

The Impact of Decentralized Higher Education Institutions on Rural Socio Economic Development: A Case Study of the Sabaragamuwa University of Sri Lanka

HMS Priyanath¹, KVD Edirisooriya¹ and M Sunil Shantha¹

¹*Dept of Social Sciences, Faculty of Social Sciences and Languages, Sabaragamuwa University of Sri Lanka, P.O Box 02, Belihuloya, priya@sab.ac.lk, deepani@sab.ac.lk and shantha@sab.ac.lk.*

Abstract

This study attempts to examine the impact of decentralized higher educational institutions on socioeconomic development of rural sector in Sri Lanka. The Sabaragamuwa University of Sri Lanka, located in the rural village “Pambahinna” near Belihuloya, selected to study on how far a government key higher educational institutions provide a ‘big push’ to economic development of rural areas. The study was based on primary data gathered from 224 households (20 % of the total households) living in the surrounding areas of the Sabaragamuwa University, 60 businessman of the area, 45 university staff and 100 university students. Data was gathered, using four structured questionnaires, interviewing various people in the study area and observing the study area. The study is supplemented with some secondary sources of data as well.

The study reveals that the establishment of the Sabaragamuwa University of Sri Lanka has made a substantial contribution to socio-economic development of the study area. The University has positively contributed in generating a total of 46 direct employments and a total of 277 indirect employments for villagers in 2006. The University has contributed to encourage various kinds of businesses (96 business units in 2006) focusing on the University community and thereby increase the income of the villagers. As a result, real assets of most villagers like building new houses (39% of the sample), purchasing durable consumer goods and vehicles etc. have improved. Similarly, trading of goods and services, telecommunication facilities, public and private transportation, education, health and banking facilities have improved significantly in the study area after the establishment of Sabaragamuwa University. In addition, some negation effects are highlighted from the study. One serious issue developed in the area is the shortage of water. 58% of the villages faced this problem. Available water sources are not sufficient to meet the water demand generated from the villages. Bad behavior of university students is also highlighted by 23% of the villages. However, the establishment of Sabaragamuwa University has affected to the development of the surrounding area of the university.

Key words: Aggregate demand, the big push, socio-economic development, Villagers

Introduction

Most economists (Keynes, 1936; Rodan, 1961; Nurkse, 1961;) highlight deficiency in aggregate demand as a constraint on the economic development of Less Developed Countries (LDCs). Keynes (1936) has revealed that the main key to the growth of national product is the increase of aggregate demand of a country. This notion was applicable to the most countries and it helped to give a satisfactory solution for the Great Economic Depression prevailed in the world in early 1930s (Sharivastava, 2001). Most economists followed by Keynes (1936) have emphasized that the increase of aggregate demand is the essential requirement for the economic development. Nurkse (1961) explained that vicious circles of poverty operate both on the demand side and the supply side, which avert the growth of LDCs. Low level of per capita income leads to a low level of purchasing power or demand which discourages new investment hence back to the low product and low income (Jhingan, 1996). Nurkse suggested that the increasing aggregate demand highly affects to break vicious circles of poverty (Basu, 1998). As Rodan (1961) explained in his idea of the “Big Push” complementarily of demand requires simultaneous setting up of interdependent industries in LDCs, because individual investment projects have high risks as low per capita limits the demand for their products (Jhingan, 1996). Rodan also emphasized that the increase of aggregate demand is necessary to achieve economic development of LDCs (Basu, 1998).

Most of the colonial countries which gained their independence after the Second World War have followed various economic development strategies to achieve fast economic growth. But economic dualism prevailing in some LDCs prevents the economic development (Basu, 1998). Two kinds of completely separate economies, i.e. well organized capitalist sector and traditional subsistence sector functioned separately within the same economy. Lewis (1958) has pointed out that economic development takes place when capital accumulates as a result of the withdrawal of surplus labor from the subsistence sector to the capitalists sector (Jhingan, 1996). Sri Lanka also inherited a well-developed plantation sector together with subsistence agricultural sector which the British rulers neglected to develop. Successive governments after independence have paid much attention towards the development of rural economy - launching various rural development programs. In 1960, under the import substitution policy, rural development was highlighted in establishing key large-scale industries in rural areas and expanding education centers like the establishment of technical colleges, junior universities etc., health centers and key government centers at rural level. The ultimate aim of this strategy was the increase of aggregate demand at rural level to foster economic growth'. After 1990, under the concept of ‘from urban to rural’ increase of aggregate demand at rural

level was emphasized. 200 garment factory programme, 15000 projects for 15000 villages, and 'Janasaviya' poverty alleviation programme mainly focused to achieve rural economic development.

