

# Agricultural Growth Through "Decentralization and Popular Participation": A Survey of DDC Farm Projects in Kandy District, 1971-1973

GERALD PEIRIS

## 1. The Divisional Development Council Programme

### 1.1 The Conceptions and the Objectives

Some of the basic concepts of the Divisional Development Council (DDC) programme are found in their embryonic form in the *Common Programme* and the *Joint Election Manifesto* of the United Front parties.<sup>1</sup> *The Common Programme* declared that "machinery will be set up to associate the people at all levels in the drawing up and the implementation of the National Development Plan".<sup>2</sup> *The Manifesto*, issued in April 1970, pledged to "transform the administration thoroughly, make it more democratic and link it closely with the people".<sup>3</sup> The main features of the DDC Programme were introduced in a more tangible form by the Minister of Finance when he presented the first budget of the United Front Government in late 1970. He said, "an entirely new structure for planning is being established. . . . (within which) each local authority area will be the focus for development planning and plan implementation. Popular participation will be secured through Divisional Development Councils in which the elected organs of the village, the co-operative society, the cultivation committees, the village council, will have a planning and co-ordinating role in the overall development of their area".<sup>4</sup> Thus, the I.L.O. Mission to Sri Lanka in 1971 found "democratisation, popular participation and the development of social responsibility among the people" one of the "most thoroughly worked out objectives the government is committed to".<sup>5</sup>

These concepts and objectives are not recent innovations. The need for re-orienting and re-structuring the administrative systems inherited from colonial rule has for

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I record my deep gratitude to those whose help I received in conducting this survey and to my colleagues Kitsiri Malalgoda, Vijaya Samaraweera, Michael Roberts and Ananda Wickremaratne who made valuable criticisms on the first draft of this paper. I also acknowledge with thanks the financial assistance given by the University of Ceylon for conducting my field investigations.

1. The United Front is composed of the Sri Lanka Freedom Party, the Lanka Sama Samāja Party and the Ceylon Communist Party. The Front was formed during the regime of the United National Party (1965-70) when these parties were in the opposition in Parliament. At the general elections held in May 1970, the United Front was returned to power with a massive parliamentary majority.
2. *The Common Programme*, Sri Lanka Freedom Party, Lanka Sama Samaja Party and the Ceylon Communist Party, 1969, p. 2.
3. *Joint Election Manifesto of the United Front*, Colombo, 1970, p. 4.
4. Hon. Dr. N. M. Perera, *Budget Speech*, 1970-71, October 25, 1970, Colombo, p. 29.
5. International Labour Organisation, *Matching Employment Opportunities and Expectations, a programme of action for Ceylon*, Technical Papers, Geneva, 1971, p. 17.

long been recognised as vital in many developing countries.<sup>6</sup> Democratic decentralization of development administration is one of the principal themes of the Community Development Programme of India begun in the late 1940s. The Indian programme has served as a model for the Village AID Programme of Pakistan, the PACD programme of the Philippines and similar (but less ambitious) programmes in countries like Afghanistan, Indonesia, Iran, Thailand, the UAR and Vietnam. Much the same concepts and objectives are seen in similar programmes in many countries of tropical Africa and Latin America. In Sri Lanka too, these ideals have prevailed at least since the 1930s. For example, they are found embodied in the speeches of S. W. R. D. Bandaranaike who repeatedly urged the setting up of new institutions at the regional level to undertake developmental tasks.<sup>7</sup> Again, the Rural Development Service established in 1947 which, according to Ursula Hicks, anticipated the Community Development Programme of India, was one of the early attempts in Lanka "to provide the conditions for development from below".<sup>8</sup> Hence, what is new about the DDC programme even in the context of Lanka's recent history is that it is in conception an integrated programme for the whole country which has been incorporated in a national development plan.

Specifically, the DDCs which were set up throughout the island in 1971 had the twin objectives of decentralization and co-ordination.<sup>9</sup> Decentralization was believed to be necessary not only for a fuller utilization of the country's physical and human resources but also for obtaining popular participation and engendering popular interest in the development effort. The DDCs (and the District Councils which were to be set up later) were also intended to perform the function of co-ordinating the activities of different government departments at the District, Division and village levels. It was held that the existing tendency for government agencies to function more or less independently of each other has resulted in confusion and waste and that, apart from the necessity to correct this tendency, the very decentralization envisaged by the Programme makes it vital to set up co-ordinating machinery at all levels in the regional hierarchy.<sup>10</sup>

The formulation of the DDC programme was almost contemporaneous to the drawing up of the current Five Year Plan. The plan which accorded an important place to the programme was described by its authors as an attempt to translate into concrete action the mandate which the people gave the government "to lay the foundation for a further advance towards a socialist society".<sup>11</sup> It should also be recalled that the programme was drawn up at a time of deepening political crisis in the country

6. To refer to a few of the more general works on this subject, Ursula K. Hicks, *Development from Below*, Clarendon Press, Oxford 1961; United Nations Department of Economic and Social Affairs, *Decentralisation for National and Local Development*, New York, 1962; Henry Maddick, *Democracy, Decentralisation and Development*, Asia Publishing House, 1963; Albert Waterson, *Development Planning—Lessons of Experience*, chapter titled "Administrative Obstacles to Planning", Oxford University Press, 1966, pp. 249-292.
7. Department of Information, Government of Ceylon, *Towards a New Era, Selected Speeches of S. W. R. D. Bandaranaike*, pp. 229-232, 233-246, and 247-252.
8. Ursula K. Hicks, *op.cit.*, p. 161.
9. Ministry of Planning and Employment, *Five Year Plan*, Colombo 1971, pp. 130-131.
10. Division of Regional Development, Ministry of Planning and Employment, Circular titled "District Planning Offices", of 9 December 1971 (mimeographed).
11. Ministry of Planning and Employment, *op.cit.*, p. i.

which culminated in the uprising of April 1971. This uprising emphasised in an unprecedented manner the need to transform the old order. Placed in the context of these ideas and events, it seems clear that what the programme envisaged was not merely an administrative reform involving a spatial re-distribution of economic planning and a rationalization of bureaucratic activity. It is fair to infer that the decentralization and the coordination which the programme aimed at was also an initial attempt to facilitate the dispersal of social privilege and economic power in society and to mobilise the active support of the people so as to set in motion a process of rapid change.

### 1.2 The Composition and Functions of DDCs

The area of operation of a DDC usually corresponds to the area of authority of a local government body. The Councils are composed of official representatives from different government departments as well as 'people's representatives'. The latter category includes the member of the National State Assembly for the area, all members of the local government authority and the key office bearers of such bodies as the co-operative society, the cultivation committees, rural development societies, *Janatha* (People's) Committees and other village level organisations. It is usual for a Development Council to have a membership of over seventy-five.

The Councils so formed were entrusted with specific tasks, the chief among which was the formulation and operation of an integrated development programme for their areas. Within such programmes, the DDCs were called upon to devise projects in agriculture, industry, irrigation and infra-structure. Once these plans and projects were set in motion, the DDCs concerned were expected not only to exercise constant vigilance over the working of the projects but also to ensure people's participation in them.<sup>12</sup>

### 1.3 Formulation of Projects

The sequence of action followed by the DDCs once they were set up might have varied from district to district. Within Kandy District, the present area of study, the DDCs never took up the task of formulating integrated regional development programmes.<sup>13</sup> No sooner were they established, they set out to draft specific project proposals.

Instructions on the formulation of projects within the DDC programme sent out by the Ministry of Planning stated that "a project will arise out of an idea proposed by any member of the DDC".<sup>14</sup> Most projects now in operation in Kandy District did, in fact, formally originate in this manner. Once a project idea was accepted by a DDC, a detailed project plan was prepared. This was invariably done by a sub-

12. These tasks have been outlined in Ministry of Agriculture and Lands, *Agricultural Development through DDC Projects*, Colombo 1971, p. 26; Plan Implementation Division of the Ministry of Planning and Employment, Circular titled 'Organisation of DDCs' of 1 March 1971 (mimeographed) para 2.

13. 'Graduate Trainees' (480 had been recruited by August 1971), some of whom later became 'Development Assistants' of the DDC programme, were attached to various government offices during their period of training. Some of the Divisional Revenue Officers who were in charge of their training (the DRO at Harispattuwa, for example, had 44 trainees) engaged them in haphazard field surveys in their respective areas. These were not systematic surveys, and the data so collected were never processed.

14. Circular of 1 March 1971, para 6.

committee appointed for the purpose by the DDC. In the case of farm projects, usually the expertise for project formulation was provided by the officials of the Department of Agriculture.

A plan thus formulated and once approved by the Government Agent for the District, was forwarded to the Ministry of Planning for final approval and allocation of funds. The "approval by the Ministry of a well founded plan", according to a circular sent to the DDCs by the Director of Regional Planning, was to be "a mere formality".<sup>15</sup>

#### 1.4 Project Management

The architects of the DDC Programme considered Co-operative Societies to be the most suitable organization for the management of projects. The Programme provided for projects to be either affiliated to existing primary co-operative societies or operated by newly constituted "Special Co-operatives". During the early stages of the Programme, the Ministry of Planning appears to have preferred the former arrangement under which the management of projects was incorporated into the spectrum of activities of existing primary co-operatives.<sup>17</sup> Facilitating "collective ownership" of projects by those participating in them, retaining economies of scale in project operation and securing popular interest in the projects were among the reasons adduced for entrusting the management of projects to co-operative societies. It was also thought that since co-operative societies are statutory bodies, the managerial aspects of the projects being handled by them would ensure close governmental supervision of their financial transactions.

#### 1.5 Financing of Projects

A total budgetary provision of Rs. 100 million was made for the DDC programme for the period up to the end of 1972.<sup>18</sup> This provided for a maximum allocation of Rs. 200,000 for each DDC. Thirty-five percent of the total finances made available was ear-marked for agricultural projects. This amount works out to an average of Rs. 70,000 for agricultural plans within each DDC area. These funds became the main source of finance for capital expenditure in the projects that were approved.

In the allocation of money for the approved projects, the Ministry of Planning made a careful distinction between capital expenditure and working expenditure. While the Ministry's allocations were intended exclusively for the former, the management of each project was expected to find other sources of finance for working

15. Division of Regional Development, Ministry of Planning and Employment, Circular titled "Some Hints for the Preparation and Implementation of Projects Proposed by the DDCs", August 1971 (mimeographed) para 9.

16. *ibid.*, para 6.

17. Circular of 1 March 1971, para 7, iii. A reorganisation of the cooperative movement in the country was begun in 1971. This was, to some extent, based on the recommendations of the Royal Commission on the Cooperative Movement of Ceylon (*Sessional Paper II of 1970*, Government of Ceylon, 1970). The Co-operative Societies (Special Provisions) Act Nos. 34 and 35 of 1970 provided for the reorganisation under which the major change which has been implemented so far is the liquidation of certain societies and an amalgamation of certain others to form economically viable units. The "primary cooperatives" referred to here are the recognised Multi-Purpose Cooperative Societies.

18. Ministry of Agriculture and Lands, *op. cit.*, p. 27; Additional Secretary, Ministry of Planning and Employment, Circular of 13 January 1971, para 2.

expenditure. These were bank loans, and in the case of projects affiliated to existing primary co-operative societies, funds lying to the credit of such societies. As we shall presently see, the distinction made between capital and working expenditure in the allocation of government funds had far reaching effects on the performance of farm projects in the District.

The funds allocated by the Ministry were first deposited in margin bank accounts of co-operative societies operating the projects. The release of money from their margin accounts to current accounts has been done in stages, either in accordance with the progress of capital development work in the projects or, less frequently, as advance payments for intended expenditure relating to capital development. In either case, the Government Agent of the District who was vested with the authority to release funds was instructed to exercise extreme care.<sup>19</sup>

## 2. The Scope and the Method of the Present Study

By the end of the second quarter of 1973, financial allocations had been made under the DDC Programme for 974 projects. Of these, 69 were in Kandy District. The total number of approved projects in the District consisted of 27 agricultural projects, 38 industrial projects and 4 'public works' projects.<sup>20</sup>

All DDC agricultural projects within Kandy District are co-operative ventures. Among them there are 8 'service co-operative' projects in which only the supply aspects have been integrated. In these, production is carried out in scattered plots of privately owned land and marketing is done individually by the producers. These have been excluded from the present study. The other agricultural projects are (or, were intended to be) fully integrated co-operative farms where the land is communally owned and all activities relating to supply, production and sale are conducted on a collective basis. Some of these projects, though approved by the Ministry, have not begun yet. There also some which were started recently. The present study includes only those co-operative farms that by 30 June 1973 had a history of operation of at least one year. There are 11 such farms in the District.

The physical setting of these 11 farms and their location in relation to roads and towns of the area are shown in Figure 1. Some salient features of each farm are also presented in summary form in Appendix I. The information provided by the map and the Appendix shows that the 11 projects investigated have a wide range of variation in such aspects as scale of operation, physical setting, natural assets, accessibility and the relative emphasis on different lines of agricultural activity.

Despite this variation, obviously, no claim can be made that these farms are representative of the DDC farm projects in the entire country. The facts presented and the features discussed are exclusively about the projects which have been studied. Yet, the generalisations drawn from them may well have a wider applicability. Indeed, the very frequency with which certain phenomena occur among the farm projects

19. See, Director of Regional Development, Circular titled "Financing of DDC Projects" of 22 October 1971 (mimeographed); also Circular of August 1971, para 10.

