

ECONOMIC REVIEW

July 1990



Restructuring the State

PROVINCIAL COUNCILS

Sri Lanka in the early seventeenth century

Sri Lanka in the eighteenth century

DEVOLUTION REDEMARCATION



Reshaping Sri Lanka

OVERVIEW

Are the centralized state and existing provincial boundaries sacrosanct? This question assumes added importance in the current context of the APC sessions on devolution and the effort to find an acceptable political solution to the ethnic problem.

Decentralization and Devolution are important aspects not only in our development effort but also in the struggle to democratize the state. Without decentralization and devolution, democratization will be incomplete. Decentralization and devolution are necessary prerequisites if we are to ensure peoples participation in the process of decision making in the development effort. Devolution and decentralization, like authentic peopleisation, will help to ensure the maximum participation of the people in the managing of the economic and political system. Today there is a general consensus about the need for devolution and decentralization and the ongoing APC session on devolution is the latest in a series of efforts to decide on the nature and the degree of the devolution and decentralization we need.

Devolution is important not only as the basis for a political solution to the ethnic problem. It is also necessary for our development efforts and it's this area that we have highlighted in some of our articles. The examples of the USSR and some of the Eastern European countries have shown that economic centralization and the lack of political devolution can be inimical to economic development progress. If we are to overcome our economic crisis it's very important that we find ways to give full play to local interests and the creative ability of our people. Deepening and broadening devolution and decentralization is an integral part of this effort.

This month's issue also deals with the issue of provincial boundaries and the need for a change in these. It's strange that in a country where anti-imperialism has an important place in political discourse, that colonially imposed boundaries are regarded as sacred. If the existing boundaries are unsuitable for our development need and if they stand in the way of achieving ethnic peace then may be the time has come to think of changing them.

But it should be said that the answer would not be on any attempt to re-impose what are regarded as historical boundaries. Any effort to do so will only compound our problems. If any attempt at changing the existing provincial boundaries is to be a success, two factors will have to be taken into account - the ethnic factor - (Prof. C. Suriyakumaran) and the water ways (Mr. H. M. Wikremasinghe among others). We should also mention here certain proposals on the re-demarcation of the North-Eastern Province which have gained some acceptance across the political spectrum - the December 19th (1986) proposals and the proposals in the DPA Manifesto.

It's true that both devolution and redemarcation are very sensitive issues which have to be handled with care. But this doesn't mean that we can keep on postponing the task indefinitely - if we are to achieve political stability, economic development and ethnic peace. Already time is running out.

T. G.



LETTER TO THE EDITOR

The Economic Review is a very lively and readable publication. The magazine covers topical questions, many of which have been the subject of debate and controversy. I have enjoyed reading the views expressed particularly since you have succeeded in engaging the leading proponents. The "Review" is stimulating and distinctive - certainly for publication of a bank - and you have my best wishes for its continued improvement.

Gamani Corea

Published by the People's Bank,
Research Department,
Head Office,
Sir Chittampalam A. Gardinar Mawatha,
Colombo 2.
Sri Lanka.

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THE ECONOMIC REVIEW is intended to promote knowledge of and interest in the economy and economic development process by a many sided presentation of views & reportage, facts and debate. THE ECONOMIC REVIEW is a community service project of the People's Bank. Its contents however are the result of editorial considerations only and do not necessarily reflect Bank policies or the official viewpoint. Signed feature articles also are the personal views of the authors and do not represent the institutions to which they are attached. Similar contributions as well as comments and viewpoints are welcome. THE ECONOMIC REVIEW is published monthly and is available both on subscription and on direct sale.

INTRODUCTION

The present Provincial and District boundaries in the country are a historical accident and were drawn by the British. The objectives behind these demarcations were confined to law and order maintenance and collection of revenue. Since, the controversy on uneven development became more important in the second half of the 20th century, the existing demarcations were focused upon the discussions of development planners and policy makers. These discussions emphasised centre-periphery interactions.