In addition, under the decentralized government services, education institutes like Affiliated University Collages were established in rural areas. Initially, 11 affiliated University Collages were setup in all the provinces in Sri Lanka under this program. The Sabaragamuwa Affiliated University collage was setup in 1991 and it functioned efficiently contributing to the development of the Belihuloya area. It was promoted to a new national university in 1996. This university is the one which is located in a rural area at Pambahinna in Belihuloya. In the year 2005, it has generated 467 employment opportunities and 1868 students were studying in four faculties functioned at Belihuloya. During the past 10 years' period, over 2500 students have graduated after living 3-4 years in the Pambahinna area. Table 1 shows that the university incurred expenditures of a total of RS. 1903. 97 million as recurrent and capital expenses. A part of it directly or indirectly flowed to the surrounding villages. Therefore, this study attempts to analyze' the impact of the Sabaragamuwa University on economic development at the Pambahinna-Belihuloya Area. It means how far the Sabaragamuwa University affects as a 'Big Push' to economic development of Pambahinna Belihuloya area.

Table: Total Expenditure of the Sabaragamuwa University, 1996-2005

Year	Current Rs. Million	Capital Rs. Million	Total Rs. Million
1996	52.41	22.40	74.81
1997	75.53	30.65	106.18
1998	110.06	44.50	154.56
1999	113.10	35.16	148.26
2000	142.22	49.37	191.59
2001	147.92	53.50	201.42
2002	177.60	27.85	205.45
2003	181.10	43.00	224.10
2004	201.09	60.15	261.24
2005	209.36	127.00	336.36
Total	1410.39	493.58	1903.97

Source: Finance Branch of the SUSL

Objectives of the Study

The main objective of the study is to find out the impact of decentralizing higher education institutions on socio-economic development of rural sector in Sri Lanka.

Specific objectives of the study are;

- To study impact on the business activities, transport, housing, communication facilities, electricity, water and other infrastructure.
- To make recommendations for future development of the area.

Methodology

This study is entirely based on the primary data collected from the villagers, businessmen living in surrounded five villages such as Muththettuwegama which is the village that the university is located, Puwakgahawela, Karagastalawa, Kinchigune and Kumbalgama which are the surrounding villages of the Sabaragamuwa University of Sri Lanka. Furthermore, data was collected from the students and staff of the Sabaragamuwa University. The study is supplemented with some secondary sources of data like records and other relevant materials of the university and the relevant government offices. 224 families (20% of the total) have been randomly selected for the survey as shown in Table 2 and 60 of various businessmen living surrounding villages are selected randomly for the survey.

Table 2: The Sample

GN division	Total No. of Households	The sample 20 % of the total households
Muththettuwegama	425	86
Puwakgahawela	235	48
Karagastalawa	178	36
Kinchigune	112	22
Kubalgama	158	32
Total	1108	224

Source: Divisional Secretariat Office at Imbulpe, 2006

In addition, 45 of the university staff who are temporarily settled in the University premises in Belihuloya and daily traveling from the other areas

are selected and 100 students are selected from all the faculties located in Belihuloya using stratified sampling method to collect data. Data was gathered using four structured questionnaires, interviewing people in the study area and observing the study area. The data was analyzed using basic statistical tools such as Tables, Graphs, Diagrams, Percentage, Measures of Central Tendency: Mean, Median, Mode etc.

Results and Discussions

The study made an attempt to investigate how Sabaragamuwa University of Sri Lanka (SUSL) affects the growth of income, housing conditions, assets, and the various services using the selected households from the surrounding villages of the SUSL.

Growth of Income

The study area is a rural area where the majority of people engaged in agricultural activities. It was further proved by this survey which reveals that the major income source of 62% of people in the area is the agriculture. The other main income sources of the rest of the people are the carpentry work, mason and labor, doing jobs in both government and private sectors, and doing various businesses. Average monthly income of 35.4% of the people is less than Rs. 4,000 and most of them are engaged in agricultural activities. 37% of the people in the area earn more than Rs. 12,000 per month by doing government jobs and various businesses.

The establishment of the SUSL has highly affected directly or indirectly the growth of income of the people living in surrounding areas of the University. Table 3 shows that 40% of the people in the sample have mentioned that the establishment of the SUSL had affected the growth of their income while the university has not affected the growth of income of the rest of the people in the sample.

Most of the people who earn direct income from the university are the permanent or temporary employees of the university. 31.7% of the people who earn income indirectly from the university earn such by operating various businesses such as renting out their houses or rooms for the university students and staff and selling various goods and services. However, the SUSL does not affect the growth of income of 60% of the people living in the surrounding areas. Table 03 further shows that the income earned by the people who are living in Muththettuwagama GN division which is the village where the SUSL is located, is comparatively higher than that of the other GN divisions. The SUSL is impact on the growth of income of 63% of the people in Muththettuwagama GN division while that affects on the

growth of income of 23% of the people in Puwakgahawela GN division, 25% of people in Karagastalawa GN division, 36% of the people in Kinchigune GN division and 22% of the people in Kumbalgama GN Division.

Table 3: Impact of the SUSL on the growth of income of villagers by GN divisions

GN Division	No. of people who respond as;			
	Directly Affected	Indirectly Affected	Not Affected	Total
Muththettuwegama	11	43	32	86
Puwakgahawela	02	09	37	48
Karagastalawa	02	07	27	36
Kinchigune	02	06	14	22
Kumbalgama	01	06	25	32
Total	18	71	135	224
Percentage	8.0	31.7	60.3	100

Source: Field Survey, 2006.

