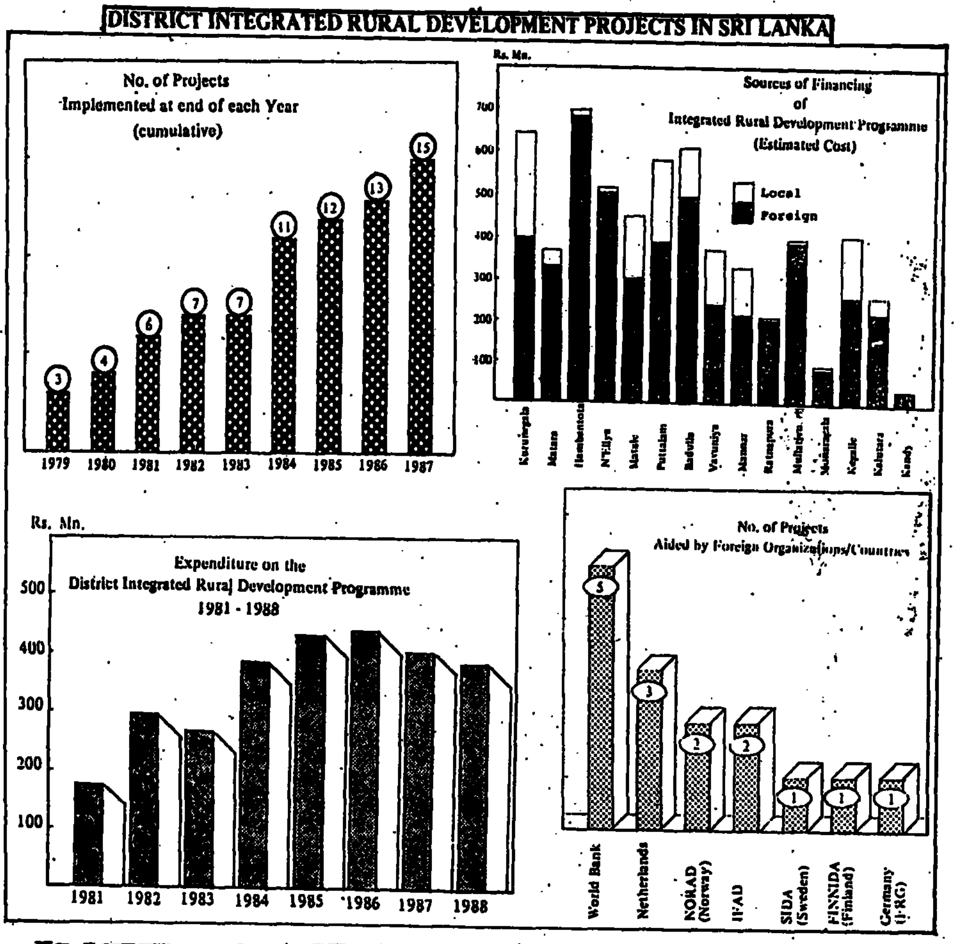

INTEGRATED RURAL DEVELOPMENT PROGRAMMES

Sri Lanka's District Integrated Rural Development Programme (IRDP) which passed its tenth year of operation in 1988 and now covers sixteen of the twenty-four districts, is being looked at more closely in the light of the current Poverty Alleviation Programme.

In Sri Lanka the IRDP is a comparatively new phenomenon, which was initiated in 1976 by the World Bank, and was begun in Kurunegala in 1979. This was followed by two other IRD projects in the Matara and Hambantota districts in the same year with financial assistance from Sweden and Norway. In 1980 a project was initiated in the Nuwara Eliya district with funding from the Netherlands. Two more districts, Matale and Puttalam, were brought under IRDP in 1981 with World Bank assistance; while in 1982 Badulla district was also brought in with IFAD assistance. Four more districts Vavuniya, Mannar, Ratnapura and Moneragala came under IRDP in 1984; the first two with World Bank assistance. Ratnapura is assisted by the Netherlands and Moneragala with NORAD funding. In 1985 Netherlands funding helped to add Mullaitivu and in 1986 Kegalle came in with IFAD funding. In 1987 two more districts Kalutara and Kandy were added with the former assisted by FINNIDA and the latter with West German funding. In 1988 preliminary work for the IRDP in the Gampaha district was completed and the Japanese government is expected to fund this project. (See page 2).