Regional development is a process, which discusses within the parameters of national goals, policies and strategies, the planning, implementation, monitoring and evaluation of development programmes, projects and activities which take place at the decentralized "local" level and are managed at the regional level, by and on behalf of the beneficiaries wherein the investment decisions are made locally, local resources are mobilised for development programmes and local self-reliance is focussed. The development literature abounds in studies in and arguments for decentralized development.

In the developing world, 'human-focussed development' could be easier achieved and the basic needs of the people for food, nutrition, health, shelter and clothing, education and skill development for meaningful work and for participation would be better satisfied, if the process of development were decentralized.

While decentralization involves delegating authority to lower levels of the Central Government apparatus, devolution involves creating or legally and financially strengthening local political bodies where activities are largely outside the direct control of the Central Government.

For meaningful planning, monitoring, implementation and evaluation in a region, it is imperative that the Region must have development oriented boundaries, which should be based on the resources both human and natural.

This month's issue of the Economic Review presents different views and opinions relating to the redemarcation of Administrative boundaries in the context of regional development and devolution of power.

S. L. Tilakasiri & Lal de Alwis

"FEDERATION AS THE ONLY SOLUTION TO OUR PROBLEMS

by S. W. R. D. Bandaranaike

Mr. Bandaranaike said that it was necessary in the first place to realise the importance of the present time. A revision of the constitution was due in 1928. A satisfactory measure of self-government was expected. It was therefore necessary to think very clearly and realise in its entirety the whole political question. A false step taken, a false proposal made now would be very difficult to retrieve in the future. They all wanted self-government. The question remained what was the measure of self-government they were aiming at.

The moment they began to speak of taking the Government in their hands, then the differences that were laying dormant smouldered forth. If they considered past history they would see that the three communities, the Tamils, the Low Country Sinhalese and the Kandyan Sinhalese had lived for over a thousand years in Ceylon and had not shown any tendency to merge. They preserved their language, their customs, their religion. He would be a very rash man who would pin his faith on the gradual disappearance of those differences.

A centralised form of Government assumed a homogenous whole. He knew no part of the world where a Government was carried on under such conflicting circumstances as would be experienced in Ceylon.

Those would be the troubles if a centralised form of Government was introduced into countries with large communal differences.

In a Federal Government, each federal unit had complete power over themselves. Yet the united and had one or two assemblies to discuss matters affecting the whole country. That was the form of Government in the United States of America. All the self-Governing dominions, Australia, South Africa, Canada had the same system. Switzerland afforded a better example for Ceylon. It was a small country, but three races lived there. French, German and Italians. Yet Switzerland was a country where the federal form of Government was very successful. Each canton managed its own affairs. But questions of foreign affairs, commerce, defence etc., matters about which differences and controversies would be at a minimum were dealt with by the

Federal Assembly. In Ceylon each Province should have complete autonomy. There should be one or two assemblies to deal with the special revenue of the island. **A thousand and one objections could be raised against the system but when the objections were dissipated, he was convinced that some form of Federal Government would be the only solution.** He had not dealt with the smaller communities. For such communities temporary arrangements could be made for special representation. Those temporary arrangements would exist till the fear existed about one community trying to overlord the other. He would suggest the same for the Colombo Tamil seat. The three main divisions in the island were the Kandyan Sinhalese, the Low Country Sinhalese and the Tamils. It was difficult to find a system that would completely satisfy everyone. That was in brief the Federal system. He would be amply satisfied if it was recognised that the problem did exist. If there were a better form of plan he hoped someone would think about it and place it before the people.

Ceylon Morning Leader - Saturday July 17th 1926

DEVOLUTION OF POWERS PROVINCIAL COUNCILS

H. M. Wikramanayake

Mr. Wikramanayake hails from Ruhuna. He is a practising actuary and a member of the Citizen Committee for National Harmony.