The average monthly income earned directly or indirectly by the people in the area from the university is given the Table 4. It shows that 24.7% of the people earn more than Rs. 10,000 as monthly income from the university. Most of them are the employees of the university while a few earn income providing hostels to the university and doing businesses. 20.2% of people earn less than Rs. 2,000 per month. Most of them earn income by providing one or two rooms to university students as boarding places. 55% of people earn income between Rs. 2,000 and Rs.10,000 per month from the university by providing boarding places to university students and staff, doing various businesses and employment in the university.

Table 4: Average monthly income earned directly or indirectly by the people in the area from the university

Income Group Rs.	No. of People	Percentage
Less than 2000	18	20.2
2000 - 3999	14	15.7
4000 - 5999	12	13.5
6000 - 7999	10	11.2
8000 - 9999	13	14.6
More than 10000	22	24.7
Total	89	100

Source: Field Survey, 2006.

There are some reasons for the growth of income due to the establishment of SUSL. These reasons are presented under the following headings;

a) Employment Generation

The income of the people in the area has increased due to the reason that SUSL has generated a considerable number of employments during the ten years from 1996 to 2005. The university generated 79 of direct employment in 1996. The total employment has been increased up to 449 in year 2005 as given in Table 5. A total of 46 permanent employees (8 academic staff members and 38 non-academic staff members) in the university are the permanent residents of villages in the study area. 10.2 % of the university staff represents the surrounding villages of the university. In addition to the direct employment, the university has also generated averaging 40 to 60 indirect employments in the university security service, cleaning service and various construction sites in the year 2005. Nearly 40% of employees in the security service and the cleaning service are the residents in the surrounding villages of the university.

Table 5: Number of employees in the university

Category	No. of Employees in 1996		No. of Employees in 2006	
	Total	Villagers*	Total	Villagers*
Academic Staff	34	00	170	08
Administrative Staff	03	00	16	00
Non Academic Staff	42	14	263	38
Total	79	14	449	46

Source: Establishment Branch of the SUSL, 2006.

*Employees who live in the study area

The study has roughly calculated that the total of 277 of people in the study area, have employed in various sectors in 2006 as shown by the Table 6. This means that the establishment of the SUSL has caused the generation of 277 of indirect employment for the study area. 66 % of indirect employment has been generated outside the university while 44% of indirect employment has been generated within the university. Most indirect employment (34.7%) has been generated in the sectors of trading goods and services catering business to the university community. The second most important indirect employment generating sector is the sector of the university security and cleaning services which has shared by 32.1 % of total. 15.2 % of the total indirect employment contributed by people who are employed in three wheelers. A small number of people in the study area have employed in the building and other construction sites, university

canteens and quarters. Thus, the university has, generated 46 of direct employment and 277 of indirect employment to the study area. This means that the university has generated direct and indirect employment for nearly 8.6% of the total population of the study area. With regard to the Muththettuwegama GN division which is the village that the university is located, nearly 18 % of its total population engaged in direct and indirect employment of the university. Thus generation of direct and indirect income due to the university affect on the growth of income of the study area.

Table 6: Indirect employment generated due to the university in 2006

Sector		No. of people represented from study area	Percentage
Within the university	Security and Cleaning Services	89	32.1
	Laborers in building and other construction sites	21	7.6
	Canteen workers and households	12	4.3
Outside the university	Engaging in various trade activities	96	34.7
	Three Wheelers	42	15.2
	Laborers of new building and other construction sites in the area	17	6.1
	Total	277	100

Source: Field Survey, 2006.

b) Salary Income

The study gathered data from 10% of the total staff who are working in the university (except Applied Science Faculty at Buttala) using a questionnaire. The data reveals that the majority of academic and administrative staff earns more than Rs. 20,000 as net salary income and the non-academic staff the university, money flow to the study area is estimated in the Table 7 and 8.

38 of persons in the .study area engaged permanent jobs in non academic staff in the university and they earn RS.10000/= per month as salary. As a result, average Rs.56 million (10,000/= X 38 X 12 = 4560000) flows annually to the study area as salary income from the university. An average of Rs.6000 salary income per month is earned by the security officers and laborers of cleaning services and the total of Rs.6.4 million (6000/= X 89 X 12 = 6408000) per year flows to the study area from the university. Rs. 8000 per month is earned by laborers working in building construction sites and they earn Rs. 2 million (8000/= X 21 X 12 = 2016000) per year as salary income. Other

laborers working in canteens and staff quarters earn an average of Rs. 3000 per month and Rs 0.43 million ($3000/- \times 12 \times 12 = 432000$) per year flow to the study area. Thus, the total of Rs. 15.33 million flows to the surrounding villages from the university as salary income.

Rs. 35.8 million ($149 \times 20000 \times 12 = 35760000$) per year is disbursed for 149 of academic and administrative staff (186 of total academic and administrative staff minus 8 of academic staff who are living in the study area and 29 of academic and administrative staff who work at Buttala = 149). Rs.22.3 million ($186 \times 10000 \times 12 = 22320000$) per year is disbursed for 186 of non-academic staff (2630 of total non academic staff minus 38 of staff who are living in the study area and 39 of staff who work at Buttala = 186). The sample data further reveals that the average of 20 % of income has been spent by the academic, administrative and non academic staff to the study area to purchase mainly the foods and the other day-to-day needs like three wheelers, telephone calls etc. As a result, total of RS.12.89 million per year flows to the study area from the university. Thus, the total of RS.28.22 million flows to the study area as salary income.

