

A CRITICAL ANALYSIS OF THE ROLE OF THE DISTRICT INTEGRATED RURAL DEVELOPMENT PROGRAMME (DIRDP) IN RURAL EMPLOYMENT CREATION

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This article is excerpted from a paper on "Rural Employment Creation in Sri Lanka: Problems, Programmes and a Strategy for the Future" presented in November 1986, at a Regional Workshop in Manila, on Rural Employment Creation and sponsored by the ADB and ILO (ARTEP).

The DIRDP, first adopted in 1979 and now covering 11 out of the 24 districts, has been regarded as an important innovation for accelerating social and economic development in rural areas. Its rationale derives generally from the long felt need for infusing some dynamism to the rural sector but relates more specifically to the need for sub-national programmes for benefitting those districts which do not figure in the country's major investment programme currently comprising three lead projects. Thereby any possible inter-district imbalance would be avoided. The DIRDP as a supplement to the national programme consolidates the ongoing process of decentralisation of development. It is regarded to be almost the country's "fourth lead project." Conforming to this status its broad objectives are to bring about a significant increase in income, employment and living standards in each of the districts.

The strategies and approaches of the DIRDP consist of eliminating the under utilisation and the wasteful use of agricultural resources and infrastructure facilities believed to prevail in each rural area; ensuring a more efficient use of these resources by widening bottlenecks in production, filling in important gaps and providing for important needs through judicious investments and a strengthening of the complementary institutional services. These strategies incorporated in a short/medium term plan specifically tailor-made to meet the needs and to tap the potential in each district will be specially concerned with its backward areas and disadvantaged groups. The emphasis of the strategies is on the increasing of productivity and of production activities through quick yielding production oriented projects with supportive infrastructure. These are to be achieved within the prevailing socio-economic framework; radical structural

changes are not envisaged. While the approach is multi-sectoral with a synchronisation and a lateral co-ordination of the activities, it does not encompass all the production sectors, nor is its onslaught on the problems a total one. The operational constraints and the limited time frame have perforce made this approach, (according to its authors) a "compromise between" comprehensiveness and manageability."

The planning methodology is marked by a diversity in design and approach among the different district plans, which had been purposely introduced so as to allow for innovation, experimentation and a learning-by-doing process. The IRDPs of the four districts of Kurunegala, Puttalam, Matale and Badulla are broad based five year plans, prepared on sectoral lines, containing pre-identified projects with annual targets. These plans which place emphasis on production and growth are of a rigid type, not allowing for any major deviations. The plans for the three districts, Matara, Hambantota and Nuwara Eliya, are prepared from year to year with continuity and a rolling element. This is an approach flexible enough to accommodate specially designed sub-projects or packages of activities deemed necessary to develop those backward areas and groups adopted as targets. This type of planning is an exercise in selecting individual projects and calls for learning from experience in implementation and from concurrently conducted research into the specific problems.

The composition of investments and projects in the DIRDPs is generally a balanced-mix of, production oriented projects on which emphasis is placed, the relevant overheads and supportive infrastructure and services, and some projects that are oriented to basic needs and social development. The activities covered by the projects vary according

to resources, needs and sectoral patterns in the different districts. There is a tendency for about two activities in each district to be considered as potentially "lead projects", that will determine the general district plan strategy. Paddy, irrigation and agricultural extension assume this status in most district plans. Other activities receiving major emphasis in the individual district plans are: the coconut industry, minor export crops (m.e.cs.), road development, tea small holdings, rural electrification, marine fisheries, sericulture, reforestation and animal husbandry.

The expenditures under DIRDPs are on a modest scale, the total being below 2% of government's total capital expenditure. Considering, however, that the resources provided by this programme are a net increment to resource flows into a district through national development programmes and the decentralised budget, these are substantial enough to create an impact on the economy of a district. This may not be true for all districts, for the expenditure under the plan for Matara district is considered to be much inadequate in relation to its problems. Foreign funding ranges from 66% to 100% in the different district plans, but the expenditure involved is well within the resource capability of the country even without such assistance.

The foregoing presentation of the rationale, perspectives, objectives, strategies and characteristics of DIRDP provides the background for analysing its role in rural employment creation. This analysis will now be done by critically examining the programme in the light of what our diagnosis revealed about the different types of rural employment problems, the different rural groups affected by these problems and the several planning issues and policy considerations in rural employment creation. Basically, there are four ways in which a given rural development programme could impact on the different groups affected by the different rural employment problems by influencing (a) their production activities and or (b) their productive resources, by reaching out to them directly as (c) target groups and by focusing on their localities as (d) target areas. This will be the format for our analysis.

Employment Effects of DIRDP Schemes for Production Activities and Productive Resources

The DIRDPs in general, and the rigid types in particular, lay heavy emphasis on agricultural production (paddy, coconut, m.e.cs and subsidiary food crops (s.t.cs) and on its physical resource base of land and irrigation. The orientation is to growth of productivity and output through an intensification of the use of resources already existing and owned by the different individuals. This immediately raises the issue of the landless and the land-poor who do not stand to gain directly from the employment-income benefits. The following distribution of households in Kurunegala district indicates how grave this issue could be: casual and regular labourers 8%, landless with home gardens only 13%, households with inadequate land (below one acre of paddy or below two acres of total land) 38%. The DIRDP of Matara readily admits that while its present approach of agricultural intensification will raise incomes, it will not have any impact on the problems of landlessness, near landlessness and unemployment which are widespread in that densely populated district.

