

Emerging Patterns of Management in Post-Land Reform Sri Lanka

A socio-economic study of a Janawasa in the Kurunegala district

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One of the basic processes by which far-reaching changes have been introduced in Sri Lanka's agrarian sector in recent years has been land reform. With many divergent viewpoints being expressed on the progress of land reform in various parts of the country today in-depth assessments such as this one by N. Shanmugaratnam help to offer constructive criticism and guidelines to policy-makers, managements and the public on the new challenges to be faced in this area so vital to our economy. Mr. Shanmugaratnam who carries post-graduate qualifications in Agriculture has also gained wide practical experience working in several connected institutions in Sri Lanka and abroad. He is at present a Management Consultant at the National Institute of Management.

Janawasas are among the new systems of farming and management that have emerged on the post-land reform agrarian scene of Sri Lanka. The Land Reform Commission (LRC) in a Note on Land Reform, LRC. Mimeo. 1976, has defined a Janawasa as — "a settlement established on the principles of collective ownership and self-management with the objectives of ensuring maximum productivity through profit-sharing based on individual effort". Although it is stated that the land is owned collectively, in actual practice what is found is collective lease. The land is granted to the Janawasa on lease by the LRC and a lease rent is charged. Collective ownership is a distant goal.

There are about 190 Janawasas today covering an extent of about 45,000 acres. There are about 9,000 members and 6,000 non-member workers in all these Janawasas. About 65 per cent of the total Janawasa acreage is under coconut while tea

and rubber constitute 15 per cent and 20 per cent respectively.

Janawasas were first initiated by the LRC in 1973 and towards the end of 1976 a separate corporate body called the Janawasa Commission was set up to administer the Janawasas.

The main objectives of a Janawasa outlined in the Janawasa Law 1976, may be summed up as follows:

- i. to foster collective management and development of agriculture, animal husbandry and agro-based cottage industries,
- ii. to ensure maximum productivity, maximum employment and profit-sharing,
- iii. to promote social and cultural development of the members,
- iv. to promote joint farming in general through the demonstration effect of successful Janawasas.

Almost all the Janawasas of today are former estates which were managed by private owners or companies. The estates were run with the sole objective of maximising profits. On the other hand the Janawasa has been conceived not purely as an economic enterprise. Its objectives are both social and economic. At the national level, the economic objectives are often subordinated to the social objectives in view of the urgency of finding solutions to the pressing problem of unemployment among the educated youth of the rural areas. Thus the employment goal assumes greater importance. At the individual Janawasa level the objectives of collective management and community development might further necessitate a considerable sacrifice of immediate economic gains, since the managerial principles that emanate from these ideals would run contrary to the purely profit motivated approach to production in a typical capitalist enterprise.

A Janawasa may be more aptly described as a socio-economic organism with a variety of social and economic objectives which are inter-related and are more or less equally important in the long run. It constitutes in other words a state-aided attempt to transform an old estate into the type of socio-economic organism described above.

In this paper an attempt is made to re-construct the Pre-Janawasa situation in terms of production levels, employment and management, and social welfare of the workers, and to describe the socio-economic situation obtaining today in the Janawasa with reference to the background of members, their attitudes towards this new system of farming and organisation in order to locate the Janawasa in relation to its goals. It is important to bear in mind that the success of a Janawasa cannot be measured by its economic performance alone. It is only one of the indicators and is of limited validity as a parameter to ascertain the state of a Janawasa especially in the early formative phases. An attempt is made here to highlight the social issues affecting the progress of a Janawasa through an examination of the interrelated sociological aspects of the organisation. It is assumed that the Janawasa is an organism in an alien environment which influences it through its politico-economic framework and long established social and cultural norms. The environment is alien for several reasons. The Janawasa is generally located in the midst of privately-owned small and large holdings and state plantations. In all these, particularly in the private sector, production aims at maximum profitability. The Janawasa gives preference to unemployed youth while the older landless peasants of the area continue to be landless, and the landless peasants may view the Janawasa as a system denying them their demand for land. Therefore many internal problems of the Janawasa are a manifestation of the structural and other limitations inherent in the macro-system within which the Janawasa operates. Thus it becomes necessary to identify or

trace the external factors influencing the internal problems. The Janawasa chosen for this study is in the Kurunegala district. On a district basis, Kurunegala has the largest number of Janawasas. There are 56 of them with a total extent of 12,000 acres of which about 8,000 acres are coconut. The total membership in all these Janawasas is about 3,000. This Janawasa was chosen after a preliminary survey of 10 Janawasas in the so-called coconut triangle (Colombo, Kurunegala, Puttalam districts) mainly because of its relative success as a Janawasa. This is "one of the best Janawasas" as referred to by the officials of the Janawasa Commission. It is given the pseudonym K-2.

