

RURAL POVERTY AND SMALL-SCALE GEM MINING (SPECIAL REFERENCE TO HOPITIGALA VILLAGE, IN RATNAPURA DISTRICT)

B.L.C.R. Maduwanthi ¹

An increase in the poverty rate has a direct impact on the economic growth and development of a country. According to World Bank Report Sri Lanka's poverty is projected to increase to 27.9 percent in 2023 from 25 percent in 2022. Sri Lanka's gem industry can be introduced as one of the strategies that can be used to reduce poverty in the rural sector. Among them, attention should be paid to the small- scale gem industry. When considering the small- scale gem industry, it can be divided into two parts as small- scale gem trading and small- scale gem mining. It is the workers who are engaged in small- scale mining rather than the traders who sell gems on a small-scale who are most affected by poverty. Gems are a popular mineral resource all over the world and are also widely distributed in Sri Lanka. Sri Lanka has a long history of gemstones, and the gems of Ratnapura are famous all over the world. Accordingly, the research problem of this thesis is to study whether rural poverty can be reduced by developing small- scale gem mining industry. Accordingly, to find solutions to this problem, research has been done based on three objectives. That is to identify the causes of rural poverty in Sri Lanka and research study area (reasons), to identify whether rural poverty can be reduced through the small- scale gem mining industry (impact), and to identify what remedies can be applied through the small-scale gem mining industry to mitigate rural poverty (solutions). According to the research methodology, a sample of 60 people was randomly selected from Hopitigala village in Gangulwitiya Grama Niladhari Division of Elapatha Divisional Secretariat in Ratnapura district and data analysis was done under descriptive statistical and econometrics analysis (multiple regression analysis) methods. There, factors such as the education level, age, gender, nature of profession etc. have been taken into consideration. The factors and reasons that cause the poverty in Sri Lanka and gem miners in research area are lack of proper education level, less labor contribution of women compared to men, exploitation of labor in gem industry, lack of sufficient resources and capital for mining, problem of shares distribution in gem industry etc. can be pointed out. In order to reduce rural poverty, providing incentives related to the gem industry, encouraging the people in gem mining areas, expanding the gem and jewelry industry in areas that receive and do not find gems, introduce training courses to unemployment women and youth in gem and non-gem mining areas, introducing gem exhibitions and research institutes, encourage people to engage in the gem industry as self- employment, and many solutions can be taken to mitigate rural poverty and develop gem industry. The research findings are that education level has no direct relationship with gem mining, but factors such as age, gender and service time have a strong relationship with gem mining.

Keywords: Rural Poverty, Small-Scale Gem Mining

¹ Department of Economics, Faculty of Social Sciences, University of Kelaniya.
chalanirasanga@gmail.com