* For Provincial Councils to function effectively, certain essential pre-requisites are necessary. They include:

- Development Oriented boundaries and viable units-of-devolution.
- Adequate autonomy including several ingredients of the right of self-determination.
- Restatement of Science and Technology Policy in consonance with the departures from centralised government.
- Personnel, including Hard-Scientists and Soft-Scientists whose Primary Loyalty is to the Unit-of-Devolution.
- Adequate Finance including provision for Research and Development.
- Answerability to the Voters and Accessibility by the Voters to Annual Budgets, Annual Performance Reports, etc.
- Political Will and Commitment of Parties in the Central Legislature.

For successful devolution of powers, meaningful development oriented boundaries are essential. A Development Oriented Boundary is a boundary that does not cut across a river and does not fragment a Catchment Area/River

Basin. The present Southern Province and the land-locked Uva and Sabaragamuwa Provinces are by no means meaningful territorial units from the point of view of Economic Development. The entire country must eventually be re-organised into viable Economic Units. The emphasis must be on Integrated Rural Development and efficient watershed management including equitable sharing of water as between upstream farmers and downstream farmers. The re-demarcated Units-of-Devolution must be the units of Planning and of Accountability.

Page 6 of the Economic Review of January 1990 indicates that the following were among the recommendations of the Land Commission appointed by the President in 1985:

"The best strategy would be to develop and conserve land and related natural resources by plan-

The present Southern Province and the land-locked Uva and Sabaragamuwa Provinces are by no means meaningful territorial units from the point of view of Economic Development. The entire country must eventually be re-organised into viable Economic Units.

ning their use within a watershed management framework."

As the present provincial boundaries are a relic from the colonial past established without reference to the natural resources base, the Commission recommended a redefinition of boundaries in relation to natural resource management.

The Accord of July 1987 pre-judged the power of the Sri Lanka Government to alter all the Provincial boundaries. Re-demarcation of the Northern Province and the Eastern Province boundaries cannot be accomplished until after the de-merger poll in the Eastern Province.

So, at the present moment, only a two-stage operation can be attempted. Only the boundaries of the Sinhala majority Provinces can be altered at the present moment.

New Provinces can be carved out of

- Catchment Areas 4 to 12
- Catchment Area 3
- Catchment Areas 1 and 2
- Catchment Areas 99 to 103.

These areas do not touch the Northern & Eastern Province boundaries. They are not land-locked. See National Atlas at page 39.

Mahaveli Catchment Area No. 60 less those parts thereof that belong to the Eastern Province could be a new Province as an interim measure. (Eventually, no Province should be land-locked). As a matter of expediency, the southern parts of the Catchment Areas 51, 52 and 54 and the west-

ern parts of Catchment Areas 44, 56 and 59 and also the north-western part of Catchment Area 54 would have to be tagged on to this new Province as an interim measure. The Muslims of Kinniya and of Mutur should be free to decide whether they prefer to be a minority within a majority or a minority within a minority. If they opt for the former, then, Catchment

area No. 60 could be a Province by itself and it will not be a land-locked Province.

The Eastern Province boundary cannot be altered without the consent of the people of the Eastern Province.

Catchment Areas 13 to 31 could be a new Province but, as a matter of expediency, the western parts of Catchment Areas 35, 36 and 37 would have to be tagged on to it for the same reason, namely that the Eastern Province boundary cannot be altered without the consent of the people of the Eastern Province. Catchment Areas 32 to 59 cannot be made a new Eastern Province without the consent of the people in the present Eastern Province.

The remainder of the Sinhala majority Provinces could be a new Province as an interim measure. The Northern province boundary cannot be altered without the consent of the people of the Northern Province.

Devolution of powers to meaningful territorial units (not exceeding 9) is conducive to stability and to accelerated Economic Development and sharing of prosperity by all. It will help to reduce the Concurrent List to a bare minimum. As a necessary consequence, Integrated Rural Development will become an Unit-of-Devolution subject. Important functions such as provision of employment opportunities, increasing production levels, making the best use of local raw materials, ensuring equitable distribution of food, alleviation of poverty, ensuring at least primary education for all, etc. will then be Unit-of-Devolution subjects.