Information on the pre-Janawasa situation was obtained from the declaration submitted by the previous owner to the LRC, and the former employees of the estates who have now become members of the Janawasa. Some data were also obtained for an earlier study conducted by the Agrarian Research and Training Institute. Data from the declaration form must be treated with caution since it is likely that the owner could have under- or over-stated certain facts. Economic data regarding the Janawasa were extracted from books maintained in the Janawasa Commission in Colombo. A major problem was the imperfect state of books for the first two years. Certain types of information like the production figures for some crops were not available. Data on the social aspects were obtained through interviewing a 50 per cent sample by the members in August 1976, using a questionnaire. In choosing the members for the administration of the questionnaire, attention must be paid to the factors of heterogeneity such as age, sex, and marital status. The interviewers were two social science graduates attached to the Research Division of the National Institute of Management. They were reasonably familiar with the members and the Janawasa set-up as they had made three visits to the Janawasa before the interview and spent several hours talking with members. In addition to this questionnaire - interview, several informal discussions were held with the leaders and members.

Respondents were interviewed in private. Although, it was felt that adequate rapport was established with them, the fact that the interviewers were officials of a government institution could have inhibited their response to certain questions. It is important to bear in mind this limitation.

No claim is made that this Janawasa is representative of a majority. On the other hand this appeared to be the best out of the 10 Janawasas covered by a preliminary survey.

The Pre-Janawasa Situation

At the time of take-over (August 1972) the estate had 184 acres of coconut and about 7.5 acres of asweddumised paddy. A major enterprise of the estate apart from coconut was animal husbandry which included dairying, piggery, poultry and a herd of more than 100 deer. The enterprises and their sizes are shown below in Table I.

There was a brick kiln operated by a contractor producing about 50,000 bricks per month. The total number of coconut palms was estimated to be 10,715 which consisted of palms of three age groups of 10 - 15 years, 20 - 30 years and

30 - 35 years. A majority of the palms fall under the last two groups. The average annual production of coconut according to the declaration form is 2,586 nuts per acre, (five year average 1967 - 71), which is slightly lower than the district average of 2605 nuts per acre computed by the Coconut Research Institute. The estate had a copra kiln and part of the coconut was sold in the form of copra.

There was a livestock enterprise which was showing profits according to some former employees. An earlier study has reported that the estate sold 500 - 1000 pints of milk per day and 1000 lbs. of bacon, ham and sausages for a month. The latter items were made on the estate which had the necessary equipment. No records were available as regards the production of eggs, broilers etc. About 30 acres of Brachiaria pasture was established under coconut. Apart from this there was hardly any intercropping.

Contrary to the statistics found in the declaration form there are valid reasons to believe that the estate was showing profits. The Janawasa obtained a profit of about Rs. 35,000/- in its first year (1973/74)

TABLE I
Comparison of Pre-Janawasa and Janawasa Situations

	Pre-Janawasa (Estate) 1972	Janawasa 1976 December	Change as Percentage of Pre-Janawasa
Crops			
Coconut	184 acres	184 acres	
Pasture	30 acres	60 acres	100
Paddy	7.5 acres	8.5 acres	13
Intercropping (Excluding Pasture)	Nil	88 acres	
Animal Husbandry			
Dairy	80 cows	61 acres	24
Poultry	3000 birds	6671 (layers) 1374 (broilers)	168
Piggery	80	88 (breeding) 58 (meat)	83
Rabbits	30-40	125	213
Buffaloes	7	9	29
Deer	100	Nil	—
Others	i. copra kiln ii. brick kiln iii. bacon, ham, production.	i. copra kiln ii. brick kiln iii. clay works iv. farm tools workshop v. sales shop	
Total labour force	39	73	87
Average monthly earning/member/worker	Rs. 120.00	Rs. 160.00	33

without bringing about any significant improvement to the plantation and with very little diversification. Obviously the estate would have obtained profits to that tune or more during the preceding years. There are reasons to believe that the profits of the estate would have been greater than this amount. The estate would have earned additional revenue from its livestock enterprise. Its overhead charges in terms of labour wages have been less than that of the Janawasa since the Janawasa had a larger labour force than the estate. There could be little doubt as to the economic profitability of the estate.

The total labour force of the estate was 39 of whom 5 were non-citizens. 31 of the workers were daily paid and a majority of them were females. The females were paid a lower daily wage, than the males according to the rates stipulated by the labour department. Assuming an average of 26 work days for a month the average monthly earnings of a daily paid worker would have been Rs. 72.80 for females and Rs. 95.16 for males. There were 8 monthly paid workers earning an average of Rs. 150/- per month. These workers were specialised in certain operations in animal husbandry. The average monthly wage for the entire workforce of 39 was Rs. 97/- per worker.