20. The figures given here are from the Quarterly Progress Report (April-June 1973) prepared by the Division of Regional Development, Ministry of Planning and Employment, dated 14 August 1973 (mimeographed).

within the district points to the probability that such phenomena are not unique to the present area of study. The projects covered by this study are treated here as experiments both in planning at the 'grass roots' and in co-operative farming. In evaluating the results of this study, however, the limits of these experiments in both space and time must not be overlooked.

The study is based on data obtained from several sources. It began in informal discussions with certain officials of the Ministry of Planning and of the DDC programme in the district. Following this, the official files on the farm projects maintained at various offices were perused. Information obtained from these files enabled the reconstruction of the history of each project. They contained the original plans of the farms. Correspondence between different government departments and between them and project personnel, which are also maintained in the files, provided valuable insights on the attitudes and responses of various individuals associated with the programme. At the next stage of the survey, field investigations were conducted on the farms. These investigations included interviews of farm workers (see the Notes on Field Survey, Appendix II), discussions with those who have acted in an advisory, managerial or supervisory capacity to the farms and a study of various records (log-books maintained by the officials, attendance registers, etc.) maintained at the farms. Data on income and expenditure of the projects were gathered from the offices of the respective co-operative societies. Since the field work involved repeated visits to the farms during August to November 1973, it was also possible to observe their working in late *Yala* and early *Maha*, the two cultivation seasons.

### 3. Planning and Financing of the Farm Projects

#### 3.1 The Project Plans

The plans of the projects that fall within the scope of this study were formulated and forwarded to the Ministry of Planning during the second half of 1971 or in early 1972. Their main aspects are shown in Table 3.1.

TABLE 3.1—Farm Plans formulated by the DDCs in Kandy District

Farm	Proposed				Estimated	
	Extent of the site (acres)	Area under crops (acres)	Size of poultry (number)	Size of dairy (number)	Capital expenses (Rs.)	Working expenses for one year (Rs.)
Gohagoda	29	14	1000	20	65,500	34,400
Etakelle	11	3½	—	12	29,305	11,414
Kundasale	35	35	4000	15	108,020	228,616
Kirimetiya	50	10	7800	20	58,950	190,315
Kosgahalanda	50	10	4000	20	65,550	34,400
Wendaruwa	35	35	—	—	110,100	72,300
Ulpothagama	32	22	1500	—	31,500	34,356
Piligalla	3½	2½	1000	—	14,313	18,245
Wattappola	¼	—	2000	—	12,625	30,240
Nelligolla	19	—	2400	24	48,640	133,837
Uda-Peradeniya	50	10	4000	20	65,100	159,675

\*Some of the minor branches of proposed activity have been excluded.

The farm plans referred to above conformed to the general guidelines which had been set earlier by the Ministry. At least superficially, some appear well thought out. In plans that were drawn up in consultation with those who possessed the know-how costing has been done in a reasonable manner. However, there are certain features in the plans that are of interest to this study which need special mention.

One of these is the arbitrary manner in which the choice of the site, and thereby the scale of operation, had been determined. The sites were decided upon, not after a survey of the needs and the resource-potential of each area but on the basis of convenience and expedience of acquisition. Some of the sites so chosen have obvious disadvantages. For example, if such factors as employment potential and costs of management and supervision were given adequate consideration, Piligalla and Wattapola would never have been selected (see Table 3.1). Similarly, the problems of the site relating to factors like terrain, soil and water supply at Etakelle, Kosgahalanda and Uda-Peradeniya came to be appreciated only after the projects had begun. At least in certain instances, the failure on the part of some of the planners to consider this aspect was a result of their haste to get the projects started. On the few occasions when queries arose regarding the suitability of the proposed sites, the invariable reply was that there were no other suitable sites. While the truth of such replies can itself be subject to doubt, one may ask why, if no suitable sites were available, the plans were not withdrawn or rejected.

Another remarkable feature about the plans is that most of them proposed a wide spectrum of agricultural activity. The planners invariably thought of dairying and poultry farming as well as a host of field crops, including those requiring a high level of experience on the part of the farmer. During the field investigations inquiries were made as to how and why the particular lines of activity were decided upon. A reasonable explanation was rarely obtainable. The question of having an optimum combination of productive activity based on the resources of the site does not seem to have ever arisen. Besides this, there is also the related point that most plans were drawn up in disregard of the probability that those who will be working on the farms would have little experience in farming and that it would not be feasible to provide them day-to-day guidance in their work. This somewhat haphazard approach on the part of the project planners at the grass-roots can be accommodated without much damage to the economy only if, as in the DDC Programme at present, their projects are few and far between.

A third feature of interest frequently seen is that the local planners have set about their task in a spirit of negotiation with the Centre. On many occasions a plan has been looked upon not only as a blue-print for a project, but also as a request from the government for funds to be used locally. Hence, the costs of certain items were estimated unrealistically, no doubt, in the hope of striking a satisfactory compromise with the Ministry of Planning. Needless to say, this kind of planning too has obvious limitations.

Some of the plans also show some degree of carelessness in formulation. To cite some examples, the initial project proposal for Kundasale made no allowance for water supply. The Kosgahalanda plan envisaged providing gravity irrigation (against the relevant laws of nature) at a cost of Rs. 2,500, but a few months after the project

began, the Territorial Civil Engineering Organisation estimated the cost of water supply there at Rs. 150,000. The plans for the poultry projects at Gohagoda and Ulpothagama omitted to make provision for feeding the chicks. Piligalla farm with barely 3 acres of crops and a tiny poultry section was planned to provide full employment to 15. The plan for Wendaruwa provided for the purchase of a four-wheel tractor, overlooking the fact that the farm's only access to a motorable road is along a 4-mile long foot path. The presence of these features suggests that expert advice or even common sense was not universally used in the formulation of the plans.

### 3.2 Funds for the Projects

The broad outlines of the project proposals were rarely altered at the stage of approval and allocation of funds by the Ministry of Planning. Where the plans lacked clarity, in certain instances, there were perceptive queries. But, usually, approval was granted without hesitation and delay.

The funds allocated to the different projects are given in Table 3.11 where it may be observed that there were substantial differences between plan estimates of capital expenditure and the allocations which were actually made. These differences arose largely due to the fact that the Ministry followed a standard per acre/per unit system of calculating its grants. In fairness it must be mentioned that at this time the Ministry had to deal with an enormous flood of project proposals from all over the country and that with the facilities that were available it was not possible to examine in detail the specific requirements of each project.

In the release of funds which were allocated to each project, the officials at the district level had to adhere to a strict procedure. Funds had to be released in stages, in accordance with the progress of work. Certain restrictions were also set on the transferability of funds from one item to another. Above all, the demarcation between capital expenses and working expenses (referred to earlier) had to be carefully maintained.

TABLE 3.11—Expenditure as Estimated in Project Plans and the Allocated Grants

<i>Farm</i>	<i>Estimated Capital Expenditure (Rs.)</i>	<i>Estimated Working Expenditure (Rs.)</i>	<i>Grant allocated by the Ministry (Rs.)</i>
Gohagoda ..	65,000	34,400	32,150
Etakelle ..	29,305	11,414	22,335
Kundasale ..	108,020	228,616	77,870
Kirimetiya ..	58,950	190,315	58,900
Kosgahalanda ..	65,550	34,400	59,500
Wendaruwa ..	110,100	72,300	36,500
Ulpothagama ..	31,500	34,356	27,500
Piligalla ..	14,313	18,245	8,000
Wattappola ..	12,625	30,240	20,400
Nelligolla ..	48,640	133,837	31,250
Uda-Peradeniya ..	65,100	159,675	45,600

This arrangement did not create formidable problems of finance to those projects that were being managed by co-operative societies with large reserve funds (e.g. Uda-Peradeniya, Gohagoda and Wattappola). Once the Ministry's approval was given—

and in one case even prior to such approval—these cooperatives embarked upon project operations. For the others, however (i.e. those affiliated to the less affluent primary cooperatives like Piligalla, Etakelle and Ulpothagama or those handled by newly instituted Special Cooperatives like Kundasale, Kirimetiya and Kosgahalanda) the position was entirely different. For working expenditure, they had to depend on bank loans. But it appears that there was no definite undertaking at any stage by the banks to provide loans to DDC projects. In any event, such loans were never made available.

Thus, at the very start, several farms within the District were placed in a curious position. On the one hand, they had access to funds with which to lease the lands and clear, fence and irrigate it. They could purchase implements. Since labour cost were included in some of these items, they could also afford to pay allowances to the project participants as long as funds for these activities lasted. On the other hand, they had no means of purchasing seed, fertilizer, agro-chemicals, livestock and livestock feed with which they could begin those activities which would enable the farms to yield an income and eventually make them financially self-sufficient. The projects concerned had either to proceed with capital development as planned and approved by the Ministry in the hope that, somehow, money for working expenses would be forthcoming, or to cut back on capital development and channel a part of the funds earmarked for capital expenditure for working expenditure.

The projects which were faced with this dilemma invariably resorted to the latter course of action. They used whatever initial advance payments they were able to obtain from the Ministry's grant for capital expenses *and* for working expenses. This of course meant that capital development work could not proceed as intended. When such work did not reach the specifications, the district level officials whose responsibility it was to regulate the release of funds became increasingly stringent (see Table 3.111). These officials or the Ministry had to be cajoled or pressurized even to obtain further instalments of unspent money earmarked for capital expenditure. Meanwhile, when the ill-managed crops and the under-fed livestock failed to yield the expected returns, further deterioration took place. Finally, there were no funds with which to pay the workers, to cultivate fresh crops or to feed the livestock. Activities on these farms thus came to a full or partial halt.

The inadequacy of finances appear to have been the main cause for the dismal record of projects like Kirimetiya and Kundasale. But in the general picture, as we shall see in later sections of this study, it has been only one of many causes. It will be seen that even projects such as Gohagoda and Uda-Peradeniya, which evidently had no problems of finance, have performed far below expectations.

TABLE 3.111—The Release of Government Grants and the Actual Expenditure on the Farm Projects (up to 30 June 1973)

Farm	Total Government Allocation (Rs.)	Amounts released		Capital Expenditure <sup>1</sup> (Rs.)	Working Expenditure <sup>1</sup> (Rs.)
		as grants for capital expenses (Rs.)	as loans for working expenses <sup>2</sup> (Rs.)		
Gohagoda ..	32,150	30,000	—	109,180	106,624
Etakelle ..	22,335	12,850	—	29,308	29,447
Kundasale ..	77,870	19,150	15,110	26,329	32,507
Kirimetiya ..	58,900	24,150	3,280	10,450	22,055
Kosgahalanda ..	59,900	13,350	—	4,855	12,037
Wenduruwa ..	36,500	23,000	—	23,747	8,461
Ulpothagama ..	27,500	5,825	—	1,731	6,025
Piligalla ..	8,000	6,000	—	6,851	11,213
Wattappola ..	20,400	8,400	12,000	24,307 <sup>3</sup>	45,953 <sup>3</sup>
Nelligolla ..	31,000	15,012	—	32,452 <sup>4</sup>	35,465 <sup>4</sup>
Uda-Peradeniya ..	45,600	8,353	—	46,897	49,861

- Notes. 1. The figures given in these columns are estimates. For details, see Table 4.1, Appendix III.
2. Recently, loans have been given from the government grant, under exceptional circumstances, to be used for working expenses.
3. Expenditure up to 31 July 1973.
4. Expenditure up to 31 August 1973.

#### 4. Performance of the Projects

##### 4.1 Production: Profits and Losses

Expenditure and income on each farm from their inception up to the end of June 1973 are summarised in Tables 4.1 and 4.11 (Appendix III). There are limitations both to the reliability of this data as well as to the extent to which they could be used for making accurate estimates of profits and losses. One such limitation is that there has been no uniformity in the system of accounting. There are differences from project to project and also from time to time in each project. In compiling Tables 4.1 and 4.11 problems relating to the former have, to some extent, been overcome by adjustment and extrapolation. The latter feature creates more formidable difficulties. Its presence does not appear to be entirely due to a lack of knowledge in accounting procedure. In certain cases at least, the records of income and expenditure have been so maintained as to conceal rather than reveal what was happening. It is possible to discern in these records attempts to conceal the fact that monies released by the government were not being used for their specifically intended purposes and also to camouflage various other malpractices.

There are other problems in the way of any attempt to draw up comparative profit and loss accounts of the farms with the data available. For example, different branches of activity on each farm were not begun simultaneously. Hence it would be meaningless to take the statistics relating to all such activities in aggregate in a balance sheet covering their entire existence. At the same time, it is difficult to examine the different branches of activity on each farm individually because the data obtainable on such items of expenditure as labour, management, travelling and transport are common to all branches of activity. Hence, what is possible here is to base our discussion on data as they are presently available and also to rely on estimates where there are gaps in the data.

The main items of expenditure on the cultivation of crops during the *Maha* season (September to April) of 1972-73 are tabulated below. This season has been chosen for study because, with one exception, all the farms have operated throughout the season and cropping during the season has been roughly contemporaneous in the different farms. The main defect of these data is that, unlike costs of material inputs, costs of labour are mere estimates made on the basis of the extents cultivated and the rates of payment on each farm and an arbitrary assumption of an uniform rate of labour input of one worker per acre cultivated.