The creation of new agricultural assets to help the landless and the land-poor has very little scope under the DIRDPs. This is because their emphasis is on intensification and not on land area expansion which they are any way precluded from doing in a large way by the modest scale of their finances. The new acreage that would result from the village irrigation renovation schemes adopted in four of the DIRDPs will not exceed 25,000 and much of it could be land of marginal quality.

The agricultural intensification process itself could lead to an increased labour absorption under the influence of two factors. One is labour intensity in agriculture techniques which instead of being promoted is actually being reduced by the DIRDPs through their concessionary credit schemes for the purchase of tractors and weedicide sprayers. This appears to conflict with the professed employment goal of the programmes. Thus the Kurunegala DIRDP which pro-

jected a substantial rise in labour absorption through intensification, of paddy farming, did sponsor loans amounting to Rs. 14 million for the purchase of tractors in one year (1980) alone. The other factor is cropping intensity which may seem to be able to rise due to the village tank projects. These tanks to be renovated, however, cannot change much the existing levels of double cropping intensity and seasonal unemployment because they usually cannot conserve much water beyond the major season.

If the unemployment generation through either horizontal expansion or intensification is constrained in the above manner in the large agricultural component, then it is the rural non-farm sector to which the landless and the land-poor have to look for employment opportunities. The DIRDPs, however, virtually make no provision for this sector and its participants. Although these programmes are multi-sectoral they exclude rural industries. The Kurunegala DIRDP, for example, has put off rural industries to a vague future phase of the programme. In the seven DIRDPs for which details are available there is only a handful of projects for non-farm activities and these too have been adopted under dictates of particularly compelling circumstances. These are, a craftsmen's village project, 12 vocational centres and 5 mobile training centres. The near total lack of a perspective in district plans for integrating rural industries with rural development could cause much damage to national employment. Illustrative of this is the case of the Kurunegala DIRDP which proposed that a large number of mammoets be quickly imported to meet the requirements arising from farm development schemes when a neighbouring district had built up enough light engineering capacity to produce at least a part of the requirements. Given the constraints on the agricultural sector for expanding employment it would be unwise to seek solutions to rural employment and poverty problems solely within agriculture and relying purely on agricultural strategies as the DIRDPs have done. As revealed by our diagnosis, there is a need for a focus on the deve-

lopment of the rural non-farm sector and for it to be adopted as an explicit theme in rural development. The amorphous and complex rural non-farm activities do not feature in national development planning because of the difficulty of classifying them under conventional estates. It is the concept of district-area development that makes possible the accommodation of rural non-farm sector in development planning because of the possibility it offers for delimiting development issues on a geographical basis.

The large labour intensive construction and rural works component in DIRDPs offer scope for wage employment for the landless and land-poor, even though for a short duration. The provision of employment through rural works as an explicit objective is found only in the programme for Nuwara Eliya district where there is not much scope for agriculture in the villages hemmed in by estates. But even here the scale of operations can provide employment for not more than 1000, for three years, whereas the number of landless is 50,000. In the other districts there has been a failure to have exploited the employment potential in village tank construction for the benefit of the local poor; the work was got done by labour brought from outside by the contractors. This failure, to have arranged for the construction work to be done by the local poor together with the earlier cited incongruent policy on paddy cultivation techniques demonstrates the lack of any systematic planning for employment in these programmes.

The programmes contain intensified efforts at providing supportive services (extension, input supplies) and assistance (subsidies, concessionary credit) to promote production in the various field and tree crops. There has also been a desire to see that the smaller and the poorer farmers, who are the neediest of all for such help, got their due share of the benefits of these schemes. Thus the Kurunegala DIRDP aimed at ushering in a viable rural credit system with high participation specially by small farmers and adopted some measures to impart a "credit discipline." Also the pro-

gramme for Matara district, which accords to agricultural extension the status of a lead project, adopted a T and V system with an intended coverage of very small holdings and home gardens.

Have the DIRDPs been able to change the distribution pattern of assistance and services in favour of the poor and the disadvantaged groups? The answer as it emerges from the few surveys carried out in these districts is largely in the negative. In the cultivation credit scheme in Kurunegala district, the participation of the small farmers has remained low and the high risk farmers remained excluded while the wealthier farmers continued to obtain credit with ease and to reap the maximum benefits of the scheme. The coconut fertilizer credit scheme in the Kurunegala and Puttalam districts showed a highly skewed distribution in favour of the larger holders with the possibility that some of them used the scheme as a cheap source of funds for financing various businesses. In the m.e.c.s subsidy scheme in Matale and Kurunegala districts the participation has been mostly by the more affluent of the growers with government service of trade as their main occupation and some of them had three or four subsidy permits obtained in the names of different family members; the effect of the scheme has been to make richer those who were already rich. It was found that the agricultural extension services in Kurunegala district which had been strengthened with additional staff nevertheless continued unchanged as before bringing little or no benefit to small farmers.