RIGHT OF SELF-DETERMINATION

In the Lanka Guardian of 1st May 1985, Mr. Nihal Jayewickrema said:

"The principle of self-determination is contained in Article 1 of

the U.N. Charter and in Article 1 of each of the Human Rights Covenants, to all of which the Government of Sri Lanka now subscribes. It means that cohesive ethnic groups have the right to choose for themselves a form of political organisation, and through such organisation to freely pursue their economic, social and cultural development...."

Later, he proceeded to say:

"However, if the ethnic group concerned already has a home within the territorial boundaries of a sovereign state and if that state has a government which is representative of all the people irrespective of race and if the government respects the twin principles of non-discrimination and self-determination, then, the choice of

The Muslims of Kinniya and of Mutur should be free to decide whether they prefer to be a minority within a majority or a minority within a minority.

the ethnic group does not extend to the creation of an independence state."

On this basis, the Tamils of the North ought to be able to determine for themselves whether they want Pradeshiya Sabhas, Gramodaya Mandalayas, Village Committees, etc. and if so, what number and what boundaries.

At the Political Parties Conference of August 1986, it was agreed that all local bodies should be brought directly under the units-of-devolution instead of directly under a central government Minister. This decision should be implemented.

The U.N.P. manifesto of October 1988 said:

"It is a new responsibility of Local Government to facilitate the organisation and empowerment of needy groups on a Gamgoda or hamlet basis so that they have access to resources and support which have been hitherto unavailable."

Accordingly, central government need not directly attend to matters such as social welfare, vocational training, domestic agriculture, agro-based industries, etc. at hamlet level. There is no case for a mobile Presidential Secretariat. There is no case for a parallel administration for Janasaviya.

Report No. 7 of the Administrative Reforms Committee on Rationalisation of Functions in Government, Sessional Paper II - 1988 contains the following observations viz:

"35. A final important principle is the need to ensure that the two key points which monitoring and evaluation of the functions of the system as a whole to be carried

out should not be cluttered with operational responsibilities of a sectoral and programmatic nature. The Committee considers the two such key points where systemic supervision is carried out to be the office of the President and the office of the Prime Minister. These sectoral and programmatic responsibilities should, instead, be entrusted to appropriate sectoral and functional ministries."

"46.... a central ministry is not an operational organizational unit. Operational activities belong to a level or levels removed from a central ministry, namely, in departments, corporations and authorities and in sub-national operational units. Therefore, unless the organization which one normally refers to as "a ministry" at the Centre stands apart from the operational organizations such as departments, etc., it cannot adequately discharge its responsibility of monitoring and evaluating departmental and parallel operational organizations."

"47. The Committee, therefore, regrets the increasing tendency on the part of ministries to become

directly involved in operational activities. It also considers the organic integration, which has occurred in several instances, of operational departments with the respective ministry structures as being a counter-productive development. This also runs counter to the need for flexibility in the periodic allocation of subjects and their linked departments to Ministries at times of formation of Cabinets. The Committee recommends that the process be reversed wherever this has occurred.

It cannot be denied that Articles 44 and 45 of the Constitution have conferred on the President the power to allocate subjects among ministries. But this power is circumscribed. In the first place, there is the entrenched requirement that the President must act in a reasonable and sane manner. Next, there are provisions in Article 27 (4) and in the 13th Amendment to the Constitution by which the President has to concede a genuine scheme of devolution. Finally, there is the ground situation. At least one party in the North will not be laying down its arms unless and until a genuine scheme of devolution is conceded.

Control is essential because it is the Central Government that is a Party to the Covenant and not the units-of-devolution. It is the Central Government that is answerable to the International Community for breaches and not the units-of-devolution.

The Indian Constitution provided for Executive Governors. This provision was exploited by the central government to substantially curtail the autonomy of the constituent states. The result was frustration, and demands for secession in some states. In Canada however, after Quebec was given more autonomy, the demand for secession ceased. Our Constitution provides for an Executive President and for Executive Governors. The Executive Presidency is unsuitable for Sri Lanka. It should be done away with. And there should be ceremonial governors instead of executive governors.