Two of the older members were interviewed separately on the management of the estate; one Sinhalese and one non-Citizen Tamil. Both of them gave more or less the same picture which follows.

The estate did not have a resident superintendent. There was a visiting superintendent who resided in another estate belonging to the same company as K-2. The day-to-day labour allocation and supervision were done by a conductor who had two kanganis to assist him. The kanganis functioned as field supervisors. The workers were paid according to the rate stipulated by the Department of Labour. Citizens and non-citizens were treated alike. There was division of labour and specialisation to some degree in the livestock enterprise. Some workers were trained in dairy work including the use of milking

machines, bacon and ham production, poultry keeping etc. Most workers worked for about 26 days of the month. 150 per cent of the normal daily wage was paid to those who worked on public holidays. More than 30 workers were living within the estate in labour lines.

There were no trade unions till early 1973 when a union was formed which lasted for the interim period. The management did not encourage union activities. It was in fact opposed to them. It showed a lot of paternalism towards the workers which could have hindered unionisation. The workers were given certain fringe benefits such as small numbers of free coconuts, free medical aid through a dispensary, half a bushel of paddy per worker annually, and festival advances. Workers were also allowed to do home gardening around their lines during non-working hours. One of the interviewees who had worked for over 30 years under the previous management recalled a strike by workers in 1977 against the superintendent. That was the only incident of workers resorting to union action throughout his 30 years of stay at K-2.

Before the acquisition the proprietor had removed all the livestock except seven buffaloes and a herd of deer, the milking machines, equipment used for the production of bacon and ham and all other farm implements. Most of the fittings and furniture in the staff quarters were also removed. At the time of acquisition there were 184 acres of coconut with 30 acres of pasture under it, and the empty buildings.

THE JANAWASA

This section dealing with the Janawasa is divided into two parts. Part I consists of a brief description of the growth of membership, the organisational structure and the economic situation, followed by an analysis of the monthly earnings of members, and a note on the weaker areas of management. No attempt is made to undertake an economic analysis as it is not an objective of this paper. The intention here is to show the differences between the estates and the Janawasa in terms of employment, agricultural diversification and average

monthly earnings. Part II deals with the social characteristics and constraints of the Janawasa Society.

Membership

The Janawasa was started on the 2nd November 1973.

At the time of inauguration the Janawasa had 52 members (21 females and 31 males) and 5 non-member workers. Of the 52 members, 34 members were former workers of the estate and were directly absorbed as members in accordance with the policy of the LRC that every citizen worker under the previous management was entitled for Janawasa membership. Although the 5 non-members were employees of the estate they were not entitled to membership because they were non-citizens. The 18 new members were selected by an interview board which included officials from the LRC, the DRO and a representative of the member of the National State Assembly for the area. Applications were called by the LRC which advertised through the local political institutions and the Grama Sevaki. There were about 300 applicants in all.

The major criteria of selection were—

- (a) Age 18 - 35;
- (b) Unemployed persons from the same or nearby village;
- (c) From peasant background;
- (d) Voluntariness in accepting the principles of co-operative farming;
- (e) Able to read and write.

These criteria were laid down by the LRC for all Janawasas and were adhered to by the Interview Board in selecting the members.

The growth and changes in membership from the time of initiation (Nov. 1973) to October 1976 are reflected in Table II. After the initial recruitment of members new batches were taken on three occasions. A total of 30 were taken while 12 either left or were removed on disciplinary grounds during the period. Of the 5 non-citizen workers 2 were repatriated to India in 1974 and 3 still remained.

The Organisational Structure

The Organisational Structure of K-2 conforms to the pattern prescribed by the LRC for all Janawasas

TABLE II

Growth and Changes in Membership

Membership	Males	Females	No. Left/ Removed	Reason	New Recruits	Non-members
Nov. 1973	52	31	21			05 (non-citizen)
Jan. 1974	53	32	21	04 old age	05	03 (2 repatriated)
Jan. 1975	50			03 Left		03 (2 males 1 female)
Jan. 1976	67	46	21		17 (July)	03
				03 Discontinued		
				01 Left		
				01 Suspended	08 (June)	
Oct. 1976	70	44	26			03

as shown in Figure I. The Executive Committee consists of a President and Secretary and Committee members. The Committee and office bearers were elected in October 1973 at the first Annual General Meeting. The same Executive Committee continues to function as no election was held afterwards to elect a new committee and new office bearers.

The Secretary elected at the first Annual General Meeting subsequently left the Janawasa and a new Secretary was elected to fill the post.

