterized as achieving power to dominate others, but rather as achieving power to

act with others to affect change" (Stein, 1997). To Adams (2008, p. xvi) empowerment is the capacity of individuals, including women to take control of their circumstances, exercise power and achieve their own goals, and the process by which, individually and collectively, they are able to help themselves and others to maximize the quality of their lives. In corroboration, Rappaport (1984) sees empowerment as the mechanism by which people, organizations, and communities gain mastery over their lives.

In an attempt to provide clarity to the various interpretations of the concept of empowerment, Karl (2002) identifies a six-staged process in empowerment namely awareness through education, skills and capacity assessment through training and professional development programs; capacity-building and skills development; participation and greater control in decision-making; action for change; and evaluation. The first stage would enhance women's chances of acquiring the requisite capacity and skills needed for their development. Therefore, Karl sees women's empowerment through problem identification and solution channels leading to the eradication of women's disempowerment in the monitoring, evaluation, and feedback mechanisms inherent in the six-stage model. In corroboration, Prasad (2002) views "Empowerment as a process geared towards participation, greater decision making, and transformative action through awareness and capacity building", noting that women's empowerment means to distribute equal power and authority between men and women creating an environment of freedom from domination and suppression. Blanchard, Carlos, & Randolph, (1996) see political empowerment as letting power out and note that it encourages people to gain the skills and knowledge that will allow them to overcome obstacles in life as well as help them develop to their full potential within the society. Speaking about women's political empowerment, Brill (2000), and Narasimhan (1999) opine that, without the voices of women being heard inside government areas and halls of public policy and debate, women are without the right to accountability – a basic establishment of those who are governed as well as exposing women into the mainstream of national activity as equal partners alongside men.

Constituting almost 49.58 % of the world's population, women are largely excluded from the political spheres across the globe. Apart from countries like Sweden, Denmark, Finland, Norway, the Netherlands, Iceland, and Germany which have made tremendous efforts towards gender equality in governance and administration, women's political empowerment is still a mirage in Africa and Cameroon in particular. In Africa, events took a new turn with the emergence of Ellen Johnson Sirleaf as Liberia's president in 2005 being the first female president in Africa. No doubt this development saw the birth of massive mobilization among women for greater involvement in politics. In recent times increased the number of women is seen to hold the apex seat in political offices such as Samia Sululu Hassan of Tanzania, elected on March 19, 2021, and Sahle-Work Zewde in Tanzania, elected on 25 Oct 2018.

Further, countries like Rwanda (61.25%) South Africa (46.1%) Namibia (44.23%) Senegal (43.03%) and Mozambique (42.4%) Faria (2021), (Statista, 2022) have stepped up their game in the direction of gender equality in politics while most African States are yet to meet the standards like the most populous African State, Nigeria with just 7%. Chandra (1997) concludes that women's political empowerment means the manifestation or re-distribution of power that challenges patriarchal ideology and male domination.

Giving justification for an inclusive governance structure and equal political representation for men and women, Phumzile Mlambo-Ngcuka (Africa Barometer, 2021) argues that quality decisions are associated with gender-balanced governments because they are inclusive in nature and ensure high representation as such women's contributions and perspectives are tapped firsthand. In corroboration, Ahikire (2007), Ford (2002), and Goetz (2006<sup>a</sup>, 2009<sup>b</sup>) all agree that women should be entitled to new /more spaces in political representation at all levels to reflect the proportion of women in the population, on the basis that only women can best represent themselves, again they question, will the increase translate to new outcomes? Worthy of note that Cameroonian women acquired the right to vote and are voted for in 1946, and this took effect with the realization of women only being able to vote men into office. Until the 1980s, the percentage of women in the National Assembly remained below 5%. In 1997, the percentage of women in political leadership in Cameroon stood at 5%; from 2002-2005 it stood at 10%, and from 2008-2010 it stood at 13%. Specifically, in 2008 only 10 of the 180 members of the National Assembly were women (IPU (2009), Atanga, (2009), Abia and Fonchingong (2004). Between 2015-2021 the number stands at 61 out of 180.

According to Ezuma and Fonsah (2004), this low political representation of women in Cameroon's political arena is orchestrated by the fact that most of the skilled, supervisory, and management staff positions are held by men including direct control of political institutions and decision-making processes. The reasons they argue are due to the fact that women lack educational qualifications for supervisory positions as well as the influence of culture and a lopsided democratic infrastructure. Though Adams, (2005); Awasom, (2002); maintain that Cameroonian women were involved in political activities before and during colonial times, Atanga (2010) argues that women's involvement in political activities during the same period of time existed but was minimal and peripheral since they were not involved in the daily running of their communities.

Cameroon's post-independence political landscape has been significantly marred by widely reported malpractices perpetrated by both formal and less overt informal political structures and institutions that have negatively affected women. This situation is known to be totally disruptive and extensively undermines the normal functioning and predictability of formal democratic processes. Men have manipulated and exploited various constituents including women, to accede to, and stay in power. Mungwa (1999) maintains that gender inequality in Cameroon is exacerbated by bad governance, mismanagement, corruption and in virtually all sectors of public life. The far-reaching implication of this political arrangement is that gender discrimination perpetuates women's abstinence from mainstream politics and decision-making in the Country.

It is argued in this paper that the integration of women into public and private life is a prerequisite for their emancipation and consequent participation in democratic processes.

Among the many theories seeking to provide explanations for the differences between men and women as well as the subordinate position of women in modern democracies, gender inequality, causes, and what actions are to be taken to reduce or end it, this study reviews the power theory of political science and participatory democracy theories to facilitate the understanding of the challenges and prospects

for women's political empowerment in modern democracies like Cameroon.

The theorists of participatory democracy as developed by Jean Jacques Rousseau, J.S. Mill, and G.D.H. Cole, (Wolf,1985) argue that democracy is a model through which citizens are involved in the decision-making processes of a state and political participation is indispensable for the realization of a just and viable society thereby creating shared interests, a common will, and community action, which gives legitimacy to politics. In a democratic state like Cameroon where women constitute as much as 49.98% of the country's population (World Bank, 2020 cited in Trading Economics, 2022), it is expected that the full participation of all citizens in the processes of decision-making, expression of political will in institutions of direct representation which allows for access to political positions, be able to present and defend their interests is upheld. However, the reality on the ground reveals a complex nature of modern democracy where there exists imposition of limitations on direct democracy and the gender constructs and relations within.

Further, proponents of power theory like Morgenthau (1967) define power as man's control over the minds and actions of other men. As a multidimensional concept, power is seen differently by various scholars in the social sciences. According to Barnett, & Duvall (2005); Finnemore & Goldstein (2013), power does not necessarily mean the use of force or a threat by one person against another, rather power may be expressed through institutions. French & Raven (1959), and Barnett & Duvall (2005), perceive power as affairs that hold in a given relationship such that a given attempt between actors makes the desired change more likely to occur and may assume structural forms such that it shapes an actor's relations to other actors and may showcase the subservient relationship between them which may perpetuate legitimacy to some behaviors and groups over others. Among the five bases of power as posited by French & Raven (1959), and Clegg & Haugaard (2009), Weber (1978) are legitimate power, referent power, expert power, reward power, and coercive power. Legitimate power directly speaks to the discussions on challenges and prospects for women's political empowerment in Cameroon's democratic process. The structure of power relations in Cameroon reflects a precarious condition where all structures of governance and administration speak against women in their ascension to power and leadership positions as men are completely in control in a rigidly patriarchal society. This perpetuates severe gender inequality, and the marginalization of women in the private and public spheres places any action by women at the generosity of the man.

## MATERIALS AND METHODS

Given its wide usage of information in existing literature from official publications of government agencies on the subject matter, newspaper publications, available textbooks, journal publications, and internet sources, the paper relied on a secondary quantitative research method which ensured the wide usage of already existing data. In its rich and holistic nature, the quantitative research method provides in-depth knowledge in relation to societal structures, and human development. The diverse discussions and debates on women's political empowerment in modern democracies show the ever-growing concerns on human development at international, national, and local levels on the nature and structure of governance in nation-states. Discussions on the subject matter were descriptive in nature and

context analysis was used to facilitate an intuitive understanding of the variables. To improve on the reliability and validity of available information on the subject matter, multiple sources like official publications on government websites, and publications from scholars and international organizations were explored to minimize errors.

## RESULTS AND DISCUSSION OF FINDINGS

**Table 1: Cameroon's female members of parliament from 1960-2021**

Year	No of Members	No women members	Percent of women members
1960-1965	50	1	.8%
1966-1970	141	2	1.4%
1970-1973	137	5	3.6%
1973-1978	120	7	5.8%
1978-1983	120	12	10%
1983-1988	120	17	14.2%
1988-1992	180	26	14.5%
1992-1997	180	23	12.8%
1997-2002	180	10	5.5%
2002-2007	180	20	11.1%
2007-2009	180	15	8.3%
2013-2021	180	61	33%

Source: The National Assembly, (2021) Ministry of Women empowerment and Family (2009), Cameroon tribune No 6644, July 1998,

From the above table, In the post-colonial political scenario, Cameroonian women are gradually becoming politically active. In 1960, out of 50 members of parliament, 1 was a woman. In 1970, out of 120 members 2 were women; 2002 had 23 women out of 180 members of parliament. Among the 100 senators in 2020, 19 are females and 81 are males constituting 19% and 81% respectively. In 2021, out of 180 members, 61 are women. This low level of women's representation in key political positions in the country and low in-

Though women's participation in the decision-making process is necessary for Cameroon's political development, the majority of the population (women) is excluded from making meaningful contributions by virtue of women's disproportionate representation in governance and administration as women in the state legislature in Cameroon constitute 33%.

volvement in decision making processes seriously disempower women politically. Scholars have argued that parliaments should be "mirror images" of each country. Looking at the case of Cameroon, the structure of governance and administration is lopsided in nature and highly exclusive of women's interests, aspirations, perspectives, experiences and contributions which if tapped are good enough at enriching governance and administration in the country to cater for every citizen.

**Table 2: Women ministers in Cameroon between 1990 and 2020**

Year	Total No of ministers	No of women ministers	Percent of women ministers
1995	27	02	7%
1998	49	03	6%
2004	65	06	9.3%
2009	62	06	10%
2013-2020	32	05	1.6%

Source: Ministry of Women empowerment and Family, 2009; PRC, 2020

The above table shows an improvement in women's ministerial appointments at some level. It is worthy of note that appointments into government offices are subject to the chief executive's (president) decision. Though women's position in politics in the country is improving, they are still grossly underrepresented given their numerical strength (49.98% of the population) and this is working against their abilities to contribute meaningfully to the country's socioeconomic and political development.

In the local councils, the country had no female mayor between 1982-87; in 1987-1992, it had 1 female mayor; in 1996-2001 there were 2 female mayors. The figures increased between 2002-2007 as it stood at 10 female mayors and between 2007-2012 there were 24 female mayors in the country. In 2020, the number of female mayors stood at 26 out of 386, recently the number dropped because some female mayors who died have been replaced by men. A detailed look at the above figures reveals that numerically female mayors are increasing though not proportionate to the women's population in the country. Again women in municipal councils increased from 7% between 1982-87 to 15% between 2007-2009, PMO (2021), MWEF (2009). Recently, at administrative levels, the women's ratio stands at 58 out of

336 constituting 15.5%, in the judiciary, there are 215 out of 1157 constituting 18% PMO (2021). Looking directly at the institutions of government like the national assembly out of the 100 MPs who are directly involved in the decision-making process (bills, policy formulation, etc.) only 26.5% are females while 73% are males (Fokum & Fondjong, 2018), ensuring a disproportionate representation of women in decision-making committees in the national assembly; a clear indication that bills passed would not adequately address the needs of women, and a deep discriminatory political scenario is upheld

Cameroonian women's political empowerment has been hampered by a society that is deeply patriarchal in nature and lopsided political arrangement. Among these challenges to women's political empowerment are:

### **Political factors and institutional design, lack of affirmative action, and Quota**

Institutional designs and political constraints are major barriers to women's political empowerment and engagement in democratic processes in Cameroon. Writing on the gender equality laws in Cameroon, Nkolo (1997) posits that alt-

though egalitarian principles are enshrined in the Cameroonian constitution, their reflection in various legal instruments turns to marginalize women in such areas as family life (A), and economic and public life (B). Though Cameroon has had increases in elected female candidates notably at lower levels of political seats, as well as appointed female members of parliament as seen in tables 1 and 2, it is yet to achieve the 35% affirmative quota benchmark. Nguelle (1997) opines that the marginalization of women within political institutions takes place at the level of investiture operations because the investiture automatically reflects the results at the polls. This no doubt seriously affects the chances of women being voted into political offices. Further, political parties refrain from investing in women substantive candidates in their electoral stronghold. In the 1992 general elections, CPDM invested in 25 women as substantive candidates to vie for 180 seats in the parliament, NUDP invested in 9 women to vie for 133 seats, UPC invested in 4 to vie for 122 seats, and MDR invested in 1 to vie for 80 seats in the various constituencies. The main opposition party, SDF had no female candidate (Cameroon Tribune, No 2633, 7th May 1997). Again in 1997, there were 2290 substantive candidates and alternative candidates invested. 110 women were substantive candidates as well as 163 women alternatives. From these numbers, CPDM had 13 female substantive candidates, SDF had 10, NUDP had 14, CDU had 5, UPC/K had 7, and MDR had 2. Non from MLJC. (Cameroon Tribune, no 2633, 7th May 1997). Again, according to CEDAW (1999) in 1992 out of 49 lists submitted by the CPDM, only four were headed by women and from the 46 lists submitted by the UNDP, only 2 were headed by women. The MDR and UPC had no woman as the head of any lists. Meanwhile, during the February, 9th 2020 local and parliamentary elections, political parties submitted their candidate lists and town like Ndu, which has the lowest number of female councilors in the Northwest Region (just one in 41), showed slight improvement thus the SDF had five women constituting 12% on their list and CPD had one in 11 constituting (27%), meanwhile the CPDM list had no woman. From the above analysis, it is evident that Cameroonian women are predisposed to discrimination and marginalization in terms of accessing political structures and resources in a democratic state as this political structure continues to play out. In a study on Uganda, Arhikiri, Musiimenta, and Mwiine (2017) argue that Ugandan women are still remarkably absent in all spheres of life than men ranging from politics and citizenship to the economy and socio-cultural spheres though noting that the number of women in decision making structures is increasing but a change in respect to addressing women's needs is not happening as fast as is expected. However female MP Hon. Miria Matembe, (July 2013) in an interview confirmed that the increased presence of women in the parliament has made women visible and audible. Again, Arhikiri et al, (2017) state that the physical presence of Ugandan women in decision-making structures signified a major breakthrough into a domain that was historically not theirs and concluded that the increased presence of Ugandan women enabled a shift in the public conversation while noting the efforts of women leaders, particularly women Members of Parliament (MPs), towards bringing women issues to public bare.

Further, Fokum and Fonjong (2018) in their study of the Cameroon Parliament titled 'Increasing women's representation in the Cameroon parliament: do numbers really matter?' while using the parliamentary structures and the state

(political regime) to analyze women's issues they interviewed 11 female MPs. They found out that women are represented in every structure in the legislature in the Cameroon parliament, noting that in the two main decision-making bodies in the parliament there are 16 women in a total of which 18.9% of parliamentarians constitute the membership of these decision-making bodies. From the proportion of members of parliament involved in decision-making bodies, 26.5% are female MPs while 73.5% are male MPs. In an interview with Hon Judith, she stated that there is a need for women to get into parliament and subsequently the decision-making bodies for women issues to be pushed into the priority list for discussions during parliamentary sessions.

Some scholars have argued that an increase in the number of women in national parliaments does not translate to increased promotion of women's interests in bills passed, policies formulated, and necessary outcomes because in most cases members of parliaments are skewed towards party affiliations and interests. This is confirmed by Honorable Mary in an interview with Fokum and Fonjong (2018), where she states that though their number has increased in parliament, they cannot actually translate their numeric strength into articulating bills on the floor that would promote women's courses, especially because party interest/ideology is paramount. Secondly, the political structure is a semi-presidential system in which bills are drawn from the executive and parliamentarians i.e. executive bills, and private member bills, and in reality, most bills discussed come from the executive and women can only present bills through the private member bill platform and that rarely happens, even if it does, it rarely scale through because they do not have the numerical strength to secure a majority vote. This position is consistent with, Celis (2018) who argues that the relationship between the number of women in parliament and the introduction of pro-women legislation is "complicated rather than straight forward". Again Ahikire, and Mwiine (2014) in an attempt to facilitate the understanding of the obstacles to women's increased membership in parliament and decision-making processes in their work "Making a Difference: Embracing the challenge of women's substantive engagement in political leadership in Uganda<sup>1</sup>" interviewed a female member of parliament on the subject matter and she had this to say "When we see an increase of women in many leadership positions, it is exciting... but leadership with a difference is clearly still a challenge. Now we are enjoying the positions, but what difference are we making? (Woman MP, Zombo District ISIS-WICCE Dialogue for Women MPs, July 12, 2013)

In an interview with VOA on 08 March 2022, Wazeh, lamented that Cameroon's government is not doing much to empower women politically to achieve the set standards of international, regional, and national frameworks while stating that the country's electoral code is very clear on gender equality but does not spell out what quota is reserved for women, therefore the government should appoint qualified women into key political and administrative positions in order to harness their meaningful contributions towards strengthening socioeconomic, political and democratic processes in the country (Kindzeka, 2022).

### **Women's conception of politics**

Notably, African politics is characterized by a turbulent environment, force, and violence. It is generally agreed that men possess the strength, are self-reliant, and can tussle in the political endeavor, whereas women are passive to engage in politics and governance. In Cameroon, this construct

through socialization has defined gender roles according to biological differences. Cameroonian women have perceived politics as a dirty game and continued fright at the thought of violence has further alienated them from mainstream politics. Though, emphasis is laid on women's numerical strength, translating such into the attainment of power has been difficult as women are perceived as a "supporters club, a team of cheerers and clappers" in contrast to their male counterparts. Konde (2005) concludes that men still dominate politics and public administration in Cameroon while women, though more invisible in the public sphere than men in the past, continue to be responsible for domestic and childcare tasks and their public appearances consist of cheering the men; and women are constructed as voters but not to be voted for. Atanga (2021) in her work *Gender ideologies, Leadership and Development in Cameroon* argue that women face an obstacle in their quest to ascend to leadership positions and these barriers display themselves in both physical and ideological spheres translating into leadership and organizational and ideological spheres respectively. In a 2013 interview with Ni John Fru Ndi, the national leader of the Social Democratic Fund (SDF) an opposition party in Cameroon, he stressed the need for increased representation of people in leadership thus "Our councils must be more representative – we must meet youth, ethnic and gender quotas, to represent the interests of all people." To this he announced a 25% quota had been introduced in the party structure but had been difficult to be met over the years noting that some women are shy while Mbunwe state during same interview. "a lot of the men still believe that when you empower a woman, you are empowering her to hurt them (Adewunmi, 2013)

According Kindzeka (2019), in mobilizing women ahead of the February 9, 2020 elections in Cameroon, to not only take part at the local and parliamentary elections by voting but, also standing as political candidates, groups like More Women in Politics (MWP) and others engaged women in towns and villages. In an interview with Kemche, a member of Cameroon's polygamous Bamikike ethnic group, on whether his wives should take part in the elections, he states "he is not sure his wife would perform her household duties if she became an elected official" stating they should be in the kitchen, farm, taking care of the family and being respectful to their husband not wasting time on political activities. While one of the wife Stephanie Ngonu, a primary school teacher, disagreed and opted to participate in the elections, despite her husband's resistance, she is committed to run for office. This interview report indicates that the traditional gender roles are still dominant in Cameroon and most women are limited by this cultural and social arrangements. This phenomenon cuts across most African countries as in 2016, in one of his official visits to Germany and hosted by Angela Merkel, the Nigerian president is seen to say "I don't know which political party my wife belongs to, but she belongs to my kitchen and my living room and the other room" after Mrs Buhari publicly expressed concerns about her husband's government being hijacked (BBC, 2016). Again most women in Cameroon are still economically dependent on men as they still face gross discrimination in the economy leaving women with little or no economic incentives to invest in politics and ensure their politics participation. Notably, the above positions are consistent with Kwachou's (2015) position which holds that hegemonic ideological spaces sustain women's effective powerlessness, even when their resources allow them to be in performative positions of power.

### ***Lack of economic incentives (Financial backing)***

Women's historical experience of discrimination puts them in a disadvantaged position economically. Engagement in political processes is an expensive venture and requires solid financial backing for success. Over the years, sexual division of labor and job opportunities offered on a sexual basis has given men productive gender roles, enabling them to possess more purchasing power over their female counterparts. To Nkolo, the "egalitarian principles conflict with other principles as it upholds that the husband is the head of the family estate. (Section 213 of the civil Code). Section 1421 of the civil code further stipulates that 'the husband alone shall administer the joint estate. He may sell, alienate and mortgage it without the consent of his wife. To this end Nkolo notes "the principle of the freedom of trade and industry officialized by law no 90/31 of 10 August 1990 governing commercial activities in Cameroon, marginalizes women in the economic and public sector, especially married women who have to obtain permission from their husbands to engage freely in trade due to marriage regulations" (Section 74(2) of Ordinance 81-02 Of June 1984) Nkolo, (1997). Further, Fonjong (2005) explains that women are discriminated against with regards to ownership of property and access to factors of production especially land and capital, and this impact their economy negatively. This situation he explains impedes their access to new opportunities consequently limiting their level of productivity and leaves women economically weak and politically less active. It is worthy of note that, the politics, governance and administration in Cameroon limit women's ability to improve their socio-economic status, a condition which ensures their inability to raise finance capital to cater for their political ambitions. Fonjong (2005) attributes women's low political representation in Cameroon to lack of highly skilled jobs, limited access to training, the reluctance to hire women, and the confining of women to certain administrative roles and other sociological and family related considerations, access to quality education and ownership of property, land and capital thereby limiting their level of productivity leaving women financially dependent on men, and vulnerable to crisis situations. In this regard, Som (2000) argue that the co-existence of written laws with customary traditions that do not always favour the promotion of women's rights and lack of resources allocated to the mechanisms to promoting women's development have further impacted negatively on the realization of women's role in politics. To this end during the 2021 8th March, women's day Mokake says "women were asking Cameroon to ratify the Maputo Protocol on the Rights of Women in Africa' which it signed in 2006 and respect the U.N. Convention on the Elimination of all forms of Discrimination Against Women, ratified the country in 2005" (Mokake cited in Moki, 2021)

### ***Cultural factors***

Political culture combined with traditional and cultural attitudes regarding women have long been documented as a great barrier to women's representation, participation in politics, and access to power (Rathod, 2007). These customary practices are biased by subjugating women to men, undermining their self-esteem and place them at a disadvantage vis-à-vis their male counterpart in the socio-political scene. Cameroon is a patriarchal society, which considers women secondary to men and this patriarchal structure prevents women from holding high social, economic and political positions. According to Fomunbod (2009) the Violation of women's human rights has been going on but no one has

paid attention and the root causes of these violations include marriage practices, physical abuse, socio-economic barriers, and lack of legal protections. Fomunbod blames the situation on a problem tree that has its roots deeply entrenched in patriarchy, female exclusion, and women's human rights abuses.

The tradition continues to influence women's attitudes towards political participation in Cameroon and has been a force in domesticating gender divisions. There exist visible and unwritten customary practices that limit the ability of women to actively participate in the political system. These socially constructed norms and practices include among others negative perceptions of women not being present in key decision-making bodies in traditional settings. Corroborating this view Nguyen (1997), and Werner, (2008) argue that a male preference has been shaped and reinforced over so many generations that are deeply rooted in people's minds and exists as a social stronghold resistant to opposition holding that women are inferior to men and incompetent in roles in the public space. To this end, women in Cameroon are excluded from public activities as a consequence of a patriarchal view of gender roles. For example, Fokum and Fonjong (2018) interviewed Hon Magdalene on efforts to present bills that would eradicate bride wealth, she states that the question of the payment of bride wealth is a serious problem in her constituency, stating "I cannot table a bill for the removal of bridewealth payment because I consider it a custom that has been practiced in my community for many generations. Trying to change such customs will be going against the traditions and customs of my people". It is worthy of note that this position of the MP does not reflect the current disposition of women who think this traditional method and others are major forms of women subjugation and exploitation reducing women to mere commodities and properties to men. Further, the respect for traditional norms may also explain why many women do not support the political ambitions of other females. Even if a woman chooses to participate in politics, she may find it difficult to balance the time and effort required both for family duties and political participation. As such, a double burden of family responsibility has rendered Cameroonian women ineligible for public decision-making positions. This is consistent with Atanga (2012) who contends that traditional and gender ideologies condition and inhibit women's empowerment in all spheres and ascribe dominance and powerful positions to men and subservient social positions to women. No doubt this condition ensures women's inability to meaningfully contribute to governance and administration of the country

### ***Prospects for Cameroonian Women***

Amidst the challenges faced by women in Cameroon, they struggle to compete with men in the political and democratic processes. Some have been appointed to key positions as ministers like Minister of Women Affairs and the family is headed by a woman, and directors in ministries among others. The establishment of the department of gender studies at the University of Buea is a response to getting women to acquire the required training to fit in the ever-demanding political and social environment. Based on the BPFA requirements on Gender and affirmative action, the government's gender policy stipulates 30% women representation in government but the number of women in key positions of power is still not encouraging. Arguably men currently control power and dominate all spheres of life including governance and administration and will not easily give it away, therefore bridging the gap would require a genuine understanding of power politics by women. Notably, men are in

the strict majority in the 2018 municipal and 2020 parliamentary elections in the country. For instance, of the 386 mayors, 24 are women, and there has never been a female governor of any region since independence, again of all 39 ministers in the country, only 6 are women, and only 2 women out of 58 divisional officers. This subjugated position of women in Cameroon's democratic process is consistent with Atanga's (2018) position in a study carried out in 2009, that women took up less than 5% of the total talking time in parliament, and 26% of women constitute the faculty staff membership in universities in Cameroon, with less than 10% at the professorial cadre and less than 18% in administration.

Currently out of 180 members of parliament in Cameroon, only 61 are women constituting 33.89%, and out of this number, 58 women were elected against 109 men and 3 got renewal by mode of designation as well as 10 men making a total of 119 men and 61 women. Evidently, Cameroon's democratic process is a reflection of an unjust and ironically retrogressive structure that upholds a political, governance, and administrative structure that does not respect international instruments to which it is signatory like the 35% affirmative action (BPFA), African Union Gender quota of 50/50 representative quota for women in the national legislature. It is argued herein, that as the 21st century unfolds, this condition is consistent in its subjugation of women and outright exclusion from the democratic process in Cameroon though women have continually improved academically and are professionally qualified and can be elected to high executive positions, a condition which has orchestrated and exacerbated political apathy among women and further discourages other women from engaging in politics and governance in Cameroon democratic process

Meanwhile, according to ELECAM (2021) of the 7 million registered voters in the country, only 30% are women. Looking through the demographic composition of the country, this presentation of gross gender imbalance shows a disproportionate engagement of women in Cameroon's democratic process. However, the prospects for Cameroon women's political empowerment bears on the ability of women to rally behind women interested and qualified to engage in direct democratic ventures, encourage, harness resources and support the ventures and empower them by voting for them and forming a strong protective bond around them, such that their positions in a representative democracy is established and sustained. This will ensure the presence of women in the political arena. On the other hand, though the government has enacted laws that ban political parties from engaging in political activities without meeting the government's 30% benchmark for gender representation when presenting candidates for elections, it needs to institute stronger mechanisms for implementing the existing laws in order to facilitate women entrance into the political arena.

Though scholars have argued for the implementation of affirmative action to level the gender gap in political participation in nation states across the globe, much is yet to be achieved in this direction. According to UNW (2022), only 4 countries have attained 50% or more women in parliament with Cuba at 53%, Rwanda at 61%, Bolivia at 53%, and the UAE at 50%, while 19 countries just reached 40% upward including 4 from Africa, 5 the Caribbean and Latin American countries and 1 in the Pacific. Meanwhile, during the 2020 elections in Kuwait, no women were voted into the parliament, at this current rate, the UNW notes that gender parity is far from becoming a reality, and the closest time to imagine such is 2063. Meanwhile increased women's presence in

national parliament is making a great deal of impact on policy outcomes at all times with countries upholding 30% minimum representation. Given that considerably literature reveals countries with the best policies outcomes and high records of growth and development on the African continent like Rwanda, and South Africa among others are those which have upheld the prescriptions of the international quota system of 35% for women in parliaments and decision making-bodies, against the background that only women are capable of advancing their interests based on shared values and experiences in houses of parliaments, promote policy formulation and outcomes that are women oriented and in turn able to transform parliament to achieve their common goals.

## CONCLUSION

Consistent with the literature on obstacles to women's political empowerment and engagement in modern democracies globally, the study found out that women in Cameroon are discriminated against and excluded from its democratic process that otherwise would ensure their development to their full potential, and this condition is exacerbated by lopsided political and administrative structures which continue to perpetuate their subjugation. Further, it is revealed herein that, women have demonstrated consistent active interests and involvement in the country's democratic process through their involvement in civic duties, and national governance, though some of the positions they occupy are by appointment. This is reflected in the number of women who have been elected as members of parliament over the years ranging from 15 in 2009 to 61 in 2021. Women elected to the senate stood at 20 in 2013, and 17 of these women were elected while 3 were appointed by the president of the republic being the first ever senatorial elections in the country, and 4 women were appointed and 22 were elected giving a total of 26 women out of 100 members in the senate in 2018 till date. This no doubt shows women are increasingly having a better understanding of how to participate in the country's political and electoral processes, as well as increased confidence among women in their ability to raise issues in a male-dominated country like Cameroon. Further, women are increasingly understanding the politics, governance and administrative structure in Cameroon thereby acquiring political knowledge, a requirement to ensure their entrance and domineering status on the political stage in the country, be it vying for political offices, mobilization for membership drive to support, promote and elect their chosen candidates or influence political decisions in the Country. The study also found out that there is a tendency for women to be specifically engaged in contesting for political offices and elections given the increasing number of women who are elected and appointed into the national legislature since independence as seen in table 1. Perhaps an important finding to report here is the examination of the challenges to women's political empowerment and engagement and how women are impacted in Cameroon's democratic process. Here, the study finds out that some variables, such as institutional arrangements/framework, for example, the constitution and electoral code do not spell out quotas reserved for female representation in the national legislature in both upper and lower houses as well as for political parties' structures. Again, the lack of enforcement mechanism for the law stipulating 30% female inclusion in all political party candidates' lists submitted to ELECAM for consideration during elections is visible as the ruling party CPDM is seen not to have respected this law during the 2020 local and parliamentary

elections. Further, the constitution grossly limits women's socioeconomic development as found in sections 213 and 1421 of the Civil Code, section 74(2) of Ordinance 81-02 Of June 1984. Culturally women depend on men in decision-making processes especially married women who need to ask for permission from their husbands before they can engage in political activities and much more like contesting for political offices. These trends largely limit women as they cannot exercise their franchise and they constitute the largest population, and most times they do so in favor of their male counterparts. Most notable among these findings is the increasing presence of women in politics despite the myriad of challenges that impede their political empowerment. These efforts of women towards their political empowerment are seen to challenge the authority of men over their individual decision to engage in democratic processes that determine their livelihood and their generations to come, like contesting for political offices and stepping out to vote during elections. There is great evidence that women's political knowledge has increased over time, are interested in politics, and uphold increased political commitments. It is the position of this paper that a united front from women in Cameroon would provide a strong force capable of shifting the power dynamics in favor of women. However, Kinge (2016) contends that Cameroonian women's political participation/representation is likely to increase as their levels of income and education increase as they would acquire skills, develop intellectual capabilities and competencies to positively influence the system of governance, and these will increase their chances to be politically empowered and enable them to benefit from the existing political processes in the country.