Three of the districts in the North covered by this programme, which were affected by the ethnic disturbances, were unable to benefit from IRDP over the last three years. The districts are Vavuniya, Mannar and Mullaitivu, the first two funded by the World Bank and the other by the Netherlands Government. The total estimated costs of the IRDP in these three districts was over Rs. 1 billion but by the end of 1987 only Rs.124 million had been expended: and in 1988 a further 0.1 million was spent in each of these three districts. The Ministry of Policy Planning and Implementation is now having a closer look at these projects, since the Government has decided to ask the funding agencies to help revive the IRDPs in these districts. In the three other districts of Moneragala, Matara and Badulla too the IRD Programmes have suffered setbacks due to unsettled civil conditions.

In terms of estimated costs the largest sum, Rs.700 million, has been allocated for the IRDP in Hambantota; followed by Rs. 645 million for the IRDP in the Kurunegala district. The other major IRDP's in terms of costs were Badulla Rs. 610 million; Puttalam Rs. 584 million; and Nuwara Eliya Rs. 520 million. The smallest sums were Rs.34 million for the IRDP in Kandy district; and Rs. 92 million for the IRDP in Mullaitivu, as seen in Table 1.

By the end of 1988 over Rs.6.5 billion had been spent on the 15 projects funded by 7 multi-lateral agencies or governments. Over 80 percent of the total estimated costs were expected to be met through foreign sources. The total investment of the IRD programme in 1987 amounted to Rs.446 million compared with Rs. 441 million in 1986. The cumulated expenditure upto the end of 1988 had exceeded Rs. 3 billion. Upto date the total amount pledged by donors for these projects exceeds Rs. 5 billion. (See Table 2)

Funds particularly for agriculture and self employment were chanelled through the state banks. For instance, among these were credit facilities for agricultural development projects including self-employment projects, the dairy development sector, fertilizer schemes for coconut and tea cultivation and a farm machinery scheme. The People's Bank has chanelled as many as 21,600 loans amounting to Rs. 156.8 million under the IRD projects in the Kurunegala, Puttalam, Matale, Badulla, Mannar, Vavuniya and Kegalle districts.

The first IRDP project which covered the Kurunegala district was terminated at the end of 1986 and a further programme was designed and implemented in 1987 for the consolidation of this IRDP's benefit. The entire sum of Rs. 645 million voted was spent on this project. The main emphasis was on increasing agricultural production, particularly in the coconut and paddy growing areas, and improving irrigation extension services and input supplies, and also availability of credit. There was also a major component on social welfare activities and infrastructure facilities. Apart from agriculture there was also livestock development, ground water exploitation, rural water supply, rural electrification health and education.

This IRD programme was introduced with a hope of spreading development to those districts not benefitting directly from the major investment programmes of the government; and was intended to enhance basic needs such as education, health, safe water etc., at the local level, in areas which remained comparatively neglected.

There was a conviction that the IRDP would infuse a degree of dynamism to the rural sector, particularly to those areas that were not benefitting from the three lead projects; namely the Mahaweli Development Programme, the GCEC Project and the Urban Development and Housing Programme. The hope was that this programme would help to achieve balanced regional development, widen economic opportunities, enhance living standards in the rural areas and focus on the vast majority who failed to benefit from earlier production oriented programmes. This strategy was intended to focus on the poorest sectors and intervene in favour of the marginal rural population more directly, while retaining the productivity objectives.

The scope and focus of the IRD programme in operation in the different districts have shown considerable variation. In the Kurunegala district where there was a high level of agricultural activities and large numbers of agricultural operators, the emphasis has been largely on agricultural production and income growth. The Kurunegala programme's implementation was planned in terms of annual targets for expenditure and achievement specifically by project components. In contrast, in some of the other IRD programmes, in districts such as Hambantota, Matara, Nuwara Eliya the main thrust of development activities was directed towards selected target areas and groups. Under the district concept, using a package of activities tailored to the priority development schemes of the group's concern. Unlike the Kurunegala programme the scale of development expenditure in these programmes was substantially lower.