The six functional committees are expected to play a vital role in the management of the Janawasa. They are the systems of management through which the aims of internal democracy in management through member participation are realised. With the growth in membership these functional committees have undergone expansion in size. Each member serves at least in one of the functional committees while each committee has at least one member from the executive committee. A functional committee has its own Chairman and Secretary. Three committees, viz, Development and Planning; Marketing and Supplies and Cultural have twenty or more members each. The explanation given by the leaders for the relatively larger size of these committees is that more people are needed to carry out the tasks of these committees, which cover wider and more important areas.

The labour force (members and non-members) is divided into work teams on an *ad hoc* basis every month, for rotation of work. Each team

has a leader who is skilled in a certain operation and is permanently the leader of the team doing a particular job of work. The members are rotated over different operations. This makes work less monotonous and also provides opportunities for a better distribution of income under the present payment system.

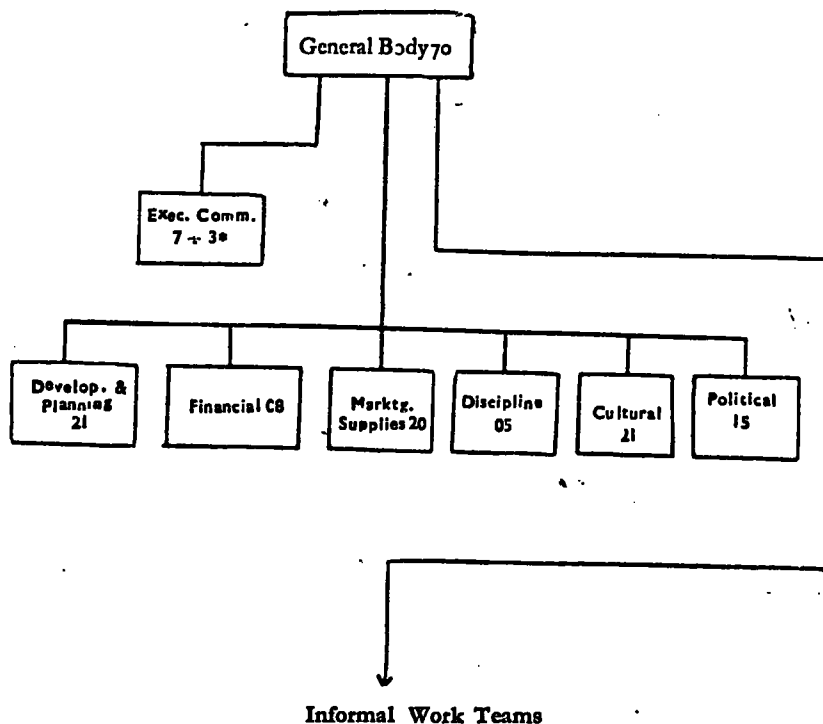
Economic Diversification

The Janawasa inherited an estate with 184 acres of coconut and 30 acres of underplanted pasture. Almost all the livestock and farm equipment were removed by the proprietor before handing over. Table I showed

the Janawasa's cropping pattern, animal husbandry and other enterprises at the end of 1976 compared with the estate's enterprises in 1972. The major areas of development have been intercropping and animal husbandry. The estate had 30 acres of pasture and no other form of intercropping. By 1976 the area under pasture had doubled and an additional extent of 88 acres was cultivated with a range of crops including pineapple (8 acres), passion fruit (10), Manioc (15), plantains (30), turmeric, ginger, yams, coffee and vegetables.

Animal husbandry has received highest priority at K-2 (as seen in Table III). It has received the highest share of capital investment. There are certain specific reasons for the preference given to animal husbandry by the members of K-2; the Janawasa inherited an infrastructure suited for the development of animal husbandry. There were two dairy sheds, two poultry houses three piggeries and 30 acres of established Brachiaria pastures. More than 50 per cent of the present members were employees of the same estate which had a profitable livestock enterprise including Dairy, Piggery and Poultry. There workers

FIGURE I The Organizational Structure



* 3 members from outside—one representing the LRC; the DRO; and a representative of the Member of the National State Assembly.

TABLE III

Capital Expenditure Summary					
	1973/74	1974/75	1975/76	Total	%
	Rs.	Rs.	Rs.	Rs.	
Machinery & Equipment	267.30	7,590.88	17,081.72	24,939.90	16.30
Carts & Bulls	—	18,900.00	—	18,900.00	12.40
Animal Husbandry (inclgd. construction of bldgs.)	11,942.00	17,706.00	67,688.00	97,336.00	63.80
Others (Mainly bldgs.)	—	—	11,443.00	11,443.00	7.50
Total	12,209.30	44,196.88	96,212.72	152,610.90	100.00

had acquired valuable experience and skills in this trade and also they would have been in a position to influence decisions in the sphere of production planning.

As far as Industries are concerned, the Janawasa, in addition to continuing the copra and brick industries has gone into the production of a variety of clay items ranging from lamp shades to dolls. They have also established a workshop turning out farm tools on a small scale.

