

Some reflections on the proposed appointment of

District Ministers

PART II

B. S. Wijeweera

The District Minister's scheme comes into operation from October this year and is expected to have a major impact on the country's development process. Perhaps the real test that lies ahead for the institution of District Ministers will be its ability to come to grips with the twin problems that have rattled successive governments of this country, namely, unemployment and the cost of living. The implications of this proposal were discussed several years ago by B. S. Wijeweera and here he takes a further look at the possible difficulties to be surmounted in this scheme.

Perhaps, the real test that lies ahead for the institution of District Minister is its ability to come to grips with the twin problems that have rattled successive governments of this country. They are unemployment and the 'cost of living'. The main component of the 'cost of living' problem is the high prices of food items (dairy and fisheries products included), the bulk of which are produced in the rural areas of our country. To this extent it is a problem of increasing rural output either by means of increasing rural productivity on existing investment, or by means of increased rural investment on activities producing food items, or both. Similarly, the unemployment problem is also basically a matter of creating more rural employment. If one examines the Census Survey of 1971 it will be noticed that 84 percent of the population of this country live in the rural areas outside the 49 municipal and urban council areas which constitute the urban sector. Hence any meaningful strategy for employment must have its thrust directed to the rural areas where the bulk of the employable live. To do otherwise would be to court large scale migration from the villages to the cities with attendant problems of urban explosion (during the period 1963-1971 the urban population increased by 24 percent when com-

pared with the national increase of only 20 percent). Thus it is seen that the two major problems are interconnected and a solution to the problem of rural unemployment could, in fact, be a supplement to the general solution of the problem of the 'cost of living'. On how and to what extent the institution of District Minister faces up to this challenge will depend the final verdict on this novel institution and, perhaps, even its future. In the subsequent paragraphs we shall point out a few difficulties that would have to be surmounted if this institution is to become a meaningful instrument of Government.

In the earlier part of this article we have referred to the great potential the institution of District Minister has to democratize the decision making process and to shift it away from that closed urban group in which members share common attitudes and values. This urban bias has, indeed deep ramifications and the reader is referred to Michael Lip-ton's 'WHY POOR PEOPLE STAY POOR' (Temple Smith, 1977) for a recent analytical account of how such bias operates to the detriment of developing countries, especially their rural masses. For the purpose of this short article we pick out a few harmful effects of this urban bias in the hope that they will find a remedy in the institution of District Minister.

Urban Bias

After the affluent days of the Korean boom of the early 50's public sector budgeting in Sri Lanka has been increasingly characterized by a condition of scarce resources. However, due to inherent urban bias the allocation of such scarce resources has shown greater favour towards non-rural infrastructure type investments rather than to rural small scale projects which have greater potential for socio-economic returns and employment. So much so that "scarce investment; instead of going into water pumps to grow rice is wasted on urban motorways, and scarce human skills design and administer not clean village wells and agriculture extension services" but showpiece secretariats and conference halls. Even the public sector corporations which collectively have given a low return on gov-

ernment capital contribution of about 3 percent (Budget Speech 1978, Minister of Finance and Planning) have been successful in obtaining over the years an increasing proportion of the capital expenditure of Government in the form of capital contributions. Thus as Lipton has observed in his study of developing countries a mixed but coherent urban elite consisting of politicians, senior administrators, trade union leaders, owners of private capital, prominent academics, influential editors, etc. held together, unconsciously, by a common chord of urbanness in their interests, preferences, friends, places of residence, attitudes and values does see to it that scarce resources are misallocated to non-rural sectors both to the detriment of the rural masses and the country's development. Obviously, a single institution such as that of the District Minister cannot be expected to rectify this imbalance overnight. But, certainly, a start could be made by a proper utilization of the Rural Works Budget (Decentralized Budget) to demonstrate that rural investment not only produces the jobs and better returns on investment but also ensures that the benefits of such extra output are distributed more evenly among those engaged in such production. And, if this is done then the rectification of an urban bias should ensue through a progressively greater share of the resources cake for the Rural Works Budget.