SCIENCE & TECHNOLOGY POLICY

In 1984/85, 9 Science & Technology Policy documents were prepared. All were based on the Centralist Model of Science & Technology Policy. This was because devolution of powers to sub-national units was not envisaged at that time.

A Science & Technology Policy Document must deal with principles and methods, legislative provisions at national and at sub-national level, personnel factors, organizational and managerial factors and financial factors needed at national and at sub-national level for the purpose of identifying, stimulating, mobilising, using and organizing scientific and technological potential for improving the standard-of-living/quality-of-life of the people, whilst avoiding regional disparities therein.

It must be a document that keeps abreast of administrative reforms designed to make the administration people-oriented.

It must anticipate re-demarkation of the boundaries of sub-na-

tional units for the purpose of rationalising the use of land, water and other natural resources.

Where Central Government has subscribed to an International Covenant pertaining to economic, social and cultural matters and has subsequently devolved functions and powers pertaining thereto, the Science & Technology Policy Document must prescribe the formats of periodical reports needed by the Central Government from the units-of-devolution for control purposes. Control is essential because it is the Central Government that is a Party to the

Covenant and not the units-of-devolution. It is the Central Government that is answerable to the International Community for breaches and not the units-of-devolution.

Where peoples' participation in the decision-making process has been encouraged, the Document must not detract therefrom.

The Document must seek to increase the volume of work necessitating the application of science and technology within each sub-national unit. It must seek to contain the brain-drain primarily by providing opportunities for job-satisfaction through service to the people within such units. It must avoid unit-wise disparities and promote national harmony.

Under the Pluralist model of Science & Technology Policy, resources are made available directly to various research objectives in various sectors. Sectoral policies are determined independently. The overall national science policy is the constellation of the sectoral policies. Under this approach, research and development objectives are more easily linked with the real problems of different sectors and with individual national goals. But there is a tendency to ignore long-term problems which may not be sectorally relevant.

Under the Co-ordination Model of Science & Technology Policy, various departments, Ministries and Research Agencies independently take initiatives. They have common policy objectives. Various Advisory bodies link the activities of the different departments, Ministries and Research Agencies.

In the case of devolved subjects such as domestic agriculture and small-scale agro-based industries in particular, the Science & Technology Policy Document must leave no room for ambiguity regarding the Model to be adopted.

The Centralist Model of Science & Technology Policy must be adopted only in the case of subjects on the Central Government List in the 13th Amendment to the Constitution.

STAFF

There are over 3,000 trained scientists in the country. The work that these scientists do is very much connected with the subjects on List I. Not many scientists are needed for work pertaining to the Reserved List III. Each unit-of-devolution should have not less than 300 hard-scientists and soft-scientists. Centralised government was conducive to brain drain.

Neither in the 13th Amendment to the Constitution nor in the Provincial Councils Act was it provided that persons in the public service who were performing functions pertaining to List I on the date of commencement of a Provincial Council should be automatically absorbed into the Provincial Council service on terms not less favourable than what they enjoyed in the public service. This omission must be rectified.

FINANCE

Not less than 1% of estimated Gross National Product should be voted as a first charge on the Consolidated Fund each year for Research & Development, Science & Technology. Of this, each unit-of-devolution should be allocated not less than one-tenth of 1% of estimated Gross National Product.

Not less than 70% of current revenue needs of each unit-of-devolution should come from within the unit. The unit should be permitted to collect all business turnover tax. Consignment tax should also be permitted.

Any unit wishing to promote ayurveda should be permitted to have its own customs barriers against MNC pharmaceuticals.

Dumping against the wishes of the voters in the unit should be disallowed.

LAW & ORDER

The D.P.A. manifesto of November 1988 said that "The Armed Forces of the country shall be enlisted strictly on the basis of ethnic proportions. Recruitment to the Armed Forces shall take place immediately so as to bring them to reflect the percentage of the ethnic composition of the country."

Once conditions return to normal, there should be large scale demobilisation in order to divert financial resources for development purposes. In the initial years after normalcy returns, demobilisation should be 100% Sinhalese.

