

New Horizons in Development Planning

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In the last two decades, politicians and administrators have believed that an economic development plan in the form of a document is necessary before a programme of work is launched to rapidly develop the country. Practically every government other than the United National Party administration of 1960 to 1965 and the new government that was elected this year have prepared development plans. The first systematic plan was brought out in 1955 and was entitled a Six Year Programme of Investment. The M.E.P. government that came into power in 1956 was dissatisfied with the contents and the strategy outlined in the Six Year Programme and it set up machinery to prepare a plan more in alignment with its economic philosophy. The task was entrusted to the Planning Secretariat, and in 1958 the Ten Year Plan was released. The Plan was hailed as a thorough piece of work by academics. But, like its predecessor and those that succeeded it never got off ground and the Two Year Implementation Program was issued shortly after. The next great experiment in planning was the much talked about Five Year Plan issued in 1972. A great deal of optimism and fanfare accompanied the release of this Plan, and on the surface it gave the impression that it would provide answers to the most urgent problems of the day of which unemployment was the most important. Since none of the plans could even be partially implemented, various excuses were given for their failure. These included the inadequacy of financial resources particularly foreign exchange, the magnitude and long gestation period of projects and the lack of implementation capacities.

Several previous governments allowed a considerable amount of time to be spent on the preparation of plans and the development process seems to have come to a standstill until this was done. For example, the M.E.P. government elected in 1956 devoted two years to the preparation of the Ten Year Plan. Similarly, the S.L.F.P. government that took office in 1970 spent two years preparing a plan. The planners and the administrators believed that the mere preparation of a document would help to solve the country's problems and that the people could be rest assured that all was well if such a document was issued. Unlike today, in the fifties, the economy was not confronted with serious problems. Unemployment was less than one-fourth of what it is today and the country could have well afforded to spend time in preparing a plan. The economy was freer, the foreign exchange situation not unfavourable, goods were relatively cheap and there were no shortages; as a result people were not impatient, there was little or no discontent or agitation.

On the other hand, the Five Year Plan of 1972 was brought out in an entirely different political and economic context. One factor which hastened the release of the Plan was the insurgency of April 1971.

Government took certain major decisions: one was the implementation of the land reform programme on the advice of an I.L.O. team of experts led by Professor Dudley Seers. The other was the issue of the Five Year Plan and the confidence placed in it. All this was done because the government believed that the Plan would help to solve basic problems and that the masses could be won over by policies which were designed to hit the landowner and the entrepreneur and to redistribute wealth. To a government guided by an ideology, the impact of these policies on employment, income generation and productivity appeared to be secondary. It had faith in an ideology which preached the destruction of the capitalist class and paved the way for socialism. What it failed to see was that the masses were more interested in the basic necessities of life, particularly food and clothing, than in policies dominated by ideology.

Those who prepared the Five Year Plan of 1972 do not seem to have given thought to the fate of the earlier plans. Each of the earlier plans failed because they consisted of a large number of very ambitious and related large projects and very little was said how implementation was going to take place. Furthermore, by the time it had come to implement the proposals the financial resources that were earmarked were not available due to worsening of the balance of payments outlook. In fact, the planners of 1972 should have made a study why earlier plans failed. Their first task should have been to look forward and to make fairly accurate projections of future resource availability both from exports and other sources.

The most important part of the planning exercise is to produce a realistic estimate of financial resources and to make projections on less optimistic assumptions that the output would be far worse than one would expect. Their task would have been to prepare a programme of modest dimensions on the assumption that a minimum amount of resources would be available. The failure of the Five Year Plan was again attributed to foreign exchange difficulties soon after the onset of a world economic crisis following the increase in oil prices by the OPEC countries, and thereafter, by the acute global shortages and sharply rising prices of food grain mainly due to crop failure.

No plan could receive mass public support, nor can it win the confidence of the youth unless it is formulated with their active participation. In fact, although claims have been made that the Five Year Plan of 1972 was prepared in consultation with the masses, this was far from the truth. The period devoted to the preparation of the Plan was one of considerable difficulty when marked differences emerged between the administration and the youth due to the insurrection of 1971; all channels of communication between the people and

their elected representatives in Parliament had been almost completely severed. In consequence, the planners had no alternative but to follow the stereotyped technique of assembling a large number of projects and putting down the key variables such as growth rate, per capita income, annual levels of new employment created as the principal objectives. In a developing country, effective planning can only be based on pragmatic considerations. This is even more important in a country like that of Sri Lanka where the rural sector predominates and where the bulk of the people live in that sector. In other economies with a predominantly industrial population, orthodox planning techniques have more meaning because they relate largely to industrial activity and within that framework government influence and the participation of bureaucracy in planning is not so difficult.