The reasons for such inequitable distribution are traceable to certain structural factors for which no effective corrective or countervailing measures have been organized under the programmes. These are found in the very economic weakness of the small farmers which lowers their ability to participate in these schemes, the impediments both to deliveries by institutions and officers in the modern/formal sector and to responses by operators in the traditional/informal sector in the context of socio-economic dualism, the inequity resulting from village power structures.

As can be seen in the foregoing analysis an orientation to productivity and growth in plans coupled with a failure to encompass rural non-farm activities can truly leave the landless and the land-poor high and dry. And, the implementation of production and growth oriented schemes under existing conditions of asset and income distribution would fail to benefit proportionately the poorer and disadvantaged farmers. Thus the DIRDPs have to add other dimensions if they are to gain relevance to the needs of the poor and local conditions. One opportunity for this lies in adopting two additional approaches oriented to the development of target areas and target groups. Such innovations have been possible in the flexible type DIRDPs.

Target Area Approach

The aim is to activate a process of development of the physical and human resources in selected poorly served backward areas by taking into them a package comprising production oriented projects, infrastructure development and the required basic needs component. The economic-geographical features of a district help in the identification of target areas. In Hambantota district, the two special "Cluster Settlement Projects" are in areas which lie in between major irrigation systems forming pockets of neglect and backwardness. The project activities included the rehabilitation of two clusters of village tanks, the resettlement of about 728 landless and marginal farmer families, provision of housing and welfare facilities. The several such area specific projects along with the several projects for the major production activities in this district are believed to have resulted in a package capable enough for strengthening its economy while reaching out to the masses. Some resource poor villages in the plantation dominated hilly district of Nuwara Eliya have also been adopted as a target area. The situation-specific approach here differs from that of Hambantota in that it seeks to concentrate a number of sectoral activities in a limited area.

The great obstacle to this approach is that the areas to be considered are so

poor in resource endowment that it is difficult to identify any viable projects. The investments required to develop most such areas would be beyond the scale of DIRDP finances. The present trend in planning, however, is towards smaller areas, divisions rather than districts, because of the greater scope they offer for better identification of problems, more intensive development and for better integration of the component activities.

Target Group Approach

The aim is to reach directly the disadvantaged and the under-privileged through projects specially designed for their benefit. The three flexible type DIRDPs give this approach explicit recognition. In the Matara district there is much less scope for the target group approach to merge with the target area approach as in the Hambantota and Nuwara Eliya districts because its poor are not concentrated in any particular area but dispersed widely across its highly crowded villages. Hence there has been a resort to a number of ways of reaching out to the different categories of the poor-home garden development projects for small and mini holders, rural works and work on large estates organised for the landless and the unemployed, vocational training for the unemployed youth, self employment and income generating activities for poor women with low educational attainments and in the age group 18-40 years.

An almost exclusive emphasis on the target group approach, as in the Matara DIRDP, could be self defeating. This is because attempts at benefitting groups without a parallel broad based production sector oriented development may well end up as relief or social service measures. The individuals to be benefitted can better realise their potentials when development takes place around them. A balance needs to be struck between the group-specific interests and the broader interests of rural development.

For the target area/group approach to be effective it needs to have the participation of the beneficiaries in the pro-

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cess of both planning and implementation. Through such involvement the issues would be better identified, the activities sustained and the receiving capacity of the groups improved. The few attempts at consulting local communities and using voluntary organizations as helpers notwithstanding, the planning of DIRDPs remains a top-down affair.

Linkage mechanisms for mutually reinforcing growth can operate only when the appropriate structural features exist in the farm and non-farm sectors. This sequence is possible when a labour intensive small farms sector (as is already found in the country) is symmetrically balanced by labour intensive, spatially dispersed, small scale rural non-farm production units.

Concluding Comment

Is the milieu appropriate in Sri Lanka, and are the prevailing policies and programmes conducive to a pattern of interrelated and integrating farm and non-farm development in rural areas? The milieu partly exists; rural agricultural holdings are small, are potentially more labour intensive and technology based growth in them can be promoted with the help of institutional changes. As a policy measure, the DIRDP is a lopsided one, for it has no vision of rural non-farm activities. There is the need for a programme which integrates rural non-farm activities with rural development. The industrial and trade policies do not perform the function of facilitating an expansion in the rural non-farm sector; the environment created by them is in fact unfavourable to rural industries. Such policies, in the context of a small country with good rural communications and transport, rendering consumption patterns and life styles vulnerable to the demonstration effect, would cause large leakages of the possible multiplier effects into modern sector produced and imported goods. More favourable trade and industrial policies are needed to enable rising expenditures from agricultural incomes to get diffused and to circulate within the rural sector. The activities of this sector would then be stimulated by the market widening effects as well as by an increased supply of investible funds.