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Chairman’s Message

The Institute pushed its programme activities into several new areas amidst resource constraints.

Several notable activities were undertaken during the year, taking the Institute into new areas of dialogue and partnership. However, the major research thrust envisaged in partnership with and the support of the GamaniCorea Foundation is yet to take off. The educational engagement on development studies in collaboration with the Open University of Sri Lanka moves on to a new phase. In the context of challenging conditions of access to resources for development studies, it is creditable that the Institute has been able to continue with its core program activities.

The challenge is to build on continuity and push into new areas of development studies. It will take Marga on to networking with new and emergent groups of actors in the private sector and civil society, that is taking on leadership in extending the frontiers of development, while contributing to the governance dialogue of their policy engagement with government. The renewal of the Marga Team reflecting these changes is timely and promises a great future working together.
Year under review

During the year under review, the Institute concentrated on two key aspects of building an active membership and addressing ways and means to reduce costs further.

Financial Status

The incoming resources of the Institute reduced from Rs. 5.6 million in the previous year to Rs. 2.4 million in the year under review. However, the operating expenditure too has reduced from Rs. 12.2 million to Rs. 6.7 million.

A decision was taken at the last Annual General Meeting to change the auditors in view of high costs and accordingly the Institute discontinued the services of Nihal Hettiarachchi & Company and employed Sumudu Associates instead. Rectification of an anomaly in the finances by the current audit resulted in a sum of money accruing to the Institute, as detailed below.

Provision for Open University - Rs. 1,720,908

Payments made by students directly to the Marga Institute over several years on account of Open University Masters Programme were kept on a payable account. The arrangement was that the Institute pays to OUSL 30% from the net profit. However, our Accounts Department had erroneously shown or calculated the payable to OUSL from the total turnover which is incorrect as the Institute had incurred losses during the last 5 years. Furthermore, as there are no records at the Open University concerning an outstanding payment, they are not in a position to invoice Marga Institute. Therefore, this amount has accrued to Marga as income.

It is also noted that interest income has increased from Rs. 3.4 million to Rs. 4.5 million, while rent income too increased from Rs. 1.3 million to Rs. 1.5 million.

Reasons for the increase in administrative expenses from Rs. 5.7 million to Rs. 6.7 million is attributed to a gratuity payment and salary increments that were introduced in February 2018 and March 2018 respectively.

Statement of the Income:

<table>
<thead>
<tr>
<th>Item</th>
<th>2016/2017</th>
<th>2017/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project income</td>
<td>Rs. 3,990,156/=</td>
<td>Rs. 357,952/=</td>
</tr>
<tr>
<td>Office Rent income</td>
<td>Rs. 1,330,000/=</td>
<td>Rs. 1,560,000/=</td>
</tr>
<tr>
<td>The hiring of Auditorium</td>
<td>Rs. 67,325/=</td>
<td>Rs. 10,500/=</td>
</tr>
<tr>
<td>Hiring of Class Room</td>
<td>Rs. 63,595/=</td>
<td>Rs. 99,630/=</td>
</tr>
<tr>
<td>MA Programme</td>
<td>Rs. 2,012,692/=</td>
<td>Rs. 177,500/=</td>
</tr>
</tbody>
</table>
Marga Team

We were happy to welcome two new Governors and five new Members who were appointed at the Annual General meeting which was held on 26th September 2018.

Dr. Ranee Jayamaha, who held many positions in the Banking sector prior to her retirement, accepted our invitation to join the Board of Governors. She attended the first Governing Council Meeting on the 2nd of February 2018. She was the former chairperson of Hatton National Bank, an Advisor to the President of Sri Lanka in Banking and Deputy Governor of the Central Bank of Sri Lanka, chairperson of: The Financial Stability Committee of the Bank, The Credit Information Bureau of Sri Lanka, The National Payments Council, Legal Forum, SAARC Payments Council, and Safeguard Assessment Committee of the Bank. She has over 45 years of experience in the fields of economics, banking, finance, payment systems, regulation and administration.

Professor Sirimal Abeyratne is a senior lecturer in economics at the University of Colombo. He has published a series of research work in the areas of regional trade, policy reforms and liberalization, economic dimensions of civil conflicts, development policy issues, and the current economic affairs and issues relating to growth and stability. He has provided his services to a number of research projects that the Institute undertook for SANEI.

Membership:

The profiles of the new members are given below:-

Dr. Mahim Mendis is a Specialist in Organizational Development and Governance trained in Sri Lanka, England, Singapore and USA. Mahim is the former Dean of the Faculty of Humanities and Social Sciences of the Open University of Sri Lanka and counts 24 years of professional experience in University teaching and administration. He is also a Visiting Lecturer in Organizational Behaviour for the University of Westminster, UK, with degrees administered through Informatics Institute of Technology and Lecturer in Global Politics for the University of Northwood Programme administered through the American National College. He also lectures for the MBA programmes administered by Sri Lanka’s Postgraduate Institute of Management, in Dubai and Qatar, University of Colombo, Eastern University, and Sir John Kotalawala Defense University of Sri Lanka.