A sales shop has been opened as an outlet for their miscellaneous produce while the copra and milk are sold to the Coconut Marketing Board and the Milk Board respectively. The Janawasa's produce is also transported to Colombo for sale at the Janawasa stall in the People's Market.

As regards employment generation there has been an 87 per cent increase in the labour force from the estate days; an increase from 39 to 73.

Coconut (Copra) is the major source of revenue (48.6%) with animal husbandry coming second (29.5%) the intercropping third (16.3%) as shown in Table IV.

TABLE IV

Surplus Income for Period 1975-06-01 to 1976-05-31 Without Deducting Overheads (as Shown in the Profit and Loss Account)

Activity	Rs.	%
Coconut (Copra)	84,977.46	48.6
Intercropping	28,588.90	16.3
Animal Husbandry	51,529.85	29.5
Others	9,707.31	5.6
Total	174,803.52	100.0

The profits of the Janawasa since its establishment and their appropriation are shown in Table V. For

the period from October 1, 1973 to May 31 1976, the accumulated profit amounted to about Rs. 96,000/-. Of the distributable profit of about Rs. 45,000/-, about Rs. 5,000 has been distributed already. The balance will be distributed according to the labour days contributed by the members.

The Janawasa's source of capital is the Janawasa Commission, which lends through the People's Bank.

The agricultural diversification and the choice of enterprises bear out the entrepreneurial potentiality of the membership. The Janawasa has existed only for little more than three years and the development is impressive compared to the other Janawasas known to us in the coconut areas. With the entrepreneurial talent available the Janawasa should be able to make more rapid progress if the other managerial, organisational and other requirements are satisfied.

Payment System in Janawasama and Monthly Income of Members

One important distinguishing character of the Janawasa as outlined in the concept of the Janawasa by the LRC is profit sharing. When the early Janawasas were being established the LRC did not subscribe to the idea of daily or monthly wages for members. This was in conformity with the theory that payment of wages to members in a "Collectively Owned" "self managed" farm would constitute an incongruity with its ideals. The members were not to be treated as wage labourers. However, a per diem allowance was paid to the members for their subsistence. This was treated as an advance payment which would be deducted from the members' share of profit at the end of the year.

The LRC was compelled to review this system of payment in view of the disappointingly low levels of output of members of most Janawasas. Apparently many members while enjoying their rights failed in fulfilling their obligations. Their levels of consciousness had not developed to the extent of putting into practice the ideas of self-management accepted by them when they volunteered to become members.

Such a situation meant a serious underutilization of human energies and other resources like land, and the economic viability of the Janawasa was at stake. In the circumstances a pragmatic solution was to do away with the flat time rate allowance and introduce a piece rate allowance system. This was done in 1975.

TABLE V

Appropriation of Profit

Development Fund	35%	...	33,705.55
Welfare Fund	5%	...	4,815.15
Provision for Reserve	15%	...	14,443.45
Common Fund	10%	...	9,630.30
Distributable Profit*	35%	...	33,706.05
			96,330.50

Net Profit from 1975.10.01 to 1976.05.31 was Rs. 123,302.50 less the asset provision for 2 years of Rs. 27,000 i.e. Rs. 96,302.50.

*Distributable Profit — 33,706.05 for the period 73.10.01 — 76.05.31 to be distributed according to attendance of members after deducting profit shares already received by them.

When K-2 Janawasa was formed in 1973 the members were paid a daily allowance of Rs. 3.50 per head like in other Janawasas. Subsequently in June 1975 the allowance was increased to Rs. 5/- a day. This increase was granted because of representations that the 3.50 per diem was inadequate even to cover the daily basic expenses of a member. The piece rate wage system came into effect at K-2 towards the end of 1975.

The piece rate wage system was introduced with the objective of increasing the output of members. The rates were worked out by the LRC and were apparently accepted by the representatives of Janawasas. The monthly earnings of 50% of the members (35 members) of K-2 were studied for the months January, March, May, July and September.

Monthly wages of the 25 members were taken for these alternate months up to September 1976 in order to cover the maximum period of the year possible at the time of data collection so that any seasonal variations in payment could be evened out. The analysis of this data is given in the following Table.

a) Distribution of Monthly Earnings—

Average of 5 Months			
Income Range	Number	% of the Sample	
Below Rs. 100 ...	3	8.57	
Rs. 100 - 150 ...	28	80.00	
Rs. 150 - 200 ...	4	11.43	
	<u>35.0</u>	<u>100.00</u>	

	Rs.
b) Average monthly earnings per member ...	127.22
Standard Deviation ...	32.08
Average working days/member/month ...	24.39
Standard Deviation ...	4.06
Average Earnings/member/day	5.21