Table 7: Net salary income earned by workers of SUSL who are living in the study area

Category	No. of persons	Average net monthly salary	Annual net salary Rs. Million
Academic Staff	08	20000	1.92
Non academic Staff	38	10000	4.56
Security officers	57	6000	4.10
Cleaning workers	32	6000	2.30
Laborers in construction sites	21	8000	2.02
Other laborers (canteen, housemaids)	12	3000	0.43
Total	139		15.33

Source: Field Survey, 2006

Table 8: Net salary income earned by workers who are not living in the study area (except Buttala Staff)

Category	No. of Persons	Average net monthly salary	Annual Net Salary Rs. Million	20% of Annual Net salary Rs. Million
Academic Staff	135	20000	32.40	6.48
Administrative staff	14	20000	3.36	0.67
Non academic Staff	186	10000	22.32	4.64
Security officers	31	6000	2.23	0.45
Cleaning workers	8	6000	0.58	0.11
laborers in construction sites	28	8000	2.68	0.54
Total	402	-	63.57	12.89

Source: Field Survey, 2006

c) Income Flows from the Students

The study reveals the income from the students that flow to the study area by gathering data from 100 students selected from five faculties situated at Belihuloya. The average monthly income of a student (Mahapola or Bursary and income obtained from the family) is Rs.3000. They have spent 70% of income to the study area paying for food, telephone calls, stationeries, boarding fees, three wheelers and others. About 1900 of students were studying in the university in 2006 (except students in Applied Sciences Faculty at Buttala) and the total of Rs. 47.88 million ($3000/= \times 1900/= \times 12 \times 70\% = 47880000$) per year flow to the study area from the students.

d) House Rent

The income from the university goes to the study area through the house rents and boarding fees. The university annually pays rents for the hostels to the villagers who own hostel. For all the hostels located in the Muththettuwegama GN division the university has paid Rs. 2703300.00 to rent out 24 of private hostels in the year 2006. Furthermore, people in the study area earn income by providing rooms to the students and staff. According to the sample survey, 43 % of people in Muththettuwegama GN division have provided rooms or houses as boarding places as shown in Table 3.8. 13.7% of people in Kinchigune GN division have provided boarding places to the students while the other GN divisions have not provided a significant number of boarding places.

A total of 230 university students have got themselves boarded in 45 houses and those households earn Rs. 173400 per month as boarding fees. Most of the people who provided boarding places (28 households) earn less than Rs.3000 per month as rent income while 11 households earn between Rs. 3000 - 6000 per month providing boarding for the university students. 6 households earn more than Rs. 6000 per month as rent income. Most of the people provide only rooms for students with beds and other facilities and do not provide meals.

Housing Development

According to the data of divisional secretariat office at Imbulpe, the population of the study area has increased sharply during the period between 1996 and 2005. New houses and housing conditions of the available houses have improved significantly during the past decade. 137 completely new houses except university buildings have been built by the people in the Muththettuwegama GN division. The number of houses in Muththettuwegama GN division has increased by 46% compared to the year 1996. The number of houses in Karagstalawa and Kinchigune GN

divisions has increased due to the establishment of new two villages; Saliyamithragama and Deewaragama. Therefore, the number of houses increased in Karagastalawa and Kinchigune GN divisions by 65% and 59% respectively as shown in the Table 9.

Table 9: Growth of houses in the study area

GN division	No. of houses in 1996	No. of houses in 2006	Difference between 1996-2006	Growth compared to 1996
Muththettuwegama	301	438	137	45.5%
Puwakgahawela	204	241	37	18.1%
Karagastalawa	118	195	77	65.3%
Kinchigune	73	116	43	58.9%
Kumbalgama	143	160	17	11.8%

Source: Divisional Secretariat Office at Imbulpe, 2006

The major reason for the increase of houses in Muththettuwegama GN division is the establishment of the SUSL. The survey data reveals that 68.6% of the people in Muththettuwegama GN division has built new houses or renovated the available houses. 16.6% of people in Puwakgahawela, 22.2 % of the people in Karagastalawa, 36.4% people in Kinchigune and 15.6 % of people in Kumbalgama have constructed new houses and renovated their houses. The study was attempted to find out whether the university has affected to build or renovate houses. Table 10 shows the direct and indirect effects the university on the improvement of housing condition in the study area.

The salient feature of the Table 10 is that the university has affected highly on the improvement of housing conditions in the Muththettuwegama GN division while that of has not affected the increase of houses in the other four villages. The establishment of the university has directly affected the improvement of housing conditions for 42% of the people who developed their houses after 1996 while that has indirectly affected 29.5 % of the people who built new houses. The majority of new houses come from the Muththettuwegama GN division. People built or renovated their existing houses in Muththettuwegama GN division due to the establishment of the university, because some built houses aiming to earn income by doing businesses or renting out of rooms or the whole house. A few have built houses since the growth of the facilities and property value of the area growing up due to the needs of the university community and a small number of people who are working in the university build houses. The university has directly affected the improvement of housing conditions for the people who

are employed in the university and people who are doing businesses focusing the university such as boarding places, trade etc. The important characteristic that the study observed is that only a very few staff members of the university have settled permanently in the study area while the majority of newly settled people are not related to the university. The university has not affected 28.5% of people who built houses in the study area and the majority builds houses in the new villages established by the government in Karagastalawa and Kinchigune.