Mahim is an experienced trainer in Organizational Development, specializing in the broad areas of Organizational Communication and Leadership, professionalism and professional ethics, Corporate Good Governance and Political Education.

Professor Tilak Abeysinghe is the Research Director of the GamaniCorea Foundation. Prior to joining the GCF in July 2017, he was a professor of economics at the National University of Singapore. He was also a visiting professor at Kyoto University and Peradeniya University. He was the Director of the Singapore Centre for Applied and Policy Economics and an Executive Committee member of the Department of Economics. He continues his affiliation with the NUS. He obtained his
Ph.D. in Economics/Econometrics from the University of Manitoba, Canada. His research interests lie across a range of theoretical and applied topics which include the Singapore economy, housing affordability, social epidemiology and quantitative health research. He has published in highly reputed international journals in the field.

**Dr. Wasanthi Wickremasinghe** - is a Senior Research Fellow at GCF. She obtained her PhD in Agricultural Economics from the University of Giessen, Germany. She has more than 27 years of experience in economic policy research and university teaching. Prior to joining the GCF she worked as Assistant Professor at Fiji National University and as a Senior Researcher at HARTI, Sri Lanka. She was also a resource person for international organizations.

**Mr. Neel de Silva** - Chairman, Survey Research Lanka, has over 30 years’ experience in market and social research and leads a dedicated research team of over 150 Field Staff (Research Partner who will collect data at regional level)

**Mr. Stefan Moraes** - has extensive experience in the Global Institutional Development Business, facilitating Management Solutions on Competitive Strategy, Strategic Marketing, Service innovation, Total Quality, Process Re-engineering, Human Capital, and Information Technology.

We welcome the fresh intellectual input from above members that would strengthen the tasks of the Institute. We believe that the new Governing Council Members and Marga Members would provide new ideas and would be a strength to the Institute.

Professor TilakAbeysinghe and Mr. Moraes are working closely with the Institute to introduce new research products such as “Industry Attractiveness Index”. Marga is currently working closely with Mr. Moraes's organization to introduce new Entrepreneurship programmes for youth.

Dr. RanjithSenarathna who is a senior member of the Institute has also been working closely with the Institute to submit proposals to the Department of Agriculture to carry out social and anthropological research.

Dr. Wasanthi Wickremasinghe has provided her expertise in the area of agriculture and assisted the Institute to formulate proposals to the Ministry of Agriculture for Agriculture Sector Modernization Project funded by the World Bank.

Mr. Neel de Silva who provides data collection and data analysis services to the Institute and assisted in two opinion surveys carried out by Marga during the last two years have also worked closely with the Marga Team to secure work particularly with the Ministry of Skills Development and Vocational Training.

We also welcome Dr. SunariSenaratne who has joined the Marga panel of Consultants. Dr. SunariSenaratne has a BA Hons in Social Anthropology with Development Studies from the University of Sussex; an MSc in Anthropology and Development from the London School of Economics; and a PhD in Anthropology and Sociology from the School of Oriental and African Studies, University of London. Dr. Senaratne's major area of research since the completion of her PhD has been the social and political aspects of agriculture. She is also interested in the social
implications of the proposed Megalopolis Initiative in the Western Province. The Institute has submitted a proposal under her direction to the Ministry of Agriculture for the Agriculture Sector Modernizing Project funded by the World Bank and applications for funding to the British Academy and other funding agencies such as Global Challenge Research Fund (UK Development Assistance).

**Research projects**

The Institute carried out a survey for the Ministry of Skills Development and Vocational Training on Self Employment Promotions Initiative during the year under review. The objectives of the survey were to:-

- To assess the success and effectiveness of the loan scheme/ How well have the trainees used same to:
  - a) Start a new business
  - b) Improve business through purchasing of machinery, equipment or tools
  - c) Expand business either through leasing or renting out space, hiring of helpers/staff etc.

- To identify any procedural and bureaucratic issues regarding the loan scheme

- To suggest improvements to the loan scheme

The Research Team contacted all 1259 trainees to obtain basic information and interviewed a random sample of 500 trainees for the survey. The Field Work was conducted from 4th January to 22nd February 2018 and a draft report was presented to the Ministry in mid-March 2018. The final report was submitted on the 23rd of March 2018.

**Future work**

At the time of writing this report the Institute is negotiating with the Ministry of Skills Development on two research projects and an assignment to formulate a strategic plan for the TVET sector.
Projects

Impact of the Land Reform Act

We are currently studying the implementation of the Land Reform Law of 1972 under which approximately a million acres of agricultural land was vested in the Land Reform Commission (LRC). We gathered further information for our study from several sources both in the government and private sector. We also sought information from also the owners of agricultural property that were affected by the Act and from other interested parties regarding the settlement of excess Gazetted land acquired under the Land Reforms Law of 1972. Based on the findings of the study, the Institute intends to present a policy brief to the government with recommendations for necessary action.