The average earning of a member through the piece rate payment system was Rs. 127.22. The other components of the total money income of a member are his share of the profit and the quantifiable fringe benefits. The fringe benefits enjoyed by a member are free housing, 40 coconuts at 20 cts. per nut for a month and some other limited items at reduced prices. Each member is given 2 bushels of paddy per season at Rs. 30/- for a bushel. The current price of paddy in the 'open market' is Rs. 45/-. Thus for an year a member saves about Rs. 60/- on paddy. A monthly rental of Rs. 10/- may be assumed for the housing facility given a member. The value of these fringe benefits may be reasonably assessed to be in the range of Rs. 30/- to Rs. 35/- per month. It can be safely assumed that on an average the fringe benefits and the monthly earnings would add up to Rs. 160/- per member. In the early 1970's when Janawasas were set up a target of Rs. 250/- per member per month was fixed as an achievable income. In order to attain this target the annual share of profit that should accrue to a member would be Rs. 1,080/- (12 x 90/-).

For the total membership of 70 the distributable profit would, therefore, be Rs. 75,600/-. To obtain this amount of distributable profit according to the present system of appropriation the total profit must be in the region of Rs. 225,000/-. The estimated profit for the year 1976 is Rs. 246,065/-. At the present level of productivity it is unlikely that K-2 will attain this target. Table V shows the profit for the period from October 1973 to May 1976. The total profit for this period is far below the estimated profit for one single year 1976.

Of a sample of 34 members interviewed to collect socio-economic data for this study, 24 had received a part of their shares of profit for the year 1974. The average received by a person is Rs. 105.80 which is about 10% of the estimated share of profit to achieve a target of Rs. 250/- per month. It is apparent that the target of Rs. 250/- per month is not being realised at present.

At this level of monthly income the average Janawasa member appears to be better off than the employee of the estate whose average monthly earning was below Rs. 100/-, excluding the fringe benefits. The fringe benefits enjoyed by the estate worker may be valued at Rs. 20/- to Rs. 25/- per month. This value was arrived at after discussions with the former workers. The estate workers average monthly income would have been about Rs. 120/- including fringe benefits, which is about Rs. 40/- less than that of a Janawasa member. However, in real terms there is hardly any difference between the monthly earnings of the estate worker and the Janawasa member as shown below:

	Money Income Rs.	Real* Income
Estate Worker (1972) ...	120.00	79.0
Janawasa Member (1976)	160.00	80.0

With profit sharing the monthly income of the Janawasa member would be greater, depending on the distributable profit of the Janawasa.

* Real income has been computed using 1972 and 1975 cost of living indices given in the Annual Report of the Central Bank, 1975.

From the figures of family incomes given by the members which included their earnings too, it would appear that for a majority of the families a major share of the family income was contributed by the Janawasa member. By any standard most of the members were from very low income families. Only 4 out of the 34 in this sample came from families with a monthly income of above Rs. 300/-. 21 said they had dependents with whom they had to share their income. Apparently, in most instances the dependents happened to be younger unemployed members of the family. The number of dependents varied from 2 to 7 for a member with an average of 4.56. The average size of a family was 6.5. 24 said they could not save anything from their income, on the other hand their expenditure was greater than their income. Only 10 were able to save monthly amounts ranging from Rs. 10/- to Rs. 50/- with an average of Rs. 20/-.

As regards the present piece rate allowance payment system 19 were in favour, 14 against and one did not respond. Although a majority was in favour there was also considerable disapproval or non-acceptance of the system. Those who were in favour explained that the piece rate system led to increased output and those who worked more earned more. Of those who were not in favour a majority (10) stated that according to the present system the rates for certain operations were lower than what should have been and as a result members who continuously did these operations received lower incomes. In their view the rates were not rationally worked out. One person stated that this system was in conflict with the objectives of Janawasa because it created income disparities. However, it must be noted that among those who opposed the present payment system a majority was not opposed to the system as such but to the rates for certain operations which could lead to income disparities. It is likely that they would have no objections if the rates were adjusted with a view to attaining better equity.

Most members were aware of the fact that the Janawasa was making profits. Although only 19

TABLE VI Suggested Areas for Expansion

	Yes	No	No Response
(a) The Janawasa shows profit ...	30	—	04
(b) Satisfied with the present profits ...	07	19	08
(c) How to increase profits			
(i) Inter-cropping ...	07		
(ii) Coconut ...	01		
(iii) Animal Husbandry ...	14		
(iv) Industries (coir, bricks, clay works)	26		
(v) Hardwork ...	08		

said that they were not satisfied with what they thought were the present levels of profit, a larger number came forward with ideas to increase profit (See table above). Industries (26) and animal husbandry (14) were the most popular areas suggested for further expansion. The industries suggested were coir, bricks and clay work. Of these the latter two were already established.