TABLE 4.111—Estimated Costs and Returns from Crops during *Maha*, 1972-73

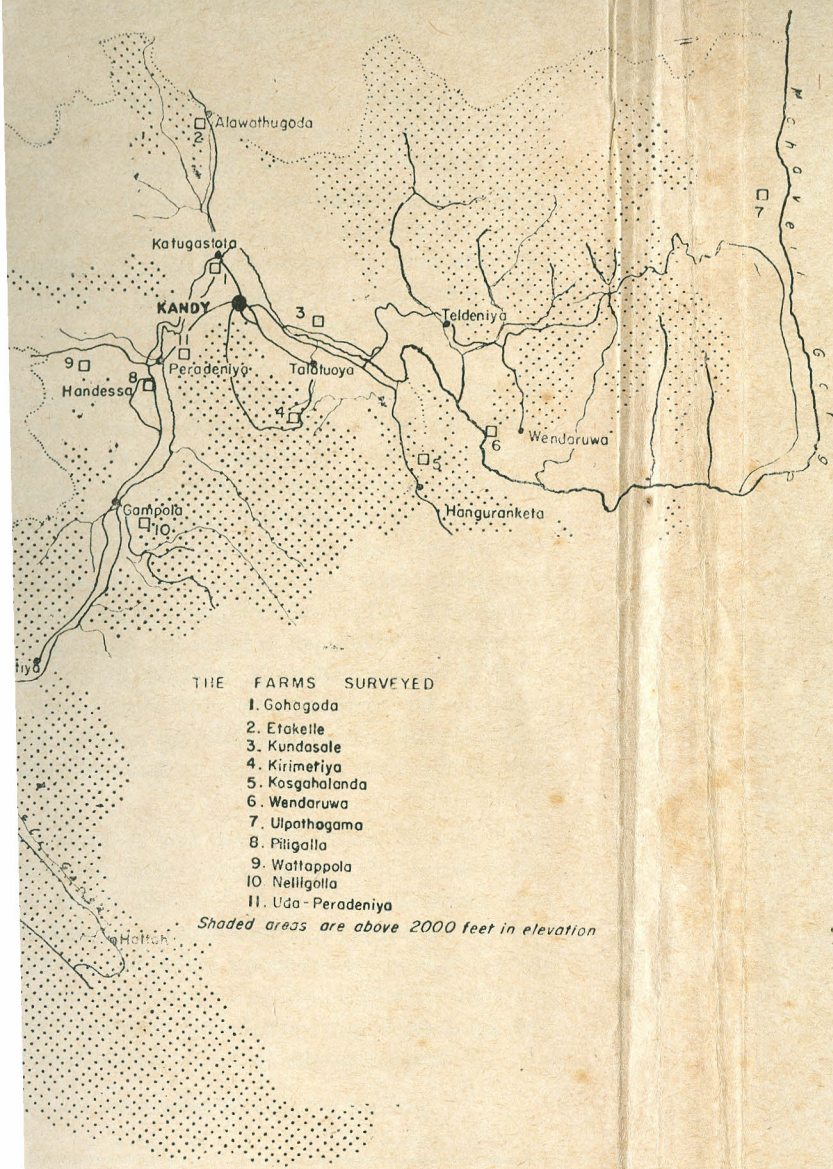
Farm	Extent cultivated (acres)	Costs (Rs.)		Returns (Rs.)
		Material inputs	Labour inputs	
Gohagoda .. ..	10½	3,952	8,894	5,079
Etakelle .. ..	5½	1,556	3,993	3,662
Kundasale .. ..	7¼	1,009	5,264	4,126
Kirimetiya .. ..	8½	3,285	6,171	2,233
Kosgahalanda .. ..	8	1,823	5,808	1,066
Wendaruwa .. ..	6	2,807	5,082	2,460
Piligalla .. ..	2	278	1,694	1,496
Nelligolla .. ..	½	257	484	156
Uda-Peradeniya .. ..	½	291	363	425

Note: Data for Ulpothagama are not available.

Even if my estimates of labour costs are rejected as being unrealistic (in relation to the actual payments which were made to the workers, some of the figures given are, in fact, over-estimates), the data given above show that crop cultivation during the season in most of the farms has not been commercially profitable. It is seen that, while on four of the farms the returns have been less than even the costs of seed, fertilizer and agrochemicals, on several others these costs have only been barely covered by the returns. Similar data available for other crop seasons for the farms which have had a relatively longer record of operation suggest that in this respect the *Maha* season of 1972-73 was in no way exceptional.

Yields have been uniformly low in spite of the relatively high expenditure on fertilizer and agrochemicals. For example, on three farms which possess tracts of paddy, the average per acre yield has been about 14 bushels. Crops like potatoes and onions which require some experience on the part of the cultivator were, for the most part, total failures. Surprisingly, the same is true of vegetables on many farms. The only redeeming feature has been that chillies, which, due to the high prices that prevailed was a popular crop, yielded satisfactory returns.

In most of the farms, those who were interviewed during my field investigations attributed the poor performance of crops to adverse weather conditions. It was claimed that an unusual drought which prevailed during the season caused crop failures. For the district as a whole, the rainfall pattern during the season was indeed somewhat unusual in the sense that while in the early part of the season monthly totals of rain exceeded the average monthly rainfall, the rain during the months of January, February and March were below the averages (indicated respectively by positive and negative deviations from the monthly means as shown on Figure 2). However, taking into consideration the fact that rain during the early part of the season is more crucial to



MILES 4 3 2 1 0 4 8 MILES

Figure - 1 KANDY DISTRICT - LOCATION OF DDC COOPERATIVE FARMS

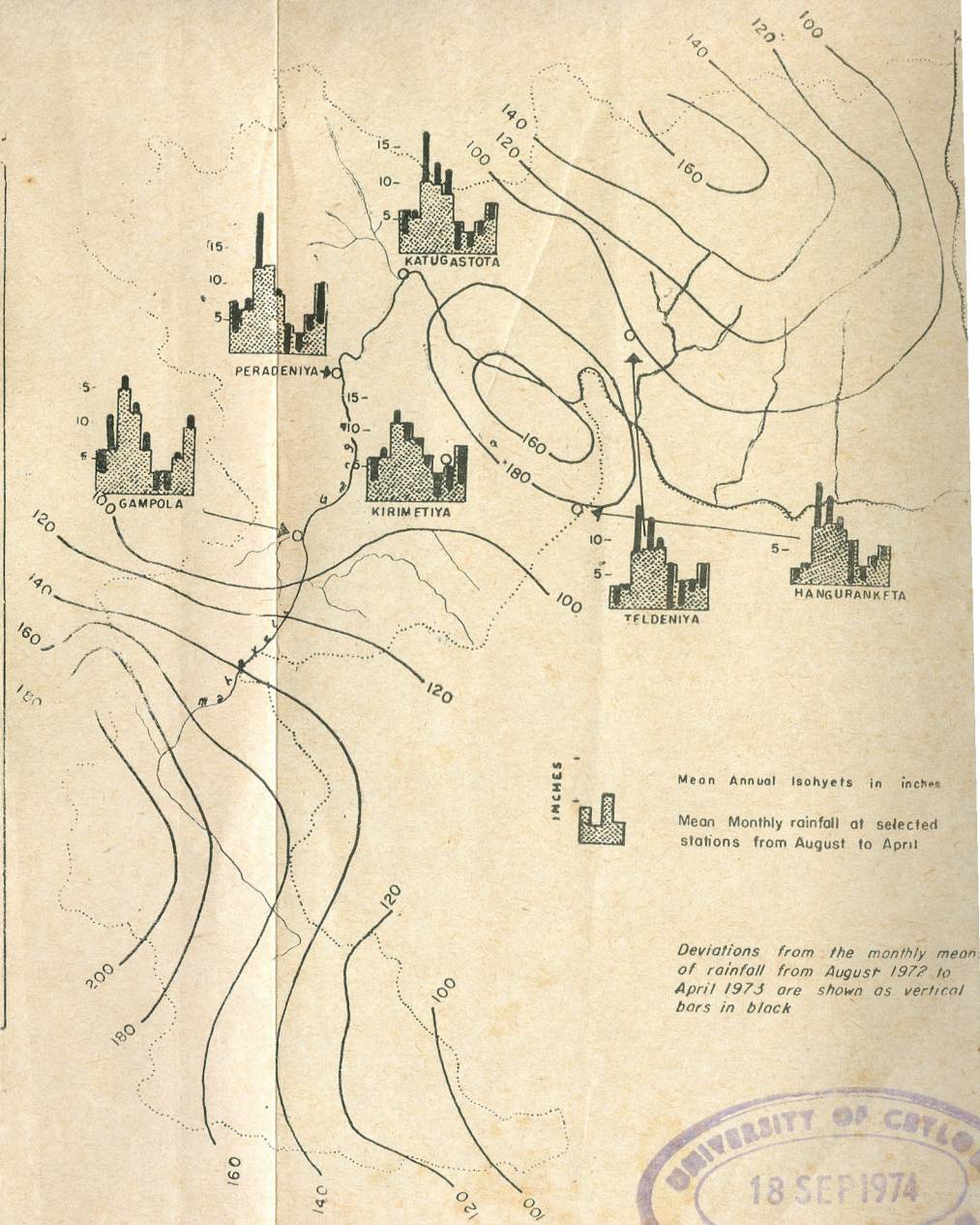


Figure - 2 KANDY DISTRICT - RAINFALL DISTRIBUTION



the success of crops than rain during the latter part, it could be said that although the possibility that there were problems of water supply on some of the farms cannot be ruled out, adverse weather conditions were not an important cause for the poor results obtained from crops.

Some of the farms appear to have been affected by an absence of proper channels for marketing the produce. There has been no order and no system in the sale of what little the farms were able to produce, leaving room for various irregularities.

On the expenditure side, there is reason to doubt whether all the material inputs purchased (or reported to have been purchased) were, in fact, used on the farms. The recorded expenditure on seed and fertilizer on most farms exceed the accepted norms (see Table IV, Appendix IV) by several folds. This fact, taken in conjunction with the poor performance of the crops, points strongly to the widespread presence of ignorance or fraudulence.

The main items of costs and returns in poultry farming, which has been an important branch of activity on 8 farms covered by this study, are shown below in Table 4.V. Figures relating to some of the items in the Table are my own estimates and, therefore, need clarification. At four of the farms (Kirimetiya, Kosgahalanda, Piligalla and Uda-Peradeniya) poultry farming has been abandoned and the stocks remaining at the time of abandonment have been sold. Incomes derived from such sales have been included in the returns. Where poultry farming is still being done, the current value of stock has been estimated at a uniform rate of Rs. 10 per unit of stock. Depreciation of capital assets has been calculated at the rate of 3 percent per annum, except in the case of three farms (Kirimetiya, Kosgahalanda and Piligalla) where, since the termination of this line of production, poultry sheds and equipment have also been destroyed. In these 'depreciation' represents the total initial expenditure on capital assets. Labour costs, relating to which no definite data are available, have been left out.

Despite these limitations in the accuracy and coverage of the data in Table 4.V., they leave little room for doubt that poultry farming on DDC farms within Kandy District has been a hopeless failure. Relatively large sums of money have been spent on the purchase and maintenance of stock with little regard for the persistently low returns. It is true that during the period under review poultry farming in Sri Lanka experienced unfavourable conditions of operation due to the sharp upsurge in the price of poultry foods. However, even if allowance is made for this, the record of poultry farming has clearly been a record of mismanagement.

TABLE 4.V—Estimated Costs and Returns from Poultry Farming

Farm	Costs (Rs.)			Returns (Rs.)	
	Purchase of stock	Maintenance	Depreciation	Sale of produce	Current value of stock
Gahagoda (8.9.73) .. ..	4,000	21,490	506	7,826	6,150
Kundasale (31.8.73) .. ..	2,160	14,974	435	5,125	7,450
Kirimetiya (30.6.73) .. ..	945	4,362	3,108	1,580	—
Kosgahalanda (30.6.73) .. ..	639	3,067	921	1,579	—
Piligalla (30.6.73) .. ..	200	442	150	459	—
Nelligolla (31.7.73) .. ..	1,193	29,057	466	10,571	4,910
Wattappola (31.8.73) .. ..	3,849	32,848	698	15,414	15,870
Uda-Peradeniya (30.6.73) .. ..	4,665	18,324	405	8,043	—

Note: The dates of assessment are shown within brackets.

Although provision for dairy farming has been made in six of the projects under review, at the time of this survey it had commenced on only four. In these too, dairying is of relatively recent origin. Hence the data available on this aspect of farming cover too short a period to attempt anything more than a few brief comments. The farms have been supplied with some of the best breeds of cattle (mostly the varieties of Airedale, Jersey and Holstein Friesian). Yet, the yields have been low. At the three farms which, during the recent past, have had milch cows in lactation, the average yield per cow has been less than 12 pints per day. Besides the low yields, some of the farms have also faced other problems such as the inadequacy of facilities for proper sanitation and channels for marketing the milk.

As for other productive activities on the farms, they have been relatively unimportant, but they too show the same characteristics of bad planning and bad management. The flock of goats purchased for Rs. 1,830 in August 1972 at Kosgahlanda was sold for Rs. 1,015 three months later. No records are available and no traces can be found of the ducks and the fresh water fish introduced to the lake at Kirimetiya. The four pigs at Nelligolla, now occupying a section of its cattle shed, are a mere diversion.