The World Bank funded projects adopted the "Blueprint Approach" where the emphasis was on agricultural production and income growth and the programme implementation was planned in terms of annual targets for expenditure and achievement specifically by project components. The other IRD programmes, sponsored by donor agencies from the Scandinavian countries, on the other hand, adopted a "Process Approach" where the main thrust of development activities was directed towards selected target areas and groups, using a package of activities suited to the priority development needs of the groups concerned. While some raised doubts about these strategies others have questioned the manner in which it has been applied particularly the planning and implementation. The IRD strategy was intended to provide an approach which covered a range of integrated strategies that tackled the many causes of poverty. The two basic approaches, as referred to above, were the "Blueprint Approach" and the "Process Approach". Those in favour of the Process Approach argued that the Blueprint Approach had a rigidity, a short life span and top-downness which was the reason for failures in this strategy. They were of the opinion that the Process Approach with its bottom-upness, flexibility and larger life span could cope better with the realities and uncertainities of planning for rural development, in the developing countries.

Questions have also been raised that, although these projects and schemes are meant exclusively for the rural poor, there is a danger that these may not get properly integrated with the resource endowments, economic activities and market forces of the area.

Another danger was now that there was a programme directed towards the rural poor, policy planners and programme implementators and the public tended to get complacement towards the needed anti-poverty thrust in the mainstream social and economic development programmes. It is this attitude that has weakened the overall thrust in implementing important institutional reforms and equity-oriented programmes like land reforms. It is in this context that in two papers (pp. 23-26) we focus on the need to consider the importance of Land Use Planning as an essential part of the integrated development process in these areas.

The review of the Matara IRDP draws attention to the finding that the poor were not always the beneficiaries of the programmes and some components in actual implementation veered away from the target group. It also cited the example of how specific policy guide lines were not issued to this IRDP by the Ministry's Regional Development Division. Also, the project office at Matara has often been isolated and deprived of support from higher bodies.

The Assessment of the Hambantota and Moneragala IRDPs refers to the lack of success in the strategy's goal of alleviating poverty. Specific attention is drawn to the clash between the objectives of the Programmes and procedures of national agencies. For instance, the

TABLE 1. DISTRICT-WISE EXPENDITURE ON INTERGRATED RURAL DEVELOPMENT PROGRAMME

Rs. Mn.

	YEAR OF IMPLEMENTATION	DISTRICT	EXPENDITURE TO DATE CUMULATIVE			EXPENDITURE		
			AS AT END 1986	AS AT END 1987	AS AT END 1988 *	DURING 1986	DURING 1987	DURING 1988 *
1	1979	KURUNEGALA	645.0	648.0	648.0	48.0	3.0	-
2	1979	MATARA	119.0	153.0	174.0	25.0	34.0	22.0
3	1979	HAMBANTOTA	310.0	382.0	450.0	54.0	72.0	68.0
4	1980	NUWARA ELIYA	186.0	228.0	287.0	48.0	41.0	42.0
5	1981	MATALE	231.0	274.0	302.0	39.0	33.0	24.0
6	1981	PUTTALAM	378.0	427.0	467.0	74.0	49.0	40.0
7	1982	BADULLA	202.0	254.0	277.0	77.0	56.0	23.0
8	1984	VAVUNIYA	63.0	63.6	63.7	8.0	1.0	0.1
9	1984	MANNAR	54.0	55.3	55.4	7.0	1.3	0.1
10	1984	RATNAPURA	52.0	81.0	107.0	30.0	29.0	26.0
11	1984	MONARAGALA	48.0	102.0	148.0	19.0	55.0	46.0
12	1985	MULLATIVU	5.0	5.3	5.4	1.0	1.3	0.1
13	1986	KEGALLE	10.0	35.0	72.3	10.0	25.0	37.3
14	1987	KALUTARA	0.3	7.3	64.0	0.3	7.0	57.0
15	1987	KANDY	0.5	0.7	11.7	0.5	0.2	0.5

* Provisional

Source: Review of the Economy, Central Bank of Sri Lanka

TABLE 2. SOURCES OF FINANCING OF INTERGRATED RURAL DEVELOPMENT PROGRAMME

Rs.Mn.