Therefore, the study recommends massive mobilization of women towards a membership drive aimed at using their human capital resources to secure their places in governance and administration in the country via registering as members of political parties, contesting for political positions, and voting during elections among others. Again, the need for women to organize themselves and build their own economic base and regain some control over their destinies through women's enterprises and businesses sponsored by women towards women's financial empowerment is imperative. Further, new agricultural technologies should be made adaptable and available to women farmers in both the rural and urban areas in Cameroon by women-led NGOs and other women organizations. This will boost women's economic base and promote gender sensitivity in development programs, and women's organizations should be "women-centered and create awareness with mutual aid as their main goal irrespective of class. This should boost women's active campaigns for women's participation in politics and increase support for women running for public offices. All these efforts would be geared toward breaking the male hegemony which characterizes Cameroon's political landscape.

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# Effectiveness of Mobile Assisted Vocabulary Learning Applications (MAVL) as a self-learning tool for ESL learners in Sri Lanka

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## Abstract

The advancements in mobile technologies have changed how teaching and learning processes are conducted in the higher education sector. Mobile-Assisted Vocabulary Learning (MAVL) is a part of Mobile Assisted Language Learning (MALL) which is now a demarcating element in the ESL (English as a Second Language) classroom for the language improvement of the learners. MAVL applications are used widely in international language education, yet in Sri Lanka, language learners are limited to printed materials which are not enough to maximize their updated vocabulary knowledge. MAVL applications are used among Sri Lankan ESL learners hardly less than printed material to learn vocabulary and enhance it, which creates the research gap in this study. The research aims to introduce professional and practical MAVL applications to enhance vocabulary, introduce MAVL applications as a helping tool, and enhance their vocabulary and writing competence. The research has experimented with a mixed-method approach, with a sample of twenty ESL learners and five ESL teachers from the university sector. The questionnaire, interviews, and two tests were conducted for the data collection. The results revealed that students found the MAVL application practical, motivating, and helpful. Further, the participants had the potential to use the applications independently, and it made teachers conduct lessons efficiently in the classrooms. The results illustrated that MAVL applications contained positive attitudes toward making mobile-assisted vocabulary improvements. It can be concluded that using MAVL Applications as a self-learning tool would improve ESL learners' vocabulary and the teaching-learning process.

**Keywords:** ESL Classroom, MAVL Applications, Mobile Learning, Self-learning, Vocabulary Learning

## INTRODUCTION


Emerging changes in the technological world have empowered the ESL teaching and learning system in the world. Traditional approaches to language learning, including teaching and learning in a structured classroom setting, are under strain due to these dramatic changes. Mobile-Assisted Language Learning (MALL) is a vital phenomenon vastly spread over language teaching and learning, including numerous technicalities. MAVL can be mentioned as a subpart of MALL, as it is related to mobile learning in the ESL classroom, which has become a trending language learning procedure. The research is based on the MAVL applications and their effectiveness for ESL learners to use it as a self-learning tool to enhance their vocabulary in language competence. Vocabulary improvement is efficient in language learning as it directly affects writing, reading, listening, and speaking.

The usage of MAVL applications is used by ESL learners worldwide, yet, the usage takes a lower percentage in the Sri Lankan context. The ESL learners in the ESL context practice their language and vocabulary enhancement with the printed media, which gives them knowledge of the course in a conventional classroom along with its outdated methods and considering the mobile applications to a limited amount of usage. In this context, learning vocabulary in the target

language is the critical core phenomenon, as it is very effective in authentic situations with idioms and new terms with up-to-date meaning. If the learner is unaware of the new terms/idioms and sounds unnatural, it might affect the language learning process and lead to communication problems (Cooper, 1998). Though Mobile-Assisted Vocabulary Learning applications have been invented over the past decades, Sri Lankan learners are still stuck to the printed dictionaries, which do not offer them novel updates on the words or their updated meanings with relatable examples. So that by using the MAVL applications, the learners can become digital natives and be proficient in the target language (with the advantages offered by the MAVL applications) to get a good command of English in the ESL classroom (Boers et al. 2006).

Mobile phones, tablets, computers, and many other information technologies are being used in today's language learning contexts, and MAVL applications are no exception. In education, the invention of wireless technology and the advancement of mobile technology have acquired immense attraction among learners in the world. Connectivity, social involvement, context-sensitivity, portability, and originality are all aspects that mobile devices have, that desktop PCs do not, as mentioned by Klopfer, Sheldon, Perry, and Chen in

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the research conducted in 2012. By making learning portable, real-time, and cooperative, mobile devices have changed the way students learn and broadened their perspectives (Kukulka-Hulme, 2009). In light of these, the study signifies the advances and the growing interest in Mobile-Assisted Vocabulary Learning worldwide. Sri Lankan ESL students should be exposed to Mobile-Assisted Vocabulary Learning, which offers benefits and new ways to study the language more conveniently than traditional methods. People's awareness and use of mobile phones (smartphones) in their daily lives have improved as communication technologies have advanced. As a result of that, it can be signified the usage of the modernized language strategies and the MAVL applications can be mentioned as a better option for the undergraduates in Sri Lanka to improve their vocabulary and use them in advanced contexts to practice, which further makes them familiar with the language.

The selected research topic should be addressed as it creates the research gap, highlighting that Sri Lankan ESL learners should upgrade their vocabulary learning methods in technological and mobile ways with current innovations. The MAVL applications can access mobile learning with smartphones, tablets, and other Android-powered devices. University learners are familiar with the technical devices in the 21st century, (with the outbreak of COVID-19) and making this procedure convenient and practical for learning and researching new words in their dictionaries, would help them to archive modest ways to improve their vocabulary. The research aimed to introduce effective and practical MAVL applications, selected and approved by the ESL teacher to enhance vocabulary for ESL learners in the university sector. With the introduction and integration of MAVL applications as a helping tool for ESL learners, it would make them do self-explorations and learn vocabulary that is appropriate for both inside and outside the classroom, which would enhance their writing, listening and speaking competence.

The study is expected to analyze the research questions on the benefits of MAVL applications for Sri Lankan ESL learners in the university sector. The research further elaborates the objectives precisely, and the general objective is to introduce MAVL applications to enhance vocabulary for university undergraduates. Further, how the mobile applications can be conducted as a helping tool to improve their vocabulary and language to accomplish the overarching objective in the study, the specific objectives can be considered as follows. The factors that can hinder the MAVL in Sri Lanka, the benefits of MAVL applications for the ESL learners in the Sri Lankan university context, how they can self-improve and explore their language and vocabulary competency using mobile applications, and the ESL teacher's opinions on the usage of mobile applications, and their effectiveness for the learner's improvement based on their perspectives. Moreover, this research aimed to find out what students think about the effects of a Mobile-Assisted Language Learning application on their vocabulary acquisition process, because of the lack of technological advancements in the current language teaching-learning context.

## LITERATURE REVIEW

### *Mobile Assisted Language Learning (MALL) and Its Dimensions*

With the association of mobile devices and applications, the ESL learning system has empowered new methodologies to enhance and upgrade learner autonomy and motivation in

self-learning. Even though learning on a mobile device could take longer than learning on a computer, learners enjoy more choice over their time and location, allowing them to take advantage of the downtime by studying a second language wherever they are. The term "Mobile-Assisted Language Learning" (MALL) refers to the application of mobile technologies to learn languages. Azli (2018) investigated the application of MALL in a vocational college and found that it improved teaching and learning. The research shows that MALL is a viable strategy for teaching English as a second language because it is participatory and learners are independent. The study advises stakeholders such as instructional designers and educators to use mobile phones and applications as a learning tool.

Unlike traditional classroom instruction, MALL does not require students to sit in a classroom or at a computer to obtain learning materials. MALL is a great way to overcome time and location-related limitations to language learning. Researchers are investigating how to employ mobile technology to improve language acquisition due to its many benefits, including flexibility, low cost, compact size, and user-friendliness (Huang et al., 2012). However, there are also evident drawbacks, such as reliance on networks that could not always offer high transmission capacity and might be vulnerable to various disturbances. Despite these drawbacks, Thornton and Houser (2005) demonstrated that mobile devices can be helpful tools for giving students access to language learning materials.

### *Self-Directed Learning and its Importance of It*

Self-directed learning is directed by metacognition, strategic activity, and a desire to learn. Self-learning is defined as controlling and analyzing one's behaviour in the classroom (Butler, & Winne, 1995). In contrast to teacher-centered traditional learning, which always takes place in classrooms, self-learning is student-centered and much freer for students to set what they learn and where they learn. With MAVL applications as a tool, the learners get freedom and self-efficacy to use it the way they want. Moreover, they do not feel pressured or doubtful about receiving meaning from the teachers in the classroom, which also provides teachers with the benefit of keeping the flow in the lesson with fewer interruptions. Self-learning has qualities such as self-efficacy, self-monitoring, self-regulation, and collaboration between teachers and students, according to Ormrod and Ellis (2009). Preparing, performance management, and self-reflection are the three steps of the self-learning process, according to Zimmerman (1989). Further, according to Nunan (1999), training students to infer words from context and teaching them how to use dictionaries are significant components of independent vocabulary learning. He thought learning a language from circumstances after experiencing it there was preferable. Self-directed language learning requires students to set aside time to study outside of the classroom. They gain knowledge of their needs and wants.

### *M-Learning and Definitions*

Most university undergraduates use mobile devices for learning and daily activities since they provide easy ways to complete their tasks. Mobile learning (m-learning) is a type of e-learning known as distance learning. Facilitators can use m-learning to encourage students to learn within and without the classroom. According to Quinn (2000), M-learning is a new learning technique that involves mobile devices. Kinash et al. (2012) also claimed that m-learning benefits educational objectives. Mobile learning plays a crucial role in education in both teaching and learning. Meanwhile, mobile

applications provide learners with many resources and information to explore and improve their learning results, including language learning. Experiments with mobile phones have been conducted at some schools and institutions in learning and teaching.

Even though research on mobile phones in language acquisition is new and restricted, the findings indicate that they positively impact learning. Students can take free online transferable classes with smartphones through a Cyber University in Japan, launched in 2007. There are around 3.5 billion smartphone users today, 45.15 percent of the global population. In a world of digital natives, mobile learning can thus be regarded as the young generation of e-learning in many aspects. Mobile devices have prompted educational activities to evolve with the advancement of information and technology. Mobile phones/smartphones and tablets are rising in popularity as they benefit people's lives by learning and working. According to Sharples (2005), m-learning is an outgrowth of e-learning. M-learning can also be defined as acquiring any knowledge or skill via mobile technologies, anywhere and anytime. Mobile phones have recently become less expensive, lighter, and more powerful, attempting to make their way into language acquisition.

#### ***New Self-Learning Devices Used in The World***

Many pupils, however, find it challenging to acquire new words, as they are trying to become more familiar with the native language even when they try to learn the target language. Most learners understand English words by reading and writing them repeatedly, and they lack skills for memorizing new words. They do not develop a habit of reviewing words regularly and do not read English periodicals, novels, newspapers, and other materials (Ma, 2007). A thorough understanding of words is needed for learning to increase vocabulary learning and teaching. Vocabulary is significant for student academic success, especially for ESL students who have had limited exposure to their target language. The linguistic components must fall into place to make a coherent and grammatically correct phrase, with grammar and vocabulary being the most important (Orawiwatnakul, 2013). L2 learners require at least 95% coverage of the running words in the input (Nation, 2001).

As technology advances, more academics are turning to modern-technology tools like computers, mobile devices, and other devices to learn languages. Previously, multimedia packages, written texts, and vocabulary programs were the mainstays of CALL-based vocabulary learning systems (Stockwell, 2007). However, compared to a decade ago, technology has drastically altered people's ways of life and learning. As a result, it makes sense to develop a creative strategy to use smartphones to help students overcome their issues with vocabulary learning.

In the past and present, Mobile Assisted Vocabulary Learning has been improved to assist ESL users in improving their language proficiency through vocabulary. According to Hashim (2017), adopting mobile technologies to learn English as a second language would improve teaching and learning. The device's portability allowed the students to learn whenever and wherever they wanted. Mobile devices, which students frequently utilize, can be used in education and can be viewed as motivating. This study also noted that employing MAVL may result in constraints, but it was found that it may result in more benefits than constraints. As a result, if used effectively and productively, the mobile device can be a valuable tool for students. A contemporary quantitative study argued that a mobile phone might be a helpful

learning aid. Wu 2015 designed a mobile app called Word Learning-CET6 to teach vocabulary to Chinese college students (70 students), which is a recent study used cell phones. The experiment's post-test findings revealed a substantial difference between the two groups, with the experimental group surpassing the control group. Experiments using various sorts of mobile learning aids, ranging from SMSs to applications built to teach vocabulary, have all been shown to help learners compared to more traditional learning modes, as seen in the research stated above.

The efficient utilization of MAVL applications is a part of the broader picture of MALL, and the study undertaken based on MALL is also related to the efficient use of MAVL applications, both indirectly and directly. In 2016, Cavus did an additional study on the usage of mobile devices to teach children's stories to English as second language users. It was an experiment to see if utilizing an interactive mobile application to improve learning skills like listening, comprehension, pronunciation, and vocabulary without the help of an instructor could be beneficial. The study's findings showed that the experimental group improved in all the stated competencies. As a result of this research, young children who were interested in strengthening the four skills (listening, understanding, pronunciation, and vocabulary) found the mobile application as a fun and beneficial tool for language learning. The study by Zaki (2015) focused on mobile technology in academic texts and how it might help the teaching and learning process. As its accessibility, portability, and privacy, mobile learning encourages educators and students to use mobile applications. It also encourages self-directed learning because it might provide spontaneous and rapid data to the debate. Mobile learning may be an engaging learning tool. The effect of the mobile dictionary on lower-intermediate language learners was explored in Rahimi's (2014) study, which demonstrated that mobile phones are valuable learning tools in language learning because the experimental group outperformed the control group who utilized a printed dictionary. Compared to those who used a printed dictionary, ESL students who utilized a mobile dictionary to learn English as a Second Language advanced their language proficiency. It is also stated that using mobile dictionaries aids in acquiring vocabulary and saves time.

The country's information and communications technology (ICT) usage has increased over the past two decades, and urban infrastructure has improved; the new digital divide is a rural-urban dualism. Gaiani and others (2009) stated, the commercial capital Colombo and its surroundings on the west coast, as well as significant towns like Kandy and Galle, are the only places on the island of Sri Lanka with computerization and internet access. Over 75% of the population resides in less densely populated non-urban areas, where the infrastructure situation is different, and the digital divide is a reality (Hansson et al., 2010). Following the closure of all educational institutions in March 2020 due to the COVID-19 epidemic, Sri Lanka accomplished a stunning transition to online tertiary education. The biggest issue for students utilizing smartphones and mobile data plans that many couldn't afford was the lack of consistently reliable, high-speed internet connection. However, as all internet service providers allowed free access to university web servers until 17 August 2020, the situation in Sri Lanka was significantly better (Hayashi, Garcia, & Maddawin, 2020). But using a smartphone to access a digitalized education system restricts what students can read, write, and do for tests.

## METHODOLOGY

The study was done based on the effectiveness of MAVL application usage as a self-learning tool for ESL learners to enhance their vocabulary knowledge in English. Learning was, therefore, focused on information or content delivery via mobile learning with novel technology. In this study, vocabulary learning applications that were considered effective and professional had been recommended for learner usage for vocabulary improvement of the ESL learners. The research was conducted as a mixed-method approach and incorporated aspects of qualitative and quantitative data. The study comes under a sequential Exploratory mixed method, as a more significant focus has led to qualitative data. By combining the advantages of both methodologies, mixed methods can help create a complete picture than a solitary quantitative or qualitative study. Both data types (interview data, observations, questionnaire data and data from the pre/post-tests) were collected and processed concurrently but as part of a more comprehensive qualitative design. This is a wise course of action given the time and resources available. The study was organized as an experiment, in which the two groups were named control and experimental. The reasons smartphones were chosen in this program are: the popularity and convenience of smartphones among students made it possible to learn via smartphones. In addition to communication, the smartphone is also a significant source of information for most people in daily life.

The sample was purposive, as the researcher needed the participants to have experience and awareness and adjust to the environment soon. The purposive sampling approach aids the researcher's study since it enables the "selection of individuals for study because they can consciously inform a knowledge of the research topic and central phenomenon in the study" (Creswell, 2013). The questionnaire targeted twenty university undergraduates and five ESL teachers from the university sector who were chosen for the interview sessions. The learners (participants) were intermediate level; most were from the Modern Languages Department, and the rest were from other departments. Nevertheless, especially, the students were purposively chosen from the ESL course, which was mandatory for the Faculty of Humanities undergraduates. The ESL teachers were selected based on the following factors (purposive sample).

1. Three years of experience in teaching university undergraduates
2. Well aware of the new methods used in ESL classroom
3. Experience in the usage of digital materials with ESL students in the teaching-learning process

The data for the quantitative section was received by holding pre and post-tests, in which twenty learners were grouped into two, randomly containing ten participants. The experimental group received the MAVL applications, and the control group received the printed dictionaries and vocabulary-based books. The questionnaire was distributed among the twenty undergraduates after the post-test. Via the questionnaire, qualitative data were gathered, as they had a brief understanding of what they went through for three weeks with the mobile applications and were aware of their developed language skills. The research procedure was conducted for three weeks to gather data. The questionnaire was distributed among the participants in the final week of the research project to have a brief understanding of the process they had been participating in and would answer the ques-

tions honestly. The learners faced two tests during the research, and the results of the tests were considered for the final analysis. The questionnaire carried twenty questions based on MAVL applications and how they interacted with them for the three weeks to enhance their vocabulary learning and development. The pre-test was conducted on the first day, and on the same day, the ESL teacher introduced the MAVL applications for the experimental group. On the other hand, the same test was conducted for the control group of learners who did not receive any introduction sessions on MAVL applications but continued to use conventional vocabulary learning methods. The experimental group received mobile phone applications for vocabulary enhancement and was allowed to use other web applications for the next three weeks. The questionnaire was distributed on the final day after the post-test. Almost all the students provided sufficient answers for the data discussion.

The ESL teachers (interview sample) were currently teaching in the state universities for different departments, and all were teachers of English. During the three weeks, the ESL teachers were interviewed with more than fifteen questions, and most of them were answered positively. As the researcher wanted a wide range of classroom practices to acquire a comprehensive understanding of various types of classroom dynamics, teaching and assessment methodologies, and responses to learning with MAVL applications, this was the goal of the teacher interview sessions. Teachers must also be open to sharing their anecdotes and perspectives on using MAVL applications in the classroom so that they won't feel pressured to give a prepared response during the interview process but rather willing and motivated to talk about their experiences.

The researcher further observed the language level of the learners' vocabulary in their regular classroom performances in the first session. The two classroom observations were virtual sessions in which the researcher monitored how the learners used the language in their tests and the regular classroom activities. The observations, on the other hand, were carried out because they allowed the researcher to "collect extensive detail about each individual studied" (Creswell, 2013) throughout the period and regarding how they behaved, which is crucial to show their progress as a result of the research. The two classroom observations were conducted on the first day when the MAVL application introduction was completed. The final observation was finished on the last day of the post-test.

In the analysis process, the results were graphed into bars and charts. The data were divided into a questionnaire, interviews, test results, and observations, which were analyzed separately. To "get through the data, to a category, and work with all the data segments concerning the category," the researcher was aware of similar themes among the interviewees, divergences in the data, as well as null data (Richards, 2005). The project's principles and outcomes and what was significant about the acquired data were then examined (Richards, 2005). The "Findings" portion of this research report contains the conclusions. Furthermore, the discussion went along with the data gathered from the classroom observations.

## ANALYSIS, RESULTS, AND DISCUSSION

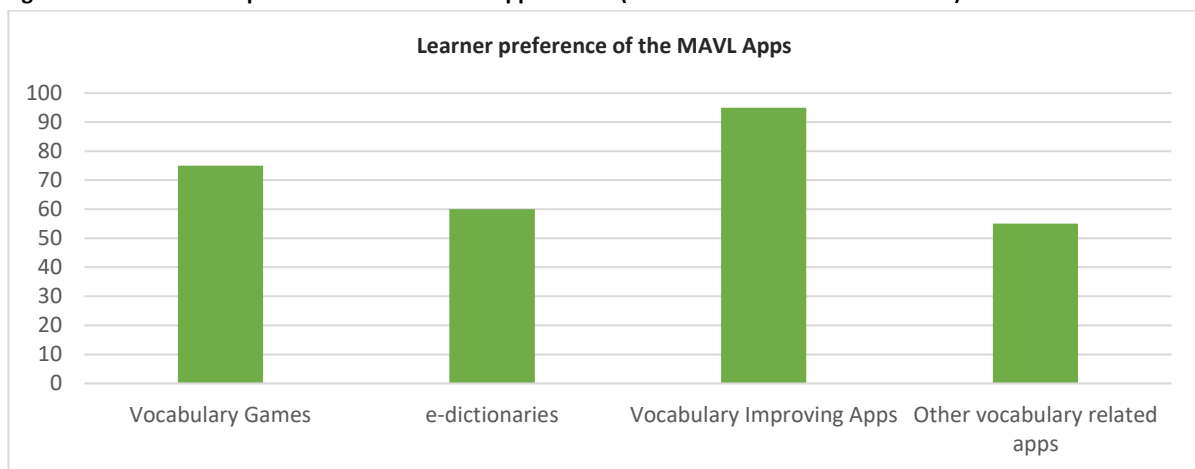
### *Learner Preference for MAVL Applications*

The majority of the ESL learners (95%) approved that they found the use of MAVL applications to be very effective.

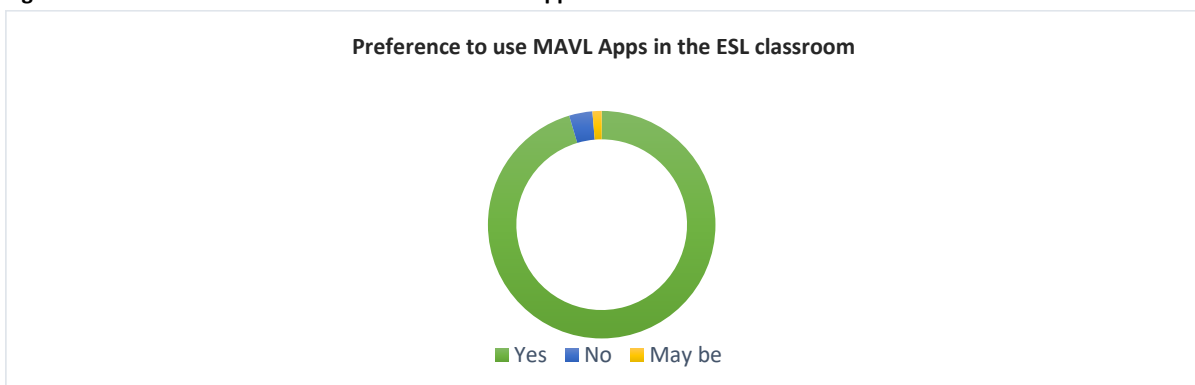
They also agreed to learn via mobile phones (Mobile learning) than computers as the portability was practical anywhere anytime for them to join the classes or find anything helpful to the language classroom. Moreover, learners found new mobile vocabulary learning applications for their PCs and other applications including *BliuBliu*, *Vocabulary Builder*, *Improve English: Vocabulary*, *Quizlet*, *Words Booster*, *Vocabulary.Com*, and *Word Store* for their smartphones or devices than the teacher recommendations. Further, some of the learners installed vocabulary-improving game applications, including *Brain games*, *Word of the day*, *Wonster Words for children*, *Word Collect*, and *Words of wonder*, which made them play during their free time and created the ability to develop new words in enjoyable ways. Also, those who were unfamiliar and not interested in using the application were not used them much apart from the teacher mentioned applications. The students had a slight

idea of the improvement from the experimental group, yet, in the control group, some of the learners agreed to the convenient use of mobile applications than printed books and dictionaries. They also confirmed that, even though they have used the books for the research duration, they usually use the mobile applications of e-dictionaries, smart dictionaries, word games, and other applications related to language learning. In conclusion, the questionnaire results depicted that the learners found it convenient and effective as it helped them get new words along with their updated meanings, which the printed dictionaries did not provide. The following chart (figure 1) shows the learner's preference for mobile application usage both inside and outside the classroom, as the teacher has already recommended the applications to be used. However, the researcher has asked about their preference for new applications as a general overview, according to the questionnaire they went through (figure 2).

**Figure 1: Overall Learner preference of the MAVL Applications (inside and outside the classroom)**



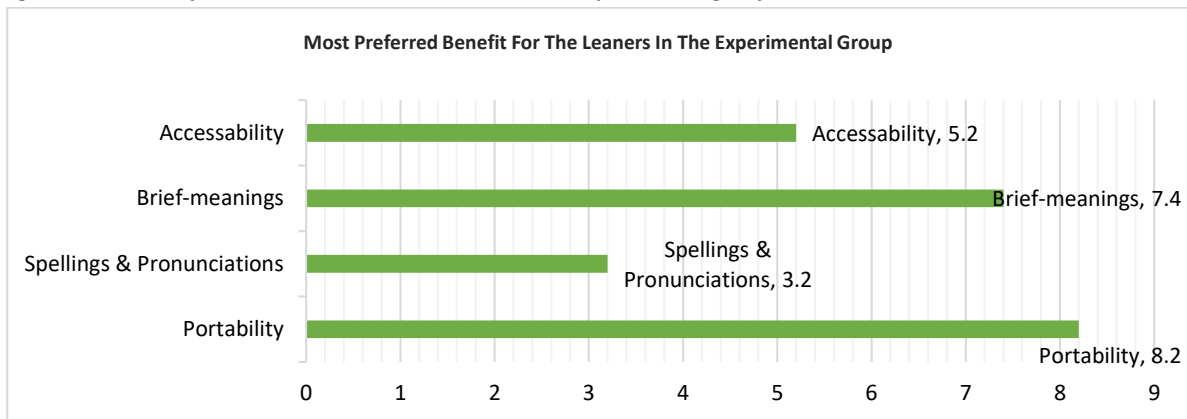
**Figure 2: Preference of the learners to use the MAVL applications in the classroom.**



**Classroom Observation**

The researcher observed the chosen classroom two times, in the first and last week. In the first week, the researcher observed the vocabulary level of the learners by distributing them with a pre-test, in which the scores carried in different levels. The students were randomly selected for the control and experimental groups, not based on their scores. Further, the score level of each learner showed that some learners needed to get improved, and some learners were at a good level of their English proficiency related to vocabulary. In the

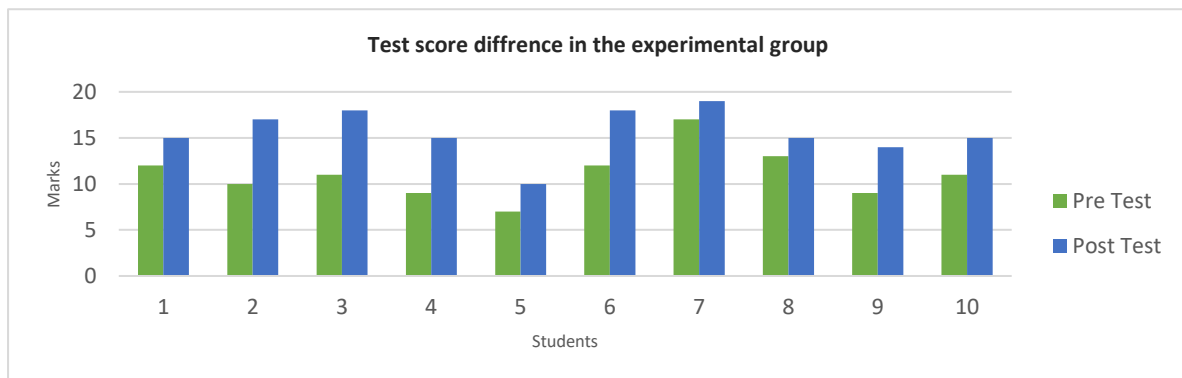
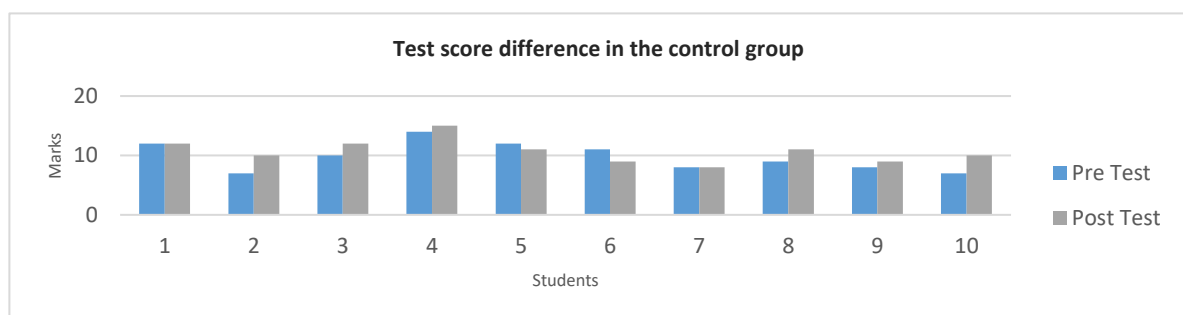
last week, the post-test scores depicted that the experimental learners had improved their scores compared to their pre-test scores. The researcher further observed their classroom performances and them doing their activities as individuals, in groups, and in pairs, in which their proficiency level was increased rather than the first week. Further, the advantages of the applications mattered in the classroom observation as they affected the tests. The following figure (3) depicts why students appreciated using it in the classroom.

**Figure 3: The most preferred benefit of the learners in the experimental group**

### **Teachers' Opinions on MAVL Applications Being Effective**

The ESL teachers depicted that using the MAVL applications would be effective for learners who were weak in their language proficiency and learners who did not like to mingle in group activities. Moreover, most of the teachers said that the applications were accessible for the students because teachers also find them easy to use, and they needed updated meanings of the words and novel terms when they were teaching. However, they also stated that the use of mobile phones in the classroom and learners getting addicted to the easy ways would harm their creativity of thinking, leading to time waste. However, teachers conveyed that, due to the technical usage and the changing world, the learners have to catch up with the changing even in the education sector, and the use of mobile applications for their vocabulary learning would aid them.

Moreover, the teachers revealed that the learners who did not support volunteered to answer the questions and did not tell the meanings and spellings of the words in the classroom were started to answer the questions after they exposed to the MAVL applications, which was a noticeable change in the classroom. They further said that the exposure to the MAVL applications made students find the meanings of the words with no hesitations or laziness, unlike they flip the pages of a dictionary or guess the meanings of an unknown word. Moreover, the ESL teachers stated that when the teachers were unaware of the meanings or spellings of some words, the learners provided the answers with no hesitations after exposure to the MAVL in the experimental group. In contrast, the control group learners flipped pages to find the meaning or guessed the spellings or meanings (correct or wrong), and sometimes they did not provide answers at all.

**Figure 4: The score difference of the learners in the experimental group before and after the test.****Figure 5: The score difference of the learners in the control group before and after the test.**



The score tests conveyed that; the experimental group scored more marks due to their enhancement with the mobile applications than the learners who have studied with printed books. The above charts (figures 4 and 5) show the difference between the experimental and control groups' marks before and after the test. Considering the scores of the students, the teachers mentioned a visible change in the use of MAVL.

## DISCUSSION

In the process of finding themes and subthemes, a thematic analysis of the qualitative data was used. Further, for the quantitative data, a descriptive study is done. Even though mobile phones are forbidden in many conventional language classrooms (particularly in Asian countries), educators believe that the usage of mobile phones or applications is an intrusive phenomenon that may distract students from learning. Many studies demonstrate that mobile phones can help students learn by creating a pleasant learning environment (Cobcroft, Towers, Smith, et al. 2006), and learners have a favourable attitude toward using mobile phones for educational purposes (Cavus & Ibrahim, 2009). However, vocabulary is a talent that is greatly enhanced by this type of technology. As a result, the use of mobile phones for vocabulary learning is on the rise, according to Zhang, Song, and Burston (2011).