I have gone into somewhat tedious details of the different aspects of production on the DDC farms within the district not because of their intrinsic importance. On the present scale, the losses that have been incurred can perhaps be borne by the country. But, here again, the crucial issue is whether this type of unproductive activity can be extended further in their present form without grave repercussions for the future of the economy.

#### 4.2 Employment and Earnings

Generating employment was one of the objectives which received high priority in the DDC programme.<sup>21</sup> In agriculture the programme sought to place emphasis on unemployed and under-employed rural youth. At the early stage of implementation of the programme, project formulators at the regional level were told that one of the four main criteria upon which the approval of a project proposal would rest would be that of employment potential.<sup>22</sup> They were also told that "each project should aim at a net monthly income of Rs. 150 to 200 per individual".<sup>23</sup>

As Table 4.VI. shows, most of the project proposals sent up from Kandy District had definite targets of employment. Although in relation to their size and nature of proposed activity some of these targets were unrealistically high, in fixing them there was probably an underlying assumption that productive activity on the farms would be labour intensive. Further, it was probably the tacit acceptance of this assumption that explains the approval of the project proposals by the Ministry of Planning.

The numbers recruited to the farms at their inception were invariably below the planned targets. This again could be explained with reference to the necessity to leave a quota for future recruitment when activities on the farms expand. However, what happened subsequently was contrary to all expectations. Those who were recruited

21. See Ministry of Agriculture and Lands, *op. cit.*, p. 29; also *The Five Year Plan*, *op. cit.*, p. 31.

22. Circular of August 1971, para 8.

23. Ministry of Agriculture and Lands, *op. cit.*, p. 31.

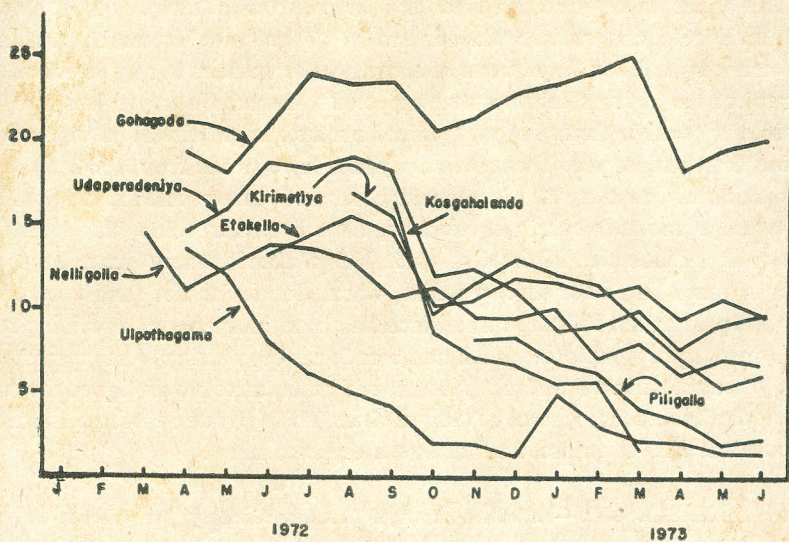


Figure - 3 Daily attendance of farm workers — average per working day

dropped out gradually so that during the time of the present survey, the total number of employees in the registers of all 11 farms was about 80, or around 20% of what was anticipated at the stage of planning.

TABLE 4.VI—Employment on the Farms

Farm	Plan target	Number recruited initially	Number in the farm registers on 1.7.73
Gohagoda	.. 27	12	18
Etakelle	.. —	18	11
Kundasale	.. 50	20	9
Kirimetiya	.. 60	38	9
Kosgahalanda	.. 55	22	0
Wendaruwa	.. 60	24	3
Ulpothagama	.. 22	21	2
Piligalla	.. 15	17	3
Wattappola	.. 10	5	4
Nelligolla	.. —	15	12
Uda-Peradeniya	.. 55	20	2

Note: After about August, 1973 some of the farms have made fresh recruitments of workers on a casual basis.

Even this data does not reveal the true position of employment on the farms. As Figure 3 illustrates, the daily attendance of those who have nominally continued to be farm workers has been very irregular. The general trend of attendance has been a fluctuating downward trend. In some of the farms these fluctuations could be related to seasonal variations in demand for agricultural labour outside. A pattern which could be observed often is that during times of planting and harvesting of paddy, farm attendance drops, and conversely, during the intervening slack seasons, attendance improves. This suggests that even for many of those who have remained in employment on the farms, such employment has essentially been a source of off-season income.

This brings up the question of incomes derived from the farms by those employed on them. DDC farms were not intended to be worked with hired labour. Although provision was made for the payment of allowances to workers during the initial stages of a project, the workers' incomes were expected to be in the form of sharing of profits. But since none of the farms have yet realised profits, the practice of paying wages has continued to be followed. The rates of payment have varied from Rs. 2.50 to 5.00 per working day, enabling the highest paid workers to earn around Rs. 125 per month. The average monthly earnings, however, have been far below this level (Table 4.VII). At Kundasale, Kirimetiya and Kosgahalanda there have been spells which at times lasted for several weeks, when, due to lack of funds, the workers were not paid at all. Piligalla farm which has been incapable of providing regular employment to its workforce, which numbers 3, has been hiring them on a rotational basis. When placed in a similar situation, several other farms have followed the practice of periodically suspending some of their workers. The high rate of absenteeism referred to above has also contributed to the low average earnings.

TABLE 4.VII—Estimated Average Monthly Earnings per Worker  
(January to June, 1973)

	<i>Rs. Cts.</i>		<i>Rs. Cts.</i>
Gohagoda	.. 51.60	Wendaruwa	.. 30.50
Etakella	.. 79.50	Piligalla	.. 38.00
Kundasale	.. 31.00	Wattappola	.. 58.25
Kirimetiya	.. 24.10	Nelligolla	.. 78.30
Kosgahalanda	.. 14.00	Uda-Peradeniya	.. 68.00

Note: Data for Kosgahalanda, Wendaruwa and Uda-Peradeniya do not cover the entire period. Ulpathagama has been excluded.

Data on age, family background, education and vocational experience of those who were recruited to the farms were collected during my field investigations. These are presented in summary form in Table 4.VIII. Observations which can be made on these aspects are as follows. First, although there is a wide range of variation in age among those who were employed by the farms, the emphasis in recruitment, at least initially, was on youth. Secondly, a majority of them have been drawn from poor, agricultural families, possibly from among the lowest economic strata of the Kandyan peasantry. Thirdly, most farm workers had received a formal education at least up to the secondary level and about 37 percent of their total had reached G.C.E. Ordinary Level grades. Fourthly, most of them have had no regular employment until their recruitment to the farms.

Although the initial recruitment pattern conforms to the DDC Programme's emphasis on providing employment to youth, in some of the projects significant changes have since been made in the composition of the workforce, so that at present there is no preponderance of youth among the farm workers. For example, the average age of the workers at Gohagoda at the start was approximately 22 years. During the past 18 months most of them have either dropped out or were discontinued and fresh recruitments have been made. At the time of my survey the age of the workforce averaged 31 years. At Uda-Peradeniya, those recruited initially were all below 26 years. Since then, the original workforce has been discontinued, and when the farm was re-opened after several months of inactivity for the Maha season of 1973, about

40 workers, whose average age is around 36 years, have been hired. A similar change has also occurred at Wendaruwa. Generally, there seems to be an increasing preference among those managing the farms for elderly workers. They claim that such workers are more regular in attendance and are more hard working. It is also possible that one of the attractions of older workers is that they tend to be more amenable to authority than youth.

TABLE 4.VIII

A Summary of Information on a Sample of Farm Workers  
(August to November 1973)

*numbers falling into each category*

		GOHAGODA	ETAKELLE	KUNDASALE	KIRIMETIYA	KOSGAHALANDA	WENDARUWA	PILIGALLA	WATTAPPOLA	UDA-PERADENIYA	NELLIGOLLA	TOTAL
AGE	Total number interviewed	15	8	10	8	10	12	3	4	12	7	89
	i. 20 years or less	2	4	4	0	1	6	0	1	2	0	20
	ii. 21 to 25 years	6	4	4	5	1	4	1	3	7	1	36
	iii. 26 to 30 years	2	0	0	3	2	0	1	0	2	1	11
	iv. 30 years or more	5	0	2	0	6	2	1	0	1	5	22
EDUCATION	i. Grade 5 or less	5	1	3	0	7	2	2	0	1	3	24
	ii. Grades 6 to 9	4	3	2	3	3	6	1	1	6	3	32
	iii. Grade 10 & above	6	4	5	5	0	4	0	3	5	1	33
Had non-agricultural vocational training/experience		6	4	3	2	1	2	1	2	3	2	26
ESTIMATED MONTHLY FAMILY INCOME	i. Below 100 rupees	9	4	8	4	5	4	3	2	2	4	45
	ii. Rs. 100 to 200	3	3	2	4	5	5	1	1	6	3	33
	iii. Rs. 200 to 300	3	1	0	0	0	2	0	1	4	0	11
PRINCIPAL SOURCE OF FAMILY INCOME	i. Cultivation of own land	2	2	2	1	7	7	0	1	5	3	30
	ii. Tenant/Agric. labourer	10	4	5	5	2	5	3	3	3	4	44
	iii. Other	3	2	3	2	1	0	0	0	4	0	15
STATUS BEFORE JOINING FARM	i. Unemployed	4	3	4	2	1	1	0	2	6	1	24
	ii. Partly/Periodically employed	11	5	6	6	9	11	3	2	6	6	65

*Note:* Samples from Gohagoda, Wendaruwa and Uda-Peradeniya include ex-farm workers. All workers interviewed at Kosgahalanda were former farm employees.

#### 4.3 Co-operative Farming

Though nowhere has it been explicitly stated that co-operatives would be the only form of organisation for agriculture in the DDC programme, various statements found in official writings relating to the programme suggest that it sought to foster co-operative farming in Lanka. Of course, 'co-operative farming' can mean various

degrees of integration of agricultural activity in a community.<sup>24</sup> The programme is somewhat flexible regarding the form and the degree of integration it prescribes. But, both from the programme itself as well as from the context in which it was drawn up, it appears that 'private property individualism' in farming was looked upon with disfavour and a high degree of integration involving communal ownership of the land was desired. Applying the terms used by Otto Schiller,<sup>25</sup> it is perhaps fair to say that what the programme aimed at was the promotion of "agricultural production co-operatives" rather than the "co-operative promotion of agricultural production".

The idea of planning agricultural development on a co-operative basis did not have to be imposed on the DDCs from above. At least the slogans and the clichés, if not the principles, of co-operative farming were known at the village level. Among those who sponsored the projects, the mood and the desire to promote co-operative farming were also probably there. Thus the agricultural projects proposed by the DDCs were all co-operative projects, most of which aimed at the total integration of farming activity. Enabling self-employed farmers to own, manage and work the farms collectively and share their profits was the ideal aimed at by most of the project proposals. At the start, 3 of the projects within the district went to the extent of attempting to facilitate a communal life to the project participants. It is also significant that the Sinhala equivalent of "collective farm" (*samooha govipala*) has always been used in referring to the farms. The workers too have continued to be referred to as "members".

The principles of co-operative farming, however, are rarely evident in the manner in which these farms have operated so far. The eight projects that are affiliated to primary co-operative societies have become farms that are "owned" and managed by these societies and worked with hired labour. In these, apart from the fact that workers do not participate (and are rarely, if ever, consulted) in decision making, a majority of them have not even been made members of the societies. Work programmes, apportionment of funds, emoluments, recruitments and dismissals of workers have been decided in each case by one or two individuals who directly or indirectly control the co-operative society. In the projects that are operated by "Special Co-operatives" too, most of the workers hired to fill vacancies resulting from the reductions in the original membership (where such hiring of workers has occurred) have remained wage labourers. Even the use of the term "co-operative farm" to refer to this type of organisation, as Schiller points out, is a misnomer.<sup>26</sup>

24. Most modern authorities do not accept the narrow definitions of 'Cooperation' given by earlier writers like C. R. Fay (*Co-operation at Home and Abroad*, Vol. II, London 1948, pp. 32-63, first published in 1908), Leonard Woolf (*Co-operation and the Future of Industry*, London 1918), Charles Gide (*Consumer Co-operative Societies*, New York, 1922) and James Warbasse (*Problems of Co-operation*, New York 1946). The widely held view at present is that 'Cooperation' implies a wide range of variation in the degree of integration of production and consumption, such variation in the context of agriculture falling between the totally collectivised state farm on the one extreme and the highly individualistic peasant farm on the other. See, Margaret Digby, *The World Co-operative Movement*, London 1948, pp. 7-9 and *Cooperatives and Land Use*, F.A.O. Agricultural Development paper No. 61, Rome 1957, pp. 1-6; Otto Schiller, *Cooperation and Integration in Agricultural Production*, Asia Publishing House 1969, pp. 2-13; Peter Worsley (ed.) *Two Blades of Grass*, Manchester University Press 1971, Introductory chapter, pp. 1-40.
25. Otto Schiller, *op.cit.*, pp. 2-13.
26. Otto Schiller, *op. cit.*, p. 14; and "Two Ways of Cooperative Farming" *Indian Journal of Agricultural Economics*, Vol. XII, No. 2, 1962, p. 47.