Table 10: Impact of the university on the increase or improvement of houses

GN Division	No of people surveyed	No of people who built or renovated house	Impact of the University		
			Directly impact	Indirectly impact	Not impact
Muthettuwegama	86	59	32	23	04
Puwakgahawela	48	08	01	01	06
Karagastalawa	36	08	03	01	04
Kinchigune	22	08	01	00	07
Kumbalgama	32	05	00	01	04
Total	224	88	37	26	25
Percentage	-	100	42.0	29.5	28.5

Source: Field Survey, 2006.

Growth of Other Assets

The survey attempts to find out whether the university has affected the growth of assets such as vehicles, furniture and electric items of the people in the study area. 29% of the people in the study area have motor vehicles. According to the data of Divisional Secretariat at Imbulpe, 65 registered vehicles are available in the study area. The majority, 40% of vehicles is shared by the three wheelers and 38% of vehicles are the motor cycles. The other vehicles consisted of 3 tractors, 06 cars and van, 3 Lorries, 2 buses as shown in Table 11.

97% of the vehicles have been registered after 1996. The establishment of the SUSL has affected directly and indirectly on the growth of the number of vehicles in the study area. 22% of the people who own vehicles mentioned that the university has highly affected on the purchase of vehicles while 46% of people have mentioned that the establishment of the university indirectly affected to purchase vehicles. A few of the university staff settled in the study area has purchased motor bicycles, three wheelers and cars using their income. People who have purchased three wheelers, vans, lorries

and buses said that the establishment of the university has indirectly affected the purchase of such vehicles because they were encouraged to purchase vehicles to earn income. Most people purchased such vehicles to earn income supplying transport services to the university staff and students.

Table 11: Registered vehicles in the study area in 2005

Vehicle type	Muththettuwegama	Puwakgahawela	Karagastalawa	Kinchigune	Kumbalgama	Total
Motor Cycles	08	05	06	03	03	25
Tractors	01	-	-	01	01	03
Three Wheelers	09	06	05	04	02	26
Cars/vans	04	01	01	-	-	06
Lorries	02	01	-	-	-	03
Bus	-	01	-	-	01	02
Total	24	14	12	08	07	65
Percentage	36.9	21.5	18.5	12.3	10.8	100

Source: Divisional Secretariat Office Imbulpe, 2006

The Sabaragamuwa University has also affected the increase of furniture and electricity items of the people living in the study area. 97% of the sample stated that the number of furniture and electricity items has increased during the last decade. The establishment of the university has affected 30.4% of people to purchase furniture and electricity items because they earned direct and indirect income from the university. Increase of furniture and electricity items of the people lived in Muththettuwegama GN division is comparatively higher than the other GN divisions because many boarding houses and businesses are centralized in the Muththettuwegama GN division. The effect of the university on the improvement of furniture and electricity items of the people in other GN divisions except Muththettuwegama is very low because a sufficient income does not flow to the other GN divisions compared to the Muththettuwegama.

Growth of Trade and Transport Services

Various services have been significantly improved in the study area after the establishment of the Sabaragamuwa University. A very high demand for goods and services is generated due to the growth of population in the study area especially in the central part of the Muththettuwegama village. Various kinds of businesses emerged to supply for the heavy demands generated from the university. The Table 12 shows that a lot of new sales outlets such as retail shops, fruit sales, communications, tailoring, salons, studios etc. have been opened after 1996. According to the data of Pradeshiya Sabawa

and the researchers' observations, retail trade outlets have increased by 125% in the study area during the past decade. 90% of the trade activities are mainly centralized at the Pumbahinna junction and along the Pumbahinna - Muththettuwegama main road. The number of sellers at the people sell lunch and dinner packets near the gates of the university. Wednesday fair at the Pumbahinna junction has increased from 26 to 53 between 1996 and 2005.

Table 12: Total number of sales outlets in the study area

Type of business	No. of units in 1996	No. of units in 2006
Retail Stores	12	28
Hotels/ tea centers	07	18
Hardware trade	01	03
Vegetable/ Fruit sales outlets	01	11
Tailoring Shops	-	04
Garment sales outlets	-	06
Stationeries/photocopy and communication services	-	09
Pharmacy	-	01
Tyer service	-	02
Laundry	-	01
Garage	01	01
Studio	-	01
Salon	-	03
Cooperative Shop	01	01
Fertilizer	01	01
Rice Mills	02	03
Cement products	-	02
Foot Ware Trade	-	01
Total	26	96