Mobile devices, including smartphones, and portable and light devices with powerful functions, were chosen for this research with MAVL applications. Students gain interest and time to engage in language learning individually and enthusiastically rather than in the conventional ways of studying languages in the classroom with the association of these digital applications. MAVL applications are available for anyone, and the learners are combined with the technical learning system. Exposing them to the MAVL applications can keep another step forward with technicality and language development. The researcher suggests including or exposing ESL learners in the university sector with teacher guidance or not, to the MAVL applications, because of its numerous benefits to studying independently. According to the new teaching curricular methods, teachers have to engage in the interactions in the classroom to a limited extent, yet, students have to work a lot on their own to develop their language proficiency. The benefits of the MAVL applications have the potential to make learner explore new words and their meanings in a way that creates them a self-learning tool in the mobile learning environment.

Moreover, it was signaled among all the mobile devices to assist with vocabulary learning. It can take the best advantage of the learners' fragmented time to increase their learning efficiency. According to the questionnaire, 95% of the learners preferred to use the applications to explore new words with their meanings. This indicates that learners have a strong desire to use this new vocabulary learning mode. These findings show that the learners' overall attitude toward this new vocabulary learning mode is positive, as they looked forward to new ways of language learning via smartphones yet were not allowed by their educators. This challenges the conventional language teachers, and the learners who still favor printed dictionaries. In the questionnaire concerning the methods of vocabulary learning assisted with smartphones, among the four given choices, 75% of the learners chose to learn with vocabulary applications on mobile/smartphones. It indicates the significant way vocabulary learning is on phones, and 20% percent chose how

the teacher teaches words through passages or the lessons regularly. The rest of the 5% chose other options, which possibly included printed dictionaries and different types of books and media. The researcher observed on the first day of the classroom, that the learners in the experimental group were interested in using the applications recommended by the teacher, even though some learners were not familiar with them.

*Busuu* was one of the MAVL applications on which the experimental learners practiced their vocabulary and explored words. The program was designed to help memorize vocabulary, sentence structure, and conversational skills in nine languages. The learners might use the app on their own or join a community to practice the language skills with other learners or native speakers. Moreover, *Duolingo* was one of the other applications that language learners use locally and internationally. The learners had free access to practice vocabulary and pronunciation, which had audio and video facilities to ease their language learning. *WordUp* is not a vocabulary-improving application, yet it can be considered an e-dictionary that can be used as an English dictionary. *WordUp* is the most efficient way to learn English words and understand them deeply. It uses a scientific language learning method and entertaining examples from YouTube, Word pictures, famous quotes, news, etc. Further, *VOCABULARY* and *Oxford Online Dictionary* were also suggested by the teacher for the learners in the experimental group.

One of the advantages of MAVL applications is its community system that learners can communicate with other users through the internet. They can share their homework and gain online access to gain opportunities to converse with a native speaker to improve their skills. For instance, *Busuu* is more beneficial for beginner and intermediate language learners because there are no systematic grammar courses. They can learn the ability to have some simple conversations with others. The learners in the experimental group were able to explore new words, apart from the teacher's talk/input in the classroom further with updated meanings. In contrast, control group learners did not have access apart from teacher talk and printed dictionaries, which were their primary vocabulary learning sources. Moreover, with the use of MAVL applications, learner autonomy can be developed, which is, according to Little, the ability to take charge of one's learning effectively (1991).

The MAVL applications and the vocabulary practice developed their formal and informal word knowledge, which can be mentioned as another benefit for the learners in the experimental group. Nevertheless, the control group students were rarely exposed to the informal word lists, and they were majorly faced with formal words and explanations. The dictionary app can also be linked to various lexical concordances allowing students to see real-life examples of how to use the word(s). The convenience, portability, and accessibility of smartphones and mobile learning were among the advantages provided to ESL learners via MAVL applications. It also serves them as a self-learning tool, as the teacher has to interact a little in the classroom teaching vocabulary. The graph (figure 3) shows the most preference benefit of the learners in the experimental group, and the majority of them voted for brief meanings and portability. During the experiment, learners participated in the activities conducted by the teacher, and they were able to expand their vocabulary effectively. In addition, learners could follow the requirements of this experimental study and improve their vocabulary continuously even after the experiment inside and outside the classroom.

The analysis is associated with the interview and questionnaire data for the second research question. The MAVL applications acted as a learning tool for the ESL learners in Sri Lanka, and the learners got vast exposure to the vocabulary, unlike the learners in the control group. According to the teacher's point of view, MAVL acted as a helping tool for the learners in Sri Lanka because they had the potential and the accessibility to explore vocabulary apart from teacher instructions and teacher talk in the classroom. A study (Yao-Ting Sung, 2015) on the effects of learning other languages with mobile devices found that including mobiles in teaching and learning methods improved learning outcomes. The teachers agreed that the teacher input in the classroom should be less, which does not really do a vast exposure for the learners to get to know many words during a single lesson. However, with the association of mobile phones, mobile applications, and technology, their ideas and interests can be developed to learn the target language quickly and enthusiastically. Further, the learners agreed that they were more fond of using mobile applications than printed books and the teacher talk in the classroom.

The test score of the experimental group shows that the learners have acquired language proficiency and vocabulary enhancement during three weeks. Their pronunciation and the spelling system have improved from their previous level (pre-test) before using the mobile applications. Furthermore, the data revealed that ESL students who used a mobile dictionary to learn English as a Second Language developed their language skills more than those who used a printed dictionary. It is also stated that using mobile dictionaries aids in acquiring vocabulary and saves time. The iPad was employed as a mobile technology tool in one of the experimental investigations (B.T Wang, 2015) to assist learners of English vocabulary, and positive findings were further obtained.

The charts (figure 4, 5) show that, compared with the scores of the experimental group, the learners in the control group have not received or improved drastically. The control group learners used printed dictionaries, teacher talk, and the words they already knew, and some learners used to read extra materials and searched for new words during the three weeks. In contrast, the experimental learners explored new words with novel ways of experiencing video and audio graphics and flashcards based on their chosen applications. Furthermore, learners in the control group could not listen to the words' pronunciations and be instructed only to use a printed dictionary, which made it difficult for the students because of phonetic symbols. The traditional method of following the phonetic symbols in the dictionary appeared to be more challenging for the learners than the learners in the experimental group, which worked with technical or prerecorded pronunciations and enthusiastic methods that encouraged the learners to learn more about the language.

Chun believed it was vital for language teachers to incorporate technology into their classrooms, but she also examined the repercussions (2016). When teachers and students use technology wisely and purposefully, it will certainly engage them in critical reflection of their learning. Communication technologies now provide valuable and meaningful resources for language learners to become conscious of and actively reflect on discursive practices. Furthermore, MAVL applications as a self-learning tool would benefit ESL learners by allowing them to explore words using unique techniques that would aid language competency both inside and outside the classroom. Teachers do not need to teach them; they do not have to ask the learners to by-heart the lexicon

or ask for synonyms since learners' desire to develop their language in terms of vocabulary can be developed independently by relying on MAVL applications. Mobile communication is naturally integrated into many learners' lives and has become a daily commodity. MAVL developers should develop more and more applications, particularly lexical tools and concordances, compatible with mobile learning specifically for ESL learners, who should get more familiar with them to improve their language competency in all four skills of the target language.

## CONCLUSION

The findings reported that integrating MAVL applications via mobile phone benefits Second Language learners because learning words via mobile phone is much faster than the conventional ways. The students could also use the mobile phone to conduct advanced searches on the word's usage, derivation, photos, and pronunciation. The association of mobile phones, mobile applications, and technology can sharpen their ideas and interests and to self-learn the target language quickly. Further, the learners agreed that they were more fond of using mobile applications than printed books and the teacher talk in the classroom. Students can use internet resources accessible or browsable anytime to study and enhance their vocabulary knowledge. Further, using a cell phone as a pedagogical tool will undoubtedly improve teaching-learning. With practically limitless programs addressing various parts of language acquisition, this would be an excellent way to learn a specific aspect of the language, such as vocabulary. This study's findings showed that smartphones could be helpful for vocabulary development; due to the limited time and flaws in the experiment. Furthermore, MAVL applications as a self-learning tool would benefit ESL learners by allowing them to explore words using unique techniques that would aid language competency inside and outside the classroom. Moreover, MAVL applications as a self-learning instrument can help students learn English more effectively since it uses more time and effectively increases students' vocabulary through autonomous learning. This empirical study demonstrates the importance of vocabulary improvement using mobile vocabulary learning applications, which investigates the effectiveness of smart/mobile learning, which offers learners a wide range of benefits as a self-learning tool.

There is still so much room for improvement, and the learners' desire to continue it and ESL teachers' approval of it as a better alternative make the MAVL applications a far better tool for learners to engage in their vocabulary development. As for the recommendations, curriculum designers should consider how technology—specifically multimedia—should be used in ESL courses in today's environment, where it permeates every area of life. More particular, multimedia annotated vocabulary education has to be emphasized in light of the findings of this study (with the use of mobile phones). More online coursebooks and supplemental materials (mobile-oriented) should be created, and well-considered annotations should be inserted into relevant sections. This requires practitioners and designers to consider the need for appropriate annotations for the target word. In addition, several combinations of annotations (text+picture, text+audio, etc.) should be provided depending on the learners' preferred learning techniques, whether they are simultaneous or linear.

Finally, different findings can offer an additional study in this area. As a way forward, future studies investigating how

self-learning could be provided for students to facilitate their MAVL should be focused more on their out-of-class interactions. Further, informal learning should be focused, because learners have to engage in the external world/communities more than inside the classroom procedures:

1. The content can be expanded, and the students' viewpoints on the advantages of mobile-assisted language learning can be examined using a qualitative research design.
2. Another investigation into the impact of various annotation types on vocabulary learning might be conducted.
3. Longitudinal research that uses the software for longer may be performed to observe the effects.

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# China-Sri Lanka Economic Relations: Opportunities and Challenges for Sri Lanka

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## Abstract

This study intends to analyse the growing economic relations between China and Sri Lanka focusing on opportunities and challenges for Sri Lanka. The study used qualitative and quantitative research methods for the subsequent analysis. Descriptive statistical techniques were used to analyse the quantitative data, and critical discourse analysis was used to analyse the qualitative data. The data was presented using texts, tables and figures. The study found that Sri Lanka has gained many opportunities due to close economic relations with China. Sri Lanka is an important location in China's Maritime Silk Road initiative and China's string of pearls concept provided lots of economic benefits for Sri Lanka. China become a significant export market, source of foreign direct investment, source of low-cost imports for Sri Lanka, vast infrastructure development of the country and source of the tourism industry in Sri Lanka. China also became a key source of military and diplomatic support for Sri Lanka when needed. Sri Lanka's economic relations with China present both opportunities as well as challenges. China's involvement in Sri Lanka has become a possible challenge for Sri Lanka to tackle with big brother India. As well, negative trade balance, huge debts and low investment returns also can be considered as the major challenging areas in which Sri Lanka faced economic relations with China.

**Keywords:** Big Brother, China-Sri Lanka Economic Relations, Debts, Foreign Direct Investment, Negative Trade Balance

## INTRODUCTION

Originally, China's Asia foreign policy mainly targeted South-east and Northeast Asia. However, in recent years, it has been changed, and China's foreign policy has given important consideration to South Asia, and the Indian Ocean region for resources, search for a strategic location and capturing the markets (Kumar, 2017: 1111; Wheeler, 2012: 3). In this context, Sri Lanka too becomes an interesting country for China. Compare with China, Sri Lanka is a small country in terms of land (65,610 km<sup>2</sup>), population (21.67 Million in 2017), and economic capacity, and it has ranked as a lower middle-income country, with a GDP of 304.166 US\$ billion in 2020 (International Monetary Fund, 2020). Irrespective of the sizes of their land, population, and economic capacity, China has increased its close economic relations with Sri Lanka over the years, providing a model of close economic relations between large and small countries (Deyshappriya, 2016: 5). The following factors have been impacted to China's interest to develop close economic relations with Sri Lanka;

- Sri Lanka is strategically well located in the center of a modern international shipping passageway between the oil-rich Middle East, Southeast Asia and Africa, which is considered the world's energy and resource center (Kumar, 2017: 1111). Sri

Lanka also is considered one of the pearls of China's String of Pearls concept, which has gained traction in recent years because of China's increasing strategic interests over countries in the Indian Ocean Region (see Figure 1). Thus, China-Sri Lanka's close relations provide China with an alternative option of opening direct access to the international shipping passageways of the Indian Ocean, which will increase strategic cooperation with the region and save trade for China (Deyshappriya, 2016: 13).

- Sri Lanka also is strategically well located in one of the main points in China's recently initiated Maritime Silk Road (MSR)<sup>2</sup> with three international shipping ports such as Colombo port, *Tricomalee* port and *Hambanthota* international port (see Figure 2). Under this initiative, China aims to reclaim the past glossy of the ancient Silk Road, while increasing connectivity between China, Asia, Europe and Africa. Thus, China wants to use Sri Lanka as an economic and trade hub for its exports and imports under the MSR initiative (Kumar, 2017: 1111-1112);

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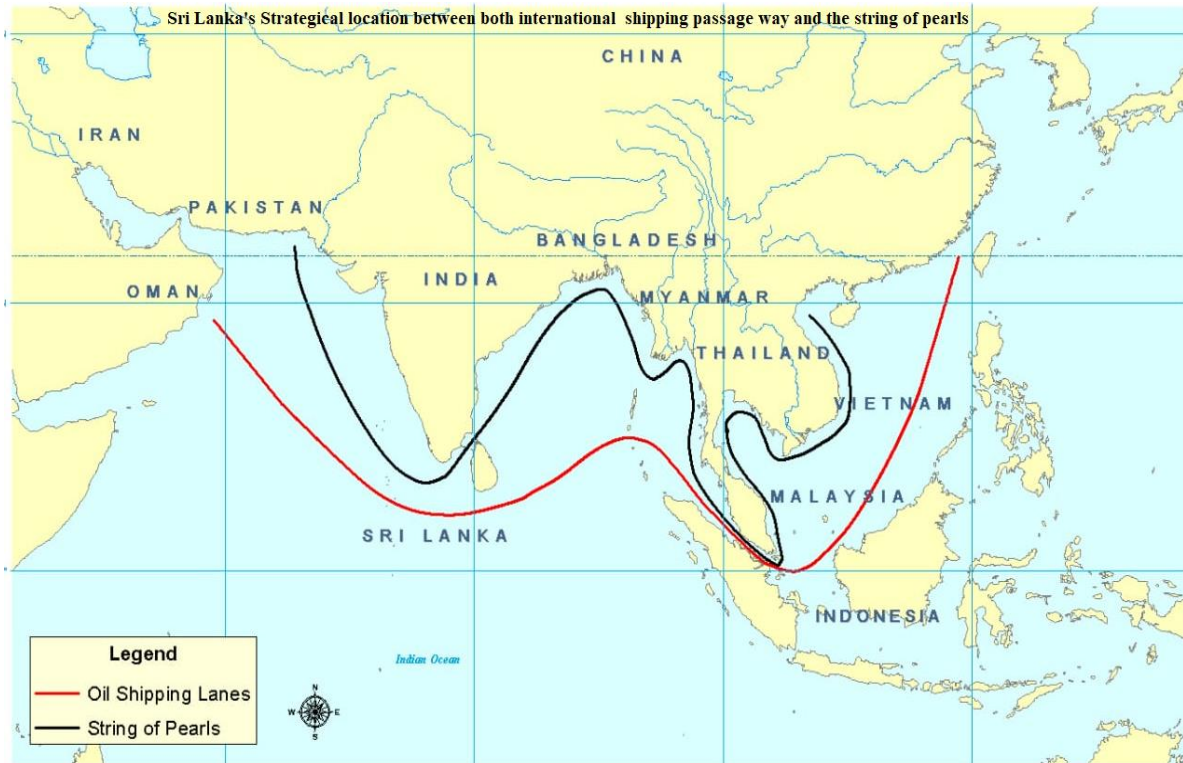
<https://orcid.org/0000-0001-5591-1707>



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<sup>2</sup> Sri Lanka was the first country to support China's Belt Road Initiative (BRI).

**Figure 1: Sri Lanka's Strategic Location between Both International Shipping Passage Way and the String of Pearls**



(Source: Based on Digital World Map 2021, Survey General Department of Sri Lanka)

**Figure 2: Sri Lanka's Strategic Location in Maritime Silk Road**

**ONE ROAD, ONE BELT**



(Source: Based on Digital World Map 2021, Survey General Department of Sri Lanka)

- The Indian Ocean region poses serious security threats for China including terrorism, arms and material trafficking, drug trafficking, weapons of mass destruction and so on. In this situation, Sri Lanka would act as a buffer against these threats and China can survive as a hegemonic power in Asia (Kumar, 2017: 1111).

For these reasons, China tries to develop close economic relations with Sri Lanka. Apart from these, following factors impacted to Sri Lanka's interest to develop close economic relations with China; China is a useful friend to Sri Lanka to get the diplomatic support in global forums when in needed, particularly in the wake of human rights accountability issue in United Nations (UN) in the last phase of the 30 years' war;

China is an important source of Foreign Direct Investment (FDI), borrowings, aids, technical assistance and low cost imports to Sri Lanka in last few years; China to be a favourable alternative to funding from international financial institutions and Western donors that usually have numerous conditions when providing development loans; and China has become a potential source of tourism for Sri Lanka over the years (Kahandawaarachchi, 2015: 1). Relying on these factors, Sri Lanka too tries to build close economic relations with China, and it reached a new chapter during the period from 2005 to 2020. Accordingly, China-Sri Lanka economic relations have been rapidly increasing in recent years, and it has created opportunities as well as challenges for Sri Lanka. This dimension has not been adequately studied by researchers in fields of political science and international relations. Thus, this study was bridge the gap in the literature by analysing the growing economic relations between China and Sri Lanka focusing on opportunities and challenges for Sri Lanka. Therefore, the overall objective of this study was to analysis the growing economic relations between China and Sri Lanka focusing on opportunities and challenges for Sri Lanka. Within this broad objective of the study, the following specific objectives have been pursued: to examine how China-Sri Lanka economic relations have developed over times, and to explore the what factors have been impacted to China's success in close economic relations with Sri Lanka.

## LITERATURE REVIEW

Henokl and Webersik (2016) explored the European Union and China's means and ends of international cooperation, and what they may reveal about genuine in-tensions in two 'String of Pearls' countries, namely Sri Lanka and Myanmar. The study also explored the extent to which it is advantages for developing countries in Asia to involve China as a predominant development actor as compared to engaging with an extra-regional partner, such as the EU. The authors explained that in recent years, Chin's significant, influence and relevance as a development partner and donor in Asia is rising. But, before China becomes a development partner and donor in Asia, EU and its member states played important role in the trade and development cooperation with Asia. The EU and its member states mainly focus on international cooperation while promoting sustainable global development, participatory and equitable trade, peace and security. But, China's primary goals have not been much clear, and in many cases related to political and economic objectives. On the political level, China desires to have a trustworthy partner in international negotiations as well as for geopolitical considerations. Having good relations with 'String of Pearls' countries like Sri Lanka and Myanmar would help China in getting its energy demands, by securing international shipping lines. On the economic level, China's export-import-oriented economy needs trade partners, and Sri Lanka and Myanmar will have lots of advantages while the relationship with the rising power of China. They are; large-scale infrastructure development projects, increasing foreign direct investment, labour mobility, knowledge exchange and political and military support from China. There are some disadvantages to such a relationship with China. They are; negative terms of trade, growing debt burden (Sri Lanka), losing control over domestic natural resources (Myanmar) and possible threat to tackle with another rising Asian power like India (Henokl & Webersik, 2016).

Kumar (2017) examined the growing China-Sri Lanka strategic engagement in general and particularly under President

Mahinda Rajapaksa's regime, which actually transformed the bilateral ties. He describes that initially, China's Asia foreign policy mainly targeted on Southeast and Northeast Asia regions. However, in recent times, South Asia has gained tremendous importance in China's foreign policy, which currently aims to maintain and promote regional peace and stability and, in consequence, sustain China's own peaceful rise. As a result, South Asia constitutes an important region for China's strategic ambit, and Sri Lanka is no different. Kumar pointed out that the following five factors have impacted to China's interest in Sri Lanka;

1. Sri Lanka is strategically well located, midway between the oil-rich Middle East and South East Asia. This gives China an alternative option of opening direct access to the international sea lanes of the Indian Ocean, which would enhance safe trade;
2. Sri Lanka is rich in natural resources like coal, iron ore, hydrocarbons, natural gas and oil. Some of them have not been explored yet;
3. The Indian Ocean region poses serious security threats for China including piracy, terrorism, drug, arms and material trafficking, weapons of mass destruction and so on. In this regard, Sri Lanka can act as a buffer against these threats;
4. Sri Lanka will play a very important role in China's MSR initiative;
5. China's foreign policy involvement in South Asia is mainly India-centric. Over the last few decades, India has emerged as an economic power and regional military power in the region with a nuclear weapon and missile capacity. It becomes a challenge for China's rise and interests in Asia and beyond. In this case, China wants to use Sri Lanka's territory to balance the other Asian rising power India.

He further pointed out that China's policy towards Sri Lanka is aimed at increasing its own influence in the region, addressing the transnational issues, lessening India's influence and also curbing the ability of potentially hostile powers like the US and Japan to harm China's interests in the region (Kumar, 2017).

Diven (2016) provided insights into how a small state copes with changing external power structures, demonstrating that they are not merely reactive, but also proactive in influencing these shifting alliances. Divenin express that in recent years, particularly during the Rajapaksa's regime (2005-2015), the Sri Lankan economy tried to China grew. India and USA expressed their concerns on ongoing close China - Sri Lanka economic relations. He further expressed that after Sirisena came to power in 2015, many Chinese projects were put on hold and the USA reinvigorated its nearly defunct aid programme. India agreed to give new economic development assistance to Sri Lanka. But, after a few months, Sri Lanka again renewed its relations with China, and economic development projects restarted. The Study revealed that ongoing revelry between China, USA and India for influence in the Indian Ocean has naturally involved Sri Lanka. More than 80% of China's oil comes from the Arabic world, flows through the ocean, and passes through significant "strategic Chokepoints" including the Straits of Malacca and Hormuz. As such, China wants to secure the oceanic ports of Bangladesh, Myanmar, Pakistan, and Sri Lanka through its MSR initiative, and in recent years, China has given large amounts to Sri Lankan infrastructure projects, becoming Sri Lanka's

biggest economic assister and enjoying important political and economic influence (Diven, 2016).

Deysappriya (2006) analysed China-Sri Lanka economic relations in a comparative context, focusing on how trade, investment and tourism relations have developed over time, and how they compare to China's economic links with other countries in the region. According to Deysappriya, China-Sri Lanka relations have a long history, initially religious and cultural, and later it developed with economic and trade relations. It began with the Chinese Buddhist monk the Ven. Fa-Hien (Fa-Xian) visited Sri Lanka in 401 AD. Both countries officially established diplomatic relations on 07 February 1957, although their historic Rubber-Rice Pact (RRP) was signed 5 years before even this official milestone. The author argued that the strategic location of Sri Lanka, between key shipping lanes and the so-called 'String of Pearls' has significantly renewed the two countries' economic relations in recent years. The author further argued that China-Sri Lanka relations in the 21<sup>st</sup> century have been improved through high-profile top-level delegates meetings held in both countries, and it helped to the enhancement of economic relations in terms of trade, investment and tourism (Deysappriya, 2006). These writings and other related literature on this topic show that many studies have been done on China-Sri Lanka relations in the contexts of diplomatic, economic, strategic, social and cultural, relations. But no studies have been conducted about the growing economic relations between China and Sri Lanka focusing on opportunities and challenges for Sri Lanka particularly during the period from 2005 to 2020.

## MATERIALS AND METHODS

The study used mix methods for the subsequent analysis. Qualitative and quantitative data were gathered by using primary and secondary sources. Primary data were gathered from the official documents, reports and Geographic Information System (GIS) for Mapping. The researchers gathered official documents and reports from various government ministries, departments and authorities such as the Foreign Ministry, the Ministry of Industry and Commerce, the Ministry of Finance, Sri Lanka Export Development Board, the Central Bank of Sri Lanka, the Sri Lanka Customs and the Sri Lanka Tourism Development Authority. Besides that, the secondary data were gathered through published books, research papers, working papers, symposia proceedings, journal articles, newspaper articles and the internet. Descriptive statistical techniques were used to analyse the quantitative data which were gathered through different sources. Researchers also used critical discourse analysis as the method to analyse the qualitative data. The analysis concentered on speeches given by high-level Chinese and Sri Lankan leaders between 2005-2020 such as Chinese presidents, Sri Lankan presidents and Prime-minister, as well as statements delivered by foreign ministers in the two countries. The speakers whose statements were included are those who directly influence with China-Sri Lanka relations, especially those who make foreign policy decisions on behalf of their state. The data was presented using texts, tables and figures.

## RESULTS AND DISCUSSION

China-Sri Lanka economic relations have formally started with the Rubber-Rice Pact in 1952, and it reached a new chapter during the period from 2005 to 2020. The economic relations between two countries grew after 2005 because China was one of the few countries that continued to supply

defence equipment and arms to the Sri Lankan Army during war against LTTE. After end of the war, China also support to prevent the human rights accountability issue in UN in the last stage of Eelam war IV. Besides these reasons, Rajapaksa anti-India agenda also effected to strong pro-China economic relations in this period (Singh, 2018: 3). During this period, there were 18 high-level meetings between China and Sri Lanka (Kumar, 2017: 1114). Sri Lankan President Mahinda Rajapaksa visited China in February-March 2007 on the occasion of the fiftieth-anniversary celebrations of diplomatic relations between two nations, and signed the following eight bilateral agreements and MOUs with China;

1. Agreement on Economic and Technical Cooperation between China and Sri Lanka;
2. Agreement between the City of Guangzhou of China and District of Hambantota of Sri Lanka on the Establishment of Friendship City Relationship;
3. MOU between the Ministry of Construction of China and the Ministry of Urban Development and Sacred Area Development of Sri Lanka;
4. MOU on Tow Way Investment Promotion Cooperation between the Investment Promotion Agency of the Ministry of Commerce of China and the Board of Investment of Sri Lanka;
5. MOU on Cooperson in the Film Industry between the Film Bureau of the State Administration of Radio, Film and Television of China and the National Film Corporation of Sri Lanka;
6. MOU for the Donation of Eye Corneas and Promotion and Cooperation, Exchanges, Technical and Technology Transfer between the Red Cross Society of China and the Eye Donation Society of Sri Lanka;
7. MOU between the Chinese Academy of Agriculture Mechanization Sciences and Department of Agriculture of the Ministry of Agriculture of Sri Lanka;
8. MOU of Academic Exchange between the Beijing Foreign Studies University of China and University of Kelaniya of Sri Lanka (Kelegama, 2014: 132-133).

In addition to these agreements and MOUs, the China Development Bank and Central Bank of Sri Lanka signed into an Investment Facilitation Agreement to strengthen long-term economic relations between the two banks (Kelegama, 2014: 133). President Hu Jintao has described the continuing China-Sri Lanka economic relations as a model of small and big country cooperation and friendship (Rodrigo, 2012: 73-74). President Rajapaksa visited China seven times during his period. As a result of President Rajapaksa's efforts, President Xi Jinping visited Sri Lanka in September 2014, and he became the first Chinese President to visit Sri Lanka after 30 years (Jacob, 2014: 2). In the same year, two countries were in the edge to sign the bilateral Free Trade Agreement. But, it was not succeeded due to Sri Lanka's worry about the unrestricted flow of almost 90% of the Chinese goods, while Sri Lanka wants to allow only around 50% of Chinese goods (Deysappriya, 2016).

Rajapaksa's government was defeated in the presidential election in January 2015, and Maithreepala Sirisena became the new president of Sri Lanka. Maithreepala Sirisena, during the election campaign and even after winning the election, gave strong criticism of Rajapaksa's dealing with China.



Consequently, He ordered a full review of all Chinese investment projects proposed by Rajapaksa’s government. However, after a few months, president Sirisena made his first official visit to China in 2015 and gave guaranteed China that Sri Lanka still wants to develop close economic relations with China. The prime-minister Ranil Wickremasinghe made his official visit to China in April 2016 and further guaranteed China’s importance to China-Sri Lanka’s close economic relations. Then, China paid renewed attention to Colombo to use as the economic hub for the proposed BRI, and MSR project (Singh, 2018: 3-8). Chinese president Xi Jinping expressed this idea in 2018 while congratulating the 70s independent anniversary of Sri Lanka;

‘I pay high attention to the development of China-Sri Lanka relations, and I am willing to make a concerted effort with President Sirisena to push the China-Sri Lanka strategic comparative partnership of sincere mutual assistance and long-standing friendship to keep achieving greater development in the better interest of the two countries and its people’ (Singh, 2018: 4).

Sirisena’s government was defeated in the presidential election in November 2019, and Mahinda Rajapaksa’s brother Gotabaya Rajapaksa became a new president of Sri Lanka, and Mahinda Rajapaksa was appointed as the Prime-minister. They again adopted a strong pro-China foreign policy for Sri Lanka. While having an interview with Xinhua News Agency, the newly appointed Sri Lankan Prime-minister Mahinda Rajapaksa said that;

“Sri Lanka hopes to continue friendly relations with China...Sri Lanka never forgets the strong support given by China for the development of Sri Lanka” (Indian Express, 04 February 2018).

It gave a sign that Sri Lanka’s interest to build close economic relations with China. Sri Lankan President Gotabaya made his first official visit to China with the invitation of Chinese President Xi Jinping in January 2020, met Chinese leaders, and had an effective discussion on economic and trade co-operation. President Gotabaya also declared his willingness to continue friendly economic relations with China. These factors again evidence strong economic relations between the two countries under President Gotabaya Rajapaksa’s administration.