The role of the Army in a developing country needs reconsideration. Whether a Territorial Waters Authority is not imperative in view of the geo-political realities in the Indian Ocean Region also needs examination.

Over 95% of the territory of Sri Lanka comprises waters. The territorial waters cover over 500,000 sq. miles. In this area, a variety of activities takes place, eg. carriage of goods, (including smuggling, transport of narcotics and other items having an adverse effect on those who live on the land area), marine research, coastal fisheries, poaching, naval exercises, etc. There are also allied activities in contiguous areas eg. coast protection, maintenance of harbours including fisheries harbours, boat building and registration. For more reasons than one, it is desirable that all these activities should come within the administration of one central government authority, a Territorial Waters Authority. Legislation for this purpose should be enacted. Whether Municipal Jurisdiction in Ports, big and small, orthodox and unorthodox, must be ousted should be considered. A chain is

not stronger than its weakest link. The chain of sovereignty and territorial integrity of Sri Lanka needs examination in all its aspects.

Recruitment to the Armed Forces should be considered within the overall context of manpower planning for the purpose of accelerated economic development in consultation with the units-of-devolution. The more the amount of Funds voted for the Armed Forces, the less will be the amount of Funds available for development purposes.

COLONISATION

The D.P.A. manifesto of November 1988 said "There shall be no state-aided colonisation in such a way as to change the demographic composition of any area.

Where demographic imbalances have been created through schemes of land settlement since 1971, priority in future land allocation in those areas will be given to correcting such imbalances and



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"DEVOLUTION AND DEVELOPMENT"

Professor C. Suriyakumaran has served as Deputy Executive Secretary of ECAFE, Director Education Training and Technical Assistance and Regional Director of UNEP Asia and the Pacific. On his retirement he was honoured as Knight Commander of the most noble order of The Crown of Thailand. He is visiting Professor at the London School of Economics and Political Science. He is also Vice Chairman of a recently convened UN meeting of eminent persons on sustainable development.

By

Professor C. Suriyakumaran

(Based on the lecture series by Prof. Suriyakumaran at the BCIS, May 1987 and an SLBC interview)

I would have liked to define straight away what devolution means, but in the present state of a lack of understanding of what devolution is really, I think I must preface this by saying two or three things about the question of understanding. I used the phrase 'crisis of understanding' and I used it advisedly on one occasion, because what we are having precisely now, is an inability to understand what devolution is. And so long as we don't understand what devolution is, any solution which is based on devolutionary concepts will be unacceptable to one side or to the other. For instance, we have concepts of devolution which are varying and varied as between peoples, within our country and also as a matter of fact, outside. Whereas the practices are different, we want the practices to be different; certain parties have expectations of a type but the realities are different. When it comes to implementing, we have very difficult situations. But right through I think, in order to answer the question of what is devolution, we have to understand that there are imperatives, fundamental imperatives and it is very important to distinguish clearly between the concept of central government and the concept of shared government. In other words, it is imperative to understand that there is a thing

called shared governmental responsibilities, that everything is not concentrated in the Centre and that this is not an erosion of the unitary concept of a country, either in government, or in constitutional terms, or as a society. All over the world, of course, we have this type of thing. Sometimes they are called Federal Governments, sometimes they are called Union States, sometimes just a State with plenty of decentralisation; and so, I have felt that while the politics of devolution has been, in fact, - let us face the fact, has been and can be - divisive, the principles of devolution are integrative. I think this is the first thing that I must emphasise, that the principles of devolution are highly integrative, having said this I am in a position to answer, I hope satisfactorily, your question as to what is meant by devolution.

Now we can distinguish between devolution, decentralisation and deconcentration. Devolution is the sharing of governmental power on agreed terms, which are not then varied according to the whims and fancies of the parties to an agreement to share power. Central power obviously has certain prerogatives of national policies, and national functions in certain respects. We don't have to go into those details, I think everyone is aware of this. But subject to these overall policies, that is the prerogative that the central government has, it has incumbrances or obligations, to share power at the

periphery. In a sense, this has nothing to do with the multi-ethnic society, or a pluralistic society. It is a valid principle in fact, even in a unitary society in the sense of being unitary in terms of language, religion, culture and so on.