Source: Divisional Secretariat Office at Imbulpe, 2006

The establishment of the Sabaragamuwa University has highly affected for the growth of public transportation of the study area. Transport services like three wheelers, vans, buses and Lorries have increased significantly due to the university during the past decade. The number of three wheelers has increased sharply in the study area from 4 in 1996 to 42 in 2006. According to the three wheeler operators, 80% of the demand for three wheelers is generated from the students and the staff of the university. The number of buses traveling from Balangoda to Pambahinna has doubled from 7 buses in 1996 to 14 buses in 2006 since a lot of people travel daily to and from the university on various purposes. The demand for passenger vans has increased from the students and staff of the university to attend for funerals, weddings and some other purposes. Furthermore, a few lorries supply especially building materials for the villagers who built houses. The researchers study the effect of the university on the growth of businesses and transportation in the study area taking a sample of 60 units. The Table 13 shows that effect of the establishment of the university on the growth of business and transportation. The university has significantly affected for 51.7% of the total businesses in the study area. The university has moderately affected for 28.3 % and less affected for 13.3% of the businesses. 6.7% of salesman who provided answer 'not effect' do their businesses far away from the university. The rest 93.3 % of businesses are located at the Pambahinna junction and along the Muththettuwegama road closed to the university. Most of the businessman mentioned that they had started the business due to the establishment of the university.

Table 13: Effect of the university on the growth of business and transportation

Type of business	Effect of the university				Total
	Significantly affected	Moderately affected	Less affected	Not effected	
Goods and services Sales outlets	10	05	02	03	20
Sellers in the faire and Lunch packet sellers	09	07	04	00	20
Three wheelers	12	05	02	01	20
Total	31	17	08	04	60
Percentage	51.7	28.3	13.3	6.7	100

Source: Field Survey, 2006

Growth of Other Services

Services sector has developed significantly during the past decade in the study area especially in the Muththettuwegama GN division. Telecommunication and Banking sectors have improved mainly due to the

university. In addition, other services like education, health, electricity, water supply etc. have developed in the study area. Growth of each service is discussed below.

a) Growth of Telecommunication Services

The establishment of the university has directly affected the growth of telecommunications of the study area. The area had only two telephone lines which are located in the university in 1996. The number of telephone lines has sharply increased after 1999 since the Sri Lanka Telecom Ltd (SLT) provided 225 new connections mainly to the university and to the people in the study area. In addition, 65 new connections have been provided by the SLT between 2000 and 2006 using the distributing tower located in the university. Total of 290 fixed telephone lines have been provided by the SLT. Out of the total, 60 telephone lines have been used by the university and the balance 230 of telephone lines have been provided to the people in the study area. Furthermore, a very high demand for telecommunication generated from the university students and staff and also people in the village caused for the growth of the mobile connections and as a result, Dialog GSM Ltd has provided its services by installing a new telecast tower in Kinchigune OS division in 2004. People in the village have mentioned that the university has affected 100% for the growth of telecommunication in the study area. According to the field survey, 53% of the people in Muththettuwegama GN division use telephone as shown in Table 14. The use of telephone in Muththettuwegama GN division is relatively higher than that of the other GN divisions under the study. 33% of the people in Puwakgahawela, 30% of the people in Karagastalawa, 27% of the people in Kinchigune and 19% of the people in Kumbalgama use hand phones or land phones or both. Most of the people who use telephones have mentioned that the university has directly affected on the growth of telecommunications in the study area and some of the people (around 16) use their phones to earn income. Furthermore, a new post office has been established in the university and it provides postal services to the area.

Table 14: No of telephones available to the people

GN Division	No. of people surveyed	No. of people who have telephone	Percentage
Muththettuwegama	86	46	53
Puwakgahawela	48	16	33
Karagastalawa	36	11	30
Kinchigune	22	06	27
Kumbalgama	32	06	19
Total	224	85	38

Source: Field Survey, 2006

b) Growth of Banking Services

Two reputed commercial banks have opened their branches in the study area after the establishment of the University. The Branch of the People's Bank was opened at the Pambahinna junction and the Branch of the Bank of Ceylon was opened near the entrance of the University. The establishment of the Sabaragamuwa University has highly affected the set up of these two bank branches in the study area. There are some reasons for the establishment of two bank branches in the study area. One major reason is that the demand for financial activities, increased due to the University. University accounts are with the Bank of Ceylon and most of the students take their bursaries through this bank. Most of the staff takes their salary from these banks. The second reason for the setup of bank branches is the growth of commercial activities in the study area due to the University. The demand for credit increases and money circulation and transaction fairly speed during the last decade compared to the other rural area. Most people built or renovated their houses in the Muthttuwegama GN division and some people purchased lands from the study area. Some have started new businesses. As a result, demand for bank services had increased. Savings and current accounts in the two banks have provided short term and long term loans for the various purposes mainly for the businesses and house development(Table 15)

Table 15: Number of bank accounts available in banks of the study area

Types of Bank	No of Saving Accounts	No Creditors
Bank of Ceylon	5800	125
People Bank	2560	373
Samurdi Bank	1671	1343

Source: Bank of Ceylon, People's Bank and Samurdi Bank in Pambahinna

Samurdi banking society has also opened a branch in the Karagastalawa GN division in 2002. It collects deposit and provides loans especially for small businesses which are developing rapidly focusing the University in the study area.

c) Growth of Electricity Supply

The establishment of the University has affected the growth of electricity supply in the study area. Reasons for the growth of new electricity connections during the past decades are the growth of new settlements of the study area and the increase of income of the people. More than 200 new houses have been built in the study area and 70%.of them have obtained electricity for their houses. Further more, villages that don't have electricity

have also obtained electricity supply since some of them provide rooms or houses for the University students and staff as boarding houses. As a result, % of households which have electricity has increased during the last decades as shown in Table 16.