**TRADE RELATIONS**

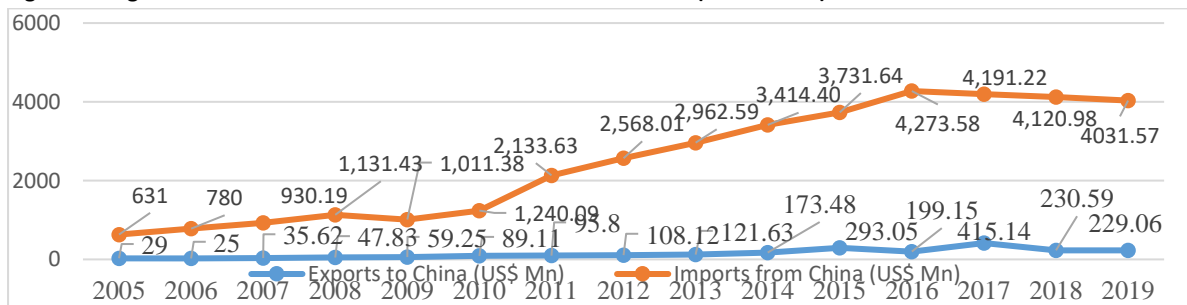
China is the world’s second-largest economy, with a GDP of 14.14 US\$ trillion in 2020. But, Sri Lanka has ranked as a lower middle-income country, with a GDP of 304.166 US\$ billion in 2020 (International Monetary Fund, 2020). Irrespective of the sizes of their economies, Sri Lanka and China have increased their bilateral trade relations with each other over the years. But, China has not been recognized as the main trading partner of Sri Lanka during the period 1990-2000, and USA and Japan were the main export and import partners, respectively. China’s importance as an importer into Sri Lanka emerged only during the latter part of the 2000s. China became Sri Lanka’s third and second main import partner, respectively in 2007 and 2011 (Deysappriya, 2016: 10), and China’s imports to Sri Lanka stood at US\$ 4031.57 million in 2019. Even though China become an important source of imports for Sri Lanka, China’s importance as an exporting partner is considerably low. Sri Lanka’s exports to China in 2019 were only US\$ 229.06 million. It is further proven with an analysis of the following data;

**Table 1: Sri Lanka’s Trade with China (2005-2019)**

Year	Exports to China (US\$ Mn)	Imports from China (US\$ Mn)	Trade Balance (US\$ Mn)
2005	29	631	-602
2006	25	780	-755
2007	35.62	930.19	- 894.57
2008	47.83	1,131.43	- 1,083.60
2009	59.25	1,011.38	- 952.13
2010	89.11	1,240.09	- 1,150.98
2011	95.80	2,133.63	-2,037.83
2012	108.12	2,568.01	-2459.89
2013	121.63	2,962.59	-2,840.96
2014	173.48	3,414.40	-3,240.52
2015	293.05	3,731.64	-3438.59
2016	199.15	4,273.58	-4,074.43
2017	415.14	4,191.22	-3,776.08
2018	230.59	4,120.98	-3,890.39
2019	229.06	4031.57	-3802.51

(Source: Created by Researchers, 2021, based on The Ministry of Industries and Supply Change Management, 2017 and Sri Lanka Exports Development Board, 2020)

**Figure 3: Negative Trade Balance of China - Sri Lanka Trade Relations (2005 - 2019)**



(Source: Created by Researchers, 2021, based on The Ministry of Industries and Supply Change Management, 2017 and Sri Lanka Exports Development Board, 2020)

The above data shows that the total trade between China and Sri Lanka has grown rapidly over the years, and has more than tripled over the ten-year period from 2010 (US\$ 1,240.09 million) to 2019 (US\$ 4031.57 million). Sri Lanka exports to China is very low over the last fifteen years, but they showed an upward trend reaching US\$ 293.05 million in 2015, but, has decreased to US\$ 199.15 million in 2016. Again it increased by US\$ 415.14 million in 2017 and decreased to US\$ 230.59 million in 2018 and US\$ 229.06 million in 2019. Sri Lanka imports from China have grown significantly over the last fifteen years. As a result of this, Sri Lanka's balance of trade with China has been negative, and the trade deficit started to deepen during the period 2005-2019, with the rapid expansion of imports.

Sri Lanka's main exports to China from 2005 to 2019 are raw coconut coir, articles of apparel and clothing accessories, tea whether or not flavoured, rubber and articles thereof, diamonds and other precious stones (see Table 2). Apart from items indicated in table 2, titanium ore, zirconium ore and activated carbon also represent an important part of Sri Lanka's export items to China (Kelegama, 2016: 135-136; The Ministry of Ports and Shipping, 2020). It revealed that except of apparel and clothing accessories, all of Sri Lanka's

major exports to China are primary goods which are normally of lower value than secondary goods. Sri Lanka's main imports from China from 2005 to 2019 are electrical machinery and equipment, boilers and machinery and parts, cotton, iron or steel and its articles, man-made staple fibres, knitted or crocheted fabrics and fertilizers (see Table 2) (Kelegama, 2016: 136; The Ministry of Ports and Shipping, 2020). Apart from items mentioned in table 2, railway locomotives, organic and inorganic chemicals along with coated, covered, or laminated fabric also represent an important part of Sri Lanka's imports items from China. It revealed that exception of cotton, all of Sri Lanka's major imports from China are from the secondary sector of the economy, which are normally of higher value than primary goods. It is the main reason for the growing deficit Sri Lanka faces in its trade balance with China. Sri Lanka understood this situation would be very serious for the Sri Lankan economy in future with a huge gap. Therefore, the Sri Lankan government introduced new export items to China such as a part of electronic integrated circuits, printed circuits, micro assemblies and chemicals (Deysappriya, 2016: 12). It helped to narrow down its negative trade balance with China in 2017 with some extent (see Figure 3).

**Table 2: Sri Lanka's Major Exports to China and Imports from China (2005-2019)**

Sri Lanka's Major Exports to China	Sri Lanka's Major Imports from China
Raw coconut coir	Electrical machinery and equipment
Articles of apparel and clothing accessories	Boilers and machinery and parts
Tea whether or not flavoured	Cotton
Rubber and articles thereof	Iron or steel and its articles
Diamonds and other precious stones	Man-made staple fibres
	Knitted or crocheted fabrics
	Fertilizers

(Source: The Ministry of Ports and Shipping, 2020)

### Investment Relations

With the 'String of Pearls concept', China considered Sri Lanka as a strategically important location in a key shipping lane. Thus, China wants to build a friendly relationship with Sri Lanka, while investing in mega investment projects which have not yet been touched by any other countries (Deysappriya, 2016: 13). The following two factors have contributed to this situation. First, Sri Lanka became a lower middle-income country, and the western countries and international financial institutions including the World Bank, the International Monetary Fund (IMF), and the Asian Development Bank (ADB), impose many conditions based on human rights, rule of law, democracy, good governance, anti-corruption measures, trade liberalization, and structural adjustments when they provide the development loans and aids for Sri Lanka (Kahandawaarachchi, 2015: 10). It is further proven with the following words of the official from the Sri Lankan Ministry of Finance and Planning;

"No one was interested in investing in Sri Lanka.... anything is great when there is no alternative" (Iain, 3 May 2018).

Therefore, the Sri Lankan government tried to make closer economic relations with China in order to get the investment support it required. Second, Rajapaksa's government have not made any conditions for donors and tried to get investment assistance with minimum procedures and China is suited for requirements (Deysappriya, 2016: 13). FDI played an important role as a source of economic growth, particularly in developing countries. But, FDI inflows from China to Sri Lanka were very low in the early and mid-2000s. Deysappriya (2016) pointed out that FDI inflows from China to Sri Lanka were only US\$ 61.7 million during the period from 2003 to 2008, and it was much low in the period from 2009-2011 (Deysappriya, 2016: 13). However, the FDI from China has grown up during the period of 2012 to 2017. It is further proven with an analysis of the following data;

**Table 3: FDI Inflows to Sri Lanka over the Period 2012 -2017 (US\$ Million)**

Country	2012	2013	2014	2015	2016	2017
China	185	240	403	322	802	1,630
Hong Kong	252	140	175	174	108	1,344
India	26	33	35	44	44	1,077
Malaysia	49	180	42	77	152	980
UK	62	67	383	33	254	905
Netherlands	62	103	73	69	92	808
Singapore	56	92	68	71	62	885
UAE	185	102	42	41	51	550
USA	168	163	380	348	391	369

(Source: Created by Researchers, 2021, based on Board of Investments of Sri Lanka Annual Reports, 2013- 2018)

Above figure shows that the FDI inflows to Sri Lanka in 2012-2017 annually. It revealed that China became second largest FDI donor equally with the United Arab Emirates (UAE) for Sri Lanka in 2012, while Hong Kong (considered as a separate investment source) were reported to be ranked first. FDI inflows from China to Sri Lanka in 2012 were US\$ 185 million. After 2012, FDI inflows from both Hong Kong (except 2017) and the UAE decreased sharply, while inflows of FDI from China increased rapidly to US\$ 1630 million by 2017. China's FDI has mostly invested in telecommunications, power and energy industries in Sri Lanka. Similarly, Chinese businesses have also made significant investments in garments, electronics manufacturing facilities and leather in Sri Lanka. Latter, these three sector use to play significant role in economic performance of the country (Jayarathne, 2017).

**Borrowings, Loans and Technical Assistance**

In addition to being a favourable FDI donor country, China has been recognized as a vital provider of borrowings and loans to Sri Lanka during the period from 2005-2020. There are two reasons for this. First, the 2005 government have not made any conditions for donors and tried to get a loan with minimum procedures and China suited for requirements. Second, Sri Lanka became a lower middle-income country and loans from donors were cut down and whatever loans gave with many conditions. For example, the western countries and international financial institutions like the World Bank, the IMF, and the ADB impose many conditions based on human rights, rule of law, democracy, good governance, anti-corruption measures, trade liberalization and structural adjustments when they provide the development loans and borrowings for Sri Lanka. The Sri Lankan government understand these conditions would be undermined its

sovereignty and interfere in the internal affairs of the country. But, China does not make any conditions and interfere in the internal affairs of Sri Lanka, while providing development loans and borrowings. It is further proven by the following statement of former Chinese Foreign Minister Wang Yi, while meeting former Sri Lanka's Foreign Minister G. L. Peiris in February 2014;

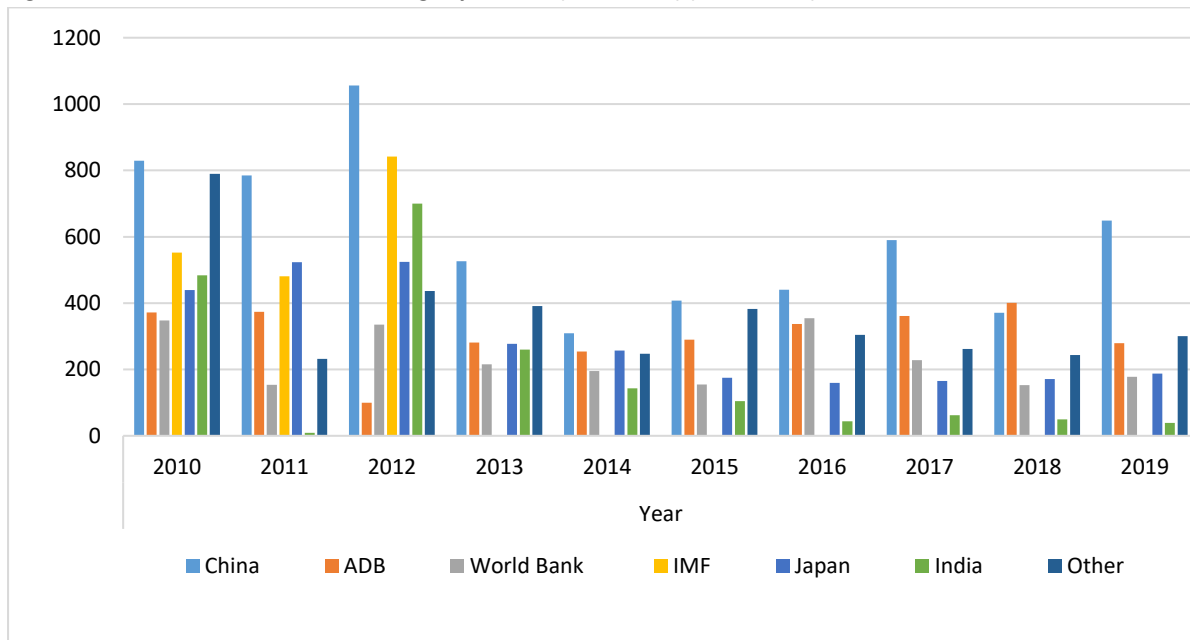
“China backs the Sri Lankan government in safeguarding national independence, sovereignty and territorial integrity, and China believes in the Sri Lankan people's wisdom and capacity to handle their own affairs.... China opposes some country's interference in the internal affairs of Sri Lanka under the pretext of human rights issues” (Xinhua, 11 February 2014).

It is also proven by the following statement of former Sri Lankan Deputy Minister of Policy Planning and Economic Development Dr. Harsa De Silva;

“Unlike the World Bank or IMF, the Chinese banks are giving loans with no regulations attached, and the former government was driven by its desire for quick cash without conditionally. If the previous government were to adhere to the conditions of the IMF or World Bank many of the loans would not have been approved” (Colombage, 26 August 2014).

Their words clearly show why Sri Lanka prefers China as a development partner. According to the Ministry of Finance (2020), China provided US\$ 7.2 billion value of borrowings to Sri Lanka from 1971 to 2020, among them US\$ 6.91 billion, representing around 95.97%, come during the period of 2005-2020 (The Ministry of Finance, 2020). China also become the largest lender to Sri Lanka during the period of 2010-2019, except in 2018. It is further proven with an analysis of the following data;

**Figure 4: Sri Lanka Government Borrowings by Lenders (2010–2019) (US\$ Million)**



(Source: Created by Researchers, 2021, based on the Ministry of Finance, 2011-2020)

According to the figure, China has continuity-provided loans to Sri Lanka, while loans have been limited from the ADB, Japan, World Bank, India and IMF. 27.7% of Sri Lankan foreign borrowings came from China during the period from 2010 to 2019, followed by 14.1% from ADB, 13.3% from Ja-

pan and 10.7% from World Bank. Most of the Chinese borrowings are given by either state-owned or state-affiliated banks in China. In this regard, the Export-Import Bank of China and China Development Bank Cooperation played a key role. Most of these loans are used for infrastructure development in Sri Lanka (see Table 4).

**Table 4: Major Projects Carried Out with China's Technical and Financial Assistance**

Name of the Project	Cost (US\$ Million)	Year Completed
BMICH	2.14	1973
Special Economic Zone at Mirigama	28	2009
Polonnaruwa Water Supply & Sanitation Project	32.93	2010
Hambantota Port Development Project <sup>3</sup>	1400	2010
Southern Expressway	741.1	2011
Norocholai Power Station (Lak Wijaya Coal Power Station)	460	2011
Lotus Pond Theatre	30	2011
Colombo-Katunayake Expressway	248.2	2013
Mattala International Airport	209	2013
Moragahanka Reservoir Project (Stage I)	370	2017
Colombo Lotus Tower	104.3	2019
Matara-Hambantota Extension of Southern Expressway	250	2020
National Nephrology Hospital in Polonnaruwa	295	2021
The first phase of Central Expressway	1000	Not Yet Opened
The International Financial City (Port City) <sup>4</sup>	1400	Not Yet Opened
Railway Track from Matara to Kataragama	278.2	Not Yet Opened

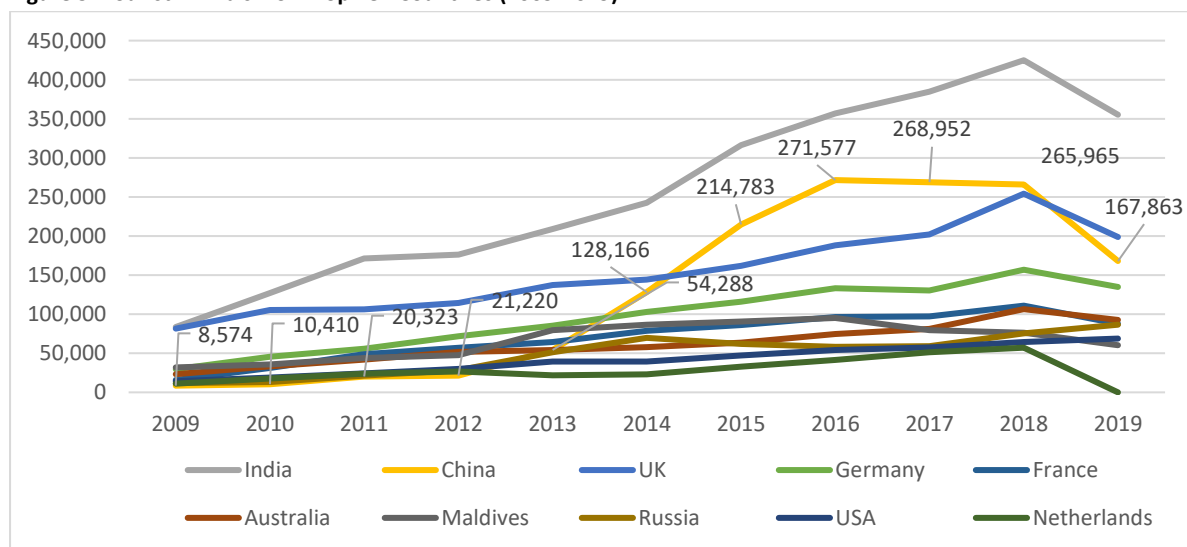
(Source: Created by Researchers, 2021)

According to the Table, the SEZ at Mirigama was a very significant project, which allocated a specific area to attract foreign investors for the first time in Sri Lankan history. Similarly, the Hambantota Port Development project and Mattala International Airport project were proposed to advance the maritime and aviation sectors, respectively. With regard to future infrastructure projects, planned the International Financial City, is expected to become an economic and trade hub of the Indian subcontinent, and more broadly, of the Indian Ocean region (Deyshappriya, 2016: 17).

### Tourism Relations

Sri Lanka is well known as the "Pearl of the Indian Ocean", due to its islandic position and natural beauty which, together with the warm hospitality of its people, attract a significant number of tourists from all over the world (Deyshappriya et al., 2019). Consequently, 1,913,702 international

tourists visited to Sri Lanka in 2019, and the tourism sector become the third largest foreign income earner of the economy, after remittances and garments. The tourism sector earned US\$ 3,606.9 million in 2019, and it made a 4.3% direct contribution to GDP. Tourism also generated 402,607 direct and indirect employment opportunities in 2019, which is hoped to increase up to 943,000 by 2025 (Sri Lanka Tourism Development Authority, 2019). According to the Sri Lanka Tourism Strategic Plan 2017-2020 (2017), "it is hope that Sri Lanka will be identified as a place for memorable, authentic and diverse tourism experiences in the world by 2025" (Tourism Strategic Plan 2017-2020, 2017). The following data shows the tourist arrivals and share of tourist arrivals from the top ten countries during the period of 2009-2019.

**Figure 5: Tourist Arrivals from Top Ten Countries (2009-2019)**

(Source: Created by Researchers, 2021, based on Sri Lanka Tourism Development Authority, 2009-2019)

<sup>3</sup> In 2017, Sri Lanka formally handed over the Hambantota Port to Chinese company called the China Merchants Port Holdings Company (CMP).

<sup>4</sup> China was the largest financier in this project, committing US\$760 million in loan, ahead of Japan (US\$413 million) and World Bank (US\$105 million).

**Table 5: Tourist Arrivals and Share of Tourist Arrivals from the Top Ten Countries (2012 – 2019)**

Country	2012		2013		2014		2015		2016		2017		2018		2019	
	Arrivals	%	Arrivals	%	Arrivals	%	Arrivals	%	Arrivals	%	Arrivals	%	Arrivals	%	Arrivals	%
India	176,340	17.5	208,795	16.4	242,734	15.9	316,247	17.6	356,729	17.4	384,628	18.2	424,887	18.2	355,002	18.6
China	21,220	2.1	54,288	4.3	128,166	8.4	214,783	11.9	271,577	13.2	268,952	12.7	265,965	11.3	167,863	8.8
UK	114,218	11.4	137,416	10.8	144,168	9.4	161,845	9.0	188,159	9.17	201,879	9.5	254,176	10.9	198,776	10.4
Germany	71,642	7.1	85,470	6.7	102,977	6.7	115,868	6.4	133,275	6.5	130,227	6.2	156,888	6.7	134,899	7.0
France	56,863	5.7	64,388	5.1	78,883	5.2	86,126	5.0	96,440	4.7	97,282	4.6	110,928	4.7	87,623	4.8
Australia	51,614	5.1	54,252	4.3	57,940	3.8	63,554	3.5	74,496	3.6	81,281	3.8	106,449	4.6	92,674	4.6
Maldives	47,572	4.7	79,474	6.2	86,359	5.7	90,617	4.8	95,167	4.6	79,371	3.8	76,108	3.3	60,278	4.5
Russia	28,402	2.8	51,235	4.0	69,718	4.6	61,846	3.44	58,176	2.84	59,191	2.8	75,308	3.2	86,549	3.1
USA	29,907	2.9	39,621	3.1	39,371	2.6	47,211	2.63	54,254	2.65	57,479	2.7	64,497	2.8	68,832	3.6
Netherlands	26,754	2.6	21,989	1.7	23,165	1.5	32,742	1.8	41,373	2.0	51,148	2.4	57,160	2.4	—	—

(Source: Created by Researchers, 2021, based on Sri Lanka Tourism Development Authority, 2012-2019)

According to the figure and table, Indian tourists became a dominant tourism partner of Sri Lanka during the period of 2009-2013, while China has not been recognized as the top five tourism partner of Sri Lanka. Similarly, German, India and the United Kingdom (UK) were top the three sources of tourist arrivals in Sri Lanka until 2014, and China's contribution was very low during this period. However, China-Sri Lanka's close investment and trade relations create opportunities to steadily increase the number of Chinese tourists to Sri Lanka after 2013. Consequently, China became the third top tourist partner of Sri Lanka in 2014, the second top tourist partner of Sri Lanka from the period of 2015-2018, and again China let down as the third top Sri Lankan tourist partner in 2019. Similarly, Chinese tourist arrivals raised by 71.7% during the period 2010-2019, while Indian and UK tourist arrivals only raised by 20.2% and 10.7% respectively. It was estimated that around 1,189,140 Chinese tourists visited Sri Lanka during the period of 2015-2019. According to the existing trend, China will be the top tourist partner of Sri Lanka in the near future. Therefore, to attract more Chinese tourists, the number of direct flights between Colombo and Beijing and Colombo and Hong Kong has increased by the Sri Lankan government. Sri Lankan government also simplified the visa for Chinese citizens and Sri Lankan Airlines also offers cheap airline tickets to China. Apart from these, the government has introduced holiday packages to attract more Chinese tourists. If the government will be able to develop the tourism market this way, it will positively have impacted the economic growth of the country.

### **Opportunities for Sri Lanka Being with China**

China-Sri Lanka's economic and trade relations have opened up lots of opportunities for Sri Lanka. These opportunities can be analyzed in the following as;

#### **Infrastructure Development of Sri Lanka**

China-Sri Lanka's economic relations have positively impacted the vast infrastructure development of the country. As such, Sri Lanka got infrastructure development that never thought Sri Lanka would

get in recent history. Especially, Under the BRI, China has worked with a number of infrastructure development projects in Sri Lanka including ports, water, electricity, transportation, etc.... (see table: 4), and it made significant contributions to the socio-economic development of the country. The SEZ at Mirigama was a very significant project, which allocated a specific area to attract foreign investors for the first time in Sri Lankan history. Similarly, the Hambantota Port Development Project and Mattala International Airport project were proposed to advance the maritime and aviation sectors, respectively. With regard to future infrastructure projects, planned the International Financial City, is expected to become an economic and trade hub of the Indian subcontinent, and more broadly, of the Indian Ocean region (Deyshappriya, 2016: 17). Beyond that BRI provides soft infrastructure development while improving people to people link by enhancing cooperation on education, sport, health, science, technology...etc. For instance, China provided more than 1200 scholarships, training and internships to Sri Lankan every year since 2015.

#### **Economic Benefits**

Sri Lanka is strategically well located in one of the main points in China's recently initiated MSR with three international shipping ports such as Colombo port, *Trincomalee* port and *Hambantota* international port (see Figure 2). Under this initiative, China aims to reclaim the past gloss of the ancient Silk Road, while increasing connectivity between China, Asia, Europe and Africa. Thus, China wants to use Sri Lanka as an economic and trade hub for its exports and imports under the MSR initiative (Kumar, 2017: 1111-1112). Sri Lanka is located just a few naval miles away from the main east-west shipping way, through which an estimated approximately 60,000 ships pass every year, carrying half of all container ships and two-thirds of the world's oil ships (Diven, 2016: 11). The Colombo port also has a strong feeder link to other in Asia and Africa. These ports do nearly 30% of their trade in Colombo port. As well, Colombo port has a significant potential to attract new and larger shipping vessels due to its capabilities such as port technology, warehousing and support service. To facilitate this, the Sri Lankan government started to develop major three ports in Sri Lanka including Colombo

port, Hambantota port and Trincomalee with financial support from China. The International Financial City also is being developed, which aims to deliver supportive services such as banking, insurance, brokerage, logistics and technology (Wijayasinghe, 2018: 391-392). These developments together with BRI will transform Sri Lanka into an economic and trade hub in BRI. Similarly, Sri Lanka is considered as one of the pearls of China's String of Pearls concept, which has gained traction in recent years because of China's increasing strategic interests over countries in the Indian Ocean Region (see Figure 1). Consequently, there are lots of economic benefits for Sri Lanka too with being an important location in China's maritime silk road and China's string of pearls concept. Firstly, Sri Lanka can make an integrated web of mutually beneficial economic social and political ties. Secondly, Sri Lanka can grow up the trade relationship between west to east countries and the different continents. Lastly, it will attract infrastructure development-oriented funding from the Chinese government for Sri Lanka (Jayarathne, 2017). This revealed that Sri Lanka being an important location in China's MSR initiative and China's string of pearls concept will provide lots of economic benefits for Sri Lanka.

### **Military Support**

Over the years, military cooperation between the two countries has been enhanced, and China provided military support for Sri Lanka when needed. Wang Yiwei argued that "smaller countries in the south Asian region are willing to military cooperation with China because they are fearful about Indian military strength" (Sutirtho, 21 March 2017). The high level of military visiting contributed to enhancing the military cooperation between the two countries. The Chinese Defence Minister Liang Guanglie visited Sri Lanka in 2012. During his visit, provided a grant of US\$ 100 million to construct the army camps in the northern and eastern provinces of Sri Lanka. The Vice-Chairman of China's Central Military Commission, Air Chief Marshal Xu Qiliang, visited Sri Lanka and met Secretary for defense and Urban Development, Gotabaya Rajapaksa in September 2014, and both parties emphasize the need for better military-to-military ties between the two countries (Singh, 2018: 7). Chinese State Councillor and Defence Minister, Chang Wanquan visited Sri Lanka in March 2017, and met President Sirisena. After the meeting, President Sirisena declared that; "Sri Lanka will energetically follow through joint cooperation project with China in all fields.... Sri Lanka will, as usual, steadfastly support China's stance in International and regional affairs as well as on issues of great concern to China. We also trust that China will continue to provide the required training to the Sri Lankan security forces" (Xinhua, 21 March 2017).

The naval ships visiting contributed to further strengthening of China-Sri Lanka military relations. China's naval ships visited three ports in Sri Lanka in 1985, which regards as the Chinese Navy's first visit to a foreign country. China's naval ships visited Colombo on the way to China's first ever multi-lateral naval exercise with Pakistan in March 2007. China's naval ships again visited Colombo in 2009 and 2010 on their way to join anti-piracy operations in the Gulf of Aden (Singh, 2018: 8). The Chinese two People's Liberation Army (PLA) submarines visited Sri Lanka in September and November 2013. This was a result of Rajapaksa's government's support for China's MSR idea (Jacob, 2014: 1). The Chinese naval hospital ship peace ark made its first visit to Colombo Port in August 2017 (Singh, 2018: 8).

China has been recognized as a major supplier of military equipment and assistance to Sri Lanka since the 1950s. Premadasa's government purchased arms and ammunition necessary for Navy from China in 1990. The government also imported military equipment from the China North Industries Cooperation in 1993 (Lindberg, 2011: 44). Kumaratunga's government purchased Type 66-152 mm towed guns in 1999, O3 Type O62 patrol crafts and 10 BT-A6 Trainer Aircraft in 2000, 6K-8 Trainer in 2001 and 10 WZ-551 APC in 2002 (Lindberg, 2011: 44-45). China's arms sales to Sri Lanka steadily increased during the period of Eelam war IV, which began in July 2006. Sri Lanka signed an arms deal valuing US\$ 37.6 million with the China-based Poly Technologies for Jian-7 fighters, JY 11 -3D air surveillance radars, armored personnel carriers, T-56 assault rifles, machine guns, anti-aircraft guns, rocket-propelled grenade launchers and missiles (Kumar, 2017). The Chinese government also gave six F-7 fighter aircraft to the Sri Lankan government free of cost. As such, Sri Lanka became China's eighth-largest arms market (Wheeler, 2012: 11). China also cooperates with Sri Lanka, while providing military training and modernising and expanding Sri Lanka's defense force (Kumar, 2017: 1118-1119).

### **Diplomatic Support Given by China at the Global Forums**

China provided diplomatic support for Sri Lanka at the global forums on various issues, particularly human rights issue risen by the western countries. China stood with Sri Lanka when the United Nations Commission for Human Rights (UNCHR) and United Nations Sub Commission on the Prevention of Discrimination Against Minorities (UNSCPAD) pilloried Sri Lanka for its negative human rights record during the period of JVP insurgency (1987-1989). This support was given when even traditional friends such as the Union of Soviet Socialist Republic (USSR), Cuba and Yugoslavia were influenced by India not to support Sri Lanka (Vandergert, 2002: 40). Similarly, China provided strong support for Sri Lanka in the wake of human rights accountability issue in UN in the last stage of Eelam war IV. For example, China voiced strongly against the United States-backed Human Rights Council Resolution (HRCR) against Sri Lanka in 2012 and 2021 (Cameron, 2002: 2-14). The Chinese Foreign Minister Wang Yi made the following statement while supporting Sri Lanka against the UNHRC resolution;

"China opposes some countries' interference in the internal affairs of Sri Lanka under the pretext of human rights issues.... We believe in the Sri Lankan people's wisdom and capacity to handle their own affairs" (Cameron, 2002: 2-14). Similarly, China voted several times in favour of Sri Lanka at the United Nations Human Rights Council (UNHRC) regarding war crimes allegations. China gave valuable support to Sri Lanka to enter the ASEAN Regional Forum in 2007, and get the dialogue partner status in the Shanghai Cooperation Organization (SCO) (Kelegama, 2014).

### **Growth in Tourism**

The China-Sri Lanka close economic relations have clearly impacted to attract more Chinese tourists to Sri Lanka after 2013. China become the third top tourist partner of Sri Lanka in 2014, and the second top tourist partner of Sri Lanka in the period of 2015-2018, pushing the UK into the third position, and again China become the third top tourist partner of Sri Lanka in 2019. Similarly, Chinese tourist arrivals raised by 71.7% during the period 2010-2019, while Indian and UK tourist arrivals only raised by 20.2% and 10.7% respectively. It was estimated that around 1,189,140 Chinese tourists visited Sri Lanka during the period of 2015-2019 (see Figure: 5

and Table 5). According to the existing trend, there is a high possibility for China to become the top tourist partner of Sri Lanka in the near future (Deyshappriya et al., 2019: 49-55). Therefore, to attract more Chinese tourists, the number of direct flights between Colombo and Beijing and Colombo and Hong Kong has increased by the Sri Lankan government. Sri Lankan government also simplified the visa for Chinese citizens and Sri Lankan Airlines also offers cheap airline tickets to China. Apart from these, the government has introduced holiday packages to attract more Chinese tourists. If government will be able to develop the tourism market this way, it will positively have impacted to the economic growth of the country.

### **Challenges Faced by Sri Lanka**

Sri Lanka has faced lots of challenges while having an economic relationship with China. These challenges can be analysed the following as;

#### **Concerning on Indian Factor**

Sri Lanka has opened the door for China to make a significant economic and strategic involvement in Sri Lanka. It became critical when the Sri Lankan government formally sell out the Hambantota port to Chinese company called the China Merchants Port Holdings Company (CMP) in December 2017. India evaluated this situation as a huge challenge for her to remain as a regional power in South Asia over the years with economic power and a regional military power with a nuclear weapons and missile capability (Uluwaduge and Changfeng, 2021). Raveesh Kumar<sup>5</sup> while addressing the Hambantota “trade-off” in December 2017 said that, “India expects Sri Lanka to be mindful of its security concerns and sensitivities” (Institute of Peace and Conflict Studies, 2013; Kumar, 2017). At the same time, India developed a strategic partnership with the USA and Japan to face China’s security concerns. China responded this saying that “one mountain cannot accommodate two tigers”, and tried to prevent the rise of India, which is emerging as a competitor in Asia and beyond. Therefore, China involvement in Sri Lanka has become a possible challenge for Sri Lanka to tackle with big brother or hegemonic power India (Kumar, 2017). Therefore, the close economic relations between China and Sri Lanka should not come at the geo-political security concerns of India. If such a challenge happened, the Sri Lanka government should balance its bilateral relations with two rising powers in Asia to work out a ‘win-win’ situation.