Now, decentralisation is quite different from devolution. I am emphasising this because very often people, when they think of solutions, talk of devolution but really are thinking of decentralisation.

Decentralisation is simply the allocation of certain functions to the periphery, whatever that periphery is, whether it is a region or province or district or whatever, at the discretion of the Centre; and these functions are simply law and order and administrative functions, in experience at least. They need not be, but in actual experience they are, and that is all that we have as far as decentralisation is concerned. So obviously, in a political situation, and a social situation, a cultural situation, where there is a felt need by the periphery and an agreement in the country as a whole, from top down, that something has to be done to meet satisfactions of a multi-ethnic, a pluralistic society, then decentralisation is inadequate. What we need is devolution. That is what is meant by devolution.

And when we talk of deconcentration, this word is not very often used here, but it is very important

to remember, because we are really peddling this in practice. Deconcentration is really the effectuation of administration in the periphery, very effective administration sometimes, but by the use of officials; in other words, the outposting of officials through bureaucracies. It is the decentralisation of bureaucracy, and this is the typical colonial system, or as we know it here, the katcheri system. And this of course has nothing to do and is not an adequate substitute for what is called devolution.

So that, essentially, is what is devolution and why there has been so much emphasis on this idea of devolution.

Extremes

If we think in terms of extremes then we run into problems. At the one extreme, is the unitary state and at the other extreme, is the threat of a periphery which is on the point always of alienating itself from the centre; and alienation is a polite euphemism for anything that could happen in terms of declaration of itself as a separate entity, or in this country as we have it an Eelaam, and so on.

The phase which we had in this country, just before the Eelaam request came up, was a request for a federal structure. Now if you will recall, I think, right through the years, in fact some people may not remember, they can only remember the days of the Federal Party which is just about ten years ago, but really from 1926 when S. W. R. D. Bandaranaike addressed I think a Law Student's Union and advocated the establishment of a federal structure, there has been a lot of misunderstanding and this is what I mean by polarisation. And misunderstanding has been influenced by the sense of polarisation in our minds that we have had, that anything other than a unitary state is a separate entity. Now this is the furthest from the truth.

So, when we are talking about the unitary state, we have to ask ourselves, whether we are talking of a leviathan, which is imposing itself on the entire system, from the top right down to the periphery, or whether we are talking of a state system which gives maximum initiatives to its own people. And that's why I want to go back again to the example, not

of a multi-ethnic Society, not a pluralistic society in that sense, or multi-linguistic society, but just to a single state society where there is one religion, and one language and one culture. Now I think it is absolutely essential that there must be the maximum scope for self-expression at the periphery. And if you view it that way, then you come back to the concept of

COMMENTS ON ADMINISTRATIVE BOUNDARIES

An Interview with
Prof. C. Surlyakumaran

The question is of administrative boundaries based on natural resource systems — in this particular case the formation of boundaries round river basins and water systems and water sheds or range lands, where there is a homogeneity based on a particular natural resource. This is a very understandable desire because you are reaching out for an optimization in organizational and economic terms. But we have to be very careful because we can allow our enthusiasm to get the better of our judgement.

The question of boundaries has had a long history in many countries in the world and even in our country. Here, it starts with S. W. R. D. Bandaranaike in the early 1940's. I have no hesitation in saying that he more than most people here, understood what administrative boundaries, decentralisation or local government, devolution through federal or non-federal systems meant.

There are three ideas or components which we could talk about. Boundaries are not determined simply by water systems alone. This is just one way of doing it. An important one but nevertheless only one. To begin with, a boundary concept arises from the concept of human homogeneity. A people, a tribe, or a community

linked by various factors feel that they are one homogeneous group. And since the administrative boundaries are by human beings, for human beings, the foremost pull is by human beings and not by water or rivers. Human beings decide what their boundaries are and if there is a sharp conflict between the human preference for homogeneity in tribal or communal or whatever terms, then this obviously will be a bigger force than natural resource endowments. I am not saying that one is better than the other but these are facts.