Why did the programme fail to promote co-operative farming? In the present context, the most obvious answer is that no serious attempt was made to promote co-operative farming while implementing the projects. Whether an attempt, if made, would have succeeded has to be left an open question. But it is relevant to note the widely recognised tendency of institutionalised co-operative activity, particularly in agriculture in what are referred to as traditional societies, to deviate from the basic co-operative principles. In such societies the presence of certain social and cultural obstacles to the development of co-operative agriculture has been recognised by many writers.<sup>27</sup> Ronald F. Dore, who says that it is those societies that are both egalitarian and cohesive which provide the best potential for modern forms of co-operation, regards the presence of authoritarian leadership and factionalism in society as obstacles to the emergence of effective co-operation of the modern type.<sup>28</sup> Since this study centres on a small number of spatially scattered phenomena, the issues relating to the applicability of the terms used by Dore in their exact connotation to the present area of study has to be avoided. However, it is possible to show that authoritarianism and factionalism are both evident in the operation of DDC farm projects within the district. The manner in which they are exemplified has been left for discussion in the next section of the essay.

## 5. Programme Personnel

The projects which were begun under the DDC programme have involved the collaboration of individuals drawn from diverse social strata. The resulting interaction of varying notions, attitudes and interests have, to a large extent, fashioned the manner in which the projects have operated so far. This aspect of the present study, though vital, is one in which generalisation is difficult, and comment, for the most part, can only be impressionistic. Nevertheless, in the sections which follow, an attempt has been made to spotlight features relating to this aspect which are either important in their own right or sufficiently frequent in their occurrence to merit special attention. As a preface, it is necessary to emphasise the limitations inherent in the type of generalisation and comment attempted, particularly the element of subjectivity which might be present in the attempt.

### 5.1 The People's Representatives

In spite of an early edict that "DDCs shall meet at least once a month",<sup>29</sup> with only two exceptions, the Councils that fall within the scope of this study have not met on more than four occasions during the past two years. The failure of the DDCs to meet more frequently has been ascribed to the increasing disinterest shown in their affairs by a majority of their membership. I have already made reference to the fact that Development Councils are large bodies. The very size of the councils appear to have made systematic discussion of specific issues difficult. Their records show that on the few occasions when they have met the usual tendency has been for speech making rather than for discussion, and that too, on general topics like landlessness, cost of

27. For a generalised discussion of these obstacles, see Ronald F. Dore, "Cooperatives in Traditional Communities", Worsley, *op. cit.*, pp. 43-60 and J. Leonard Joy, "The Analysis of Existing Social Factors favourable to successful Modern Cooperatives", Worsley, *op. cit.*, pp. 61-65.

28. Ronald F. Dore, *op. cit.*, pp. 48-52.

29. Circular of 1 March 1971, para 4 a.

living or bureaucratic inefficiency. However, among the People's Representatives of each DDC, there have been the obvious leaders—the more articulate, the more influential or the more powerful persons. It is they who have had a strong impact on the projects.

The member of the National State Assembly (NSA) is invariably the most important People's Representative in each of the DDCs covered by this study. He could therefore wield considerable influence over the affairs of the DDC project. Of course, the actual extent of involvement of different members of the NSA varies widely. Such variation, which ranges from total lack of interest to active participation even in certain matters relating to routine project operation, seems to be accounted for by their respective affiliations and interests, their stature in the national and local political arena and, also, their character and temperament.

In the records of farm projects within the district, one could come across occasions on which the member of the NSA has intervened in an useful and constructive manner. At times, he has been able to accelerate decision making, to form a channel of communication between project personnel and higher authority and, as the chief spokesman for the interests of his electorate, to by-pass the local officials and obtain adjustments and concessions to suit specific project needs. At the same time, there have been occasions on which such interventions appear hasty, ill-informed and partisan.

Most members of the NSA in the area have had a decisive say in such aspects of the farm projects as selecting the land to be acquired (and thereby the location and scale of the project), the appointment of at least some of the other People's Representatives to the DDCs and to the committees of project management, and the selection of farm workers.

In the farm projects which have been studied, it is the power to influence the selection of project personnel that most members of the NSA appear to have used frequently. In the selection of non-official members to committees of project management, political links and loyalties have been the principal criteria. Such members, once appointed, could themselves exercise an influence which is proportional to their own stature in the area and to their political usefulness to the member of the NSA. The appointment of farm members (workers) has usually been done through interviews conducted by panels appointed by the DDCs. But here too, the approval of the members of the NSA has been sought prior to the appointment of those selected. Where the member of the NSA has himself not intervened, the final selection has invariably been determined by others who enjoy his confidence.

In defence of this system, which has prevailed widely in the appointment of project personnel, one could say that the loyalty of individuals is a condition of paramount importance to the success of this types of venture, at least at the pioneer stage, and that the elected representative of the people is more suited to perform this function than any other. Whatever validity this point of view may have, it is necessary here to recognise some of the adverse effects of the system as it has operated in practice. The criterion of loyalty, when it overshadows all others, has frequently led to the emergence of the incompetent. The authority of the officials responsible to the government tends to be undermined. The inefficient and the corrupt find refuge in political patronage.

Above all, the projects have tended to exclude a large section of the people in each area who have no links with, or who are unacceptable to, the reigning local political elite. The projects have thus become identified with the political parties in power. Paradoxically, due to this very reason, the loyalists suffer from a sense of insecurity and uncertainty about the future.

Among those who have been labelled 'People's Representatives', office bearers of co-operative societies (the elected and the appointed officials or the salaried managers) have also played an important role in the affairs of farm projects in the district. Many of them are politically important in their respective areas. Often, they have membership in local government bodies. Political links can also be traced between many of them and the members of the NSA<sup>30</sup>. Furthermore, as shown earlier, in the projects managed by primary co-operative societies, a greater share of the expenditure has so far been borne by the co-operatives themselves, and the financial control of the projects concerned are now almost entirely in their hands. These factors have enabled certain officials of co-operative societies to make the farm projects a domain of their authority, encroaching, on the one hand, into the powers and functions of DDCs and, on the other, into the rights of farm employees. To quote a few examples, in one project, the management of the co-operative society has refused to provide the DDC officials access to records of income and expenditure maintained by the society. In the same project, the sending of a petition by a section of the farm workforce resulted in the immediate dismissal of the workers concerned prior to an inquiry being held. In two other projects, the Development Assistants associated with them have repeatedly complained that the co-operative societies do not facilitate their participation at meetings of the committees of farm management. There is a fourth case in which the chairman of the co-operative society, while frequently absenting himself from meetings of the official committee of farm management, has been summoning an unofficial committee of his own to take decisions on the running of the farm. Admittedly, these are only specific examples. But they illustrate a feature which one comes across more often in a more subtle form: that is, an unwillingness on the part of co-operative officials to concede the authority and the rights of the others. It is often reflected in the tone of their correspondence. At times it is also seen in their disregard of collective decisions. ✓

Irrespective of the organisation that manages the farm, the presence of one or two persons who dominate the actual process of project operation is a recurring phenomenon. In each case, a few prominent People's Representatives have the effective control. Usually, neither the officials nor the workers question their authority. In the case of one farm the extent of authoritarian control has reached such ludicrous proportions that it is now like a private family owned business venture.

People's representatives from other village level organisations were rarely seen to figure prominently in affairs of the farms which have been investigated. The lack of interest on the part of many of them is reflected in the irregularity of their participation

30. Under the reorganisation of the cooperative movement begun in 1971 (see footnote 15), temporary Boards of Directors were appointed to each society. These boards were usually composed of 5 official members and 4 unofficial members. The latter category of directors were appointed on the recommendation of the Minister in charge of the Department of Cooperative Development. In practice they were mostly nominees of members of parliament. Recently, the by-laws under which permanent directors were to be set up have been amended so as to accommodate 8 ministerial nominees out of a total of 15 in each board.

at meetings of DDCs and the inertness and passivity they show when they do participate. Occasionally, however, some of these individuals belong to the in-groups that dominate the DDCs and their subsidiary bodies.

Discussions which I have had with some of the People's Representatives who have been actively associated with the farm projects in the district indicated that many of them are dissatisfied with the officialdom. Some of them went to the extent of placing the entire blame for the poor performance of the projects on "bureaucratic inefficiency". Excessive adherence to rules and regulations, preoccupation with impracticable ideas, and ignorance of conditions in the villages were among the specific criticisms that were made against the officials at various levels. These criticisms however were rarely supported with definite evidence. They seem to be based largely on prejudice and also on an impatience on the part of the individuals concerned with bureaucratic procedure and red tape. Comments on some of these criticisms will be made in the section of this essay devoted to the officialdom.

During my interviews with workers and others associated with the farm projects, allegations of corruption were often made by them against certain People's Representatives holding positions of responsibility in relation to the farms. Persons so accused were few in number, but the feature itself was common to most of the farms surveyed. These allegations ranged from misuse of authority, favouritism and nepotism to misappropriation and theft. It was not within the scope of this survey to probe deeply into them. However, where it was possible to check their veracity, either against the relevant financial records or with evidence from mutually unrelated sources, they sometimes appeared to be well founded. In certain instances, the financial losses which have resulted from such fraudulent practices cannot, in relative terms, be dismissed as insignificant. Perhaps more important is the fact that, where they have prevailed, they have generated cynicism, frustration and dishonesty at other levels. Furthermore, the very fact that such allegations were frequent seems to indicate an absence of confidence and mutual trust between different groups which have been brought together by the DDC programme.

## 5.2 The Officialdom

The administrative set-up directly concerned with the implementation of the DDC programme within Kandy District is headed by the Government Agent for the district. Working with him are two Assistant Directors of Planning to whom, in practice, much of the Government Agent's authority in relation to the programme has been delegated. These officials head the District Planning Unit, the function of which is the overall supervision of DDC projects in the district. At the level of the Division, Revenue Officers (DROs) who are chairman ex-officio of the DDCs are the chief government officials. Development Assistants appointed by the Ministry of Planning occupy the lowest level in the official hierarchy. Their duties have been defined in general terms, as assisting the DROs in serving the Development Councils<sup>31</sup>.

In commenting on the main government officials of the DDC programme in Kandy District it is necessary at the outset to focus attention on what appears to be

31. Circular of August 1971, para 4.

a contradiction relating to their position in the programme. The regional officials were expected to provide leadership and guidance at their respective levels of operation. They were also expected to show imagination, inventiveness and enthusiasm in their work<sup>32</sup>. But, at the same time, the programme restricted their authority and their flexibility of action, not only by the role it assigned to the People's Representatives serving in the DDCs, but also through numerous rules and regulations.

Hence, neither in the formulation of the projects nor in their implementation did these officials have much scope to exhibit leadership talent and originality. The projects had to be based on impromptu proposals made at meetings of DDCs. Such proposals were stereotyped and (at least in agriculture) rarely provided an opportunity for innovation. Since the general tempo was one of haste in getting as many projects as possible off the ground, it is likely that the delays which might have ensued in obtaining the Ministry's approval for project proposals if novel ideas were incorporated in them, also discouraged originality. Project models drawn up at the centre and circulated to the district to serve as guides in project formulation also had the unforeseen effect of preventing departures from a set pattern. Further, in the release of funds once the projects began, although in one set of instructions the district officials were told that "only in the event of a major deviation (from the approved norms) need the (Ministry's) Division of Regional Development be consulted",<sup>33</sup> other instructions laid down restrictions which in effect discouraged any kind of deviation. Apart from these features, it is generally seen that *de facto* authority in the operation of DDC projects is, by the very nature of the programme, so dissolved, that when confronted with various irregularities and malpractices, the officials at the regional level have been unable to provide the necessary checks. In short, the programme placed an onerous responsibility upon the regional officials but gave them little power and authority to carry such responsibility effectively. ✓

As one would expect, there is much variation in the interest and efficiency shown by the officialdom. There are many, even among the less experienced, who obviously possess the qualities and talents for the role assigned to them. But there are also the ill-equipped and the incompetent. In general it can be said that whatever enthusiasm there was during the early stages has, with the passage of time, waned considerably. A measure of disenchantment and cynicism is now evident particularly among the more seasoned bureaucrats. For them, there are many features within the set-up that discourage an overt personal involvement.

The observations made here are not intended to imply that the officials referred to have neglected their duties in relation to the programme. Matters such as summoning or participating at meetings of DDCs and Committees of management, holding periodic inspections of projects, compiling reports and many other duties relating to the programme have all been attended to in routine fashion. Nevertheless, with a few exceptions, these officials do not, and, in the context of circumstances described above,

32. The role of the officials in DDCs, especially that of the GAs and the DROs, is discussed in the Circular of August 1971, para 8 and the Circular of 9 December 1971, p. 3.

33. Circular of August 1971, p. 4.

cannot play the positive and dynamic leadership role assigned to them by the formulators of the DDC programme.

While our attention is focussed on the officialdom, it would be relevant to comment upon the nature of co-ordination and collaboration between government departments (one of the declared objectives of the programme) exemplified by the record of farm projects in Kandy District.

Besides the officials to whom reference has already been made, others from various governmental agencies were drawn into the DDC programme. In the case of agricultural projects, officials from the Department of Agriculture have had an important role in providing advisory services. Since co-operative societies which are in charge of projects come under the direct control of the Department of Co-operative Development, officials from this department have also been associated with the projects. Among other public sector agencies which have had varying degrees of contact with the DDC farm projects are the People's Bank, the Territorial Civil Engineering Organisation and the local government bodies of each area.