	YEAR OF IMPLEMENTATION	DISTRICT	SOURCE OF FOREIGN AID	ESTIMATED COST: FOREIGN AID COMMITMENT AMOUNT	ESTIMATED COST: FOREIGN AID COMMITMENT %	ESTIMATED COST: LOCAL AMOUNT	ESTIMATED COST: LOCAL %	TOTAL
1	1979	KURUNEGALA	WORLD BANK	430	66.4	218	33.6	648
2	1979	MATARA	SIDA (SWEDEN)	338	90.1	37	9.9	375
3	1979	HAMBANTOTA	NORAD (NORWAY)	686	98.0	14	2.0	700
4	1980	NUWARA ELIYA	NETHERLANDS	510	98.1	10	1.9	520
5	1981	MATALE	WORLD BANK	307	67.9	145	32.1	452
6	1981	PUTTALAM	WORLD BANK	397	68.0	187	32.0	584
7	1982	BADULLA	IFAD	500	82.0	110	18.0	610
8	1984	VAVUNIYA	WORLD BANK	246	64.9	133	35.1	379
9	1984	MANNAR	WORLD BANK	220	65.1	118	34.9	338
10	1984	RATNAPURA	NETHERLANDS	209	98.1	4	1.9	213
11	1984	MONARAGALA	NORAD (NORWAY)	392	98.0	8	2.0	400
12	1985	MULLATIVU	NETHERLANDS	90	97.8	2	2.2	92
13	1986	KEGALLE	IFAD	262	64.1	147	35.9	409
14	1987	KALUTARA	FINNIDA(FINLAND)	224	85.5	38	14.5	262
15	1987	KANDY	GERMANY(FRG)	32	100.0	0	0.0	32

Source:Review of the Economy - Central Bank of Sri Lanka

irrigation rules clashed with IRDP objectives and districts officials were placed in a dilemma of choosing between the rules and the needs of the people. Very often the former prevailed. Ministries were not willing to change national priorities to include priorities of IRDP.

A crucial question raised in this assessment was what happens when the funding stops, since all IRDPs were largely foreign funded.

It has been argued however, considering that the resources provided by this programme are a net increment to resource flows into that district through national development programmes, therefore these are substantial enough to create an impact on the economy of the district. But this has not been true for all districts. For example, the expenditure plan for Matara district was considered much inadequate in relation to its problems.

Foreign funding has ranged from 66 percent to 100 percent in different district plans, but it was also argued that the expenditure involved was within the resource capability of the country even without such assistance.

The above issue also gives rise to the comment that IRD schemes are not "integrated" so much as "controlled". Integration is merely a by-product of control. This element of control which IRD schemes are supposed to exhibit is traced to the foreign assistance that they received and those who take this view sometimes go so far as to regard IRD as a donor concept.

Another criticism raised in the final paper on the subject of IRDP is that there is little difference between these projects and rural development schemes of the earlier type as instruments through which changes can be brought about in the structure of rural society. The one like the other is regarded as a palliative.

An assessment carried out in the Kurunegala district in 1985 had shown that some of the villages had hardly benefitted from the IRDP. A review workshop in the district selected two under-developed villages in the Galgamuwa area, but these villages did not reflect work carried out under the IRDP to any observable extent. People in these villages knew very little about IRDP projects. The people were not consulted, regarding the programmes, neither did they show any signs of participation. In a country like India where the IRDP bacame the centre-piece of the anti-poverty programme and was expected to provide poor families with income generating assets which would take them across the poverty line, much debate has gone on. In this issue we carry a re-appraisal of these programmes in India by N.J. Kurian from an issue of the *Economic and Political Weekly* in 1989. Earlier, in a 1987 issue, questioning the relevance of the IRDP, he inquired what share of IRDP activities went to the deserving poor; what kind of assets they were provided with; and what order of leakages were taking place; what problems were associated with bank financing, and whether IRDP loans bacome bad debts; also whether there were sufficient backward and forward linkages established for the successful operation of the programme. At that time he sought to find answers to these and several other questions.

In India the debate still continues and action has now been taken to amenu some of the strategies adopted earlier in the IRDP. For instance, the strategy of direct attack on rural poverty, through large scale programmes of self-employment and wage-employment are to be diversified. India's Department of Rural Development has decided that industrialization will not be the key to greater diversification of the Integrated Rural Development Programme. There will be a shift in emphasis to the secondary sector and a major concern of the programme will be on marketing the products of IRDP beneficiaries. In this regard state governments have been advised to review and strengthen their marketing infrastructure.

The IRDP approach to development is comparatively new and no extensive evaluations have been done on its total impact. Experience upto date shows that the IRDPs have encounted many obstacles and one of their prime objectives of alleviating poverty has been hardly affected by these programmes. Since the IRDP covers a wide spectrum of development objectives it has been critised as "trying to do everything but ending up doing nothing".

On the credit side however, it appears that implementation of IRD programmes has made it possible to achieve some sort of spatial balance in development in a number of backward rural areas which have been outside the domain of leading development projects such as 'Mahaweli'.

A full discussion of the IRD Programme and its operations both in Sri Lanka and other Asian countries is carried in the following pages.