In the past, the development strategy was centred largely on the growth of the modern urban sector with a heavy bias towards foreign aid and technology. Development was conceived in terms of large projects with very long gestation periods and this had hardly any impact on the village economy. The only exceptions were river valley and irrigation projects which benefitted the rural economy. Elsewhere the public corporation was the typical instrument of this type of development. Public corporations in Sri Lanka have had an unparalleled record of low productivity, inefficiency, corruption and waste.

In Sri Lanka where more than three-fourths of the people live in the rural sector, a plan must give considerable weightage to the needs and aspirations of the people in the villages, and it is through this process that people's participation can become a reality. Normally, the channels of communication between the bureaucracy and the rural population are far too weak and there is a natural bias among officials towards the urban sector and the industrial community. The town-based bureaucracy is not often sensitive and not geared to respond to the people's aspirations and their felt needs and are therefore not in a position to seek the best way of solving their problems. A strategy for the active participation of the village population in the development process has been markedly lacking in all the previous plans. Many of them have hardly made any reference to the rural sector or even attempted to analyse the socio-economic conditions in the villages.

The new strategy for development should begin with a greater sensitivity to the aspirations and the felt needs of the people in the villages. Central planning of the kind that Sri Lanka has copied from the West cannot solve the problems nor meet the needs of the people in the village. It can do so only if the principal plan consists of a synthesis of micro-level plans pertaining to the villages along with the larger and more sophisticated projects. This is something that conventional planning cannot achieve in the timespan available to the urbanised planners. They will need a long time because a large number of surveys and studies pertaining

to a village or groups of villages will have to be undertaken before plans are drawn up. An administration which will be in power for a period of 5 to 6 years will find it extremely difficult to produce a plan of this type unless it is prepared to implement the programme simultaneously with the preparation of projects at the village level. If some importance is going to be given to central planning at the national level its object should be to conceptualise the broad vision of the new society to be created and provide the necessary financial and technical supports to the village. In mobilising and allocating financial resources the conventional practice of first centralising and thereafter decentralising all funds for local expenditure should be simplified through provision for locally generated funds to be spent locally.

It is unlikely that the present government would spend a lot of time preparing a plan on orthodox lines. If this is done, it would obviously take at least a year or more, and the danger is that everyone may decide to do nothing until the plan is ready. A conventional plan, because it is primarily concerned with very large projects, cannot give adequate weightage to the smaller projects, at the village level which are likely to provide the greatest spread effect and generate more employment opportunities. The district level decentralised administration which the government proposes to introduce shortly is the basic administrative prerequisite for rapid rural development. For the first time, the government has recognised that the greatest results would be forthcoming through a decentralised planning mechanism spearheaded by a district level organisation under a minister.

Hitherto, in the implementation of development, programmes the channels of communication with the village were through various government officials like extension workers, cultivation officers, handicraft advisors, divisional revenue officers and others who either functioned in an administrative capacity or offered specialised services to improve productivity in agriculture and rural industry. Due to serious shortcomings in the administrative framework, these officers never went down to the village population. Surveys done in the past have shown that officials such as extension workers, who are required to play a critical role in agricultural development, hardly ever visited the villages with the result that they have had a minimum impact on agricultural development.

In the planning organisation that is suggested here, the task of the bureaucracy and specialised officials would be to train educated people from the village itself who would then act in liaison with groups at the village level. They could be called change agents or link cadres. The latter would undergo a period of intensive training depending on their speciality. Assuming that there are about 20,000 villages and 5 link cadres will be necessary for each village, this in itself will generate 100,000 jobs. People in the villages would be willing to work more closely with people who are known to them and who reside in the village itself

and are one of their own, than those who are alien to the community with a different cultural, sociological and linguistic background. These trained village cadres would be the principal link between the village and the upper echelons of the administration. Each village, depending on its size, will have about 4 to 5 of these specialised cadres trained in skills which are essential for the kind of industrial or agricultural projects in the village. The trained cadres will provide the technical assistance that village level projects need and they will oversee progress. Some villages will need cadres that have had specialised training in agriculture while others in areas such as transportation or in exploitation of minerals.

The most suitable kind of local government cum development institution at the village level has to be worked out and this may involve modification to the present organisation of local government. If the whole village is going to participate in development, then the village must meet and elect its officials. In the proposed scheme the whole village will meet and elect its chairman who will be the principal administrator and development authority for the village. There would be no representation on the basis of wards but the village committee would represent the whole village and not individual divisions. The function of the village Assembly would be to conceive, formulate, implement and evaluate projects through the participation of organised village groups. The link cadres will provide the catalytic element in this process and establish a two way link between the village community and the expertise available outside the village, for the transmission of appropriate know-how, information and resources.