Providing the necessary funds is fundamental but equally important is the provision of skills, both managerial and specialist, to transform such allocations into productive action. And it is in this respect that the operation of an urban bias is most damaging. As any simple survey would show there are far too many engineers, doctors, technical men, trained teachers and even agricultural specialists per unit of population in urban areas than in the rural, thus exposing a severe bias against rural areas in the provision of facilities requiring skilled people. This is not the fault of the persons concerned for if specialists are neither trained nor adequately compensated financially and otherwise for rural work, we should naturally expect them to show a preference to urban living where pipe-borne water, hygienic toilets, bet-

ter schooling and such facilities are available. This is why a total commitment to rural upliftment including infra-structure expenditure is necessary as opposed to apportioning funds merely for rural works and projects. It is a commitment by which priorities will be set for equipping rural dispensaries as opposed to say, providing the General Hospital of Colombo with a modern and up-to-date operating theatre. In the vital sphere of education any expenditure on rural schools by way of special station allowances for qualified teachers, for the provision of quarters, water supply, laboratories, libraries etc. would be doubly rewarding, first as a means of attracting skills and expertise to the rural areas and second, as a means of employing such skills so much lacking in the rural areas for the development of rural youth on lines that are useful to rural upliftment. One can only imagine the plight of the University of Ceylon today if when it shifted itself to Peradeniya the dons were left alone to fend for themselves in the backyards of Hindagala as most students do today. The morale of this is that men of skills and talent have to be lured away from the cities not by platitudinous exhortations but by real 'carrots'.

The other harmful aspect of the urban bias even in the provision of infra-structure facilities is the resulting 'rural skill drain' analogous to the much publicized 'brain drain' affecting developing countries. Due to the lack of proper avenues for educational advancement (and also due to their availability in big towns) talented rural youth migrate to the urban areas thus taking the first step towards urbanization. Whilst there, they imbibe an urban bias and are trained and developed in skills and professions that have a higher application in urban work and for the practice of which avenues are not that plentiful (or rewarding for that matter) in rural areas. They are, hence, compelled to take up employment in the cities and find permanent residence in urban areas. Thus this urban bias acts in a vicious circle whereby the lack of facilities in rural areas results in mulcting such areas of the very talent that would have the ability and drive to overcome such bias at a later date.

Once again it is not suggested that the institution of District Minister is capable of reversing this his sort of chronic imbalance immediately. If at all it would take time. But in this institution there is the flicker of hope that such anomalies would find in it a focal point for aggregation and articulation so that urban politicians and planners alike would begin to take notice and, hopefully, remedial steps. More immediately there is the possibility of this institution attracting (with proper carrots!) able and senior men in the administrative, agricultural and engineering services for work in the district capitals (certainly an improvement on Colombo based work) thereby partly reducing the 'rural skill drain'. They in turn could provide a further articulation for a better share of the resources for rural areas and more importantly, the necessary managerial skills to translate such allocations into productive and timely action.

Another function that readily commends itself for corrective action by the institution of District Ministers concerns the process of annual budgetary allocation. Although for sometime we have been following a programme budgeting format in the preparation of annual expenditure estimates there is very little Planning and Programme Budgeting to justify the term PPB. A real PPB system implies 3 important stages in arriving at the annual expenditure budget. They are

- (i) fixing the optimum public expenditure levels for the ensuing year taking into account the projected levels of revenue both ongoing and as a result of new revenue proposals,
- (ii) apportioning such expenditure according to a scheme of priorities among the various objectives of Government (such as increasing agricultural output, textile output, promoting communal harmony, etc.) and
- (iii) the careful selection of programmes from among those submitted by departments and agencies which will contribute to the realization of the objectives so decided upon.

In practice, however, the budgetary process still moves along the classical path of incrementalism whereby each department starts with last year's budget and adds/deducts funds where necessary and appropriate. As a result, the consolidated budget almost invariably looks a great deal like that of the preceding year. In other words, there is a tendency for virtually all programmes to be continued without serious examination to determine whether they are still useful in relation to the changed needs of the country. In conceptual terms a PPB system implies a change from a micro-upwards system of budgeting to a macro-downwards system. The importance of this change is obvious for no meaningful rectification of an urban bias could be proceeded with (or such bias quantified for that matter) as long as it is permitted to hide itself in an incrementalistic maze. Since the responsibilities of the institution of District Minister are multi-functional and cut across Ministry and Departmental boundaries, through it we are effectively implementing a PPB system in budgeting. And to the extent that it clamours and agitates for increased resources and succeeds in obtaining them we are demonstrating the efficacy of the PPB system as a more rational means of budgetary allocation.