#### **Negative Trade Balance**

The total trade between China and Sri Lanka has grown rapidly over the years, and it has increased more than triple over the ten-year period from 2010 (US\$ 1,240.09 million) to 2019 (US\$ 4031.57 million). But, Sri Lankan exports to China is very low over the last fifteen years, but they showed an upward trend reaching US\$ 293.05 million in 2015, however they decreased to US\$ 199.15 million in 2016. Again it increased US\$ 415.14 million in 2017 and decreased to US\$ 230.59 million in 2018 and US\$ 229.06 million in 2019 (see Figure: 3 and Table 1). This import-centric China-Sri Lanka trade relation has led to a severe negative trade balance for Sri Lanka. The negative trade balance started to deepen during the period 2005-2019, with the rapid expansion of imports, and it becomes US\$ - 4,074.43 Million in 2016, US\$ - 3,776.08 million in 2017, US\$ - 3,890.39 million in 2018 and US\$ - 3802.51 million in 2019 (see Figure: 3 and Table 1). This

situation is going to be very serious for the Sri Lankan economy in future with a huge gap. Therefore, Sri Lanka should improve its export items and try to narrow its trade deficit with China. Consequently, Sri Lanka has identified new export items such as a part of electronic integrated circuits, printed circuits, micro assemblies and chemicals. This item could be exported to China at a zero tariff rate. Finally, it will help to reduce the negative trade balance of Sri Lanka with China.

#### **Debt Burden and Low Investment Return**

Due to the regular flowing funding and loans from the donors, Sri Lanka faces economic difficulties due to a debt burden to China and the rest of the world. According to the central bank of Sri Lanka, Sri Lanka’s foreign debt was US\$ 56.8 billion, by February 2020, and it must make US\$ 4.8 billion in debt repayment in 2020. Sri Lanka’s debt equals 81.6% of its Gross Domestic Product (GDP), and IMF stressed it as the third height ratio among emerging economies. By 2020, 95.4% of the government revenue was used to repay the national debt (International Monetary Fund, 2020). Sri Lanka has faced many difficulties to repay the debt to China and the rest of the world for its funding and loans, and the Sri Lankan government decided to restructure the debt agreements with China. A good example of this is the funds taken for the Hambantota Port Development Project in 2008. When the government was unable to repay the US\$ 1.4 billion loan for China, the government formally leased out the Hambantota Port to a Chinese company called the China Merchants Port Holdings Company (CMP) for 99 years with US\$ 1.1 billion debt write-off (Wijayasiri and Senaratne, 2018: 395). Similarly, some of the Chinese-funded projects in Sri Lanka have not generated enough revenue to repay the loans. A good example of this is the Mattala International Airport (MIA). It was opened in March 2013 but failed to attract business. In the beginning, several airlines came to MIA, but due to low demand, these airlines left MIA. In 2016, the government called for Expressions of Interest to take part in commercial activities as MIA is not generating enough revenue to repay the loans taken from China. Some called it “the world’s emptiest international airport’ due to its low number of flights (Wijayasiri and Senaratne, 2018: 395-396). This situation will create an economic crisis in Sri Lanka in the future. Therefore, the Sri Lankan government should pay attention to making a priority list while taking loans from donors.

### **CONCLUSIONS**

China-Sri Lanka economic relations formally started with the Rubber-Rice Pact in 1952, and it reached a new chapter during the period from 2005 to 2020. Sri Lanka has gained many opportunities due to close economic relations with China. Sri Lanka being an important location in China’s MSR initiative and China’s string of pearls concept provided lots of economic benefits for Sri Lanka. China become a significant export market, source of FDI, source of low cost imports for Sri Lanka, vast infrastructure development of the country and source of the tourism industry in Sri Lanka. China also became a key source of military and diplomatic support for Sri Lanka when needed, especially in the wake of the human rights accountability issue that emerged after the end of the civil war. Sri Lanka’s economic relations with China present

<sup>5</sup> Raveesh Kumar is the spokesperson for the Ministry of External Affairs, India.

both opportunities as well as challenges. China's involvement in Sri Lanka has become a possible challenge for Sri Lanka to tackle with big brother or hegemonic India. Therefore, the close economic relations between China and Sri Lanka should not come at the geo-political security concerns of India. If such a challenge happened, the Sri Lanka government should balance its bilateral relations with two rising powers in Asia to work out a 'win-win' situation. The severe negative trade balance for Sri Lanka become another challenging area of Sri Lanka's economic relations with China. This situation is going to be very serious for the Sri Lankan economy in future with a huge gap. Therefore, Sri Lanka should improve its export items and try to narrow its trade deficit with China. Consequently, Sri Lanka has identified new export items such as a part of electronic integrated circuits, printed circuits, micro assemblies and chemicals. This item could be exported to China at a zero tariff rate. The huge debts and low investment return also become a challenging area for Sri Lanka's economic relations with China. This situation created an economic crisis in Sri Lanka. Therefore, the Sri Lankan government should make the possible arrangements to overcome this problem.

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# Impact of Intellectual Human Capital and Knowledge Acquisition Capabilities on Financial Performances of Indigenous Craft Industries in Sri Lanka

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## Abstract

The study seeks to investigate the impact of intellectual human capital and knowledge acquisition capabilities on the firm's financial performance, particularly in indigenous craft industries in Sri Lanka. The quantitative data were collected from 355 owners of indigenous craft industries located in traditional handicrafts villages in Sri Lanka and analyzed with the help of a Partial Least Square Structural Equation Model (PLS-SEM). The empirical results show that intellectual human capital has a significant positive impact on the financial performance of indigenous craft industries. Further, it was found that knowledge acquisition capabilities have a significant positive impact on the firm's financial performance. In addition, the study identified that knowledge acquisition capabilities have a significant positive mediating effect on the relationship between intellectual human capital and the firm's financial performance. Thus, the study found that the intellectual human capital of owners is the most powerful intangible resource, which has a significant positive impact on a firm's financial performance. The study suggests to owners of the indigenous craft industries, policymakers, donors, and others to incorporate the strategies to develop and strengthen the efficiency and productivity of intellectual human capital to improve their financial performance.

**Keywords:** Firm Financial Performance, Intellectual Human Capital, Indigenous Craft Industries, Knowledge Acquisition Capabilities

## INTRODUCTION

The craft industries are considered heritage industries, which are contributed significantly to Gross Domestic Production (GDP) through creating job opportunities and business opportunities, generating foreign exchange, etc. (Abrahman & Ramli, 2016; Tambunan, 2011). According to the Department of Census & Statistics (2017), 16.92% of the total employment was recorded from craft and related industries. Sri Lankan Indigenous Craft Industries (ICIs), is famous for the variety of craft-based products, which are based on a national indigenous culture other than agriculture, mining, services, etc. (De Silva, 2019). However, the ICIs sector still runs with lots of struggles and obstacles such as stagnated or reduced profits, low level of sales growth rate, lower market share, and low financial and business performances. Consequently, affects the competitiveness of ICIs in both national and international markets, low productivity, lack of loan facilities, limited adoption of new technology, lack of managerial skills, low entrepreneurial experiences and competencies, and unbearable competition from large-scale enterprises (Bailetti et al., 2012; Clark & Estes, 1998; Hallback & Gabriellsson, 2013; Kannan, 2013). Most scholars have already addressed most of these issues and problems encountered by craft industries. In contrast to

those findings, some of them recognized Intellectual Human Capital (IHC) as a major corporate intangible asset capable to generate sustainable competitive advantage and superior financial performance (Barney, 1991; Marimuthu, et al., 2009; Muhammad & Ismail, 2009; Saeed et al., 2013). They have found that IHC and Knowledge Acquiring Capacities (KACs) developed through family and society have an impact on the improvement of financial performance and the growth of the entity through minimizing production costs and wastage loss, transaction costs, asymmetrical information, exchange of resources and knowledge, moral support, providing social security, etc.

Mention & Bontis (2002) evaluated the relationship between Intellectual Capital (IC) and financial performance within the banking sector of Luxembourg and recognized that the IHC dimension of IC highly contributes to the financial performance of those banks. Ozkan et al. (2017) analyzed the relationship between IC performance and financial performance of 44 banks operating in Turkey and found that IC performance of the Turkish banking sector is generally affected by human capital efficiency. Further, they found that human capital efficiency positively affecting to the firm's financial performance. Ousama and Fatima (2015) conducted

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a study on Islamic banks and deduced that human capital efficiency is higher than the structural capital and capital employed efficiency of those banks. Al-Musali & Ismail (2014) examined IC and its effect on the financial performance of listed commercial banks in Saudi Arabia and suggested that Saudi commercial banks need to highly depend on IHC to create value. Denford, (2013), Helfat et al., (2007), Li and Liu, (2014), Teece, (2007), and Wang et al., (2007) mentioned that KACs of the human capital of an entity have the potential to systematically solve problems and improve their performance.

In the existing literature discussed above, scholars have integrated some selected dimensions of IHC and KACs into a financial performance perspective and most of the scholars synthesize selected variables of IHC and KACs with business performance (Li & Liu, 2014; Muhammad & Ismail, 2009). But there is no complete single academic work in the literature synthesizing all the variables of IHC with financial performance focusing on the interaction between IHC, KACs, and FFP, particularly of ICIs in Sri Lanka. Further, most of these studies are based on firms in developed economies, which may not be fully applicable to emerging economies like Sri Lanka (Lin & Germain, 2003). A notable exception to this gap in the literature is that the current study incorporated to evaluate IHC and its influence on FFP through KACs and the mediating role of KACs that are rarely studied together. Therefore, this study attempts to investigate the impact of IHC on FFP of ICIs in Sri Lanka and to find out the mediating effect of KACs on the relationship between IHC and FFP of ICIs in Sri Lanka.

The remainder of this paper includes the past literature on the impact of IHC on FFP, the theoretical framework underlying the proposed model and hypotheses, the research methodology used followed by the results of data analysis, and a discussion of the results. Finally, the conclusion of the study, limitations as well as implications and recommendations for future research and practices are presented.

## THEORETICAL BACKGROUND

The concept of IC is highly linked with the Resource-Based Theory (RBT) of the firm and its variations – the concept of dynamic and core capabilities (Schultz, 1961; Becker, 1962). The Resource-Based View (RBV) and the Theory of Human Capital have been adopted by the majority of entrepreneurship researchers who conducted a large number of studies and recognized IHC as a prediction of entrepreneurial success (Schultz, 1961; Becker, 1962). The RBT identifies IHC as a key resource that enhances institutional growth. The Human Capital Theory (HCT), is highly connected with the IHC because HCT is highly associated with the RBV and the firm's sustainable competitive advantage is attained through its resilient human resources pool (Schultz, 1961; Becker, 1962).

IHC represents the individual knowledge stock of an entity generated by its employees through their competence, in terms of skills and knowledge, their attitude as well as the behavioral component of employees' work (Bontis, 2001). IHC can be defined as the unique or genetic knowledge, skills, and experiences such as innovation, capacity, creativity, know-how, and previous experiences, teamwork, employee flexibility, tolerance, ambiguity, motivation, satisfaction, learning capacity, loyalty, formal training, and education that employees take with them when they leave the company (Bontis, 1998; Edvinsson & Malone, 1997; Roos & Roos, 1997). Acquiring knowledge is the border activity of

accepting knowledge from the external environment and transforming it into a representation within an organization. The key aspects of KACs are improving existing knowledge and effective acquisition of new knowledge (Gold et al., 2001). Further, an organization with better KACs will have a positive level of absorptive capacity. On the other hand, tacit knowledge is an essential part of knowledge acquired by individuals during work, which contains person, situation, or context-oriented interactions (Gold et al., 2001). Therefore, KACs can be recognized as the backbone of organizational learning and bring enormous benefits such as lower costs, improved delivery, fewer quality problems, early insight into new technologies, and on-time product launches (Hsu, 2006; Sher & Lee, 2004). Furthermore, it improves the quality of the business processes, products, and services offered by the firm and better operational performance of an organization (Law & Ngai, 2008). The Firm's Financial Performance (FFP) is the bottom line, which means profit, which represents financial performance (Verboom & Ranzijn, 2004). Venkatraman and Ramanujam (1986) treated FFP as sales growth and profitability. Therefore, the FFP of an entity might be judged on the firm's profit-generating potential (profitability). Financial Performance can be defined as 'the extent to which the organization performs in relative profitability, Return on Investment (ROI), and total sales growth (Nahapiet & Ghoshal, 1998). As per the theoretical and empirical literature, the performance measures fall into two broad categories: financial and non-financial measures (Henri, 2006; Hoque & Adams, 2008; Hoque & James, 2000; Ittner et al., 2003; Kaplan & Norton, 1996). The current study utilized financial measures and they are principally quantitative measures. In literature, some researchers (Barnes, 1983; Edwards, 2004; Frank et al., 2003) identified many difficulties in measuring FFP, especially in informal entities as well as small entities like ICIs, which were established as sole proprietorships or partnerships.

## CONCEPTUAL FRAMEWORK AND HYPOTHESES

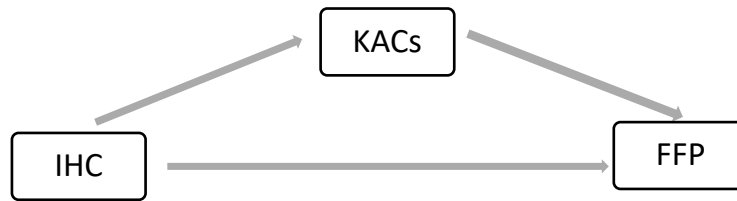
In literature, a significant number of studies discussed the relationship between IHC and a firm's financial performance and have found that IHC has a huge impact on firms' performance than other aspects. (Chan, 2009a, 2009b; Chen, et.al (2005); Firer & Williams, 2003; Shiu, 2006a, 2006b; Ting & Lean, 2009). Banimahd, et al. (2012) suggested that there is a significant and positive relationship between IHC and accounting-based performance indicators such as profitability and productivity. Al-Musali & Ismail (2014) showed a significant positive association between value-added IHC and financial performance indicators. But scholars have not given adequate attention to how Intellectual Human Capital affects the Financial Performances of Indigenous Craft Industries, particularly in Sri Lanka. To study this, a conceptual framework is developed synthesizing Intellectual Human Capital and financial performance.

The current study conceptualizes IHC as "the sum of the sources of strategic innovation and invention (Yildiz et al., 2014) knowledge, experience, competence, professional skills, innovativeness, attitude, commitment, wisdom, and abilities which represent the individual knowledge stock embedded with and utilized by a firm's owners to reach their targets" (Bontis et al., 2007; Cabello-Medina et al., 2011; Campbell et al., 2012; Nick & Alexander, 2007; Nieves & Haller, 2014; Ruzzier et al., 2007; Schultz, 1961; Subramaniam & Youndt, 2005). Further, the current study categorized all these features of IHC into two broader groups for the study purpose such as managerial skills and entrepreneurial skills.

Further, the relationship between IHC and FFP was further developed by considering a mediating variable of KACs to explore the knowledge about the relationships between IHC

and FFP as figure 01. Based on figure 01, this study developed three direct hypothetical relationships between IHC and FFP. Further, it developed a mediating effect of KACs on the relationship between IHC and FFP.

**Figure 01: Conceptual Framework**



Although the exact nature of the relationship varies, most of the past studies recognized a positive relationship between IHC and financial performance. Clarke et al. (2011) examined the effect of IC on a firm’s performance by using a sample of Australian listed companies and identified a direct relationship between IHC and the performance of Australian public listed companies. Komnenic and Pokrajcic (2012) empirically investigated the impact of IC on the corporate performance of multinational corporations in Serbia. They revealed that human capital is positively associated with Return on Assets (ROA), Return on Equity (ROE), and Assets Turnover (ATO). Unger et al., (2011) concluded that IHC has a significant positive impact on the FFP, and therefore, the firm can be rewarded by investing in IHC. According to Walker (2001), there is a positive relationship between IHC and financial performance for both low knowledge-based and high knowledge-based corporates. Arslan and Zaman (2014) revealed that there is a positive and significant relationship between a firm’s profitability and IHC efficiency. Ozkan, et al. (2017) mentioned that there is a positive impact of IHC efficiency on financial performance. Kamath (2008) argued that IHC has a considerable influence on the profitability and productivity of the firm. Al-Musali and Ismail (2014) showed a significant positive association between IHC efficiency and financial performance indicators. Some researchers such as Youndit (1998) mentioned that the influence of IHC on firms’ performance is uncertain. Based on these arguments, the current study predicts that;

**H1-Intellectual Human Capital positively relates to the Financial Performances of Indigenous Craft Industries in Sri Lanka.**

An organization with better KACs will have a positive level of absorptive capacity (Hsu, 2006; Sher & Lee, 2004). According to past literature, acquiring knowledge is a candidly initiated effort to strategically alter and attempt at competitiveness to ensure dominance among competitors. Denford, (2013), Helfat et al., (2007), Li and Liu, (2014), Teece, (2007), and Wang et al., (2007) mentioned that knowledge seizing or acquiring the capacity of the human capital of an entity has a potential to systematically solve problems and improve their performances. Hence, these arguments highlight the rewards ascribed to a firm’s ability to acquire knowledge for all purposes because of IHC of an organization is developed progressively. The IHC of an entity can be considered as the input to the organizational system, whereas KACs can be recognized as its process and financial performance as its output. Therefore, KACs translate their IHC into performance. Thus, this study hypothesizes that;

**H2-Intellectual Human Capital positively relates to the Knowledge Acquisition Capabilities of Owners of Indigenous Craft Industries in Sri Lanka.**

The owner’s capabilities to acquire and strengthen the knowledge is discussed in the literature had proved that there is a link between KACs and several outcomes of an entity such as employee performance, business performance, financial performance, firm’s value, etc. When analyzing the recent research works, their view is that effective or precis KACs of an owner has a significant effect on performance (De Brentani & Kleinschmidt, 2004). Studies such as Darroch, (2005), and Nunes et al., (2006) concluded that the firms which develop and effectively apply KACs attain positive operational results and organizational performance. In addition, Chen, (2004), Darroch, (2005), and Mills and Smith, (2011) mentioned that the KACs help the organization generates strategies to face the critical issues impeding its good performance and knowledge influences so that an entity obtains superior performance. Akpotu and Lebari (2014) show a significant relationship between knowledge acquisition practices and employee performance. Therefore, KACs or knowledge absorptive capabilities will be more meaningful to owners of ICIs in Sri Lanka to enhance their financial performance. This simply says that ICIs with knowledge-seeking culture will improve the overall performance of those entities. Therefore, ICIs need to pay attention to the KACs of owners as a strategic activity for the organization to develop a quality and creative workforce. Therefore, KACs can be recognized as a necessary condition for success in today’s dynamic environment. The study develops the following hypothesis to test this theoretical relationship.

**H3-Knowledge Acquisition capabilities of the owners of ICIs positively relate to the financial performance of Indigenous Craft Industries in Sri Lanka.**

Only a few studies explore how KACs work in the relationship between IHC and a firm’s financial performance (Hsu & Wang, 2012; Wu et al., 2007) and confirmed a mediating role of KACs in between IC and the FFP. Han and Li (2015) explored that KAC is a mediator rather than a moderator which partly mediates the relationship between IHC and performance. The firm can use a set of strategic IHC practices to cultivate the level of capacity in knowledge acquisition, sharing, and application of owners, which, in turn, promotes owners’ propensity to innovate and enhance their innovative performance. Liao et al. (2009) argued that KACs of the owners are positively related to innovative capabilities, which, ultimately affect the enhancement of the FFP. Therefore, the KACs of the owners act as a mediator between IHC and the FFP. Hence, IHC increases the financial performance

through the increase in KACs of the owners of ICIs, and accordingly, KACs act as an intermediate role between IHC and the FFP. Therefore, IHC affects increases the FFP through the increase of KACs of the owners of ICIs, and accordingly KACs of the owners of ICIs act as an intermediate role between the IHC and the FFP. Hence, this study hypothesizes that:

**Hm: Knowledge Acquisition Capabilities of owners in ICIs mediate the relationship between intellectual human capital and the financial performance of Indigenous Craft Industries in Sri Lanka.**

## RESEARCH METHODOLOGY

The current study applies the deductive approach (reasoning) based on the conceptual model developed above, which highly focuses on the research problem under the guidance of existing theories. Therefore, the current study intends to examine universally accepted theories in relation to social phenomena, i.e., the impact of IHC on FFP. So that the research design applied to the current study is highly related to the positivist research paradigm because positivist researchers recognize the social world as the world of natural phenomena. Further, the study attempts to test the existing theories and therefore, it will add different types of theoretical aspects which are not found in the previous research works.

The current study formulated working hypotheses to analyze the causal effect between independent variables and dependent variables, which is based on causal design. To study the cause and effect relationship, the study selects the quantitative approach as the main approach because it provides a formal, objective, and systematic process to describe and test the relationships and examine cause and effect interactions among variables to provide a strong statistical conclusion between variables as well as to make valid statistical conclusion between the variables (Bhattacharjee, 2012; Burns & Grove, 1997; Gravetter & Forzano, 2012; Marshal & Rossman, 1999; Yauch & Steudel, 2003). Most empirical studies use qualitative techniques to measure IHC while a negligible number of empirical studies measure IHC quantitatively. The current study attempts to fill these methodological gaps. The study uses the survey method to collect quantitative data to enhance the validity and reliability of the findings. To test the hypotheses developed, the study requires both IHC and FFP variables, which consist of subjective and perceptual data such as KACs, etc. Therefore, this

study attempted to collect more accurate data to analyze the research problem to identify the impact of IHC on FFP in ICIs in Sri Lanka. Most of the constructs used for this study are multidimensional and reflect multiple items (For example, Managerial Skills, Entrepreneurial skills, KACs, FFP, etc.). The study develops a questionnaire to measure the multidimensional variables to verify the real-world behavior of the variables. Most of the constructs were measured using closed-ended structured questions. Each item of the constructs was measured at an ordinal level with 7-point Likert scales such as 1 – Strongly disagree, 2 – Disagree, 3 - Somewhat disagree, 4 – Neither agree nor disagree, 5 – Somewhat agree, 6 – Agree, 7 – Strongly agree. Further, the FFP of the ICIs is estimated quantitatively by using Ordinal which is considered and applied in many empirical studies (Barnes, 1983; Edwards, 2004; Frank et al., 2003). Therefore, selected financial performance measures of sales-based performance measures, profitability measures, cash flow measures, future viability, and growth measures that are recognized to influence the financial performance of ICIs were also measured by using a 7-point Likert scale. The study selected face-to-face interviews due to the numerous advantages of the method such as a very high response rate, the ability to manage interviews in a meaningful manner, the ability to respond to questions more accurately since the interviewers explain questions in simple words, are the key benefits although it incurs high costs and time. Data were collected from the owners of ICIs. The owner is taken as the unit of analysis because the owner will be the entrepreneur in many ICIs who starts and manages the enterprise.

The manufacturing-oriented ICIs, who apply indigenous knowledge for their business activities were selected as the population. The study selects ICIs which are located in craft villages in Sri Lanka. A craft village is any village where a craft was traditionally produced by using their indigenous knowledge (De Silva, 2019, p.20). Seven (07) indigenous craft villages, which were established initially were selected as the sample for the current study because the main purpose of the establishment of these traditional handicraft villages program is to safeguard the traditional handicraftsmanship as well as demonstrate the splendor of the indigenous identity to the entire world. Table 01 shows that 355 craft entities are functioning in seven villages. Therefore, in the current study all 355 owners of ICIs situated in traditional handicrafts villages.

**Table 01: The Sample**

Name of the Village	District	No. of entities
Pahalapuvuda Lacquer Village	Matale	30
Batuvita Masks Village	Kalutara	41
Bope Poddala Wood Craving Village	Galle	121
Kooragala Musical Instruments Village	Kandy	46
Neelawala Jewelry Village	Kandy	51
Unveruwa Sesath Village	Matale	36
Hitthetiya Musical Instruments Village	Matara	30
Total		355

Source: National Crafts Council, Annual Report 2017.

Study measures IHC employing two constructs; i.e., Managerial skills and Entrepreneurial skills. Items are adopted by Bontis (1998), Huselid et al. (1997), Reed et al., (2006), Tayles et al., (2007), Usoff et al., (2002), and Youndat et al., (2004) for managerial skills and entrepreneurial skills were adopted to this study. The Partial Least Squares-Structural Equation Modeling (PLS-SEM) was adopted because PLS-SEM has been utilized in the evaluation of the structural

model to test the hypothetical relationships between IHC and FFP. First, the measurement model is assessed by examining reliability and validity tests. Second, multiple regression techniques are used to assess the structural paths (i.e., hypothetical relationships based on sign, magnitude, and significance levels). More specifically, the PLS-SEM is considered an alternative to the commonly adopted Value-Added Intellectual Capital (VAIC) model, which is recognized as the

most popular method adopted in past research works (Barnes, 1983; Edwards, 2004; Frank et al., 2003). Therefore, PLS-SEM provides a more scientific approach to evaluating the impact of IHC on FFP of ICIs in Sri Lanka.

**RESULTS AND DISCUSSION**

This study focused on owners of ICIs in Sri Lanka and the majority of owners of those entities are male (97.84%). The majority of the owners of the selected sample (90.04%) are married. The owners' age varies from a minimum age of 18 to a maximum age of 71. The survey data reflect that the owners have an average formal educational background and vary between O/L and A/L. More specifically, 16.88 percent in the selected sample have academic qualifications beyond the G.C.E. Advance Level. The mean business experience of selected owners of ICIs is 23 years. 86.15 percent of the

owners have more than 10 –years of experience in the business field. 46.7 percent of the ICIs run by the owner himself without having supportive workers. The majority of ICIs (99.2 percent) are sole proprietorships and 0.8% of the establishments are partnership entities. The hypothetical relationship between IHC and FFP of ICIs is evaluated using a two-step approach on a hierarchal basis. First, the measurement model (outer-model) was assessed by examining the reliability and validity of the constructs' measurement items (Hair et al., 2012; Robson, 2002). Second, the structural model was evaluated to test hypothetical relationships. Indicator reliability and internal consistency reliability (Cronbach's  $\alpha$  and composite reliability) were utilized to evaluate the reliability of the measurement model. The validity of the reflective indicators was examined by using convergent validity and discriminant validity (Hair et al., 2014).

**Table 02: Analysis of the First-Order Constructs**

Construct	Loading	t-stat	CR	$\infty$	AVE
<b>Managerial Skills (MS)</b>			<b>0.982</b>	<b>0.981</b>	<b>0.728</b>
Gathering educational & professional qualifications	0.840	41.396			
Managerial experiences	0.870	49.037			
Planning & forecasting ability	0.881	54.161			
Strategic investment planning	0.871	52.125			
Participate in the managerial skill development program	0.828	28.502			
Impact of managerial cultural	0.884	64.202			
Impact of external training	0.780	26.585			
Managerial intelligence	0.872	61.235			
Impact of educational & professional qualifications on controlling skills	0.855	49.044			
Achieving goals through skills	0.844	46.320			
Information gathering efficiency	0.875	40.391			
Patience and ability to deal with uncertainties & problems	0.840	41.250			
The efficiency of managerial skills	0.850	46.045			
Unique HRM Practices	0.902	32.362			
Motivating & encouraging employees	0.882	30.235			
Leadership skills	0.919	29.910			
Developing strong customer base	0.852	44.999			
Proactive and reactive capabilities	0.901	64.508			
Having basic marketing capabilities	0.874	51.550			
Visionary financial management skills	0.850	43.226			
Academic and professional knowledge of financial matters	0.892	45.514			
<b>Entrepreneurial Skills (ES)</b>			<b>0.986</b>	<b>0.985</b>	<b>0.765</b>
Independent mindset and ready for experiments	0.900	56.730			
Try to create opportunities	0.882	56.448			
Ability to be creative	0.875	55.584			
Ability to develop new ideas	0.882	42.939			
Level of creativity and innovation	0.857	42.770			
Responds quickly to new ideas and changes	0.848	43.386			
Intellectual agility to manage changes	0.873	40.592			
Replacing innovative skills	0.913	70.668			
Emphasize on achieving goals and objectives	0.886	53.394			
Application of core competencies	0.854	47.009			
Resourcefulness	0.857	52.290			
Expert in the job & its functions	0.873	49.942			
Skills & talents for creative ideas	0.886	62.969			
Engage in R & D activities	0.887	70.371			
Willing to live and invest time and money	0.878	62.792			
Forethought and relentless effort continue to improve operations	0.885	57.313			
Intelligent entrepreneurial skills	0.911	81.088			
Risk-taker	0.858	53.543			
Prefer to face and accept challenging assignments	0.858	43.479			

My challenge-taking ability	0.861	42.668			
Emphasis on tasks and goal accomplishment	0.842	45.639			
<b>Sales Based Performance (SBP)</b>			<b>0.948</b>	<b>0.932</b>	<b>0.786</b>
Sales revenue	0.879	47.911			
Level of operating income	0.900	57.724			
Net returns to sales	0.891	51.848			
Income generating capacity	0.898	62.350			
Market share	0.865	44.986			
<b>Profitability (PR)</b>			<b>0.879</b>	<b>0.834</b>	<b>0.765</b>
Gross profit margin to total net sales	0.764	25.390			
Net profit margin to net sales	0.739	19.361			
Return on capital invested	0.717	14.092			
Profitability to capital contribution	0.733	18.513			
Net return to tangible assets	0.754	22.561			
Cost per unit to selling price per unit	0.730	20.799			
<b>Cash Flow Based Performance (CFBP)</b>			<b>0.957</b>	<b>0.933</b>	<b>0.882</b>
Capability to generate cash flows	0.931	85.845			
Strength of future cash flow potentials	0.940	112.532			
Increase in net operating income	0.947	127.322			
<b>Growth (GR)</b>			<b>0.921</b>	<b>0.871</b>	<b>0.795</b>
Earning growth rate	0.892	65.251			
Sales growth rate	0.893	58.741			
Growth of market share	0.889	51.343			
<b>Future Viability (FV)</b>			<b>0.940</b>	<b>0.926</b>	<b>0.761</b>
Future income-generating capability	0.871	52.138			
Long-term financial sustainability	0.858	46.868			
Level of leverage	0.851	47.107			
Business growth rate	0.780	24.902			
Ability to pay interest on borrowings	0.808	27.030			
Potential to grow	0.789	23.498			
Level of future sales	0.838	40.545			

Source: Survey Data, 2021, n=355.

A total of seven first-order endogenous latent variables evaluated were given in Table 02. It shows standardized factor loadings with a minimum threshold criterion of 0.7, confirming the indicator reliability of first-order reflective constructs. Further, it indicates all the factor loadings were statistically significant at 95%. The internal consistency reliability was also examined by using Cronbach  $\alpha$  and Composite Reliability (CR). All the indicators are higher than the threshold value of 0.7 for both measures and proved the reliability of all the indicators. The "Average Variance Extracted (AVE)" of each first-order latent variable to assess the convergent

validity. According to Table 02, the AVE for each construct was higher than the required value of 0.5 and indicated that first-order indicators satisfied the convergent validity.

According to Fornell and Larcker (1981), the square root of AVE values in each latent variable can be used to establish discriminant validity. These values should be larger than other correlation values among the latent variables. According to Table 03, none of the inter-construct correlation values was above the AVE's square root and satisfied the discriminant validity criterion of first-order constructs.

**Table 03: Discriminant Validity of the First-Order Constructs**

	ES	MS	PR	GR	FV	CFBP	SBP
ES	<b>.875</b>						
MS	.843	<b>.853</b>					
PR	.644	.610	<b>.875</b>				
GR	.785	.774	.649	<b>.891</b>			
FV	.867	.838	.749	.843	<b>.872</b>		
CFBP	.737	.722	.648	.804	.806	<b>.939</b>	
SBP	.697	.682	.660	.745	.774	.885	<b>.887</b>

Notes: 1. Diagonal values in bold are the square roots of the AVE values. The diagonal elements must be greater than the off-diagonal elements below in the corresponding rows and columns to establish discriminant validity.