The overall co-ordination of the development effort at the district level would be overseen by the District Minister who will cover several electorates that come within the district. He will have a Secretariat which will be fully equipped to service the needs of the electorates and villages. The District Minister's Council would include the Members of Parliament representing electorates within the district. Below this, there would be an Electorate Assembly consisting of chairmen who would be elected from each of the Village Council; the Electorate Assembly would be presided over by the Member of Parliament of the electorate. In development planning, the function of the District Assembly under the District Minister would be to establish liaison between the electorate and the village level and the higher administrative machinery in the country which includes numerous government departments handling specialised areas of work and the appropriate Cabinet ministers that stand above them.

The most important unit in this framework would be the Village Assembly. The bulk of the new

employment generating activity has to be created through the Village Assembly. It should have a large amount of autonomy in planning, decision-making and in execution. The Village Assembly should initiate work through village organisations with specific interests such as co-operatives, youth clubs and peasant organisations. The first task of the Village Assembly, with the assistance of specialised cadres attached to it, would be to make a survey of resources in each village. To do this effectively they may have to depend on the services of specialists from outside. The object of the resource survey would be to ascertain not only the most abundant resource but those that could be used to produce goods and services which are easily marketable and could form the nucleus of viable industries.

Consideration will have to be given to the manpower absorptive capacity of projects because in most villages surplus labour would be the most abundant resource. There would also be exceptions to this particularly in the plantation villages in the hill country where adequate employment opportunities are available in the surrounding plantations. In most of the Dry Zone, the situation would be quite different and labour-intensive projects will have to be planned. The most important thing in planning investments is to think in terms of relatively simple projects which are going to fulfil basic consumer needs. This might mean that the initial efforts may be directed towards rudimentary activities such as growing fruits, vegetables or the production of other foodstuffs which have a ready market in the village itself and in the neighbouring towns. Particularly in villages close to the cities, there is tremendous scope for growing vegetables and fruits because these are items with a steady demand and high turnover. It also requires little capital and provides sustenance to families in the rural areas continuously over the years because unlike paddy and other longterm crops they are not seasonal but could be grown right round the year. The problem in development planning is that people often tend to think in terms of grandiose projects while overlooking the simpler ones which are likely to bring in quick and tangible results.

Once a resource survey has been completed the task would be for the Village Assembly to discuss the projects largely in terms of their needs, aspirations, the availability of inputs, the gestation period and the extent to which they would contribute to raise incomes rapidly in the district. Once a project has been adequately formulated, the next task would be to set up an organisation which will ensure rapid implementation and see that material inputs and equipment from outside will be forthcoming with minimum delay. Indeed, this would be the most difficult task because the project in the first instance, would have to be cleared by the District

Minister and his staff if it is going to become a charge on competing resources.

Unless there are adequate means of financing all projects there would be obvious difficulties in obtaining financial support for every project. In the present circumstances, the district development programme will have to provide resources for at least two projects in each village and this will mean that approximately 40,000 projects would be simultaneously launched in the 20,000 odd villages. Assuming that on the average each project would directly or indirectly give employment to 10 persons which of course, is a very conservative estimate, this is likely to create employment for 400,000 persons. If the projects chosen are of a very modest order the capital resources and the equipment could be easily procured and this would not tax the central budget. But on the other hand, if the central budget cannot provide the resources, the village level development effort would have to turn to other sources for financial support.

This is where plantation and private sector organisations could come in. Assistance could be obtained either in the form of financial grants or cesses on successful enterprises in the district. This would be

possible where largescale privately owned or government industries operate. The village authorities should have the authority to levy taxes on enterprises or on the services provided in the area and these funds need not flow through the central budget. There is also scope for village organisations to receive equipment in kind or have them fabricated at industries or business concerns which are operating nearby. Since the whole village cannot be entrusted with the management of projects the best talent in the village will have to be entrusted with implementation and daily management. The people will have to select from among themselves those who are most capable and talented for this purpose and with so much of unemployment among the rural educated this is not going to be a difficult task.

Village level development is the most effective way of regenerating the village and stemming the drain of manpower to the urban cities. It is the quickest way of providing jobs for the unemployed in their own villages and raising rural incomes. To the youth with the highest aspirations it would give an opportunity to provide opportunities of leadership and a sense of responsibility and direction which would be unknown to him had he taken employment in an urban industry or in the central administration.

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