From the foregoing sections it can be concluded that this Janawasa had made profitable use of the infrastructure left behind by the Estate owner, by developing its animal husbandry. The Janawasa has also benefitted by the presence of the former estate workers who had acquired considerable experience and skills in animal husbandry. The Janawasa has given productive employment to 34 more persons (i.e. an 87 per cent increase) and it has intensified the land use by bringing under pasture and intercropping an extent of 150 acres.

Of the 10 Janawasas covered by a preliminary survey this Janawasa has shown the greatest degree of diversification within a period of 3 years. This is a clear indication of the existence of remarkable entrepreneurial talents among its members.

The average monthly earnings of a Janawasa member is approximately the same as that of a worker during the estate days in real terms. However the income of the former would increase with profit sharing, if a substantial surplus could be earned.

In economic terms the Janawasa has been able to generate a surplus above its operating costs although the average rate of return per member per month for the period October 1975 - May 1976 was only Rs. 82.13. However, in social terms several

benefits have accrued. Along with employment-generation, the Janawasa has given residential facilities to almost all of its members. Under the Janawasa system the members enjoy greater security as a legally constituted group with state assistance. Under the old system the estate worker remained a mere wage labourer creating a surplus for his employer, without adequate security of employment, under the strict supervision of the Superintendent. The management of the Janawasa being based on democratic principles allows free participation by members in the decision-making process thereby encouraging individual initiative and development. Whatever surplus is obtained is used for the further development of the Janawasa economically and socially. The members collectively control all the resources of the Janawasa and they are the future co-owners of Janawasa.

Weaker Areas of Management

The present average monthly income of a member and the profit shown by the Janawasa are indicative of a low level of productivity. The lower productivity of a Janawasa member may be the result of a host of factors ranging from the motivation of the individual to the efficiency of the functional committees and the external servicing agencies. Of the functional areas directly concerned with production, planning and accounting seem to be weaker links. Marketing of the major products is already streamlined, while that of the other products does not face any serious problems. The Janawasa Commission is responsible for the supply of fertilisers, agrochemicals and seeds. K-2 has not suffered seriously from any deficiencies in this service, although we have heard

of long delays in supplies in the other Janawasas, where the leaders claimed that such delays had affected their production programme.

Although planning may be considered as a conceptually separate managerial function it cannot be done in isolation. In a Janawasa planning is done within an organisation, by the members themselves observing the democratic principles of the organisation with guidance from proper authorities. In such a situation the fundamental requirements for efficient planning are:

- a high level of information on the ecological, technical and economic aspects of agricultural production and a clear understanding of co-operative self-management as applicable to the Janawasa;
- adequate interaction between members in setting goals, choosing priorities and preparing plans and arriving at a consensus in these matters;
- a leadership that can guide the interaction and the planning process in a constructive manner with the objective of arriving at a comprehensive plan that provides for the efficient combination and utilisation of the available resources; and
- effective communication between the Janawasa and the Janawasa Commission.

As far as the first three of these requirements go the problems in K-2 are mainly due to the heterogeneity among members in their levels of information and the inadequacy of training to develop a high degree of dynamic homogeneity in knowledge and consciousness. These aspects will be examined in Part II of this paper. (to be published in our next issue.)