Table 16: Percentage of household, which consumed electricity power

Names of GN Division	1996	2001	2004
Muththtuwegama	64.7	70.5	79.7
Puwakgahawela	61.2	65.8	69.3
Karagastalawa	63.6	66.9	75.1
Kinchigune	42.2	51.7	67.6
Kubalgama	74.5	77.1	79.3

Source: Divisional Secretariat Office Imbulpe

Most of the households were under the impression that the establishment of the Sabaragamuwa University affected to the growth of electricity connection and also other services are provided by the electricity broad.

d) Water Supply

The main source of the water supply in Muththtuwegama GN division is the pipe borne water supplied by the Imbulpe local government. 82% of the people living in Muththtuwegama GN division use Pradesiya Saba water. According to the data of the Imbulpe 293 of water connection have been supplied in the year 2006. 170 of new connections have been supplied by the local government after 1996. But the major source of water supply in the other GN divisions are wells, streams etc;

Table 17 shows that 37 % of the people in the study area use pipe bone water supplied by the Imbulpe local government. 28% of the people use other pipe lines which are privately owned or maintained by the community water projects. 35% of the people in the study area consume other water sources like wells rivers etc. Shortage of water in the water sources is one of the major problems faced by most of the people living in the study area. 142 of people in the sample have stated that they are not satisfied with the available water sources. Almost all the consumers in Muththtuwegama GN division are strongly dissatisfied with the water supply maintained by the local government, Imbulpe. Lack of water is the main problem of people who live in Muththtuwegama GN division. The main reason for the lack of water as mentioned by the people in the sample is the increase of population at a faster rate while the water capacity and also the water supply remain constant. The average water consumption of a person in the study area is 150 liters per day. Since water stocking capacity of the local government stock tank is very low, it supplies water to consumers once an every eighth day. Therefore,

water supply is not sufficient for this water demand generated in the study area.

Table 17 Sources of water in the study area

GN Divisions	Local Government Pipe borne	Other Pipe borne	Other Sources	No of Households
Muththtuegama	71	10	05	86
Puwalgahavela	04	18	26	48
Karagastalawa	-	21	15	36
Kinchigune	08	02	12	22
Kubalgama	-	11	21	32
Total	83	62	79	224
Percentages	37.1	27.7	35.2	100

Source: Field Survey, 2006

The establishment of the University has negatively affected water supply. The village population together with students and staff in the study area has increased sharply due to the University. Therefore, the available water source is not sufficient for the supply of water continuously. The establishment of the University has not affected water supply in other GN divisions except for Muththtuegama because pipe borne water is not the major water source of the other villages.

e) Growth of Education Services

The establishment of the University has affected the growth of education in the study area in various ways. Opportunities have opened to follow external courses for the students and the people who seek knowledge in the study area due to the University. The students in the study area follow various external certificate, diploma and degree courses. Opportunities have opened to follow university courses for the villagers due to the establishment of the University at a rural level.

The University has indirectly affected the development of the school located in the study area. The number of students in schools especially in the school at Karagastalawa has increased significantly because school student population in the study area has increased rapidly due to growth of population in the study area. Some people in the sample mentioned that the educational level of the school students has been increased due to the competition of the children of the university staff. Various educational competitions, lecture- and festivals organized by the university have highly affected the growth of

the educational level of the people in the study area. Thus, the University has indirectly affected the growth of educational level of the people in the study area.

f) Growth of Health Services

The establishment of the University has little impact on the growth of health services in the study area. Facilities of the rural hospital located at the Pambahinna have gradually improved due to the establishment of the Sabaragamuwa University. The demand for health services has increased due to the growth of population in the study area. As a result, the facilities of the hospital have improved during the past decade. The number of doctors has increased from one doctor in 1996 to 3 doctors in 2006. New buildings are being constructed currently in the hospital to expand its facilities.

General Intentions of Villagers

The Researchers attempted to study the general perception of the people regarding the University. The general intention of the people in the sample has categorized and presented in the following headings.

a) Positive impacts

We try to find out that the positive impacts taken place in the study area after the establishment of the University. 88% of the sample has mentioned that the University has affected the growth of direct and indirect income of the study area. People earn income by engaging direct and indirect employment in the University and by engaging various businesses focusing the University. 65% of the people in the sample show that the University has affected the growth of assets like housing, vehicles, lands and furniture etc. 92% of the people in the sample have noted that the university has affected on the study area. Services at the Pambahinna junction and the central part of the Muththttuwegama GN division have improved sharply during the last decade. Most people who have started those services at the Pambahinna junction have developed similar to the other established cities and now they do not want to travel to far away town passing the Pambahinna junction for to purchase goods or services. 44% of the people in the sample have mentioned that the University has some positive impacts on education and also financially strong people have settled in the village. According to them, they had provided leadership to the villagers in some public activities and supported them in many ways by providing various educational activities in the villages.