Source: Survey Data, 2021, n=355.

The second-order constructs were developed using latent variable scores of the first-order constructs. As shown in Table 04, three endogenous latent variables [i.e., firm's financial performance (FFP), knowledge Acquisition capabilities (KACs), and Intellectual Human Capital (IHC)] have been utilized at the second-order level in the hierarchical model and evaluated them. All path coefficients (standardized factor

loadings) were well above the threshold value of 0.7 (see Table 04). The bootstrapping procedure was conducted to estimate the significance of each path coefficient by examining the t-statistics. All the t-statistics were significant at a 0.05 significance level (see Table 04). Hence, the results show strong evidence for the second-order constructs' indicator reliability, and therefore, the experiment reached the internal consistency reliability.



**Table 04: Analysis of the Second-Order Constructs.**

Construct	Loading	t-stat	CR	∞	AVE
<b>Knowledge Acquisition Capabilities</b>			<b>0.988</b>	<b>0.988</b>	<b>0.760</b>
Absorbing knowledge from business partners and alliances	0.863	45.074			
Since the major potential opportunities and threats	0.874	51.958			
Capability to capture relevant and up-to-date knowledge	0.843	40.232			
Capability to convert competitive intelligence	0.885	56.780			
Helps to create new opportunities for customers	0.886	55.735			
Well-panned processes help to create new products	0.865	50.557			
Usage of IT facilities	0.874	52.157			
Availability of a process for absorbing knowledge from business partners and alliances	0.914	04.143			
Ability to identify potential opportunities and threats	0.899	67.803			
Capability to capture relevant and up-to-date knowledge	0.900	52.452			
Capability to convert competitive intelligence into plans of action	0.915	72.561			
Ability to create new opportunities for customers to design and produce new and quality products.	0.904	68.482			
Availability of well-planned processes for acquiring knowledge	0.869	53.998			
IT has enabled me to acquire new knowledge	0.858	40.088			
Processes for integrating different sources and types of knowledge	0.862	45.545			
Perceive internal and external environmental changes	0.838	40.884			
Capabilities to generate new knowledge from existing knowledge	0.877	51.846			
Availability of knowledge storage practices	0.881	53.044			
Maintaining different sources and types of knowledge	0.895	59.382			
Acquire knowledge through storage tools	0.850	37.961			
Knowledge acquired through past mistakes and omissions	0.879	53.310			
Integrating different sources of knowledge	0.851	41.540			
The process to incorporate knowledge from business partners and alliances	0.817	33.956			
Replacing outdated knowledge quickly.	0.812	29.183			
Ability to transform the information into more effective new information	0.882	56.173			
Ability to implement data source aggregation strategies	0.850	43.750			
Availability of formal and systematic database system	0.891	56.830			
<b>Intellectual Human Capital</b>			<b>0.991</b>	<b>0.981</b>	<b>0.982</b>
Managerial skills	0.991	614.775			
Entrepreneurial skills	0.991	692.123			
<b>Firm Financial Performances</b>			<b>0.954</b>	<b>0.939</b>	<b>0.806</b>
Sales based performance	0.909	69.290			
Cash flow based per:	0.928	100.00			
Growth	0.903	74.743			
Profitability	0.814	26.655			
Future viability	0.932	88.921			

Source: Survey Data, 2021, n=355.

Table 04 further displays that both Cronbach's  $\alpha$  and composite reliability were higher than the required value of 0.7. It means that the second-order constructs developed internal consistency reliably with a higher level of Cronbach's  $\alpha$ , and composite reliability. The AVE for each construct was higher than the required value of 0.5 and hence the results confirm the convergent validity of the second-order con-

struct (see Table 04). Discriminate validity of the second-order constructs is presented in Table 05, which shows that none of the inter-construct correlation values was above the square root of the AVE and satisfied the criterion of the discriminant validity of the second-order constructs and fulfilled the Fornell and Larker's criterion of the discriminant validity of second-order constructs.

**Table 05: Discriminant Validity of the Second-Order Constructs**

	Firm's Financial Performance	Intellectual Human Capital	Knowledge Acquisition Capabilities
Firm's Financial Performance	<b>0.898</b>		
Intellectual Human Capital	0.830	<b>0.991</b>	
Knowledge Acquisition Capabilities	0.880	0.814	<b>0.854</b>

Source: Survey Data, 2021, n=355

The efficiency of the structural model was assessed using the steps and guidance recommended by Hair et al. (2014). The initial step is assessing the collinearity issues. As presented in Table 06, VIF values for both paths show minimal

collinearity, i.e., 4.077 and 4.766 for both independent constructs. These values are significantly less than the recommended threshold value of 5.00. This indicates an absence of multi-collinearity between the independent and dependent constructs in the structural model.

**Table 06: Collinearity Values among Constructs**

Model	Collinearity Statistics VIF
Intellectual Human Capital (IHC)	4.077
Knowledge Acquisition Capabilities (KACs)	4.766

Source: Survey Data, 2021, n=355

T-statistics, obtained using the PLS Bootstrap process, are used to evaluate the significance of the path coefficient ( $\beta$ ) with the t-statistics. The significance of the path coefficients (hypothetical relations) in the measurement model is estimated to decide the effect of the independent variable (IHC) on the dependent variable (FFP). Each path relationship presents the regression coefficient ( $\beta$ ). The path coefficient ( $\beta$ )

should be larger than 0.1 to demonstrate its significance and the estimated t-value should be 1.65 for the significance level of 90%, 1.96 for a significance level of 95%, and 2.58 for a significance level of 99% in a two-tailed t-test (Hair et al., 2014). Considering both the paths' coefficients and t-statistics, all three (3) hypothetical relationships were significant at the level of 10 percent (See Table 07).

**Table 07: Path Coefficients and Significance among Constructs**

Hypotheses	Relationship	Beta (Path)	t-stat	P-value	Decision
H1	Intellectual Human Capital -> Firm's FP	0.129	2.206*	0.028	Accepted
H2	Intellectual Human Capital -> Knowledge Acquisition Cap:	0.112	77.308**	0.000	Accepted
H3	Knowledge Acquisition Cap: -> Firm's FP	0.186	8.569**	0.000	Accepted

Note: \* and \*\* denote significance levels  $p < 0.05$  and  $p < 0.01$

Source: Survey Data, 2021, n=355

The study has used the coefficient of the determination ( $R^2$ ) to assess the correlation between the independent variable and dependent variable. According to Hair et al., (2014), the model having  $R^2$  as 0.67, 0.33, and 0.19 shows substantial, moderate, and weak respectively. The relationship between IHC and FFP contains 0.778 substantial and the relationship between IHC and KACs contains 0.835 (substantial). Table 08

indicates that the KACs represent the highest variance ( $R^2 = 0.835$  or 83.5 percent) followed by the FFP reported the lowest variance ( $R^2 = 0.778$  or 77.8 percent). Following the criterion of Chin (1998) model is considered to be substantially fit because the explanatory power ( $R^2$  value) of two variables is substantial.

**Table 08: Coefficient of  $R^2$**

Constructs	$R^2$	Explanatory power
Firm's Financial Performance (FFP)	0.778	Substantial
Knowledge-Acquisition Capabilities (KACs)	0.835	Substantial

Source: Survey Data, 2021, n=355.

Table 09 revealed that IHC and KACs relations present large, and the IHC shows a small effect size of predictive variables ( $f^2$  is 0.02 and above).

**Table 09: Effect Size ( $f^2$ )**

Independent Construct	$f^2$	Effect Size
Intellectual Human Capital	0.018	Small
Knowledge Acquisition Capabilities	0.401	Large

Source: Survey Data, 2021, n=355.

According to Table 10, the predictive relevance of the firm financial performance and knowledge-acquisition capabilities illustrate a considerable explanatory power. This result demonstrates the large explanatory power depicted by the variables.

**Table 10: Predictive Relevance ( $Q^2$ )**

Endogenous Constructs	$Q^2$	Explanatory power
Firm's Financial Performance (FFP)	0.612	Large
Knowledge-Acquisition Capabilities (KBDCs)	0.623	Large

Source: Survey Data, 2021, n=355.

The study investigated the mediating effect of the two dependent variables: Knowledge Acquisition Capabilities (KACs), and Firm's Financial Performance (FFP) after examining the direct path relationships. The study tested the hypothetical relationship of mediating effect of KACs on the relationship between IHC and the FFP. Table 11 displays that the hypothesis was fully

mediated since the direct effect and indirect effect of those dependent variables and independent variables were significant at all.

**Table 11: Mediating Effect of Knowledge Acquisition Capabilities**

	Path	Standard Deviation (STDEV)	t Stat	P Values	Decision
IHC -> KACs -> FFP	0.669	0.078	8.584	0.000	Full Mediation

Source: Survey Data, 2021, n = 355

The study proposed three hypothetical relationships between two dependent variables and one independent variable namely KACs, FFP, and IHC. Both IHC and KACs have a positive impact on the financial performance of ICIs in Sri Lanka and therefore, all the hypotheses were accepted. The results revealed that IHC has a significant (12.9) positive impact on the FFP of the ICIs implying that the IHC affects the maximize the FFP of ICIs in Sri Lanka. Theoretically, managerial skills and entrepreneurial skills of owners/managers are the most powerful factors for the increase of FFP. However, the planning skills, financial management skills, marketing management skills as well as controlling skills of owners of ICIs have a considerable impact to enhance the FFP than the human resource management skills of owners. 99.2 percent of the entities are sole proprietorships, and nearly 47 percent of those entities do not have employees. Therefore, it can be concluded that the human resource management skills of owners do not have a significant effect on FFP. The entrepreneurial skills, i.e., creativity, ambition, perseverance, courage, and risk-taking ability of owners of ICIs have a remarkable influence on increasing FFP because these entities' survival and going concern depends on the indigenous knowledge of owners and their family members. The study revealed that the managerial skills and the entrepreneurial skills of owners have a significant positive influence on FFP. Therefore, it can be concluded that the effect of entrepreneurial skills and managerial skills are equally contributing to optimizing financial performance. These findings are similar to the findings of Janosevic et al., 2013, Mention and Bontis, 2013, Onyekwely et al., 2017, Ozkan et al., 2017, and Ousama and Fatima, 2015. Several studies, such as Samad, (2013), Rastogi, (2000), and Musa and Semasignha, (2014) have identified that IHC contributes to enhancing financial performance since it enables entrepreneurs to business capacity, increases the firm competitiveness, increases the productivity of the firm, improves the capability of the entrepreneurs' planning and venturing strategies.

Further, the results suggested that KACs of owners have a significant (18.6) positive influence on the FFP. The KACs of owners such as capabilities to extract knowledge from external sources, knowledge-sharing capabilities, knowledge storage capabilities, and capabilities to implement strategies for data sourcing can be used as important tools to identify business opportunities, treats as well to make timely and market-oriented decisions. Further, they can be acquired updated knowledge and thereby make fewer mistakes and improve their efficiency and reduce redundancy through those acquired external knowledge. Therefore, KACs of owners of ICIs can adopt to implement production strategies and sales strategies of their business entities and thereby improve the sales as well as FFP. The study found that KACs play a significant positive mediating role in the relationship between the IHC and FFP of ICIs. The empirical results have confirmed that the KACs of owners of the ICIs in Sri Lanka enhance the FFP. The results further revealed that the KACs have a significant positive mediating effect on the relationship between the IHC and FFP of ICIs. Further, it revealed that KACs are fully mediated with IHC and FFP. Therefore, it

can be concluded that KACs have a powerful effect on FFP of ICIs in Sri Lanka.

**CONCLUSION**

The study aimed to test the connections among IHC, KACs, and FFP where, IHC was the independent variable, FFP, was the dependent variable and the KACs were the mediating variable. The results indicated that the IHC has significant predictive power over the FFP. Further, it was revealed that the KACs can mediate this relationship to strengthen the effect of IHC over FFP. All the results are supported by the prevailing literature. This research has contributed to knowledge by presenting a model by considering of theoretical bases of RBV, HCT, and financial performance to understand how IHC affects KACs and FFP in the context of ICIs in Sri Lanka. So far, most of the IHC and FFP studies have mainly been conducted either within large-scale entities or listed companies in developed countries. This study made important contributions to the literature by providing empirical evidence related to IHC and FFP of ICIs in Sri Lanka. Thereby, the study extended the knowledge about the relative efficacy of theories (RBT, HCT, and ICT) developed in Western countries into a different economic and social context specifically in emerging economies that are assuming an increasingly prominent position in the countries like Sri Lanka. The study argued that ICIs in emerging economies fail to govern their IHC in economizing manner by applying either KACs suggested by the KBT. A notable analysis of the current study is the evaluation of mediating role of KACs on the relationship between IHC on FFP that are rarely studied together. Therefore, the study contributes a valuable comprehension of the practical applicability of IHC and KACs in the ICIs environment, particularly in the Sri Lankan context. Most of the research activities were conducted to explain how IHC influences the business performance of an entity and rarely touched on financial performance. Particularly the impact of IHC on FFP of ICIs in the Sri Lankan context is not analyzed in the literature. Thus, the study contributed to empirical literature in several ways. Most of the studies used qualitative techniques to measure IHC, KACs and FFP and a limited number of empirical studies quantified these variables.

The study provides several valuable insights into ICIs, policy-makers, donors, and others whose prime objective is to develop ICIs not only in Sri Lanka but also in other developing countries. Since the study found that the IHC of owners of ICIs is the most powerful IC dimension which has a significant positive impact on increasing FFP, the study suggests to owners of ICIs, policymakers, donors, and others to incorporate the strategies to develop and strengthen the efficiency and productivity of IHC to improve their financial performance. Further, owners should possess excellent entrepreneurial skills, which drive them to create new and more competitive products for increased growth of the enterprise through undertaking risk-taking propensity initiatives to discover the mission of the entity.

The generalization of the research findings will be limited ICI in Sri Lanka. However, the findings may not be generalized to the countries which have different cultural and socio-economic backgrounds because the IHC dimensions and KACs become to change with those differences. Future research is suggested to carry out the study in another region of the world with different cultural backgrounds to know how empirical evidence differs from Sri Lanka. Therefore, the researcher suggests that the framework of the study must be examined further by including samples from other countries to generalize or modify the concepts. Further, future research needs to consider qualitative or mixed methodologies to better explain quantitative findings. The sample of this study was limited to the owner-manager ICIs in Seven Indigenous Craft Villages, which were initially established in Sri Lanka. Findings may not be able to be generalized to all the ICIs including manager-managed ICIs in Sri Lanka.

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# The Impact of Fertilizer Subsidy on Average Paddy Yield in Sri Lanka

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## Abstract

Concerning Paddy cultivation, it is one of the major sectors of livelihood in Sri Lanka, employing more than 1.8 million people. The Fertilizer subsidy scheme was initiated in 1962 with the invention of High Yielding Varieties parallel to the Green Revolution. There were three main components given under the subsidy program Urea, Triple Super Phosphate (TSP), and Potassium Chloride (MOP). As in other developing countries, fertilizer subsidy has become a politically sensitive issue in Sri Lanka, since paddy farmers are the majority of voters in the country. Mostly, it has favorably affected paddy yield, self-sufficiency, effectiveness, and food security while there are many bad effects such as overuse of chemical fertilizer, ignoring organic fertilizer, dependency on imported fertilizers, a huge burden on the government budget, etc. Therefore, the objective of the study is to evaluate the impact of fertilizer subsidy on average paddy yield in Sri Lanka. Secondary data was gathered in order to find the impact of fertilizer subsidy on average paddy yield. Multiple regression analysis was used to analyze the impact of providing Urea and all fertilizers with the changes in fertilizer scheme from time to time and other data were represented using relevant graphs and tables. Can be seen a gradual increase in the import of fertilizer subsidy in Sri Lanka. In this study, it was found that fertilizer subsidy has a positive significant relationship with average paddy yield in Sri Lanka. So, it can be concluded that, the need for the existence of fertilizer subsidies in Sri Lanka with the moderation the of fertilizer subsidy scheme in order to reduce the huge government burden on fertilizer subsidy in Sri Lanka.

**Keywords:** Average Paddy, yield Fertilizer Subsidy.

## INTRODUCTION

Many successive governments in the world, pushed toward providing subsidies, especially for the agricultural sector (Mint & Benson, 2009). Among them, input subsidies for fertilizer were one of the major interventions by the government in order to achieve food security and self-sufficiency (Ahmed 1987, Bayes, Parton & Piggott 1985, Renfro 1992). As in many other countries, fertilizer subsidy plays a significant role in agricultural policy in Sri Lanka. Since rice is the staple food in Sri Lanka, it is important to explore the impact of fertilizer subsidy on Total Government Expenditure, Import, and total paddy production in Sri Lanka with the changes in fertilizer subsidy schemes from time to time. Paddy cultivation in Sri Lanka is accounted for 36% of the total cultivated area (Department of Agriculture, 2018). It is cultivated during the Yala and Maha seasons and a higher yield is received during the Maha Season (Central Bank of Sri Lanka, 2018).

Fertilizer subsidy has been provided for more than five decades in Sri Lanka with modifications and policy changes from time to time. Despite concerning huge budgetary burden, it has mainly focused on ease for farmers. According to the Department of Agriculture, the subsidy was given to the farmers who owned 5 acres (2 hectares) of paddy cultivated lands. The Fertilizer subsidy scheme was initiated in 1962 with the invention of High Yielding Varieties parallel to the

Green Revolution. There were three main components given under the subsidy program Urea, Triple Super Phosphate (TSP), and Potassium Chloride (MOP). With the different views and modifications, we can identify five major phases of changes in fertilizer subsidy from its beginning in 1962 (Ekanayake 2005, Weerahewa et al. 2010, Central Bank of Sri Lanka, 2007– 2012, cited by Bhavan & Maheshwarathan, 2012).

Period 1: 1962-1989 -Subsidy provided for three main fertilizers (Urea, TSP & MOP)

Period 2: 1990-1994 -Subsidy removal

Period 3: 1995-1996 - Reintroduced and Subsidy provided for three main fertilizers (Urea, TSP & MOP)

Period 3: 1997-2005 -Subsidy provided only for Urea

Period 4: 2005 onwards- Subsidy provided for all three fertilizers (Urea, TSP & MOP)

During the period of 1962-1989, the subsidy was given for all fertilizers targeting primarily paddy farmers. As a result of fluctuations in world market prices of fertilizers, a fixed price was implemented during the period of 1983-1987. In 1990, the government totally removed the fertilizer subsidy until 1994 causing world oil prices to increase and depreciation the of the exchange rate. Later, the government again introduced the subsidy scheme for all fertilizers with the changes.

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In 1997, the government restricted the subsidy providing only for Urea. This policy was conducted until 2005 and again, the policy was modified as giving subsidies for all fertilizers at a fixed price of Rs. 350 for a 50kg fertilizer bag regardless of international market price changes.

The impact of the fertilizer subsidy policy on government expenditure has gradually increased over the past three decades (Central Bank of Sri Lanka, 2018). As well as the impact of this policy on paddy yield is also a very important factor (Bhavan & Maheswaranathan, 2012, Perera et al.2014) in the Sri Lankan context. Many successive governments over the past recent decades have provided fertilizer subsidies aiming at increasing the paddy yield (Gamawelagedara, Wickramasinghe & Dissanayake 2011, Rajapaksa & Karunagoda,2009). Concerning past research, fertilizer subsidy has significantly contributed to increase paddy production in Sri Lanka achieving self-sufficiency and price stabilization (Ekanayake 2005, Weerahewa, Kodithuwakku & Ariyawardhane 2010). The introduction of chemical fertilizer has created many problems in past years, hence it has become a very important topic of discussion from various points of view (Weerahewa et al.2014).

Considering fertilizer subsidy on paddy cultivation, there are a number of consequences of this scheme both favorable and adverse aspects. Mostly, it has favorably affected paddy yield, self-sufficiency, effectiveness, and food security while there are many bad effects such as reducing soil fertility, overuse of chemical fertilizer, ignoring organic fertilizer, water pollution, dependency on imported fertilizers, a huge burden on the government budget, etc. (Weerahewa et al.2014, Rajapaksa and Karunagoda 2009, Weerahewa et al. 2010, Ministry of Finance & Planning 2013). However, not much evidence to prove whether the subsidy caused to increase in the average paddy yield in Sri Lanka. The paddy fertilizer subsidy scheme was continuing over the past decades with different modifications from time to time and it marks considerable issues in the economy. Despite much past evidence from researchers, that favorable and unfavorable economic consequences are led do occur problems in paddy cultivation in Sri Lanka. Concerning the research problem regarding fertilizer subsidy, the question is raised "should the fertilizer subsidy be removed?" or "why it should be continued within the Sri Lankan context?" As ascertained problems and favorable facts of previous studies, the question is raised how the fertilizer subsidy could affect to evaluate of the average yield of the paddy cultivation in order to achieve the relevant objectives of implementing the fertilizer subsidy by the government. Especially, Rice is the staple food in Sri Lanka hence, the subsidy on paddy cultivation could affect more than 1.8 million employees in the country. Therefore, resolving the question of "should the fertilizer subsidy be removed or continued?" is a timely and important fact regarding fertilizer subsidy.

The main objective of the study is to explore the impact of Fertilizer Subsidy on average paddy yield in order to make appropriate policy recommendations. For that, there are two main specific objectives such as, to identify the impact of fertilizer subsidy on Government Expenditure, Import and to explore the impact of fertilizer subsidy on Average Paddy Yield in Sri Lanka.

This paper is organized as follows: first, it makes an introduction to the fertilizer subsidy scheme and then it reviews the literature on the macroeconomic impact of fertilizer subsidy in paddy cultivation. Based on the literature review, a hy-

pothesis is formulated. Then the study describes the materials and methods and results are presented and discussed in the next section. Finally, it concludes the paper by reviewing its contributions and policy implication.

## LITERATURE REVIEW

As noted in the previous chapter, a subsidy helps to achieve lots of economic and social goals in various ways in a country. Supporting agriculture sectors, poverty alleviation, research and development, and supporting domestic industries can be seen as major goals which are to be fulfilled by the subsidy (Abboushi, 2007). In order to achieve these goals, it can involve income distribution or reducing the cost of production. Specially, agricultural subsidies are evolved with many targets such as food sufficiency, improving the living standard of farmers, enhancing production efficiency, food safety, quality of foods, protecting the environment, etc. Most importantly, developing countries target on poverty alleviation, development of the agriculture sector, and improving rural development by providing subsidies (Moor & Calamai, 1997). However, it could be seen that it has both positive and negative outcomes which have occurred due to subsidies.

There are lots of studies that have evaluated the impact of fertilizer subsidy with special reference to paddy production for mainly used three fertilizers (Nitrogen, Phosphorous and Potassium) in both developed countries and developing countries. Fertilizer demand and usage are differed from one country to another due to some major facts such as climate, technology, soil fertility and sociological factors. Here it is reviewed that different perspectives regarding fertilizer subsidy. Fertilizer subsidy as the main variable in the agriculture sector has been discussed by many researchers over the past years. When considering the global context, Griliches (1958) and Heady and Yeh (1959) evaluated the aggregate demand for fertilizers in the United States with the changes in their prices during the period 1911 to 1956. Boyle (1982) used the fertilizer usage estimating cost function approach to evaluate the usage of three main fertilizers in the USA.

Wanninayake and Semasinghe (2012) used the average yield of paddy as their dependent variable and fertilizer subsidy was taken as two dummy variables as independent variables in order to find the impact of providing subsidy on average paddy yield. For the estimation of efficiency of agricultural inputs, the above researchers have used average yield as a dependent variable (Y), harvested extent land (X1), and quantity of fertilizer (X2) as explanatory variables using the most appropriate theoretical explanation; Cobb-Douglas production function. Kukuchi and Aluwihare (1990) have estimated a fertilizer response function using average yield as the dependent variable, and the use of Nitrogen fertilizer as their explanatory variable in order to evaluate the long-term macro impact of fertilizer subsidy since independence. Chandrasiri and Karunagoda (2008) evaluated the paddy production function using land, machinery, agrochemicals, and fertilizer inputs in different regions in Sri Lanka in order to make the relationship between them. Karunaratne & Herath (1989) estimated the efficiency of rice production function in Sri Lanka with some variables. Farm size, agrochemical cost, labour, and fertilizer usage for Maha and Yala seasons were taken as explanatory variables while paddy production was taken as the dependent variable. Kant-hilanka & Weerahewa (2019) estimated the production function using paddy yield as the dependent variable and



trend, irrigation, season, machinery, fertilizer usage, and labor as explanatory variables in their study. Rajakaruna in 2016 examined the descriptive statistics of that context similar to the above variables in order to find out the impact of fertilizer usage on paddy production. Land, labor, fertilizer, and pesticides were considered explanatory variables while the yield of paddy was considered as the dependent variable by Bhavan & Maheshwarathan in 2012.

According to past theoretical literature, using fertilizer subsidy as independent variables and average paddy yield as the dependent variable and using a simple regression model, is more appropriate to examine the relationship between yield of paddy and fertilizer subsidy (Bhavan & Maheshwarathan 2012, Rajakaruna 2016, Chandrasiri and Karunagoda 2008, Idiong 2007, Perera, Rathnayake & Fernando 2016, Wanninayake and Semasinghe 2012,). This was adopted globally as well as within Sri Lankan context with respect to fertilizer subsidy in paddy cultivation. In this study, it examines the impact of fertilizer subsidy on average paddy yield at the macroeconomic level using fertilizer subsidy as dummy variables for explanatory variables and average paddy yield for the dependent variable (Wanninayake and Semasinghe 2012).

Reviewing past literature, it can be stated that most researchers have found that there is a positive relationship between fertilizer usage and average paddy yield (Ekanayake 2006). Findings by Ekanayake in 2006 were again confirmed by the World Bank (2007) and the Department of Census and Statistics, Sri Lanka (2011) concluding that average paddy yield is positively related to fertilizer usage. Chandrapala & Silva (1988) examined the impact of fertilizer usage in main crop fields in Sri Lanka. The results indicated that removing of fertilizer subsidy will worsen paddy production in Sri Lanka implying that there is a significant positive relationship between the yield of paddy and fertilizer usage.

A study conducted by Ekanayake (2006) focused on the impact of fertilizer subsidies on paddy production in Sri Lanka. Evaluating three separate demand functions for three major fertilizers, he indicated that prices of fertilizer do not have a significant impact on fertilizer usage pointing out that fertilizer subsidy is not a significant variable in determining paddy production in Sri Lanka. Further, the results indicated that the correlation between paddy prices and fertilizer usage is higher than the correlation between fertilizer prices and fertilizer subsidy. Therefore it suggested that fertilizer subsidy could be removed gradually in long term.

According to Nurul (2012) in Malaysian context, the researcher has found that, fertilizer subsidy has significantly affected on the total paddy production in Malaysia. It has

positively contributed to increase the paddy yield. As noted in their study, the removal of paddy production will badly affect the self-sufficiency level in Malaysia. Therefore, the availability or providing subsidy is very essential to maintain because farmers are not in a position to buy fertilizer on their own. According to Mulyadiana, Marwanti, and Rahaya (2018), the results indicated that land, use of fertilizer usage, and effectiveness of fertilizer subsidy have a significant positive relationship with the yield of paddy while, labor and use of seed have no significant impact on paddy production in the Malaysian context. This implied that having a fertilizer subsidy is more important to increase rice production in Malaysia.

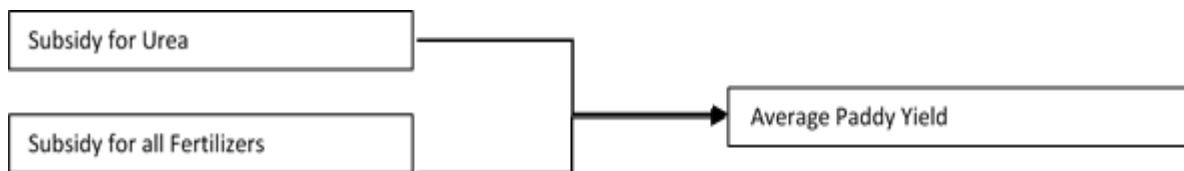
Wanninayake and Semasinghe (2012) conducted a study with the objective to examine the effectiveness of fertilizer subsidies on paddy production. They have revealed that the relationship between the average yield of paddy and fertilizer subsidy is statistically positive and significant. The marginal analysis of evaluating the efficiency of the fertilizer usage, revealed that private benefit is higher than the private cost implying an inefficiency of fertilizer usage or underutilization of fertilizer usage. Since fertilizer usage is highly encouraged by the fertilizer subsidy, there should be mechanisms to reconsider the subsidy instead of removing that process.

Considering past studies, they explored many facts and information about the fertilizer subsidy scheme with some consequences and inefficiencies. Also, there is a criticism that, though the fertilizer subsidy is more politically and socially acceptable, not much evidence to prove that it is economically efficient. This brief empirical literature examined that there are various experiences of fertilizer subsidy on agricultural products, especially in the paddy farming sector not only in a global context but also within the Sri Lankan context. However, it can be concluded that fertilizer subsidy has become a more significant and popular research area regarding agricultural perspectives. Therefore, reviewing past literature, the following hypothesis was formulated,

*H1: Fertilizer subsidy has a positive relationship with average paddy yield*

**METHODOLOGY**

The main objective of the study is to explore the impact of Fertilizer Subsidy on average paddy yield in the Sri Lankan context. The impact on government expenditure and import will be stated by graphs and explanation while the impact on average paddy yield will be evaluated based on the reviewed literature as hypothesized above literature part. Considering past literature, the study uses following variables as follows.



Organization of variables  
 For graph explanation,  
 Annual Total Usage of Fertilizer in Sri Lanka  
 Fertilizer Subsidy as a Government Expenditure  
 Impact of fertilizer as a share of Import  
 For regression analysis,

Impact of Fertilizer subsidy according to the subsidy provided time period,  
**Independent variables**-Providing Subsidy only for Urea (1) Otherwise (0)  
 Providing Subsidy for Three Fertilizers (1) Otherwise (0)  
**Dependent variable**- Average Paddy Yield

This study mainly focuses on the macroeconomic impact of fertilizer subsidies. Therefore, the study deals with secondary data cross-sectional and time series data. Secondary data were collected from the Department of Census and Statistics (DCS), Department of Agriculture, The Ministry of Finance, The Mahaweli Development Authority, Department of Agrarian Services, and the Central Bank of Sri Lanka related to paddy cultivation. In order to find out the relationship between fertilizer subsidy and average paddy yield, data were collected from 1990 to 2018.

## METHOD OF ANALYZING

Considering past researchers, have used different econometric models and methods to analyze data based on their views. Wanninayake & Semasinghe (2012) analyzed their research estimating the effectiveness of fertilizer subsidy, using the Multiple Regression Model on average paddy yield. Fertilizer subsidy has been taken as the dummy variable while the usage of fertilizer on paddy production has been estimated through the marginal analysis. This study has adopted a quantitative approach where multiple regression model is used to examine the impact of fertilizer subsidy on average paddy yield. Time series data were collected from 1990 to 2018 and fertilizer subsidy has been taken as the dummy variables in this model (Bhavan & Maheshwarathan, 2012).

Descriptive statistics will be used to evaluate the impact of fertilizer subsidy on government expenditure and imports using secondary data. Multiple regression analysis was used to examine the impact of fertilizer subsidy on average paddy yield under 0.05 level of significance using the following model (Bhavan & Maheshwarathan, 2012).