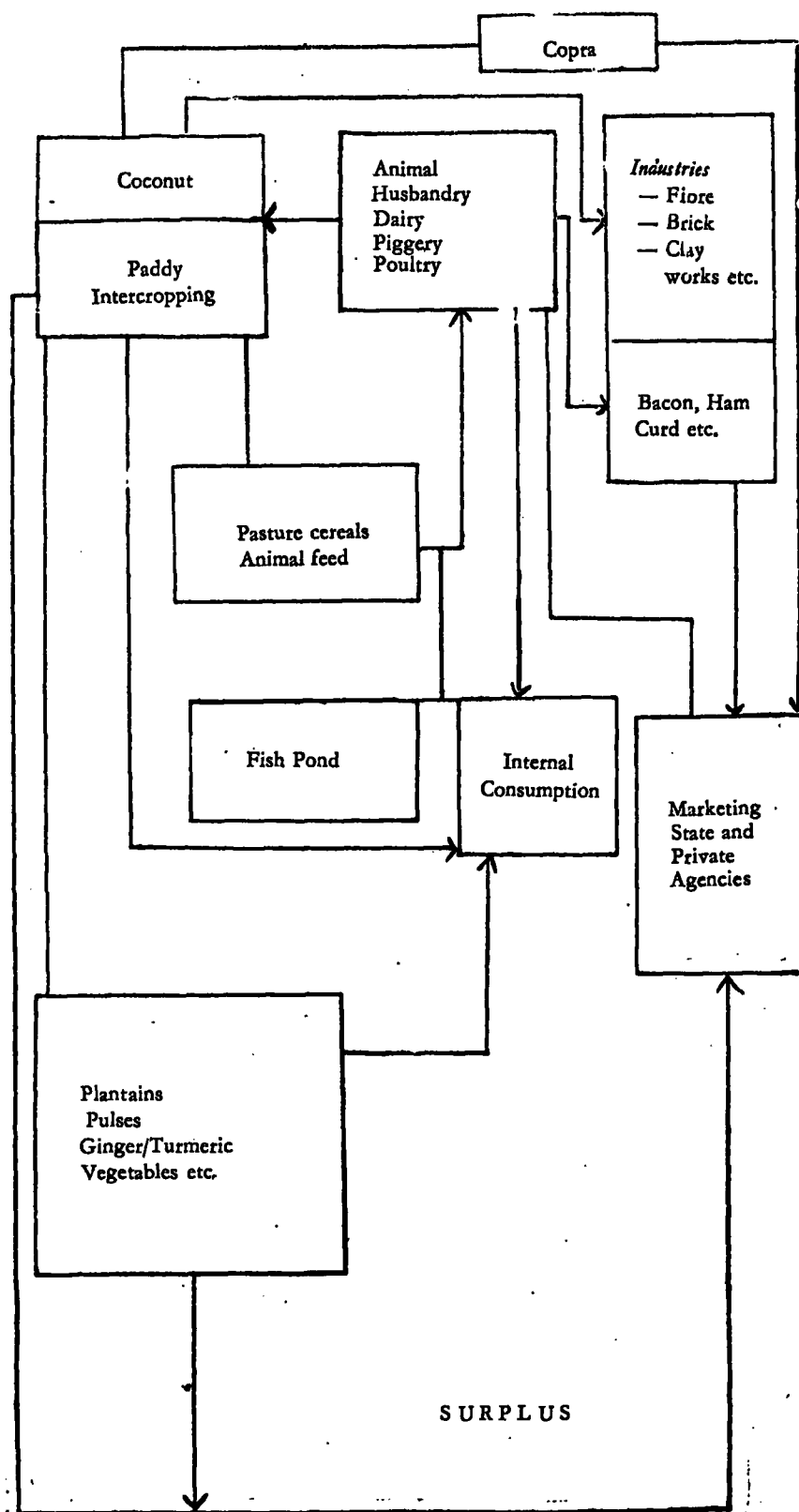
An Agricultural Instructor was appointed to the Janawasa from November 1975, by the Land Reform Commission. In his view one of the major drawbacks in planning was an inadequate understanding and appreciation of the approach to self-reliance on the part of the membership. He said that the Janawasa had demonstrated the feasibility of combining animal husbandry with crop husbandry. However, both were being planned and carried out in isolation.

Animal feed continued to be one of the costliest inputs. By including cereals like maize in the cropping programme ingredients of animal feed could be produced in the Janawasa itself. Fish meal could

be produced by starting fish culture relatively easily accomplished, and in the Janawasa. The Agriculture by doing so the Janawasa could Instructor said that these could be bring down the cost of production

of milk, meat and eggs, while putting the limited land available to more efficient and purposeful use.

FIGURE II Diversification in a Coconut Janawasa — A Model Aiming at Maximum self-reliance



Compost making has been already started. The livestock enterprise provides good raw materials for it. Compost is of valuable use as an organic manure. Thus, in this Janawasa Animal Husbandry and Crop Husbandry must be considered as two interdependent sectors contributing to mutual development, while the Janawasa as a whole develops on the basis of self-reliance. The inter-relationships of the enterprises are diagrammatically shown in Figure II. It shows a model aiming at diversification based on self-reliance.

A weak aspect of planning is the estimation expenditures. Considering the first six months of 1976: from January to March there was underspending to the tune of 50 cent while from April to June there was overspending reaching almost 150 per cent of that estimated in May. For all months members allowance was overestimated, the gap between estimated and the actual being 38 per cent. Certain expenses incurred during the six months were not estimated for or anticipated. These discrepancies reflect a lack of knowledge, experience and closer guidance in estimation of expenses and allocation of resources.

The Agriculture Instructor was of the view that long term planning was very essential but non-existent due to various factors. He said it was a problem for all Janawasas and certain factors were beyond the control of the Janawasa members. While internally the major cause of inadequate planning was lack of knowledge and more meaningful interaction among members in production planning; externally, the Central and District Authorities were responsible.

It is imperative that the Janawasa Commission must have more clearly defined policies regarding the long-term objectives of the Janawasas and their role in society. Besides the issues of policy there may be a lack of personnel to provide the much-needed assistance in short-term and long-term planning. In the absence of long-term planning, annual or short-term planning suffers and vice versa.

(To be concluded)