Finally, we would like to speculate on some important constitutional developments for which this institution may provide the impetus. We have already commented on the urban bias that militates against a rational allocation of resources. But, there is a more fundamental factor which vitiates a greater rationality in the allocation of resources and this has to do with our adoption of the Westminster model in the assignment of functions and responsibilities to Ministries. In keeping with British convention we tend to divide the functions of State along lines of economic activity such as Agriculture, Fisheries, Textile Production, Trade etc. and to assign such activities to Ministries on functional lines. In such a situation it is quite natural for each Ministry to champion its cause and to seek as much of the resources as it could possibly spend. To do otherwise would be to court inactivity and, more importantly, serious

damage to the political image of the Minister-in-charge. As a result the allocation of resources develops into a highly competitive budgetary stakes involving "winners", "losers" and "also rans". This is obviously not the proper climate or the mechanism for a rational allocation of resources, especially one that may require radical and fundamental changes in policy. For instance, it is possible during wartime to apportion large resources to the war effort (i.e. the military, air force, air raid shelters, etc.) and to virtually starve other activities such as, say sports. But during peace time it is difficult to similarly deny resources to any particular functional area without jeopardising the political image of the Minister-in-charge.

It is in this context that the institution of District Minister provides a clue towards resolving the dilemma confronting resource allocation. For the sake of simplicity let us assume that in a particular year the Government wishes to take a very radical decision to provide 75 percent of its resource expenditure to domestic agriculture, handloom production and rural housing (food, clothing and shelter with a rural bias). In the context of today's assignment of functions among Ministries such a decision would signal the death-knell of quite a number of them leading to mutiny and a serious political crisis. In fact this is the very reason why bold and radical policies in the matter of resource allocation are impracticable and political realities steer such allocation along a safer incrementalistic path. However, if on the contrary the assignment of subjects to Ministries are not on functional lines and if such Ministries are constituted geographically on a district basis then the radical policies above would not present a serious problem to the Ministers and, hence, to the Government as a whole. Instead of there being three favoured Ministries (Agriculture Textiles and Housing) as at present who will enjoy 75 percent of the expenditure cake as a consequence of the above policy there will be as many Ministers of Rural Upliftment as there are districts and the 75 percent allocation would

be shared by them collectively, perhaps on some basis of population. The significant point here is that there will be no "winners" or "losers" in the budgetary stakes as now and whatever 'winnings' that a particular policy may obtain will accrue collectively to the entire Cabinet. In conceptual terms what this implies is a modification of the concept of Ministerial Responsibility from one of functional responsibility to one of special responsibility embracing a multiplicity of functions.

Admittedly, resource allocation will never be as radical and dramatic as quoted above nor should the correction of an urban bias constitute itself into a perverse rural bias to the exclusion of all other considerations. But the extreme example given above helps to illustrate the basic dilemma facing resource allocation in this country and points out a direction in which a solution could be found. Further, some functions of State as Defence, Finance, Foreign Affairs and Trade would not lend themselves to a sub-division on geographic lines as would, say, Domestic Agriculture and for this reason should command representation on a basis of functional responsibility. But there are a number of activities such as domestic agriculture, fisheries, animal husbandry, textile production, education etc. which have a direct bearing on rural development and which could, advantageously, be re-grouped on a multi-functional, district basis and made the responsibility of Cabinet Ministers.

The importance of the institution of District Minister is that it provides the crucible in which the above hypothesis will be tested both for efficacy and efficiency. To the extent that it succeeds we will, on some future date, be taking another step away from the Westminster model and re-grouping our Cabinet responsibilities not purely on functional lines but on a pragmatic mix of both functional and spatial-cum-multi-functional lines.

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