b) Negative Impact

People in the sample have noted that some negative effects had taken place in the study area due to the University. The decrease of the water supply

especially in Muththttuwegama GN division is one of the problems created due to the establishment of the University. The demand for water sharply increased with the rapid growth of population in the study area while the water supply remained unchanged. Almost all the people living in Muththttuwegama GN division have faced problems of water scarcity. The second major negative impact as stated by 23% of the people in the sample especially in Muththttuwegama GN division is the impolite behavior of the students living in University hostels. The use of impolite words, always collecting money for various purposes, making conflicts with the villagers, indecent behavior of traveling on the roads etc; are some of the reasons stated by the people in the study area.

c) Sectors Needed to Develop

Table 18 shows that people stated the sectors which should further develop in the study area. Most of the villages, staff and also students seek permanent solutions for the water problems. The growth of garments trade and other services is expected by the people in the study area as indicated in table 18.

Table 18: Sectors which should further develop in the study area

Sectors needed to develop	People in the study area %	University Staff%	University Students %
Water supply	58	20	72
Cooked foods	08	58	47
Retail Trade	16	10	00
Garment	27	36	45
Bus services	34	38	32
Health services	31	52	38
Petrol shed	14	28	00
Good school	21	30	10
Super market	6	30	10
Hardware trade	21	18	00
Vehicle spare part	6	16	00
Pasty shop	4	33	32

Source: Field Survey, 2006

Conclusions

The study reveals that the Sabaragamuwa University of Sri Lanka has made a substantial contribution to socio-economic development of the study area. Establishment of the Sabaragamuwa University has positively affected the growth of income of 39.7% villages due to two reasons. One is that the

university generated 46 of direct employment and 277 of indirect employment to the study area. 10.2% of the university staff represents the surrounding villages of the university. A few of villages employed as permanent staff in the university while some are worked in security, cleaning and other professions in the university. As a result, the total of RS.28.22 million per year flows to the study area as salary income while total of Rs. 47.88 million per year flow to the study area from the students. The second way of increasing income of the people who lived in surrounding areas of the university is that the people engaged in some business activities focusing on the university community.

Around 2000 students are studying and 500 of staff are currently employed in the university. Majority of students find their accommodations in the hostels of the university and boarding houses located near the university. 43 % of people in Muththetuwegama GN division have provided rooms or houses as boarding places. A total of 230 university students have got themselves boarded in 45 houses and those households earn Rs. 173400 per month as boarding fees. Furthermore, a very high demand for boarding places and some other goods and services has generated by the university community. Income of some people increased since they have started various businesses like renting out of boarding houses or trading of various goods and services. The university has affected for 80% of the total businesses in the study area.

The study further reveals that income earned from the university community has not extended to the surrounding villages except Muththetuwegama. Almost all the business has centralized in the Pambahinna junction and surrounding areas which are much close to the university. Income from the university has not flowed to the villages located away from the university. The factor highlighted by the study is that the most of the permanent staff are not settled close to the university. Therefore, money generated from the university as salaries has not flowed to the surrounding villages.

Establishment of the Sabaragamuwa University has affected the growth of real assets of the villages. Housing conditions and also new houses have been developed due to the university. The establishment of the university has directly affected the improvement of housing conditions for 42% of the people who developed their houses after 1996 while that has indirectly affected 29.5 % of the people who built new houses. The university has affected the purchase of vehicles, furniture and electricity items. However, the benefit is highly centralized in the Muththetuwegama GN division which is the village that the university is located. Population in the study area has increased sharply due the establishment of the university. University

staff, businessman and villagers built new houses and settled close to the university. As a result, settlement pattern of the villages especially in Muththettuwagama village has significantly changed after the establishment of the university.

Services sector has emerged as the dynamic sector in the study areas. Trading of goods and services has increased significantly after the establishment of Sabaragamuwa University. Increase of retail trade, stationeries, photocopy service, communications, hardware trading, fruit and vegetable trading, cooked foods, construction services etc. have sharply increased during the past decade. Telecommunication service has improved directly due to the university in the area. Villagers now use sufficient telephone lines. Similarly, public transportation has developed significantly due to the university. Especially, three wheelers and bus services have improved rapidly. In addition, van and lorry provide efficient services to villagers. Education and health facilities have also improved after the establishment of the university. Two reputed commercial banks have opened their branches close to the university and provide competitive banking facilities to the villagers. Although the socio-economic condition of the rural people in the study area improved due to the university, some negation effects are highlighted from the study. One serious issue developed in the area is the shortage of water. Available water sources are not sufficient to meet the water demand generated from the villages. Bad behavior of university students is also highlighted as a negative effect by the study. However it can be concluded that the establishment of Sabaragamuwa University has been a big push to the development of the surrounding area of the university. Salient feature is that the benefits have centralized in a relatively small area i.e. in the central part of the Muththettuwagama village and close to the university. Benefits from the university have not flown to the other areas which we studied and are located away from the university.

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