In a review of the DDC programme's "co-ordinating role" it is justifiable to raise an issue relating to the degree of collaboration between governmental agencies at the *apex* of administration and policy making during the stages of formulating and implementing the programme. If the objective of the programme was to achieve a systematic departure from the traditional pattern of administration, there are features which illustrate the inadequacy of such co-ordination even at the apex. To cite some examples, at the stage of allocation of grants to projects, the management of each project was instructed to apply to the People's Bank for loans with which to meet working expenses. But it appears that at no stage were there definite arrangements for the Bank to provide such loans to DDC projects. Even the Department of Agriculture does not seem to have been quite prepared for its role in the DDC programme. The Director of Agriculture replying to a request for special advisory services by the Director of Regional Development in November 1971 (i.e. several months after the programme began) said, "we would like to formulate a policy regarding such services after consultation with the Permanent Secretary, Agriculture".<sup>34</sup> The presence of unresolved conflicts between the co-operatives and the officials in charge of the DDC programme at the regional level is also at least partly due to the fact that the position of cooperative societies in relation to the DDCs has not been clarified by the Centre. Besides these specific examples, another phenomenon which is becoming increasingly evident and which points to an absence of co-ordination at the Centre is that there are other government agencies (some of them newly instituted) which undertake developmental work, similar in nature to those of the DDC programme, quite independently of the existing DDCs.

As for co-ordination between governmental agencies at the regional level, there have been undeniable improvements; some achieved as a result of the DDC programme, but mostly achieved independently of the programme. Officials from many

34. Letter from Director of Agriculture to Director of Regional Development dated 7 November 1971.

governmental agencies serve in the DDCs. Certain departments, especially the Departments of Agriculture and Co-operative Development, are also represented in committees of project management. With one or two exceptions, the farm projects covered by this study have had easy access to extension services provided by various departments. In a few instances, short-cuts have also been established across the traditional lines of communication. But despite these, there are examples, too numerous to be quoted here, which make it clear that the close co-ordination and collaboration envisaged by the programme has not become a reality.

### 5.3 The Farm Workers

Some comments have already been made on the failure of farm projects in Kandy District to fulfil the expectations of the DDC programme relating to employment. Here, our concern is with those who were engaged for work on the farms, either of the respective co-operative societies or as hired labourers. Interviews of farm workers conducted during my field investigations involved the gathering of information on their general attitudes and aspirations and also on their expectations at the time of their recruitment to the farms. Some of this information is shown in classified form in Tables 5.1 and 5.11. The discussion which follows is based both on these Tables as well as on my own impressions.

Only in one farm project within the District (Kundasale) was there a spontaneous formation of a group with a view to undertaking a farming venture. In all others, the procedure followed in the formation of the work forces has been similar to recruitment processes in many other fields of employment in the public sector. The jobs were advertised. Invariably, large numbers applied (Wendaruwa and Kosgahlanda were exceptional in this respect). Interviews were held. Those finally selected (not necessarily through the interviews) were appointed.

Among those selected to work on the farms, there are many who have been attempting, both before and after being so selected, to secure employment elsewhere. Many of them, since leaving school, have repeatedly applied for jobs and have been on the constant look-out for jobs. It was also evident that the jobs which they have been interested in are mostly outside agriculture. Table 5.1 which classifies the workers according to certain 'indices of occupational aspirations' does not reveal this feature in its full significance because in 6 of the farms, the samples of workers interviewed do not include those who have left the farms. The general picture which emerges is that a majority of those recruited for work on the DDC farms in the district did not aspire to become farmers permanently and that, by and large, it is either those with relatively low educational qualifications or those who are relatively old that fall into the small minority which has not sought other forms of employment.

During my interviews a series of direct and indirect questions were posed in order to find out what these workers expected by being recruited to the farms. Their answers varied widely, but lend themselves to some generalisation.

Their principal expectation appears to have been that of gaining a regular income. At the inception of at least some of the projects, the workers were told that they would get regular allowances only during the initial phase when their labour would be utilised for capital development work, and that their subsequent income would depend

**TABLE 5.1**  
Indices of Occupational Aspirations among the Farm Workers

	<i>Gohagoda</i>	<i>Kundasale</i>	<i>Kosgahalanda</i>	<i>Wattapola</i>	<i>Uda-Peradeniya</i>						
	<i>Etakelle</i>		<i>Kirimetiya</i>	<i>Wendaruwa</i>	<i>Pilligalla</i>	<i>Nelligolla</i>	<i>TOTAL</i>				
have made formal applications for jobs	6	5	6	6	2	2	3	1	7	4	42
have not made formal applications for jobs	9	3	4	2	8	10	1	2	5	3	47
have searched for information about jobs before joining farm	10	8	8	6	4	5	4	1	9	4	59
have not searched for information about jobs before joining farm	5	—	2	2	6	7	—	2	3	3	30
have searched for information about jobs after joining farm	9	8	7	6	4	5	4	1	9	4	57
have not searched for information about jobs after joining farm	6	—	3	2	6	7	—	2	3	3	32

*Note:* Samples from Wendaruwa, Gohagoda and Uda-Peradeniya include ex-farm workers. The entire sample from Kosgahalanda consists of ex-farm workers.

entirely on their own efforts. It is doubtful whether the implications of this arrangement were fully appreciated. Whether they were or not, an expectation seems to have prevailed that, even if their production efforts failed, the government would continue to pay them a living wage. For many workers, this expectation was probably strengthened by their belief that their being chosen for employment on the farms was a reward for their support for the political parties presently in power.

Another aspect of the farm projects, the implications of which do not seem to have been properly grasped, is that of communal ownership of the land. Detailed probing frequently revealed that although the communal basis of farm organisation was often made known to the workers, many of them felt that, somehow, eventually, they would come to own the land on an individual basis. ✓

Several examples can be quoted to show that there has been some confusion regarding the concepts of communal farming. At Kirimetiya, the workers appear to have been given the impression at the time of their recruitment that each of them will receive a private plot and a house within the farm. At Wendaruwa the workers claimed that a responsible official declared at the opening of the farm that after the initial phase of development the farm would be theirs on an individual basis. A similar claim was made by some of the youth interviewed at Uda-Peradeniya. Certain workers at Nelligolla expressed an (unreasoned) belief that when the project developed fully a section of the farm would be partitioned out among them. The project proposal at Kundasale fixed its target of employment at 35 in the crops section "so that each person may have one acre". At other farms too there were workers who mused that distributing the farm land among the workforce would be a just and rational way of winding up the project.

The expectations which these features portray is not as unrealistic as it might appear. There is the recognised desire among the landless peasants to become owners of land (note from Table 4.VIII that nearly 50 percent of the workers are from the 'tenant cultivator' or 'agricultural labourer' sectors of the community). There is also the fact that land alienation schemes are the most common form of governmental aid to peasants in most parts of the country. Thus, to expect the conversion of what began as a co-operative farm to a land alienation scheme is, in fact, to expect in a modified form governmental assistance with which they have been most familiar. It is interesting to note that this conversion has already taken place at Kosgahalanda where the land has been re-distributed among about 40 villagers of the area who were seen, in early September 1973, to be preparing it for the *Maha* season.

At my interviews with the farm workers, I attempted to find out the conditions under which they would like to work if they are to remain in or (in the case of former farm workers) regain farm employment. Having explained the different types of farm organisation possible, I asked them to indicate their preference for any one or two types. Their replies have been tabulated below (Table 5.11). Only those who were able to provide clear and reasoned preferences have been included in categories 1 to 5 of the Table.

Table 5.11 shows that the form of farm organisation most preferred is the State or Co-operative Society owned farm with regular wages for the workers. Wages expected were invariably between Rs. 5 and 10 per day. A large number have also indicated a preference to own plots of land within a co-operative farm. Here it appeared that "co-operative farming" was often associated in the minds of those interviewed with a high scale of governmental aid and that what was actually desired was farming on individually owned and privately operated plots of land with governmental assistance in the supply of material inputs. There was a high "frequency" of this preference among those who have been working in farms that are sited on fertile and/or well-located land such as Gohagoda, Kundasale and Uda-Peradeniya. These preferences are consistent with what I have discussed above as the main expectations of the workers. It is noteworthy that only a small minority have indicated a preference for fully integrated communal farming. This was probably due to the fact that apart from their positive preference to become wage earners or land owners, many of the farm workers now associate communal farming with their past experience in working at their respective "communal" farms.

Besides what could be recognised as the main expectations of the workers discussed above, certain farm workers, specially those with prospects for better employment, seem to have expected to gain 'recognition' by accepting, in the first instance, employment that was offered to them on the farms. Some of them claimed that they have promises of assistance to find better employment from those who enabled them to secure their present positions. The opportunity which, it was thought, the farm would afford for frequent contact with influential People's Representatives and government officials was also looked upon as an advantage which might be useful to them in the future.

To sum up, then, a majority of those recruited as farm workers had neither a genuine interest in pursuing farming as a permanent vocation nor an appreciation of and a preference for the principles of communal farming. Understandably, what most of them have looked for is either a government job with regular wages and the other advantages attached to such a job, or the acquisition of some agricultural land.

These features as well as others which have been discussed earlier are reflected in several facets of activity and non-activity on the farms. One such feature is the absence of cohesion and harmony among the workers. On most of the farms surveyed, some sort of factionalism was discernible. In some (e.g. Kirimetiya, Wendaruwa and Pili-galla), at various times, factionalism had given rise to formidable problems.

The presence of factionalism could be accounted for by a complex of factors. As at Kundasale, caste difference was one factor. Plurality of caste, however, had not always produced factions (e.g. Nelligolla) and, conversely, caste uniformity has not made factionalism absent. At Kirimetiya (where, as far as it was possible to ascertain, there were no recognised differences in caste among an overwhelming majority of the workforce) the main factions were seen to broadly coincide with the differences in the village of origin of the workers. An interesting variation of the same feature was

TABLE 5.11

Farm Workers classified according to their preference to type of  
Farm Organisation

(number falling into each category)

	GOHAGODA	ETAKELLE	KUNDASALE	KIRIMETIYA	KOSGAHALANDA	WENDARUWA	PILIGALLA	WATTAPPOLA	UDA-PERADENIYA	NELLIGOLLA	TOTAL
<b>First Preference</b>											
1. Wage earner in State/Coop. Soc. owned farm ..	2	4	3	2	1	6	1	3	5	3	30
2. Resident member of communal farm ..	2	1	2	2	0	1	0	0	0	1	9
3. Non-resident member of fully integrated coop. farm ..	1	0	0	1	0	0	0	0	0	1	3
4. Member of farm coop. with private plots ..	7	3	5	3	2	3	2	0	6	2	33
5. Owner of private plot with no formal cooperation ..	0	0	0	0	1	0	0	0	0	0	1
6. No opinion .. ..	3	0	0	0	6	2	0	0	1	0	12
<b>Second Preference</b>											
1. Wage earner in State/Coop. soc. owned farm ..	7	3	4	3	0	4	1	0	7	2	31
2. Resident member of communal farm ..	0	1	0	2	0	0	0	1	0	0	4
3. Non-resident member of fully integrated coop. farm ..	0	2	2	0	0	1	0	1	0	1	7
4. Member of farm coop. with private plots ..	3	2	3	3	2	5	1	0	2	4	25
5. Owner of private plot with no formal cooperation ..	1	0	0	0	2	0	0	0	2	0	5
6. No second preference ..	4	0	1	0	6	2	1	1	1	0	16

found at Wendaruwa where there has been intense animosity between two factions, both belonging to the same caste, but each drawn from different parts of the village (Uda Gammedda and Palle Gammedda). When, due to their poor attendance for work on the farm, a few workers were temporarily recruited from outside, both factions appear to have resented their presence. At Uda-Peradeniya, where almost the entire workforce recruited at the inception of the farm belonged to the same caste



and were drawn from the same village, rivalry developed between two groups. These groups seem to have centred around two youths, both of whom were from prominent families in the village and were acknowledged leaders among the workforce. At Etakelle, where the workforce had representatives from 3 caste groups there was factionalism cutting across caste differences between those who had membership rights in the co-operative society and others who were only wage labourers. Variations in loyalty to different persons from whom different sections of the workforce had received patronage tended to coincide with and strengthen factionalism based on such factors as caste and village of origin.

Factional antagonism among workers has had several adverse effects. Foremost among them is that each faction has tended to be so preoccupied with constant bickering that very little work has been done. In certain farms, rivalry between factions had brought about problems of maintaining discipline. It has also made rational division of labour difficult to achieve. Further the lack of unity and cohesion among the workers has contributed to the failure of co-operative and collective activity.

The absence of a high degree of honesty among the workers is yet another phenomenon that can be related to certain features discussed earlier. There is ample evidence to suggest that pilfering and petty thieving has been rampant. Much of this evidence was presented by the workers themselves. In the context of such factors as the very low income which the farms have generated for those working on them (see Table 4.11), their poverty, their lack of a permanent interest in the farm, and the presence of fraudulence at other levels, the prevalence of this type of dishonesty is perhaps not surprising.

On the DDC farms within the district one seldom comes across evidence of enthusiasm and hard work. With one or two exceptions, the recurrent atmosphere is one of lethargy and disinterest. Even if allowance is made for all the problems and disincentives to dedicated effort, it is difficult to escape the unsavoury conclusion that those recruited for work on the farms have failed to fulfil their obligations.