Initially, it considered the impact of fertilizer subsidy on government expenditure, imports, and the annual total fertilizer usage in Sri Lanka using relevant graphs and explanations. Then it evaluates the impact of providing fertilizer subsidies in different time periods by conducting the following method.

$$Y = \beta_0 + \beta_1 P_1 + \beta_2 P_2 + u_i$$

Where,

Y = Average Paddy Yield (Kg)

P1= 1- If subsidy was given only for

Urea, 0-Otherwise

P2= 1- If subsidy was given for all fertilizers, 0-Otherwise

Benchmark: Period in which the Subsidy was not given (1990-1994)

Here, Y represents the Dependent variable while P1 and P2 represent the explanatory variables in the model ((Bhavan & Maheshwarathan, 2012). In this model, the absence of fertilizer subsidy is the benchmark while  $\beta_0$  represents the average yield of paddy when the subsidy is not given. After measuring the regression model, the significance for each independent variable is tested and the estimation of each coefficient is interpreted with the other results considering the impact on independent variables for the dependent variable. Significance was tested under a 5 percent level of significance using the following hypotheses. Based on regression results, the study investigates whether the subsidy policy is significantly affected paddy production. Reviewing the

past researches (Wanninayake 2012, Perera et al. 2016, (Ekanayaka, 2005, Rajapaksa & Karunagoda, 2009, Weerahewa et al. 2010) the hypothesis of Average paddy yield is increased with the subsidy scheme is tested.

Several econometric tools are applied to estimate the regression function in order to analyze the impact of the fertilizer subsidy scheme.

### Unit Root Test

Before evaluating the model, it needs to be considered whether the analyzed series data are stationary or not as well as to check whether there is a long-run relationship between the data. Stationary means the variance and auto-covariance are independent of time. To check the variables are stationary level (I), it is used the unit root test and to test the first different stationary (I(I)), the Augmented Dickey-Fuller (ADF) test is used.

### Regression Test

In order to test the regression analysis, the natural logarithm values of variables are used to estimate the paddy production function by using a multiple linear regression model.

### Normality Test

In order to test whether the residuals of the model are normally distributed or not, Jarque- Bera test with histogram and Zero mean value of residuals were applied.

### Multicollinearity

As a basic assumption of the method of least square, the absence of perfect multicollinearity is very essential to test. In this study, the Variance Inflation Factor and Tolerance value test were used to justify the presence or absence of multicollinearity.

Homoscedasticity

According to the OLS assumptions, it is assumed that there is no heteroscedasticity in the model. Due to the presence of heteroscedasticity, we may face the problem of incorrect estimations. Breush-Pagan-Godfrey Heteroscedasticity Test was applied to test the relevant assumption.

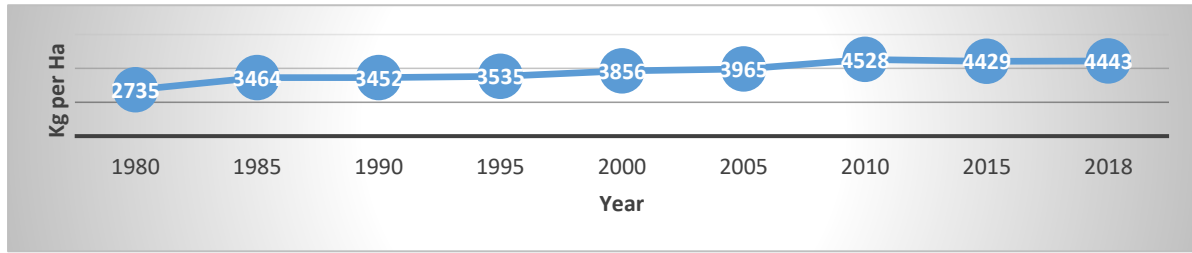
## DATA ANALYSIS

This chapter is designed to represent how the main objective of the study is achieved by representing secondary data. The study, it has used both descriptive and inferential statistics to present the findings including charts, graphs, tables, and outputs of statistical packages. The ordinary Least Square (OLS) technique was adopted for the study to evaluate regression results.

### Average Paddy Yield

Considering the paddy production and average paddy yield per hectare in Sri Lanka, there could be seen a gradual increase in the average paddy yield over the past few decades. In the 1950s it accounted that 1230 kg per hectare and it increased to 2735 kg per hectare by 1980. In 2018 it accounted for 4443 kg per hectare compared to 4297 kg per hectare in 2017. This improvement can be caused by several factors such as usage of fertilizer, the impact of the fertilizer subsidy program, agrochemicals, availability of water resources and other services.

**Figure 4.1. Average Paddy Yield (1980-2018)**



Source: Department of Census and Statistics

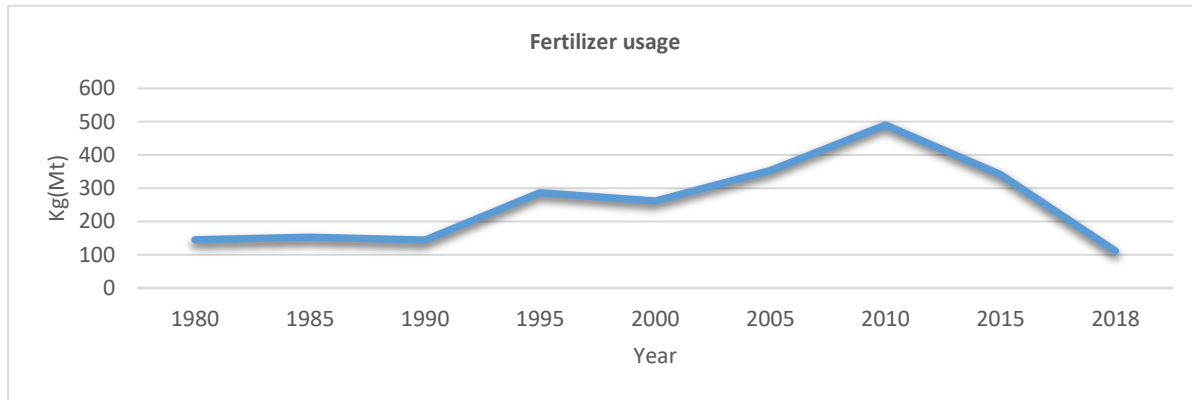
**Usage of Fertilizer on Paddy Cultivation**

In 1961, the usage of fertilizer in the paddy sector, was about 10 % while it increased to 53 % by 1996. The average use of Urea in the 1960s was recorded as 4.3 kg per hectare and it accounted as 284 kg per hectare in 2005 (Wickramasinghe et al 2009). The fertilizer usage during the period in which subsidy was not given is 225 kg per hectare. Again, after the

reintroducing the of the fertilizer subsidy scheme, the usage of fertilizer usage was recorded as 457 kg per hectare from 2006 to 2017. This data provides the implication that the fertilizer subsidy scheme is significantly affected to the average use of fertilizer over the years.

Considering the total usage of fertilizer in 1980, it accounted for 145 Mt and it increased gradually within the past years.

**Figure4.2: Fertilizer Usage (1980-2018)**



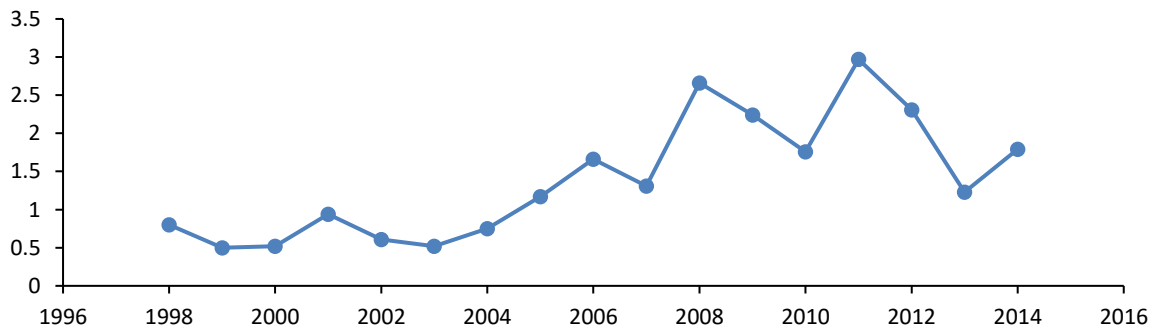
Source: Central Bank of Sri Lanka (Annual Reports)

According to the above graph, the usage of fertilizer increased from 1980 to 2010. After that, there could be seen a huge decrease in fertilizer usage regarding paddy cultivation. However, it can be concluded that fertilizer usage has been impacted by successive governments’ policy recommendations in time to time.

Accordingly, it can be stated that there is a significant relationship between fertilizer usage and average paddy yield over the past five decades. Therefore, it needs to ascertain the macro level impact of fertilizer usage on average paddy yield in order to make further modifications to the fertilizer subsidy policy.

**Fertilizer Subsidy as a Total Government Expenditure**

**Figure4.3: Fertilizer Subsidy as a total Gov. Expenditure**



Source: Central Bank of Sri Lanka (1995-2015)

After initiating the subsidy program in 2006, the expenditure on fertilizer was recorded as 73.4% compared to the previous year (Central Bank of Sri Lanka 2007). With the fluctuations in world market prices of fertilizer, the burden has again raised hence the government has allocated 15 billion for the subsidy program (Central Bank of Sri Lanka 2009).

Providing fertilizer subsidy is a huge intermediary cost to the government as well as it is somewhat a complex process rather than providing a cash subsidy (Ministry of Finance & Planning 2016). The burden on the government budget has gradually increased with the fertilizer subsidy (Weerahewa

et al 2010). Therefore, it need to study the impact on government budget in order to make efficient subsidy program

#### **Data Analysis on Impact of Fertilizer Subsidy on Average Paddy Yield**

In this section, the study mainly focused to identify the impact of providing subsidies on average paddy yield by taking fertilizer subsidy as a dummy variable. The multiple Regression technique was used to determine the association and contribution of fertilizer subsidy to the average paddy yield in Sri Lanka. Here the study used the Unit root test, Normality test, Multicollinearity test, and Heteroskedasticity test, for analysis of the impact of independent variables on the dependent variable.

**Table 4. 1. ADF Unit root test**

Variable	Level/ First Difference	Probability		
		Intercept	Trend & Intercept	None
L(AVE_YIELD_PER_ACRE)	Level	0.8970	0.0046	0.9990
	First difference	0.0000		
SUB__FOR_UREA	Level	0.5006	0.6849	0.1792
	First difference	0.0003		
SUB_FOR_ALL	Level	0.3728	0.2753	0.3617
	First difference	0.0003		

Source: Secondary data (1990-2019)

#### **Multicollinearity**

After getting the stationary of the variables it should be found whether the absence of multicollinearity. Considering the test of multicollinearity, if the pairwise correlation (zero-

#### **Defining Variables**

L (AVE\_YIELD\_PER\_ACRE) –Average Yield per Acre (kg)

SUB\_\_FOR\_UREA – If Subsidy only for Urea (1) Otherwise (0)

SUB\_FOR\_ALL – If Subsidy for all fertilizer (1) Otherwise (0)

L- Natural Log values of data

#### **Unit Root Test**

If the p-value of the test, is less than 5%, it states that the particular variable is stationary. Therefore, in this study, the consistency of stationary variables is tested using the first difference of the series on the series lagged once. As shown in Table 4.1 stationary test indicated that all the variables get stationary after the first differences. (Appendix-A).

order correlation) coefficient is higher than 0.8, then the problem of multicollinearity is serious. Given table 4.2, the pair-wise correlation of two explanatory variables is less than 0.8 indicating that there is no problem of multicollinearity in the study (Appendix-B).

**Table 4.2 Pair-wise Correlation among variables**

Correlation Probability	SUB__FOR_UREA	SUB_FOR_ALL
SUB__FOR_UREA	1.000000	
SUB_FOR_ALL	-0.699854	1.000000
	0.0000	

Source: Secondary data (1990-2019)

If the probability value (p) is less than 5% or, if t statistics is greater than 2 then, there is a significant association between the two variables. Accordingly, in the study, there is a negative significant association between subsidies providing for Urea and subsidies providing for all fertilizer.

The tolerance and Variance Inflation Factor is also used to detect multicollinearity among variables. In this study, the value of VIF of two variables is less than 10 and, the TOL value is greater than 0.2 (Table 4.3). Therefore, the study is free from multicollinearity issues proving the basic assumption of the OLS. (Appendix C)

**Table 4. 3 VIF and TOL values of variables**

Variable	VIF	TOL (1/VIF)
SUB__FOR_UREA	1.966667	0.5084
SUB_FOR_ALL	1.966667	0.5084

Source: Secondary data (1990-2019)

#### **Residual Analysis**

Zero mean value of Disturbance  $U_i$

$$E(u_i | x_i) = 0$$

By calculating positive and negative  $u_i$  values, it is canceled out the summation of positive values into negative values. It can be proven as follows. (Appendix D)

**Table 4. 4: Zero mean value of Disturbance  $U_i$**

Sum of Positive Residuals	+ 1.60825
Sum of Negative Residuals	-1.60825
Change	0

Source: Secondary data (1990-2019)

#### **Normal distribution of error term**

If the residual is normally distributed then the histogram should be bell shaped. According to JB test, if the value of JB statistic is close to zero and the probability value is greater than 5% then, it can be stated that residuals are normally

distributed. In the study, the probability value is 0.839926 which is higher than 5%. JB statistic is 0.3488 means that the value close to zero. Hence, it can be concluded that the residuals are normally distributed. The residual distribution in Figure 1.1 also approximates a normal curve by completing

the Ordinary Least Square assumption. Therefore, the model represents the best linear unbiased estimators (B.L.U.E).

### **Homoscedasticity**

In this study, the Breusch-Pagan-Godfrey Heteroskedasticity test was used to identify heteroscedasticity. The result indicated that the probability value of chi-square is 0.2021 means that, it is not significant because the p-value is higher than 5%. Hence, it implies that, the absence of heteroskedasticity in the model. (Appendix E)

### **Model Specification**

In order to identify the impact of Fertilizer Subsidy on Average Paddy Yield, the Ordinary Least Squares (OLS) technique was adopted using the following equations. (Appendix-F)

Equation,

$$\text{AVE\_YIELD} = 3430.4 + 394.82 * \text{SUB\_UREA} + 815.66 * \text{SUB\_ALL}$$

According to the above equation,

$\beta_0 = 3430.4$  means, that when no subsidy is given either for Urea or all fertilizers, the average yield is 3430.4kg. Simply, in the period of subsidy removal (1990-1994) the average paddy yield is 3430.4kg per hectare.

$\beta_1 = 394.82$  means, that considering subsidy is given only for urea rather than removal of subsidy, it increases the average yield by 394.82 units, holding subsidy providing for all fertilizers constant. Hence, there is a positive relationship between the two variables. As estimates reveal, there is a statistically significant difference in average paddy yield with the provision of fertilizer subsidy for Urea. According to the estimates, by providing Urea as a subsidy, the average yield is increased up to 3825.22kg per hectare. It is the summation of average paddy yield with no subsidy and the increase of paddy yield when the subsidy is given only for Urea (3430.4 kg+394.82 kg). So, the results indicate that the expenditure on providing Urea by 1kg will cause to increase the paddy yield by 394.82 kg per hectare. It reveals the importance of providing fertilizer subsidies for paddy cultivation.

$\beta_2 = 815.66$  means, considering subsidy given for all fertilizers rather than removal of subsidy, it increases the average paddy yield by 815.66 units keeping subsidy provided only for Urea constant. Hence, there is a positive relationship between the two variables. As estimates reveal, there is a statistically significant difference in average paddy yield with providing all fertilizers for paddy cultivation. According to the estimates, by providing all fertilizers as a subsidy, the average yield is increased up to 4246.06kg per hectare. It is the summation of average paddy yield with no subsidy and the increase of paddy yield when the subsidy is given for all fertilizers. (3430.4 kg+815.66 kg). So, the results indicate that the expenditure on providing all fertilizers by 1kg, will cause to increase in the paddy yield by 815.66 kg per hectare. It reveals the importance of providing fertilizer subsidies for paddy cultivation.

This result indicates that providing all fertilizers as a subsidy, has a higher influence on average paddy yield rather than providing it only for Urea. It is higher by about 420.84 kg per hectare (815.66 kg-394.82 kg) which means providing fertilizer subsidy for all fertilizers will cause to increase in the average paddy yield of more than twice the amount than subsidy is given only for Urea. Therefore, it causes to gain more favors by providing all fertilizers than spending only on providing Urea. Therefore, necessary action should be taken to moderate the fertilizer subsidy in order to have a better yield for the expenditure.

Furthermore, the probability values the of coefficient of variables are less than 0.05. This indicates a significant association between explanatory variables and dependent variables. The probability value of a variable of providing Urea as a subsidy is 0.0126 and the probability value of providing all fertilizers as a subsidy is 0.0000. According to these estimates providing all fertilizers as a subsidy is more significant than providing it only for Urea.

The R squared value, 0.60145 shows that 60% of total variations in average paddy yield are explained by the explanatory variables. Providing subsidy for all fertilizers will largely affect on average paddy yield indicating the most important explanatory variable in the regression model. The calculated F value is 20.3698 and the table value of F is 3.37 (2'26). According to that, it can be concluded that the overall model is jointly or simultaneously significant. Here, the calculated F value is higher than the F table value. This evidence proves that fertilizer subsidy contributes to produce relatively a higher average yield in paddy cultivation. In terms of economic viewpoint, this finding justifies the fertilizer subsidy for paddy cultivation in Sri Lanka. Then, the hypothesis formulated in the study as fertilizer subsidy has a positive relationship with average paddy yield can be accepted by reviewing the results of the study.

A similar result can be found in research by Wanninayake and Semasinghe (2012). According to their model, they also found a positive relationship between average paddy yield and fertilizer subsidy. As stated in that study, the Average yield in the years of fertilizer subsidy does not exist, was 3430.6 per hectare. If subsidy was only provided for Urea, the average yield is increased by 421.15 kg per hectare. As well as with the subsidy provided for Urea, average yield is increased up to 3851.75 kg per hectare (= 3430.6+421.15). It is 4074.90 (= 3430.6+644.3) per/ha in the period in which subsidy was given for all three types of fertilizers. The results indicated a positive relationship between these variables as well as, the significance of providing fertilizer subsidy for all fertilizers rather than spending only on Urea. Providing subsidies for all fertilizers will cause to increase in the paddy yield than it provides only for Urea. Reviewing the current study and past studies, it states the importance of the existence of a well-organized fertilizer subsidy scheme for paddy cultivation in the Sri Lankan context. Therefore, it is a requirement to decrease the unnecessary expenditure on inefficient fertilizer subsidy schemes in time to time with the changes of political views appointed in Sri Lanka.

### **CONCLUSION AND RECOMMENDATION**

With the analysis of the results, it can be concluded that the fertilizer subsidy plays a major role in the Sri Lankan economy regarding determining the average level of paddy yield. Especially, rice is the staple food in Sri Lanka, and the involvement the paddy cultivation is highly affected by the fertilizer subsidy. Providing subsidies is a major requirement for the paddy sector in order to increase the production of paddy. Not only that, it can be concluded that, due to the fertilizer subsidy, the average paddy yield has been largely influenced by the fertilizer subsidy.

As a developing nation, the agriculture sector could be seen as an important aspect that yields a higher contribution to the GPP. In the world, most countries have achieved their structural change from the agriculture sector to the industrial sector, only after achieving the success of the agricultural sector. Therefore, in the Sri Lankan context, it should be encouraged the paddy sector by providing various types of

fertilizer subsidy schemes for the sake of agricultural sustainability. Rapid economic development of the county could be achieved with the improvement of the agriculture sector, thereby achieving the higher living standard of the country. Moderation of fertilizer subsidy is essential for the macro aspect in order to overcome the issues regarding the higher burden on import and government expenditure.

In order to increase the paddy yield in Sri Lanka, some of the policy implications which could be adopted in the paddy sector are, moderation of the fertilizer subsidy scheme to adjust the higher burden on government expenditure, policy implementation towards the organic fertilizer subsidy scheme rather than chemical fertilizer subsidy, restriction on import of fertilizer and funding for the local farmers to produce organic fertilizer, reviewing progress committee for the paddy sector at micro level paddy farming activities.

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**APPENDICES****Macroeconomic Impact**

VAR Lag Order Selection Criteria

Endogenous variables: AVE\_YIELD SUB\_ALL SUB\_UREA

Exogenous variables: C

Date: 10/30/20 Time: 14:10

Sample: 1990 2019

Included observations: 28

Lag	LogL	LR	FPE	AIC	SC	HQ
0	-219.8940	NA	1648.235	15.92100	16.06374	15.96464
1	-170.9904	83.83484	95.87177	13.07074	13.64168*	13.24528
2	-157.7504	19.85990*	72.72846*	12.76789*	13.76704	13.07334*

\* indicates lag order selected by the criterion

LR: sequential modified LR test statistic (each test at 5% level)

FPE: Final prediction error

AIC: Akaike information criterion

SC: Schwarz information criterion

HQ: Hannan-Quinn information criterion

**Appendix A****Unit Root Test****AVE.YIELD**

Null Hypothesis: D(AVE\_YIELD) has a unit root

Exogenous: Constant

Lag Length: 1 (Automatic - based on SIC, maxlag=7)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-7.263272	0.0000
Test critical values:		
1% level	-3.699871	
5% level	-2.976263	
10% level	-2.627420	

\*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(AVE\_YIELD,2)

Method: Least Squares

Date: 09/29/20 Time: 19:11

Sample (adjusted): 1993 2019

Included observations: 27 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(AVE_YIELD(-1))	-2.415627	0.332581	-7.263272	0.0000
D(AVE_YIELD(-1),2)	0.584079	0.189239	3.086455	0.0050
C	101.0931	31.90119	3.168946	0.0041

R-squared	0.808314	Mean dependent var	11.92593
Adjusted R-squared	0.792340	S.D. dependent var	338.6004
S.E. of regression	154.2993	Akaike info criterion	13.02010
Sum squared resid	571398.7	Schwarz criterion	13.16409
Log likelihood	-172.7714	Hannan-Quinn criter.	13.06292
F-statistic	50.60230	Durbin-Watson stat	1.668390
Prob(F-statistic)	0.000000		

**SUB.UREA**

Null Hypothesis: D(SUB\_ALL) has a unit root

Exogenous: Constant

Lag Length: 0 (Automatic - based on SIC, maxlag=7)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-5.160828	0.0003
Test critical values:		
1% level	-3.689194	
5% level	-2.971853	
10% level	-2.625121	

\*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(SUB\_ALL,2)

Method: Least Squares

Date: 09/29/20 Time: 19:22

Sample (adjusted): 1992 2019

Included observations: 28 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(SUB_ALL(-1))	-1.012048	0.196102	-5.160828	0.0000
C	0.036145	0.064189	0.563093	0.5782
R-squared	0.506024	Mean dependent var		0.000000
Adjusted R-squared	0.487025	S.D. dependent var		0.471405
S.E. of regression	0.337631	Akaike info criterion		0.735021
Sum squared resid	2.963855	Schwarz criterion		0.830178
Log likelihood	-8.290289	Hannan-Quinn criter.		0.764111
F-statistic	26.63415	Durbin-Watson stat		2.008424
Prob(F-statistic)	0.000022			

#### SUB.ALL

Null Hypothesis: D(SUB\_UREA) has a unit root

Exogenous: Constant

Lag Length: 0 (Automatic - based on SIC, maxlag=7)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-5.099020	0.0003
Test critical values:		
1% level	-3.689194	
5% level	-2.971853	
10% level	-2.625121	

\*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(SUB\_UREA,2)

Method: Least Squares

Date: 09/29/20 Time: 19:23

Sample (adjusted): 1992 2019

Included observations: 28 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(SUB_UREA(-1))	-1.000000	0.196116	-5.099020	0.0000
C	0.000000	0.052414	0.000000	1.0000
R-squared	0.500000	Mean dependent var		0.000000
Adjusted R-squared	0.480769	S.D. dependent var		0.384900
S.E. of regression	0.277350	Akaike info criterion		0.341677
Sum squared resid	2.000000	Schwarz criterion		0.436834
Log likelihood	-2.783476	Hannan-Quinn criter.		0.370767
F-statistic	26.00000	Durbin-Watson stat		2.000000



Prob(F-statistic) 0.000026

**Appendix B**

**Test for Multicollinearity**

**Pair wise Correlation**

Covariance Analysis: Ordinary  
 Date: 10/30/20 Time: 18:37  
 Sample: 1990 2019  
 Included observations: 30

Correlation		
t-Statistic		
Probability	SUB_ALL	SUB_UREA
SUB_ALL	1.000000	
	----	
	----	
SUB_UREA	-0.699854	1.000000
	-5.184593	----
	0.0000	----

**Appendix C**

**VIF Results**

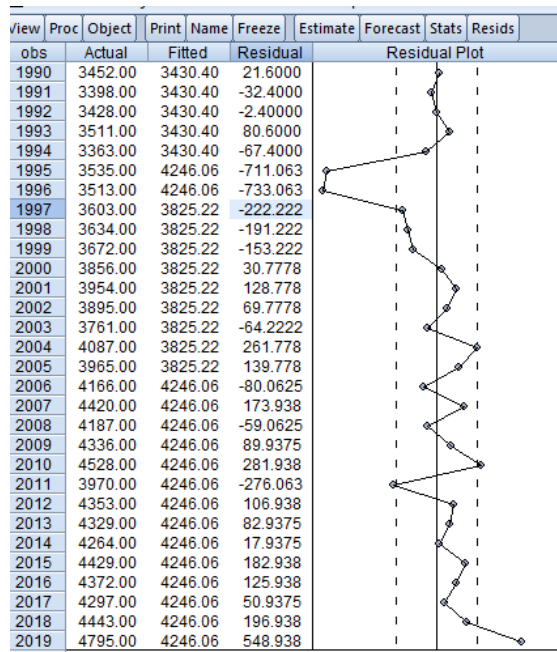
Variance Inflation Factors  
 Date: 10/30/20 Time: 18:33  
 Sample: 1990 2019  
 Included observations: 30

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
SUB_ALL	18415.66	4.200000	1.960000
SUB_UREA	21825.96	2.800000	1.960000
C	14030.98	6.000000	NA

**Appendix D**

**Normality Tests**

**Zero mean value of disturbance  $U_i$**



**Appendix E**

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	1.610832	Prob. F(2,27)	0.2183
Obs*R-squared	3.198035	Prob. Chi-Square(2)	0.2021
Scaled explained SS	5.865683	Prob. Chi-Square(2)	0.0532

Test Equation:

Dependent Variable: RESID^2

Method: Least Squares

Date: 10/30/20 Time: 18:44

Sample: 1990 2019

Included observations: 30

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2512.240	59869.69	0.041962	0.9668
SUB_ALL	101088.1	68589.35	1.473816	0.1521
SUB_UREA	22378.38	74670.63	0.299695	0.7667
R-squared	0.106601	Mean dependent var		63139.39
Adjusted R-squared	0.040423	S.D. dependent var		136663.4
S.E. of regression	133872.7	Akaike info criterion		26.54181
Sum squared resid	4.84E+11	Schwarz criterion		26.68193
Log likelihood	-395.1271	Hannan-Quinn criter.		26.58663
F-statistic	1.610832	Durbin-Watson stat		0.882976
Prob(F-statistic)	0.218330			

**Appendix F**

Dependent Variable: AVE\_YIELD

Method: Least Squares

Date: 10/30/20 Time: 18:50

Sample: 1990 2019

Included observations: 30

Variable	Coefficient	Std. Error	t-Statistic	Prob.
SUB_ALL	815.6625	135.7043	6.010587	0.0000
SUB_UREA	394.8222	147.7361	2.672483	0.0126
C	3430.400	118.4524	28.96015	0.0000
R-squared	0.601415	Mean dependent var		3983.867
Adjusted R-squared	0.571890	S.D. dependent var		404.8102
S.E. of regression	264.8677	Akaike info criterion		14.09098
Sum squared resid	1894182.	Schwarz criterion		14.23110
Log likelihood	-208.3647	Hannan-Quinn criter.		14.13580
F-statistic	20.36983	Durbin-Watson stat		0.932955
Prob(F-statistic)	0.000004			

# Moonlighting Farmers: Factors Associated with Secondary Job Holding in the Agricultural Sector of Sri Lanka

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## Abstract

The highest rate of Secondary job holding (moonlighting) was recorded among two groups in Sri Lanka, including professionals and agricultural workers, although their objectives of moonlighting are different. Sri Lanka has been keeping a record of the lowest productivity in the agricultural sector for years with a higher rate of underemployment and hidden unemployment. Moonlighting is a way to enhance maximum utilization of labour in the sector and the main objective of this research is to identify the factors that affect the engagement in secondary jobs, among agricultural workers in Sri Lanka. This was further analyzed among the farmers for three specific crops, including paddy, vegetable and tea. A total of 8,165 agricultural workers from the Sri Lanka Labour Force Survey (LFS) 2018, were used for this study. The Logit regression models were used to identify the factors to engage in secondary jobs for agricultural workers in Sri Lanka. The study concluded that the income and number of hours of the main jobs, being a female, being unmarried, not being a Sinhalese, living in non-Western provinces, size of the household, and engaging in agricultural activities during the second and third quarters have significant relationships on the choice of holding secondary jobs among agricultural workers. Engagement in secondary jobs increases with age at a decreasing rate. The study proposes policies for the promotion of moonlighting to utilize the full capacity of Sri Lanka's agricultural workers.

**Keywords:** Agricultural workers, Farmers, Labour supply, Moonlighting, Secondary jobs.


## INTRODUCTION

According to the International Labour Organization (ILO) (2004), for most transitional and industrial economies, the holding of multiple jobs has shown a considerable increase during the last few decades. Retention of multiple jobs emerges when a person engages in more than one job at the same time. This has been identified as holding secondary jobs and part-time jobs (Madukala & Dunusinghe, 2019). While a job held apart from one's main job can be identified as a secondary job, those engaged in secondary activities apart from their main activities during the period of this survey are also considered as those holding secondary jobs (LFS, 2018). Some workers engage in additional jobs to maintain their living standards. Holding multiple jobs is a strategy to the self-employed to minimize the economic vulnerabilities through supplementary income (ILO, 2004). Engaging in secondary jobs has become a prominent feature in the labour market even in Sri Lanka (Samaraweera & Ranasinghe, 2012). When comparing with some other developing/developed countries, statistical information on engagement in multiple jobs is limited in Sri Lanka, like in other developing countries. However, due to the importance of statistical estimates on the overall labour market, developing countries presently gather information on multiple jobs (LFS, 2018). Engaging in multiple jobs is a common phenomenon in most OECD (Organization for Economic Co-operation and Development)

countries (Combos et al., 2007). Engaging in multiple jobs directly affects a country's labour market. In the economy of Sri Lanka, which is a developing country, 25.5% of its employed population is in the agricultural sector (LFS, 2018). Labour productivity of the sector has recorded low values for a long time due to various agricultural related issues (CBSL, 2019). More than in other sectors, the number of inactive hours is higher among the agricultural workers (CBSL, 2014). Due to the productivity of workers in the agricultural sector being lower for several years when compared to the services and industrial sectors, underemployment and income insecurity are predominant issues that have prevailed in Sri Lanka for years, especially among the informal sector workers. Hence, minimizing the inactive hours of agricultural workers due to issues inherent to the sector, increasing worker productivity and making use of the labour with further efficiency and maximum utilization of labour can be achieved through secondary jobs.

Despite action being taken to improve the welfare of the agricultural workers in Sri Lanka by every government that comes into power, a positive solution to this issue of lower productivity has not been found so far. Promoting secondary employment among agricultural workers will help to increase productivity in the sector and to have maximum capacity utilization of labor in the respective sector. The hold-

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ing of multiple jobs could be seen in areas with farming activities including weak natural resources and agrarian structures (Combos et al., 2007). Furthermore, promoting secondary jobs as a strategy in Sri Lanka to increase job security, and income security in the agricultural sector and to raise their living standards by making use of inactive time will provide the opportunity to resolve issues faced by the agricultural workers. For that purpose, the nature of secondary occupations engaged in by agricultural workers and the factors associated with secondary occupations should be identified first. The factors like demographic, socio-economic, geographical, and seasonal factors differ among different groups of agricultural workers based on the crop they are growing. The nature of labour, and climatic seasonal factors affect different crops in different ways. The research problem of this study is to answer the question "What are the factors that affect Sri Lanka's agricultural workers and other agricultural workers who are engaged in both subsistence agriculture including paddy and vegetables and commercial agriculture including tea, to engage in secondary jobs?" to increase the productivity of agricultural workers in by different crops.

