

**IMPACT OF EDUCATION ON RURAL
POVERTY IN SRI LANKA**

By

U.G. Rajapaksha

Registration Number FGS/03/01/02/2011/02

This

**Thesis submitted to the Faculty of Graduate Studies, University of
Kelaniya for the award of the Degree of Doctor of Philosophy in
Economics**

September 2014

Abstract

Out of the major problems faced by the rural sector, 'poverty' is recognized as the premier issue confronting by rural communities for number of decades. Poverty is the status of deprivation of basic needs. Income losses are the main hurdle to alleviate the poverty. Poor agricultural productivity results in income losses. Low level of agricultural productivity in the rural sector is associated with lack of knowledge. Lack of knowledge is a result of poor education. As the problem statement, the study focuses on whether the education has influenced on the rural sector poverty in Sri Lanka through agricultural productivity and capability?

The literature indicates that education has an inverse relationship with poverty and fails to explain the reason for the relationship. Thus current study is expecting to fill the research gap between poverty and education through productivity and capability. It pursues with the objectives of examining the impact of education on rural poverty through farm productivity, non-farm productivity and employability. The sample consists of 409 households from all districts in Uva Province. The sample was selected using purposive sampling technique for the qualitative data analysis while semi structured questionnaire method was used as the survey method to quantitative data analysis method. The study uses both qualitative and quantitative components in data analysis. Thematic approach and case study approach were used to analyses the qualitative components while a bivariate logit model with the help of simultaneous method was used to analyze the collected data using quantitative techniques. The results indicate that farm productivity is influenced by primary education and non-formal education while non-farm productivity is influenced by primary education and informal education. Employment is influenced by secondary education more than other forms of educations. It shows that rural poverty is influenced mainly by secondary education. This is due to complementary effects of other informal and non-formal education with secondary education. Finally, the research concludes that education has an inverse relationship with rural poverty in Sri Lanka. Further the study introduces a new poverty dimension titled '*human productivity approach*'.

Keywords: *Education, Poverty, Human Capital, Productivity, Human Productivity, Rural Poverty*