The fact that the blame cannot be placed entirely on the workers is implicit in certain points which have already been discussed. To recount them briefly: recruitment procedures were unsatisfactory; the workers were made to expect much more than they have been given; their earnings have been low, and other conditions of employment unsatisfactory; principles of co-operative farming have been inoperative; there have been no models, either in enthusiasm or in honesty, for the workers to emulate.

## 6. Conclusions

The projects dealt with in this study have fallen short of fulfilling the principal expectations of the DDC programme. This conclusion would be valid if they are assessed from the point of view of what may be termed 'general objectives' of the programme such as decentralisation and co-ordination. It would also apply when the performance of the projects is measured against the 'specific objectives' of the programme relating to agriculture. For their contribution to an overall increase in agricultural production and employment has been negligibly small. They have also failed to foster co-operative farming.

Taken in isolation, the performance of the projects is perhaps unimportant. Many of their problems and shortcomings probably reflect those that are found in society at large. As for the specific projects, it is reasonable to expect that those among them that would fail to become economically viable in the near future would wither away. Further, if what is taking place now in Kandy District reflect island-wide trends, it also seems that the DDC programme as it was originally conceived might recede to the background in developmental activity, particularly in agriculture. Yet, the objective of the programme and the concepts underlying them are likely to remain in the forefront of strategies of development. Present trends indicate that much emphasis will continue to be placed on decentralisation of responsibility, if not in planning, at least in implementing various programmes of development. There is also the widespread belief that in agricultural development and rural reconstruction current measures of land reform should be followed up with other institutional changes in which co-operative activity would play a key role.<sup>35</sup> Hence, although the specific findings of this study cannot (and were not intended to) form a basis of judgement of the DDC programme in its entirety, it would be pertinent to base some general observations on them which relate to the concepts and objectives of the programme.

Considering first the objective of decentralisation, an issue may well be raised regarding the adequacy of the initial efforts which were made to prepare the ground for passing on responsibility from the Centre to the Districts and Divisions. It is evident from this study that the basic preparation and planning which went into the DDC programme was, in this respect, inadequate. Although the programme expected its projects to arise out of integrated regional plans, machinery to undertake such planning was never set up. Projects themselves were, for the most part, extemporaneously conceived. Even at the stage of formulation and approval of the projects, a casual and cursory approach seems to have been adopted, especially in such aspects as the availability of finances and managerial talent and the vesting of authority and accountability. What these features make clear is that if decentralisation is to be meaningful and effective, the institutional and administrative set-up at the District and Division levels must necessarily be stronger than that brought into being by the DDC programme.

The decentralisation which the DDC programme envisaged was a means of achieving greater democratisation and greater collaboration of the people in the development effort. The manner in which the representatives of the people were recognised as well as the place accorded to them in the programme indicate that in order to accomplish its task of enthusing and activating the people, the programme relied heavily on existing village level institutions and on the rural elite which dominate such institutions. Here we come across another crucial issue; namely, the extent to which such institutions and those who control them could be expected to provide leadership to a process of transformation which involves a break away from traditional societal relationships and which is intended to culminate in the creation of a new social order. In the present field of study there is no evidence to suggest that this could be a realistic expectation. On the contrary, within our area of study the DDC

35. See, The Land Reform Law No. 1 of 1972.

programme has in its limited way tended to strengthen the very forces that are anathema to an effective dispersal of social and economic power in rural society.

It was stated above that within the programme's broader objective of decentralisation, the projects covered by this study had as a specific aim the promotion of co-operative farming. Our earlier discussions have also shown that among village level institutions that were drawn into the DDC programme, it is the primary co-operative societies that have played the most prominent role. Hence a corollary to the issue which had been raised above and which deserves to be highlighted here is whether the existing co-operative societies could be used as an instrument of promoting co-operative farming in the country.

In Lanka as well as in many other developing countries, co-operative societies often tend to be dominated by cliques and petty power blocs and to be subjected to excessive political interference. The Royal Commission on the Co-operative Movement of Ceylon (Lanka), 1970,<sup>36</sup> viewed these as some of the cardinal defects of the local co-operative movement. Certain findings of the present study substantiate this view to the extent that the projects managed by such societies have been infected by the same maladies. In this context it becomes clear that to promote genuine co-operative farming in the country one has to look for other institutions and a different leadership. This is not to say that it is either possible or desirable to separate politics from any of the major spheres of development and change. Indeed, in the emergence of the type of co-operative farming which the projects originally aimed to foster, political ideology could provide the all important ingredient of motivation in the same way as commitments and ideologies have achieved in countries like China and Israel. Dynamic institutions providing such motivation are perhaps difficult to find at present. Until such institutions are built up, however, such objectives as democratisation, decentralisation, popular participation and collectivisation may have to remain mere conceptual abstractions.

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36. Report of the Royal Commission of Inquiry into the Co-operative Movement of Ceylon 1970

APPENDIX I

Miscellaneous Information on the DDC Farms Investigated

<i>Farm</i>	<i>DRO Division</i>	<i>Electorate</i>	<i>Managerial Organisation</i>	<i>Approximate Elevation (Ft. above m.s.l.)</i>	<i>Approximate Avr. Annual Rainfall (inches)</i>	<i>Distance from nearest motorable road (miles)</i>	<i>Distance from nearest omnibus route (miles)</i>
Gohagoda	Harispattuwa	Akurana	Kulugamma Coop. Society	1300-1350	79	0	1/8
Etakelle	Harispattuwa	Akurana	Udagampaha-Palle Gampaha North Coop. Society	2100-2300	82	0	1 1/4
Kundasale	Patha Dumbara	Kundasale	Special Cooperative	1275-1300	78	0	0
Kirimetiya	Patha Hewaheta	Hewaheta	Special Cooperative	3500-3700	95	0	3 1/2
Kosgahalanda	Patha Hewaheta	Hewaheta	Special Cooperative	1600-1900	80	2	2
Wendaruwa	Meda Dumbara	Teldeniya	Teldeniya Coop. Society	1100-1150	76	4 1/2	4 1/2
Ulpothagama	Hasalaka	Mahiyangana	Hasalaka Coop. Society	400	74	0	3/4
Piligalla	Udunuwara	Udunuwara	Gangapalatha Coop. Society	1600-1650	101	1/4	1/4
Wattapola	Udunuwara	Udunuwara	Kandupalatha Coop. Society	1600	104	0	0
Nelligolla	Udawalpata	Gampola	Atabage Coop. Society	2000-2200	112	0	1/8
Uda Peradeniya	Four Gravets	Kandy	Mahanuwara Coop. Society	1800-2000	91	0	1/8

## APPENDIX II

## Notes on the Field Survey

1. This study was restricted to DDC farms in Kandy District mainly due to the fact that, with the facilities that were available, it was not possible to extend the survey over a wider area.
2. In all, 126 persons were interviewed during the field investigations. Among them were 91 farm workers, 18 government officials, 11 officials of co-operative societies and 6 others who have been un-officially associated with the 11 projects which have been studied. All interviews were conducted by me.
3. The interviews of farm workers were originally designed to cover a random sample of the workers. However, as the field survey proceeded, it became apparent that the random sample initially drawn could not be covered comprehensively. This was due to recurrent changes that had occurred in the composition of the workforces at the farms and also because the whereabouts of many ex-farm workers in the original sample could not be traced. Thus the 91 workers finally interviewed constitute no more than an "purposive sample". Since only two of the workers from Ulpothagama were interviewed, Tables 4.VII, 4.VIII and 5.I. do not include data on this farm.
4. The statistics given in this paper in tabulated form have been gathered from a variety of sources. The principal sources are (a) files relating to the projects maintained at various government offices in the District, (b) records of income and expenditure maintained by the cooperative societies that are managing the projects, and (c) data obtained through interviews conducted during my field-work. On account of the diversity of my sources, it has not been possible to specify these on each occasion on which such data has been used in the paper.

## APPENDIX IV

TABLE IV—Costs on Seed and Fertilizer

as estimated by the F.A.O. Mission to Ceylon in 1966

	Cost per acre	
	Seed	Fertilizer
Paddy .. ..	28	84
Chillies .. ..	20	126
Red Onions .. ..	360	168
Vegetables .. ..	—	168
Green Gram .. ..	7	42
Maize .. ..	2	63

These are rough assessments of cost based on normal or optimum rates of seed and fertilizer inputs. The costs of these materials would have risen by about 10 to 15 percent by 1972-73. (see F.A.O./I.B.R.D., 1968, *Report of the Irrigation Programme Review—Ceylon*, Colombo, p. 9).

Compare the above estimates of costs with the following per acre costs on material inputs incurred at the DDC Farms in Kandy District during Maha 1972-73; Gohagoda—Rs. 376; Etakella—Rs. 285; Kirimetiya—Rs. 139; Kosgahalanda—Rs. 228; Wendaruwa—Rs. 468; Piligalla—Rs. 139; Nelligolla—Rs. 514 and Uda-Peradeniya —Rs. 582.

**APPENDIX III**  
**TABLE 4.I**  
**Estimates of Capital & Working Expenditure**  
(from inception up to 30 June 1973)  
(in Rupees)

<i>Capital Expenditure</i>	<i>Goha-goda</i>	<i>Eta-kella</i>	<i>Kunda-sale</i>	<i>Kiri-metiya</i>	<i>Kosgahaland</i>	<i>Wendaruwa</i>	<i>Ulpothagama</i>	<i>Piligalla</i>	<i>Wattappola</i>	<i>Nelligolla</i>	<i>Uda-Peradeniya</i>
1. Land development ..	13,674	5,392	<b>4,500</b>	<b>2,500</b>	<b>2,400</b>	<b>15,709</b>	415	<b>2,766</b>	—	4,754	6,926
2. Buildings, sheds and water supply ..	79,763	22,190	19,494	5,554	1,231	7,065	1,178	1,811	20,660	27,063	28,937
3. Furniture, equipment and implements ..	9,043	1,627	2,285	2,396	1,204	873	—	2,121	3,647	<b>400</b>	10,934
4. Rent and other items ..	7,500	99	50	—	20	100	138	153	—	235	100
<b>TOTAL .. ..</b>	<b>109,980</b>	<b>29,308</b>	<b>26,329</b>	<b>10,450</b>	<b>4,855</b>	<b>23,747</b>	<b>1,731</b>	<b>6,851</b>	<b>24,307</b>	<b>32,452</b>	<b>46,897</b>
<i>Working Expenditure</i>											
5. Salaries, wages, allowances and other payment ..	19,803	11,241	9,877	11,647	<b>3,130</b>	<b>5,232</b>	3,676	<b>7,685</b>	6,446	3,003	19,819
6. Seed-fertilizer and agro-chemicals ..	4,307	<b>1,857</b>	1,116	3,459	1,823	<b>2,807</b>	2,312	1,934	—	425	3,985
7. Purchase of cattle ..	20,122	9,645	7,209	—	—	—	—	—	—	—	—
8. Purchase of chicks ..	3,400	—	1,384	1,210	677	—	—	<b>449</b>	3,849	1,193	4,665
9. Maintenance of livestock (material only) ..	55,849	3,610	10,557	4,362	3,067	—	—	<b>500</b>	32,847	29,057	18,324
10. Other animals ..	—	—	—	<b>200</b>	1,831	—	—	—	—	<b>529</b>	—
11. Travelling and Transport ..	1,535	3,094	860	605	766	<b>422</b>	35	<b>360</b>	1,040	1,104	2,801
12. Miscellaneous ..	1,608	—	1,504	572	743	—	2	<b>285</b>	1,771	154	267
<b>TOTAL .. ..</b>	<b>106,624</b>	<b>29,447</b>	<b>32,507</b>	<b>22,055</b>	<b>12,037</b>	<b>8,461</b>	<b>6,025</b>	<b>11,213</b>	<b>45,953</b>	<b>35,465</b>	<b>49,861</b>

*Sources:* Data obtained from Co-operative Societies (Primary & Special) that are managing the projects.

All figures given in bold lettering are estimates based on such data.

*Notes:* Item 1 — includes costs of clearing, fencing, construction of roads and all activities relating to soil conservation.

It also includes labour costs on these items.

Item 5 — excludes labour costs for capital development work.

Item 9 — consists of costs of food, drugs and other material requirements for dairy and poultry.

Wattappola accounts are for the period ending on 31st July 1973

Nelligolla accounts are for the period ending on 31st August 1973

Kosgahaland was closed down in early March 1973

Wendaruwa was closed down in early May 1973 and re-started on 1.7.73.

## APPENDIX III

TABLE 4.II

## Estimates of Income

(from inception up to 30 June 1973)

(Rupees)

	Goha- goda	Eta- kella	Kunda- sale	Kiri- metiya	Kosgaha- landa	Wen- daruwa	Ulpotha- gama	Pili- galla	Wattap- pola	Nelli- golla	Uda-Pera- deniya
1. Government grant (for capital expenditure) .. ..	30,000	12,850	19,150	24,150	13,350	23,000	5,825	6,000	8,400	15,012	8,353
2. Loans from Government Grant .. ..	—	—	15,110	3,280	—	—	—	—	12,000	—	—
3. Enrolment fees and shares	—	—	—	292	174	—	—	—	—	—	—
4. Old crops .. ..	7,567	23	5,230	354	—	21	—	—	—	—	88
5. New crops .. ..	13,158	3,348	4,701	2,578	—	2,460	771	2,808	—	—	2,003
6. Dairy .. ..	17,315	4,626	—	—	1,066	—	—	—	—	—	—
7. Poultry .. ..	3,881	—	3,646	1,580	1,579	—	—	459	14,994	10,571	8,043
8. Other livestock .. ..	—	—	—	—	1,015	—	—	—	—	—	—
9. Seed and seedlings .. ..	2,134	392	—	—	—	—	—	—	—	—	333
10. Miscellaneous sources .. ..	768	71	195	162	329	—	—	—	408	—	—

*Sources:* Co-operative Societies (Primary and Special) that are managing the projects.