The main objective of the research is to identify the factors associated with secondary job holding in Sri Lanka with a special focus on three major crops paddy, vegetables, and tea. These factors will be specifically identified as the demographic, socio-economic, and geographical factors associated with moonlighting of farmers growing each crop.

## LITERATURE REVIEW

Secondary employment choices of agricultural workers are affected by numerous socio-economic, demographic, and spatial factors.

Economic factors are the root cause for workers holding secondary employment according to the theoretical and empirical literature. Hours constrained motive and financial motive come under this. According to the standard labour leisure model, though workers may be willing to work more, their primary jobs do not provide them the opportunity to do so and this is called as hours constrained motive of moonlighting (Perlman, 1966). If the number of hours in their main job is inadequate, the worker gets into a second job, according to Tansel, 1996 as well. Since the hours that can be spent by a person in his/her primary job are limited, their earning capacity through that particular job to is limited, thus leading to a financial motive. According to the neo-classical model of labour supply, the decision to engage in a second job depends on the hours one can spend on his/her primary job and whether the wage ratio for the relevant work hours can fulfill the income target. The main job could be a source of income while the second job could be for job training and for an avenue to establish relations or for self-satisfaction. This is called the heterogeneous job motive. While one job could be stable but with a low-income source, the other job, though generally unstable could provide a higher wage (Paxon & Shicherman, 1996). Flexibility in primary employment is also another key motive for moonlighting, and that is even valid for agricultural workers.

Previous studies have identified economic, socio-demographic and geographical factors associated with moonlighting and the hypothesis of the study was developed based on those factors as follows. Among economic factors, the number of work hours and salary play an important role. The number of work hours in the main job has a negative effect on engaging in a second job (Baah-Boateng et al., 2013). The

number of work hours in the main job has a negative relationship with the probability of getting multiple jobs according to Wijayanti & Adrison (2018) as well. The ability to engage in a second job decreases when the normal work hours of the primary job increase. Hence, there is a negative relationship between working hours in a primary job and moonlighting (Madukala & Dunusinghe, 2019). According to this study, the time spent on the main functions affects unfavorably on the ratio. This means, that spending more time on the first job reduces the probability of engaging in a second job (Nadrei, 2003). Negative attitudes toward the main job lead to a second job (Biglaiser & Albert Ma, 2007).

The salary received from primary employment considerably and negatively affects the decision to engage in a secondary job (Dickey & Theodssiou, 2004; Baah-Boateng et al., 2013; Allen, 1998; Krishnan, 1990; Tansel, 1996; Samaraweera, 2011). However, the income received from the primary job does not affect the decision to engage in a secondary job, according to Hyder & Ahmed (2011). Therefore, the first hypothesis of the study is derived as follows:

**H1: Economic factors are associated with the secondary employment choice of agricultural workers.**

Socio-demographic factors are the next important aspect found in the literature. Age, gender, education, marital status, and life cycle aspects are important factors given in the empirical literature.

The probability of holding multiple jobs increases with age. While male and female youth are biologically energetic, they can hold more than one job and are able to engage in more work hours. Physical strength reduces with age due to biological deprivation. Hence, there is a lesser probability of holding additional jobs when age increases (Baah-Boateng et al., 2013). Though the probabilities of engaging in secondary jobs increase with age, the increase is in a smaller proportion (Nadrei, 2003). The study found that workers in both the formal and informal sectors show a considerable positive relationship of moonlighting with age, but that is happening at a decreasing rate (Samaraweera & Ranasinghe, 2012; Danzer, 2008; Nunoo et al., 2016). However, age does not affect participation in second jobs according to Foley, 1997. Although age was taken as a key factor by many researchers to explain moonlighting, that is always dealing with their life cycle aspects.

"Life-cycle squeeze" is an important phrase in studies carried out on males engaged in secondary jobs. Here, it has been found that when men are pressurized by the anomalies among family needs, financial needs, and financial resources in hand, such men turn towards secondary jobs. A compact measurement of the life-cycle squeeze has been provided here by combining the number of children with the savings and investment amount (Wilensky, 1963). Pointing out to liquidity limits as another reason for secondary jobs shows that engaging in secondary jobs is one way for the worker to react to his/her liquidity limits. There are possibilities of those intending to buy a house or a new motor vehicle getting a second job (Abdukadir, 1992).

When taking the gender aspects into account, there is a positive impact on male workers engaging in secondary jobs (Nunoo et al., 2016). The probabilities of female workers engaging in secondary jobs are less than compared of male workers (Samaraweera and Rathnayaka, 2010; Madukala & Dunusinghe, 2019; Baah-Boateng et al., 2003; Alden & Spooner, 1982; Michelotti, 1975). Being a woman reduces the chances of being engaged in a secondary job in the informal sector (Samaraweera & Ranasinghe, 2012). More

men than women engage in secondary jobs or being a male positively impacts on engaging in secondary jobs.

According to this research, the highest percentage engaged in second jobs is among married persons. When considering married persons, they have higher financial burdens. Hence, they spend more time on earning activities. Similarly, there is a lower percentage engaging in secondary jobs among the never married or unmarried persons (Madukala & Dunusinghe, 2019; Nadrei, 2003; Kimmel & Powell, 2001). It has been found that more than unmarried workers, there is a probability of married workers engaging in more than one job (Samaraweera and Rathnayaka, 2010; Owusu, 2001).

The ratio between the dependent household members and the total household members play a considerably negative role in the decision to engage in multiple jobs. This agrees with the opinion that multiple jobs decrease due to time dedicated to the family (Combos et al., 2007). However, the number of members in the family also shows a positive relationship with engaging in secondary jobs (Jehan & Khan, 2016; Shishko & Rostkar, 1976; Adebo, 2013).

The empirical literature shows that education does not considerably affect farmer families' decision to engage in activities outside their farms (Beyene, 2008). The level of education does not definitely affect the decision to engage in a second job as well (Hyder & Ahmed, 2011). Education increases the opportunities for secondary jobs and has a positive relationship (Tansel, 1996; Amirault, 1997). The percentage engaging in secondary jobs is higher among farmers with secondary education than farmers with primary education or those who had not attended school (Samaraweera, 2011).

According to this study, ethnicity is another major factor associated with secondary job holding in Sri Lanka. While being a non-Sinhalese worker reduces workers representing the informal sector from engaging in second jobs, it increases workers in the formal sector engaging in second jobs (Samaraweera & Ranasinghe, 2012). Samaraweera and Rathnayaka, (2010) also presented that being Sinhalese shows significant negative relationship with moonlighting. Based on all the above empirical literature, the study derived the second research hypothesis as follows:

**H2: Demographic and socio-economic factors are associated with the moonlighting choice of agricultural workers.**

Geographical and seasonal factors dealing with different climatic influences are the final aspect to be considered in this literature review. Reasons inherent to the agricultural sector, such as being unable to engage in agricultural activities due to climatic changes, geographical changes, and verities in crops mostly affect this situation. Living in an urban area reduces the probability of a person engaging in a second job, which means it causes a negative impact. This can prove the view that rural people are motivated to engage in a second job due to the unstable income among them through farming. Further, rural workers are more prone to get additional jobs to better their welfare, and also there are more opportunities for secondary jobs in the rural sector when compared to the urban sector (Baah-Boateng et al., 2013). When considering the living area, it has been found that urban residence causes a considerable and negative impact on multiple job engagement (Samaraweera and Rathnayaka, 2010; Combos et al., 2007). According to Unni (1992), most people in rural areas of India engage in more than one economic activity to maintain their economic security.

Seasonal factors are the other key reasons affecting moonlighting among agricultural workers. According to Beyene

(2008) farmers have to exert some excess efforts during the off seasons due to the seasonal nature of agriculture, thus leading them to seek secondary employment. Based on these aspects the third research hypothesis is developed as follows:

**H3: Geographical and Seasonal factors are associated with the moonlighting choice of agricultural workers.**

## RESEARCH METHODOLOGY

Micro level Secondary data of Sri Lanka's Labour Force Survey in 2018 conducted by the Department of Census and Statistics is used for this study to collect information on agricultural workers. The working-age agricultural workers (15 years and above) included in the Labour Force Survey Report (2018) are the compilation of this study. The working age population means all persons aged 15 years and above of working age from the year 2013. A total of 8,165 agricultural workers were used for the logistic model for seeking factors associated with moonlighting as an overall model, while 1,860 paddy growing agricultural workers represented Sri Lanka's subsistence agriculture, 1,373 vegetable growing agricultural workers, and 2,102 tea growing agricultural workers represented Sri Lanka's commercial agriculture were used to identify the factors affecting agricultural workers engaging in secondary jobs for specific sectors. Though rubber as a crop is very important in commercial agriculture, it is not considered in this study due to inadequate data. The Logit regression model is used to analyse the data with the average marginal effects of the coefficients. Four Logit regression models were used for the analysis for total agricultural workers, paddy farmers, vegetable farmers and tea planters and interpretations were made based on the marginal effects. Logit regression equation is given below.

$$Li = \ln \frac{p}{1-p} = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \dots + \beta_i x_i$$

An agricultural worker engaging in secondary jobs is studied here as engaging in secondary jobs or the dependent variable. The 8th question in the questionnaire used to gather data for the Labour Force Survey Report 2018, is: What are the main production activities/services/activities relating to the tasks you are engaged with, in your institution or business / your place of work? (Under industries) was used to prepare the dependent variable related to the objective of this study. Through this, the agricultural workers who engage in agricultural activities as their main employments were identified. The 24th question in the Labour Force Survey Report 2018, which is "Were you engaged in a secondary job / economic activity during the last week?" was used to identify those engaged in secondary jobs among the agricultural workers. Thereby, if engaged in a secondary job, it was marked as 1 and if not, it was marked as 0.

Regarding the objective of this research, which means identifying the factors affecting agricultural workers engaging in secondary jobs, it can be divided into three main categories as the independent variable; Socio-demographic factors, economic factors, and geographical and seasonal factors. Independent variables like gender, age, age square, marital status, household size, level of education, and ethnicity are taken as socio-demographic factors while the residential sector and the quarter engaged in the specific economic activity were taken as the geographical factors. The income of the main job and the hours of the main job were taken as separate variables to see the importance of hours constrained motive and financial motive under economic factors.

## RESULTS AND DISCUSSION

The total agricultural workers in Sri Lanka and agricultural workers growing selected crops like paddy, tea, and vegetables are presented as engaging in secondary jobs. Accordingly, 10.6 percent of the total agricultural workers engage in secondary jobs. By crop type, 19.2 percent of paddy farmers, 5.5 percent of vegetable farmers, and 7.2 percent of tea farmers are holding secondary jobs in Sri Lanka. Among the paddy farmers engaged in secondary employment, the majority engaged in growing up-country vegetables, including china cultivation, growing grains, dairy farming, residential and non-residential building construction, growing cigarette tobacco, growing pepper, and growing tea as their second job. The majority have second jobs in the same agricultural sector. Among vegetable farmers, the majority engaged in supportive activities in crop growing, growing pepper, dairy farming, and paddy farming. A few vegetable farmers were engaged in residential and non-residential building construction activities. Growing cinnamon is a popular second job among tea growers while growing paddy also recorded a considerable amount. Table 1 presents the descriptive statistics of each regression model. Accordingly, the proportion of secondary job holding is recorded for paddy farmers. The average age for agricultural workers is 48.5 years while specific farming groups also report an age ranging from 47-50. The female proportion of the agricultural sector is 36 percent while the tea sector shows 54 percent. The lowest west female proportion is recorded for paddy farming. Nearly 8 to 10 percent unmarried rates were recorded for the selected sectors while 28 percent of non-Sinhalese are in the sample for the agricultural sector. The highest monthly earnings were recorded for the tea sector while vegetable farmers come second. The highest numbers of working hours are recorded for vegetable farmers while the average hours of work in primary job is recorded as 40 for all agricultural workers. Table 2 present the marginal effects of the logistic regression models. Socio-demographic factors, geographical and seasonal factors and economic factors are considered under this. Among socio-demographic factors, age, gender, marital status, education, ethnicity and household size were considered.

The variable "age" is the main factor that affects persons to engage in secondary jobs. The probability of engaging in secondary jobs increases with age at a decreasing rate in this study for all overall agricultural workers, paddy farmers and tea growers aligned to previous researchers (Nadrei, 2003; Danzer, 2008; Baah-Boateng et al., 2013; Samaraweera, 2011). This is more prevalent among paddy farmers according to the marginal effects in Table 2. Engaging in secondary jobs increases due to situations like it becoming easier to grow additional crops / engage in agricultural activities due to increasing experience with aging, time saved from main agricultural activities, etc. But based on reasons like decreasing physical strength due to increasing age, gradual decrease in financial needs since expenses are lower during old age in comparison to youthful years, affect the decreasing speed.

When considering being a female as a main factor among those affecting secondary jobs, this study has found that being a female, in relation to the base category, the probability of an agricultural worker engaging in a secondary job decreases by 13.3%. Being a female worker reduces moonlighting among paddy farmers at a rapid rate than the tea and vegetable farmers. According to Samaraweera and Rathnayaka (2010) and Madukala and Dunusinghe (2019), the probability of female workers engaging in secondary jobs is less

compared to male workers. Being a woman decreases engagement in secondary jobs in the informal sector (Samaraweera & Ranasinghe, 2012). There are lesser chances for married women to engage in second jobs (Wu et al., 2009). This is a very practical situation. The secondary jobs of workers engaged in agricultural activities are also mostly jobs related to the agricultural sector. That means agricultural workers grow other crop/s apart from their main crops / main agricultural activities. Or they engage in some other activity like animal husbandry. Or else they engage in manual labour<sup>1</sup>. They have to exert physical effort in these activities. Since having to exhaust their bodies while working or engaging in another extra job according to physical strength is not an easy task, though a female agricultural worker is most likely to engage in an agricultural activity as her main job, the tendency to further engage in a secondary job decreases in comparison to a male worker. Furthermore, a woman has a lot of roles to play within her household as well. Similarly, it is difficult for female agricultural workers to find secondary jobs apart from their main jobs when compared to male workers. Situations like these are the reasons for the considerable negative relationship between being a woman and engaging in a secondary job.

Similarly, when considering unmarried persons, they are most unlikely to bear expenses for the households when compared to the base category including married persons. They need not spend on children. Individuals would have to bear additional financial responsibilities after marriage. They would be pressurized by financial necessities. Unmarried persons mostly have lesser financial needs when compared to married persons. Hence, the income from their main agricultural work is often inadequate for married agricultural workers. So, they are pushed into engaging in a secondary job. Unmarried persons would not have to face any life-cycle squeeze, unlike married persons. Unmarried persons would not have to face any problems in various stages of their life cycles as their married counterparts. Therefore, engaging in secondary jobs shows a lower value among unmarried persons. It has been found that the probabilities are more for married workers than unmarried workers to engage in more jobs than one (Samaraweera and Rathnayaka, 2010; Madukala & Dunusinghe, 2019; Kimmel & Powell, 2001; Owusu, 2001). Similarly, it has been found that the proportion is minimal among unmarried persons engaging in secondary jobs (Madukala & Dunusinghe, 2019). This study too shows that being an unmarried person causes a considerable negative impact on engaging in a secondary job. That means, in comparison to the base category, being an unmarried person decreases the probability of an agricultural worker engaging in a secondary job by 8.1 percent. The tendencies for holding a second job among unmarried paddy farmers is 12 percent lower than the base category.

When a non-Sinhalese person is taken into consideration, there are Indian Tamils, Sri Lankan Tamils and Muslims or other ethnicities among the non-Sinhalese persons. Most of the Indian Tamils are poor without land or houses. They often live in line-rooms. The majority of the Indian Tamils are employed in tea estates. As they mostly engage in agricultural activities entrusted to them under a supervisor they do not enjoy adequate time to focus on a secondary job. Hence, their engaging in secondary jobs is lesser. Similarly, the Indian Tamil workers are also a geographically restricted group.

Table 1: Descriptive Statistics

Variable	All Agricultural Workers (8165)		Paddy farmers (1860)		Vegetable farmers (1373)		Tea planters (2102)	
	Mean/ Proportion	Std. Dev.	Mean/ Proportion	Std. Dev.	Mean/ Proportion	Std. Dev.	Mean/ Proportion	Std. Dev.
Secondary job holding	0.106	0.307	0.192	0.394	0.055	0.227	0.072	0.259
<b>Socio Demographic Factors</b>								
Age	48.517	13.572	49.387	13.320	47.605	13.553	49.794	13.345
Age squared	2538.111	1305.638	2616.347	1270.394	2449.818	1281.148	2657.500	1319.365
Being a female (d)	0.363	0.481	0.215	0.411	0.361	0.480	0.549	0.498
Being unmarried (d)	0.097	0.297	0.094	0.291	0.106	0.308	0.083	0.276
With no schooling or primary education (d)	0.310	0.463	0.272	0.445	0.283	0.451	0.367	0.482
Being Non-Sinhalese (d)	0.288	0.453	0.242	0.429	0.361	0.480	0.265	0.442
Household size (d)	3.945	1.561	3.904	1.508	4.007	1.603	3.893	1.540
<b>Geographical and Seasonal Factors</b>								
Being non-western resident (d)	0.949	0.220	0.987	0.113	0.969	0.174	0.928	0.259
Quarter 2 (d)	0.239	0.426	0.243	0.429	0.243	0.429	0.257	0.437
Quarter 3 (d)	0.244	0.430	0.223	0.416	0.259	0.438	0.229	0.420
Quarter 4 (d)	0.248	0.432	0.279	0.449	0.244	0.430	0.256	0.437
<b>Economic Factors</b>								
Monthly earnings Rs. (0000)	1.596	2.389	1.196	2.622	1.607	2.062	1.648	2.141
Work hours per week in primary job	40.132	15.665	38.461	12.517	42.479	14.148	37.123	14.933

Source: Author's calculation using LFS 2018

**Table 2: Marginal Effects (ME) of Logit Regression Models**

Variable	All Agricultural Workers (8165)		Paddy farmers (1860)		Vegetable farmers (1373)		Tea planters (2102)	
	ME	SE	ME	SE	ME	SE	ME	SE
<b>Socio Demographic Factors (H<sub>2</sub>)</b>								
Age	0.014***	0.002	0.021***	0.005	0.005	0.004	0.015***	0.004
Age squared	-0.00017***	0.00002	-0.00026***	0.00005	-0.00007	0.00004	-0.00016***	0.00004
Being a female (d)	-0.133***	0.010	-0.216***	0.027	-0.059***	0.015	-0.105***	0.014
Being unmarried(d)	-0.081***	0.016	-0.125***	0.045	-0.051***	0.032	-0.050*	0.027
With no schooling or primary education (d)	0.004	0.008	0.015	0.020	0.017	0.014	0.004	0.012
Being Non Sinhalese (d)	-0.129***	0.011	-0.225***	0.029	-0.091***	0.022	-0.079***	0.021
Household size (d)	-0.009***	0.002	-0.002	0.006	-0.010**	0.004	-0.008*	0.004
<b>Geographical and Seasonal Factors (H<sub>3</sub>)</b>								
Being non-western resident (d)	0.053***	0.017	0.001	0.081	-0.012	0.026	0.077***	0.027
Quarter 2 (d)	-0.024***	0.009	0.008	0.024	-0.059***	0.022	-0.011	0.016
Quarter 3 (d)	-0.024***	0.009	-0.021	0.025	-0.008	0.015	-0.008	0.016
Quarter 4 (d)	-0.006	0.009	-0.020	0.023	-0.006	0.015	0.002	0.015
<b>Economic Factors (H<sub>1</sub>)</b>								
Monthly earnings (0000)	-0.019***	0.006	-0.063***	0.012	-0.006	0.004	-0.006	0.004
Work hours per week in primary job	-0.002***	0.000	-0.003***	0.001	-0.001***	0.000	-0.002***	0.000
Sample Size	8165		1860		1373		2102	
Log likelihood	-2427.77		-807.0246		-254.815		-470.0464	
Likelihood Ratio chi2	435.39		207.97		61.06		151.18	
Probability > chi2	0.0000		0.0000		0.0000		0.0000	
Pseudo R2	0.1181		0.1141		0.1242		0.1385	

Source: Author's calculations using LFS 2018

Base Category: Secondary or tertiary Educated Sinhalese Western resided married Male surveyed in Quarter 1

Level of Significance- \*\*\* denotes 0.01, \*\* denotes 0.05 and \* denotes 0.1

Note: There is no correlation between monthly earning and hours and both were included to check the importance of hours constrained motive and financial motive.



They mostly live within the up-country zones. Hence, opportunities are limited to them to look for secondary jobs apart from their main agricultural jobs. Sri Lanka Tamils too, in comparison to the Sinhalese, engage less in secondary jobs. The lesser employment opportunities for them in comparison to the Sinhalese affect the lower number of Sri Lanka Tamils engaging in secondary jobs. The land ownership of the Sri Lanka Tamils engaged in agricultural activities too is limited. Due to such situations, there are lesser secondary job opportunities for the Sri Lanka Tamils. Similarly, agricultural workers engaged as farm labourers getting a specific number of work hours may also be the reason for this situation. When the Muslims are taken into consideration, while most of the Muslims in Sri Lanka engage in business activities, the Muslims engaged in the agricultural sector are mostly involved in animal husbandry, namely cattle, goats, poultry, etc. The number of Muslim workers engaged in crop cultivation-related agricultural activities is limited. Similarly, since the number of secondary jobs is limited to Muslim agricultural workers in comparison to the Sinhalese, their engagement in secondary jobs decreases. Proving this situation, this study too has found that in comparison to the base category, being a non-Sinhalese lowers the probabilities of engaging in secondary jobs by 12.9 percent or causes a considerable negative impact. The likelihood of having secondary employment by non-Sinhalese is lower than the base category for all agricultural workers, paddy farmers, vegetable farmers and tea planters. A higher prevalence of moonlighting among Sinhalese was previously found by Samaraweera and Rathnayaka (2010).

Also, it becomes evident through this study that the number of members in the household increasing by one, when compared to the base category, causes the probability of an agricultural worker engaging in a secondary job to decrease by 0.9 percent. Household size is also a negative significant factor for moonlighting decision making of both vegetable and tea farmers. This means, the number of members living in a household causes a considerable negative impact on engaging in a secondary job. The ratio between the dependent household members and the total household members too play a considerably negative role in the decision to engage in multiple job engagements (Combos et al., 2007). The opportunities are lesser for workers living in a poor household to engage in more than one job. The reason for this is the lower ability of the working poor to gain information on available opportunities and employments (Baah-Boateng et al, 2013). With the increase in number of members in a household and with the resultant increase in the employed members the income situation too improves. In such a situation, the probability of an agricultural worker engaging in a secondary job too decreases. The main jobs as well as the secondary jobs of agricultural workers are employments which need physical exertion. Hence, as the members living in the household increases, thus increasing the number of workers and improves the income, and therefore agricultural workers showing reluctance to engage in secondary jobs are the reasons for this situation. However, household size is an insignificant factor in the moonlighting decision making of paddy farmers.

According to the above findings, the study concluded that socio demographic factors including age, gender, marital status, ethnicity and household size affect the moonlighting decision making among agricultural workers.

Further, the probabilities of an agricultural worker engaging in a secondary job decrease by 5.3 percent when such persons live in provinces other than the Western province areas, in comparison to the base category of this study. There is a considerable positive relationship with non-western provinces. Agricultural workers living in non-western, i.e., engaging in secondary jobs is higher when compared to agricultural workers in the western province. The reason for this is because the agricultural workers in the non-western provinces mostly engage in agro-based secondary occupations. All provinces other than the Western have higher proportions of rural sector. Further, rural workers show higher preference to get extra jobs to improve their welfare (Baah-Boateng et al., 2013). Similarly, according to a study conducted by Unni (1992) it has been found that persons in the rural areas of India engage in more than one economic activity. This study has revealed that there is more room for employment in the rural sector, in comparison to the urban sector. The number of work hours, limited wages and financial insecurity are the reasons for this (Samaraweera & Ranasinghe, 2012). The same reasons are valid to explain the higher tendency for moonlighting among agricultural workers in the non-Western provinces as a common group as well as tea farmers.

When considering the quarterly impacts according to the various months of the year as the most important factor that affects agricultural workers engaging in secondary jobs, according to this study, the ability to engage in employment decreases by 2.4 percent during the second quarter, in comparison to the base category including the first quarter. Similarly, the ability to engage in secondary jobs decreases by 2.4 percent during the third quarter as well. Therefore, the highest involvement is recorded in the first quarter. According to Beyene (2008) too, while a farmer family has to exert some excess efforts during the off seasons due to the seasonal nature of agriculture, it is said that this prompts them to engage in other non-farming activities. The second quarter comprises the months of April, May and June. When these three months are considered, the first inter-monsoon season has to be faced during April. Weather conditions with thunder and rains are experienced during this period. It is a bit difficult to engage in secondary jobs under such weather conditions. Hence, engaging in secondary jobs declines. If persons engaging in their main agricultural activities during day time engage in secondary jobs within or outside their farms, then this tendency declines due to such weather conditions. By May, June the south-west monsoonal weather conditions have to be faced. Again, the third quarter comprising the months of July, August and September come under the south-west monsoon. Food situations may have to be faced during this period due to the water collected during the south-west monsoon mostly cause more rainfall than necessary. Hence, during the third quarter too agricultural workers engaging in secondary jobs decline more than during the second quarter. Secondary job holding among vegetable farmers is also lower by 5.9 percent for quarter two in comparison to the reference group.

The importance of locational and seasonal factors in determining secondary employment choice was established by the study as expected in the hypothesis.

This study reveals that when the work hours of an agricultural worker increases by one hour, the probability of engaging in a secondary job decreases by 0.2 percent, thus showing the empirical validity of hours constrained motive for the

agricultural sector. This situation is common to all paddy farmers, vegetable farmers and tea farmers showing the validity of neo-classical hours constrained argument for all three sectors. The number of work hours of the main job negatively affects the engagement in a second job, according to Baah-Boateng et al., 2013; Shishko and Rostker, 1976; Paxson and Sicherman, 1996; Wijayanti and Adrison, 2018. The finding of this study is in compliance with the neo-classical static model of labour supply presented by Tansel (1996) as well. When the number of work hours in the main job, i.e., when the time / work hours for engaging in one's main agricultural job increases, then the time for agricultural workers to engage in secondary jobs, i.e. the time to grow secondary crops, to engage in some other job outside of the farm, also decreases. Jobs in the agricultural sector are not limited to any specific hours. Certain agricultural activities need attention irrespective of day or night. When a farmer thus spends more of his/her time on his/her activities in the main agricultural job, the time to engage in a secondary job as well as his/her physical strength declines. Then the engagement in secondary jobs declines.

This study shows that when the wage earned by an agricultural worker in his main job increases by a single unit, the preference to engage in a secondary job declines by 1.9 percent. Earning primary employment reduces the involvement in secondary employment by 6 percent. In this instance, there is a considerable negative relationship. If agricultural workers earn higher incomes from their main jobs, i.e their main agricultural jobs, then there is a decline in their engagement in secondary jobs. This means there is a negative relationship between the main agricultural job and engagement in secondary jobs. This is a very practical situation. Since agricultural sector-related secondary jobs mostly require physical exertion, they do not attempt to engage in other jobs if they receive an adequate income from their main agricultural jobs. The wages received from the primary job considerably and negatively affect the decision to engage in secondary jobs (Dickey & Theodssiou, 2004; Panos et al., 2011). The earnings of a worker from the main job considerably and negatively affect the probability of engaging in a second job (Baah-Boateng et al., 2013; Allen, 1998; Krishnan, 1990).

Regarding economic factors, hours-constrained motive and financial motive are considered as key economic factors associated with moonlighting among agricultural workers.

## CONCLUSION AND RECOMMENDATIONS

As the lowest productive employment sector in Sri Lanka, the agricultural sector is facing a challenge to enhance productivity and reduce underemployment and hidden unemployment so as to increase the maximum capacity utilization of labour. The main objective of the study was to identify the factors associated with secondary job holding in Sri Lanka among agricultural workers as a common group and more specifically among paddy, vegetable and tea farmers. Secondary data of the Sri Lanka Labour Force Survey 2018 conducted by the Department of Census and Statistics was used for the study.

The study concluded that socio-demographic factors like age, gender, marital status, ethnicity and household size, locational factors including being non-Western residents, engaging in agricultural activities during the second quarter, engaging in agricultural activities during the third quarter and economic factors including income from the main job, work hours in the main job have significant relationships

with an agricultural worker engaging in secondary jobs. Education was not identified as a determinant of selecting second jobs by agricultural workers. Moonlighting among paddy farmers was positively affected by age, being a female, being unmarried, and being non-Sinhalese show negative significant relationships. Both financial motives and hours-constrained motives are valid for paddy farmers to select secondary employment. Being female, being unmarried, being non-Sinhalese, and household size have significant negative relationships with moonlighting among vegetable farmers while hours-constrained motive is also valid for moonlighting choice among them. Secondary employment among tea farmers was positively affected by age and being a resident from provinces other than the Western province, while being a female, being unmarried, being non-Sinhalese and household size have negative relationships with secondary employment choices of tea farmers. Hours constrained motive due to insufficient worker hours in primary employment was also identified as a key motive for moonlighting among tea farmers as well.

Agricultural workers are one of the two working groups with a higher rate of moonlighting in Sri Lanka. Although there are few studies in Sri Lanka on overall moonlighting, moonlighting behavior among agricultural workers by different crop types was not studied previously. Since this study separately analyses the moonlighting behavior of paddy farmers, vegetable farmers, and tea planters, sector-specific characteristics in relation to moonlighting in the agricultural sector were analyzed in this study comprehensively as a new contribution made to the study.

## RECOMMENDATIONS

Women engaged in agricultural activities can be encouraged towards secondary jobs by taking steps to supply the necessary plants and seeds for home cultivation free of charge or at concessionary rates through Agrarian Services Centers. They can be encouraged towards home gardening and provided with technical assistance on the correct way to grow plants, utilize fertilizers, etc. through the officials in the Agrarian Service Centers.

Taking steps to provide necessary professional training through the Vocational Training Authority to the non-Western residents engaged in agricultural activities to engage in other jobs when they are not occupied in agricultural activities due to exceptional weather conditions or crop-specific periods, or even while engaging in agricultural activities. The Ministry of Agriculture can provide the necessary technical knowledge and advice through the officials in the Agrarian Service Centers to introduce potted cultivation within a small space, vertical space cultivation (pillar cultivation), cultivation on racks, etc., and thus promote secondary jobs for them among the agricultural sector itself, through this a solution to the lack of available land for non-western agricultural workers could be found; steps can be taken to provide necessary loans under low-interest rates through state banks for the agricultural workers living in the non-Western provinces, for instance for purchasing three-wheelers to engage in delivery services by agricultural workers living in the non-Western provinces and to carry out businesses in retail shops, etc.

Taking steps to popularize hybrid seed varieties which are flexible to various weather conditions through Agrarian Service centers can provide the opportunity for growing subsidiary crops even under weather conditions where main crops cannot be grown.

- Provide opportunities to engage in secondary jobs when not engaging in the cultivation of main crops by further developing road infrastructure facilities in the rural sector.
- Employment portfolios and employment packaging can be introduced to increase the efficiency of workers after identifying potential secondary employment for each specific agricultural sector within and across the non-agricultural sectors.

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