Institutional Mapping of a selected Divisional Secretariat

The Institute carried out an Institutional Mapping of a selected Divisional Secretariat (Wariyapola, in the Kurunegala District) which encompassed - structure, staff details, functions, role, coordinating mechanisms, services, monitoring mechanisms, decision-making processes, linkages with other government organizations and community. The study was very helpful in understanding the level of government engagement in participatory development, planning and implementation.

Research Programmes with GamaniCorea Foundation

The Institute was unable to proceed with the research programme with GamaniCorea Foundation (GCF) as a result of the case being filed by the Land Reform Commission against GCF which temporarily blocked the funding that was to be geared to a programme of research in collaboration with Marga.
Special Events

Launch of “Towards a Sri Lankan Model of Development” - (a Collection of writings by Godfrey Gunatilleke) at BMICH

The Marga Institute launched the book (a collection of writings of Godfrey Gunatilleke,) titled "Towards a Sri Lankan Model of Development, on the 24th of May 2017 at the BMICH. The main speakers at the launch were Dr. Indrajit Coomaraswamy, Governor Central Bank, Dr. Nimal Sanderatne, Chairman Gamani Corea Foundation and late Dr. Saman Kelegama, former Executive Director Institute of Policy Studies. Dr. Lloyd Fernando, Governor Marga Institute moderated the discussion that followed.

Seminar on “Dream for a workforce to meet future demands”

The Marga Institute together with the Open University of Sri Lanka jointly organized a Seminar titled “Dream for a workforce to meet future demands” on the 28th of November 2017 at the Faculty of Humanities and Social Sciences, Open University building in Nawala.

The Main Speakers were Dr. Harsha Aturupane, Lead Economist, Education Global Practice, The World Bank and Prof. Deepthi C Bandara- Director, Quality Assurance & Accreditation Council, UGC. Dr. Upali Mampitiya, Chairman Academic Affairs Board, National Institute of Education was a discussant and Professor Susirith Mendis Chaired the discussion that followed.

Policy brief on agriculture

The Marga Institute released a policy brief on agriculture as an outcome of a Seminar organized in partnership with Gamani Corea Foundation in January 2017. The policy brief was handed over to 28 key Cabinet Ministers who had a particular interest in resolving issues concerning agriculture. The Institute expects to be further engaged in the public discourse on agriculture related issues in the future.
Education programme

MA in Development Studies in Collaboration with Open University of Sri Lanka

The Institute and Open University were engaged in restructuring the Masters programme during the year under review in which course content, methodology of delivery, procedures for assessment were improved and finalized according to the new agreement. Course modules, roles and responsibilities of Module Leaders etc., were renewed. Due to restructuring of the course and time taken for approvals, the Institute was not in a position to carry out the MA programme during the year under review. This affected the cash flow of the Institute and the costs of staff assigned for the MA course was borne by the Library and other Divisions.

Publication programme

Income of the Publications Division / Book Store is given below:-

<table>
<thead>
<tr>
<th>Month</th>
<th>Cash Sales Income</th>
<th>Consignment Basis Sales</th>
<th>Total Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>May</td>
<td>44800.00</td>
<td>-</td>
<td>44800.00</td>
</tr>
<tr>
<td>June</td>
<td>2400.00</td>
<td>19365.50</td>
<td>21765.50</td>
</tr>
<tr>
<td>July</td>
<td>3600.00</td>
<td>5154.50</td>
<td>8754.50</td>
</tr>
<tr>
<td>August</td>
<td>7630.00</td>
<td>3600.00</td>
<td>11230.00</td>
</tr>
<tr>
<td>September</td>
<td>451150.00</td>
<td>4513.00</td>
<td>455663.00</td>
</tr>
<tr>
<td>October</td>
<td>8950.00</td>
<td>16170.00</td>
<td>25120.00</td>
</tr>
<tr>
<td>November</td>
<td>6600.00</td>
<td>-</td>
<td>6600.00</td>
</tr>
<tr>
<td>December</td>
<td>1625.00</td>
<td>-</td>
<td>1625.00</td>
</tr>
<tr>
<td>January</td>
<td>1750.00</td>
<td>3220.00</td>
<td>4970.00</td>
</tr>
<tr>
<td>February</td>
<td>400.00</td>
<td>1280.00</td>
<td>1680.00</td>
</tr>
<tr>
<td>March</td>
<td>-</td>
<td>1641.00</td>
<td>1641.00</td>
</tr>
<tr>
<td>Total Income</td>
<td>528905.00</td>
<td>50431.00</td>
<td>583849.00</td>
</tr>
</tbody>
</table>
There was a marginal increase in income over the previous year. Some of the important events and achievements of the Publication Division were:-

- Participation at the Colombo International Book Fair at BMICH on September 2017. Total sales -Rs. 451,150/= 

- Obtaining membership of the Sri Lanka Book Publishers’ Association

- Publishing two books during the finance year (Towards A Sri Lankan Model of Development by Dr. Godfrey Gunatilleke and The Demographic Transition in Sri Lanka: A Socio-Economic Analysis by Dr. NimalSanderatne and Sharmini De Alwis) Dr. Sanderatne’s and Sharmini de Alwis’s book was launched in May 2018.