*Notes* Item 4 refers to income from tree crops which were in existence before the inception of the projects. Wattappola amounts are for the period ending on 31st July 1973. Nelligolla accounts are for the period ending on 31st August 1973. A short-term loan taken by the management at Kosgahalanda has been excluded from this table. The interest paid on this loan has been added on to the 'Miscellaneous expenditure' of the farm. This farm was closed down in early March 1973.

## BOOK REVIEWS

**BIRGER MOLLER:** *Employment Approaches to Economic Planning in Developing Countries, with special reference to the Development Planning of Ceylon (Sri Lanka), Scandinavian Institute of Asian Studies Monograph series No. 9, Stockholm, 1972.*

Most less developed countries experiencing considerable unemployment (and under-employment) are confronted with the enormously difficult task of employment creation on a substantial scale. Employment creation policies in recent years, more than in the past, are given a much greater emphasis in development planning and policy in most developing countries. Employment goals and their realisation in the context of developing economies involve complex problems. Employment goals will have to be both explicitly formulated and properly integrated with the whole set of socio-economic policies, such as those relating to the modernisation of peasant agriculture, industrialisation, choice of techniques in production, income distribution, population policy, etc.

Moller's work is an attempt to study the main implications of employment creation policies in the context of overall development planning and policy. The study is focussed on the main question, namely, in what ways and to what extent the presence of a high level of unemployment (and under-employment) in the less developed context, and the attempts to deal with them, can influence the formulation of development plans and policies. This question is studied with particular reference to Sri Lanka's experience in development planning and policy during 1957-1968. In this respect the book should be of considerable interest to readers in Sri Lanka as well as specialists elsewhere. In many ways Sri Lanka illustrates vividly the complexities involved in employment creation policies as well as the failure of development policy to respond adequately to the employment problem.

The first part of the book—in addition to the chapter presenting adequate macroeconomic data on Sri Lanka as a background to the period—is devoted to a critical look at some of the more technical and theoretical aspects (chapters 3 and 4), which will be of interest mainly to the specialist, underlying employment goals and policies within the context of overall development programme or strategy. Plan formulation, man-power budgets, shadow pricing, choice of techniques and labour intensive methods, industrialisation and intersectoral transfer of labour, possible conflicts and 'trade-offs' in policy aims, etc., are analysed in some detail. In the second part of the book (chapters 5-8) the author undertakes a study of Sri Lanka's experience in development planning and policy during the late 50s and 60s, and attempts to find out to what extent employment aspects did or did not influence the formulation of plans and policies. In his study of Sri Lanka's planning experience, the author observes that "the principal emphasis is laid on the declared and implicit aims on which the plans are based, on the methods used in their preparation and the degree to which they were implemented—all with particular reference to employment aspects" (p.277). The various plans are analysed against the background of the changing economic situation, major policy issues and other socio-economic problems that dominated the period. Moller's study of the various plans or plan documents that came out in the 50s and 60s is thorough and comprehensive. Such a close and systematic study of them has never before been undertaken—particularly from the employment standpoint. The author's study of planning experience begins with the early 'plans' of the immediate post independence period. The author himself admits that these were no plans in the strict sense but a mere collection of projects put together from the various Ministries. Nevertheless they are treated briefly as they constitute—according to the author—the preparatory phase for the later planning efforts. The central parts of the book dealing with Sri Lanka's planning efforts are devoted to a very detailed study of the Ten Year Plan (1958-1968) and the Short Term Implementation Programme (1961/62, 1963/64). This is followed by an equally detailed evaluation of the 'annual plans/programmes' or 'project/sector plans'—and the underlying policy approaches—during the latter part of the sixties; the study ends substantially with 1968.

In Sri Lanka the first serious attempt at plan formulation began with the Ten Year Plan. As an exercise in long-term macroeconomic planning the Ten Year Plan is an excellent document. The long-term perspectives of development, the interrelationships among the key macroeconomic variables, the role of industrialisation in long-term strategy and that of the agricultural sector, employment goals and policies, and population policy, are all examined in the Ten Year Plan, presenting a coherent macro picture of the economy as envisaged. This plan as a policy document also answers some of the questions raised by the author. The author's concluding comment on the Ten Year Plan, after a thorough and careful study of its various aspects, is worth recalling, particularly from the point of view of employment policy :

"Ceylon's Ten Year Plan thus had an unusual marked orientation towards employment creation: this was openly declared as one of the objectives; it influenced the working methods used in the formulation of the Plan . . . . .; and it was an essential factor in the long-term development strategy, in which industrialisation and family planning were considered corner stones" (p. 278). Nothing tangible came out of the Ten Year Plan as it never became fully operational. The Short Term Implementation Programme, largely based on the general strategy outlined in the Ten Year Plan, though less specific about employment goals, suffered the same fate as the Ten Year Plan. With this ended Sri Lanka's experimentation with long-term/medium-term macro or 'comprehensive' planning during the period. In the subsequent period (roughly between 1964 and 1968), one witnesses an altogether different phase characterised largely by annual plans/programmes or sector/project plans, designed partly for the purpose of external aid programmes. During this latter phase, while comprehensive planning diminished in importance, some significant improvements were effected with regard to the technical aspects of project formulation and planning and organisational aspects of plan/project implementation. In analysing such developments in considerable detail and depth Möller shows that not only did planning (of the earlier type) diminish in importance, but also that employment considerations were pushed to the background or were not explicitly formulated in development policy and programmes. The absence of any positive role assigned to employment goals vis-a-vis development plans is best summed up in the words of the author: "it is an actual paradox that the interest of the country's political leaders in employment creating measures diminished as soon as unemployment was believed to have risen steeply: the greater the degree of unemployment that existed was known about the less important it became for economic planning" (p. 211). This observation, which is substantially true, refers to the sixties. For the 'seventies, however, employment creation has been given explicit recognition in development programmes at the policy making level. Whether the goal will be achieved (at least by the end of the current decade) remains to be seen.

Two most important questions emerge from Möller's study of Sri Lanka's experience during the 50s and 60s: one is concerned with the failure in the implementation of the plans; the other is concerned about the failure of development policy to fully reflect the urgency and seriousness of the employment problem, when 'open' unemployment was reported to have been around 10-12 per cent of the labour force at the beginning of the 'sixties. Möller's study provides some of the answers, but they are inadequate particularly with regard to the second question. In this respect the book falls short of one's expectations. In explaining the failure of plans to be implemented the author refers to various factors, such as lack of political support or commitment to plans, fixing of unrealistic targets, inability to impose the necessary restraints on consumption and to mobilise domestic resources, uncertainty and deterioration of foreign trade and exchange situation, and administrative and organisational deficiencies. The real implications of what appears to have been a crucial factor, namely, the lack of political commitment to plans and planning, are not brought out very well by the author, despite his attempt to link up 'political processes' and economic planning. Plan implementation is considerably tied up with the efficiency and adaptability of the country's administrative set-up. In Sri Lanka the whole field of 'development administration' and its problems still remain largely unexplored. Möller's treatment of this aspect touches only the surface of the problem.

It is true, as Möller shows, that development policy in the sixties did not fully express concern about the unemployment situation in the country. But the author does not succeed in explaining fully this somewhat strange and paradoxical situation. Partly, the difficulty arises from the author's attempt to interpret and evaluate the many facets of development policy largely from plan documents (and allied reports) which were subsequently greatly modified or totally abandoned. Development policy in Sri Lanka during the sixties was dominated by the interplay of several factors. Notable among them were the following: concern over the steady deterioration in the terms of trade and foreign exchange situation, pre-occupation with balance of payments, import substitution in industry and agriculture (particularly domestic food production), problems in domestic resource mobilisation, competing claims on resources and pressures from the rapidly expanding social needs of the population. Against such a background employment considerations became a marginal factor. It was also believed, to some extent, that the development of the key sectors through maximising output would provide employment outlets. Given the basic resource constraints, no government could possibly have undertaken any massive full employment programme. Another factor should be taken into consideration, namely, that the continued commitment to 'social welfarism' provided some measure of 'relief' against unemployment and poverty (it also served the purposes of income redistribution). A fuller understanding of such basic factors, issues and constraints that dominated the period would provide a much better insight with regard to the question raised above. No doubt Möller's study shows awareness of such issues and their implications, but it does not go very far in this respect; the main issues and their implications are not pursued effectively and fully.

Möller's work is very well documented and carries extensive footnoting, while giving much valuable information on Sri Lanka's economy; in all matters the author is very meticulous and methodical. Reading through the book it should be obvious to any one that the author has consulted in considerable detail the numerous documents, reports and other sources for the purpose of writing this book. In short, it is a well researched piece of writing.

In recent years foreign scholars and agencies have shown considerable interest in and awareness of Sri Lanka's current social, political and economic problems. Several studies relating to such fields have already been published. Möller's book is a valuable addition to the bookshelf in this field. It is a book for the specialist and others alike.

N. Balakrishnan,

*University of Sri Lanka at Peradeniya,*

ROBERT N. KEARNEY: *The Politics of Ceylon (Sri Lanka)* [Cornell University Press, Ithaca N.Y. and London (1973) pp. xvii + 243. \$. 12.50].

*The Politics of Ceylon (Sri Lanka)*, Professor Kearney's third book on this country, is a volume in a series on South Asian Political Systems, designed in the main for American undergraduates. It arrives at a time when the literature on the politics of Sri Lanka is becoming increasingly plentiful if not yet abundant.

This book provides a brief review of the functioning and development of Sri Lanka's political system since independence, and a neat summary of the available material on many of the significant themes in Sri Lanka's politics. The complexities of the island's political structure are outlined with commendable clarity. The author's judgements on issues and personalities reveal a sophisticated understanding of the mechanics of the country's political processes, and are based on an easy familiarity with recent research. Though the book is designed for the American undergraduate, the local reader too will find it a compact introductory survey which discusses a wide range of topics and provides useful insights into Sri Lanka's political system. Beginning with an introductory survey of Ceylonese Society and History, the book contains a discussion of five main themes: the structure and process of government; political parties; elections, voting and campaigns; communal loyalties and groups in politics; and a concluding chapter on challenges to the political order.

For all the positive merits of this book there are some surprising gaps in it. Perhaps the most notable of these is the author's treatment of the economic situation in the island. This, in my opinion, should have been treated as one of the central issues in the discussion of the island's politics, but it is reviewed briefly, almost perfunctorily, in a dozen pages tucked away in the final chapter. Secondly, there is little or no discussion of foreign policy. And thirdly, the introduction to the book (Chapter I), of crucial importance to the American undergraduate and general reader alike, is far too sketchy and simplistic. Many of the problems discussed in this book can only be understood against the background of the recent past, and Professor Kearney's survey of this historical background is lacking in depth and acuity.

The book, on the whole, is more descriptive than it need have been. In his preface the author argues that a descriptive approach seemed "unavoidable and not without usefulness since Ceylon's political structure and processes have been subjected to relatively little scholarly examination, even of a merely descriptive variety". The fact, however, is that there is no paucity of scholarly articles and monographs on the politics of Sri Lanka, and there is much less justification today for a descriptive survey of the island's politics than there was in the early 1960's.

A short text-book is not the easiest thing to write. It calls for special skills, among which is the art of compressing a number of themes into a comparatively few pages, and making sure that no salient feature has been ignored or not given due prominence. Judged by the special requirements of this genre Professor Kearney's achievement is substantial, and his book deserves a warm welcome as a lucid, sound and attractive introductory work on the politics of Sri Lanka.

K. M. de Silva,

*University at Peradeniya.*

## ASIAN SURVEY

*Asian Survey* is the leading American monthly devoted to current developments in Asia. It covers political, economic and social trends in such societies as China, India, Japan, Pakistan, Korea, Indonesia, Thailand and Burma.

The December 1973 issue of *Asian Survey* included a symposium on Sri Lanka organised by Dr. W. A. Wiswa Warnapala. The contributors, all members of the Faculty at the University of Sri Lanka, Peradeniya Campus, were:

- |                          |   |  |
|--------------------------|---|--|
| S. U. Kodikara           | — | Major Trends in Sri Lanka's Non-Alignment Policy after 1956.                                       |
| Buddhadasa Hewavitharana | — | The Management of External and Internal Finances in Sri Lanka: Problems and Policies.              |
| N. Balakrishnan          | — | The Five Year Plan and Development Policy in Sri Lanka: Socio-Political Perspectives and the Plan. |
| D. D. de Saram           | — | Education: An Era of Reform.   |
| W. A. Wiswa Warnapala    | — | The New Constitution of Sri Lanka.   |

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### ASIAN SURVEY

University of California Press  
Berkeley, California 94720, U.S.A.