Then again we have to be careful because water is not the only natural resource though it is the breath of life. There are various instances in the world where boundaries are defined in different forms. Sometimes, you can have boundaries which are built round a mineral or other natural resources. Or take the case of Penang. The Federal Government removed the Free Port status of Penang several years ago. The Chief Minister of Penang immediately went round to various centres in the world and finally made some very interesting decisions to set up a whole series of high-tee industries. The result is that Penang from being way down in per capita income now has one of the highest per capita incomes in the whole of Malaysia.

So when we talk of resources for development we have to be careful. It is true that we are an agricultural country, but I think it's time we got over this nonsense of always talking of being agricul-

devolution of functions. So if you view it that way, and if you do not allow yourself to run into extremes of formulation, or fears, then your question can be answered in the positive. That is, a unitary state, the concept of a unitary state is slightly outmoded. But I would not rest at that. I would not answer it still in that way because I think I could run

lural. The whole point is, I think that we must cease to be agricultural, and the way to cease that is not do poor agriculture but do better agriculture on less land, and to industrialise like other countries. Not only Europe and England but others like Taiwan, South Korea, Japan, of course did that.

We call those countries industrial, but their agriculture is technically far superior to our agriculture. So we are just talking nonsense when we talk of our agriculture, that we will remain agricultural. What does it mean? We are condemning our people to social poverty, economic poverty and social discontent, right into the long run. So this is not the final or final criterion.

Then there is a historical point. I sympathise with the point of using water resources, but there have been met in different ways. Some of the Western countries had a conflict between certain things that are small, geographically, or say power generation. So in some countries, while the decentralised unit is of a certain limited size, there are special Inter-Area Boards for water, for electricity, for land management and so on.

So you see there are ways of doing this. I am not going into anything else at this stage. It's just a pre-ambular comment as I said. I sympathise with this thing, it's a very interesting idea, but we have to put it into context and then do the best for ourselves, as a country, not just for an idea.

into the danger of being misunderstood. What I would say is that we need the concept of an umbrella, unitary concept, for the state, co-terminous and simultaneously with the couple of a multifarious devolutionary system right down to the periphery. Now what this system is of course a different question. It can take the form of provincial councils, or regional councils as Mr. Bandaranaike suggested in the nineteen forties, or it can take the form of a federal structure. Again, federal structures as you know are different. There are federal structures in the United States, and Australia and Canada, which are quite different from the federal structure in India. In one sense, the Indian system is not a 'federal' government system but a union government system and I think this is the pattern that is now being talked about more in this country. So that, I would say is the position about the role of the unitary state.

Type of Devolution

There is always the danger, in fact there is the danger of disaffection even in a unitary state, by elements of society.

When we provide, constitutionally, for a slightly different pattern of government, then that can be used as a leverage. Now this is where the role of development comes in. Let me explain. Because first of all it depends, everything depends, when we talk of devolution and disaffection, on what type of devolution has been effected. Suppose we have given only lip-service to devolution. I think we are sowing discontent rather than contentment. We are sowing dissatisfaction rather than satisfaction. And the moment we do this, then it is most important rather not have devolution, than have a devolutionary system which is a false system. So, the moment we have a devolutionary system which provides, as I said in my lectures, it provides for three things - I really identified only three things - one, a sense of 'identity', because this is at the root of the

demand in the peripheries, or multi-ethnic societies, a sense of identity for the groups concerned.

This is no great sin, because even in the family, one brother wants to have a different identity from the other brother, a sense of identity. Two, it provides for a sense of 'security', internal security. I am not talking of national security, which is a state function. And there, it provides for a sense of 'opportunity', that is, for cultural, social and economic opportunities. This is where development comes in of course. And these are what I call the 'equalisers'. If a devolutionary system is able to provide for this, then the pull 'away' from the Centre, becomes far less; in fact, it becomes minimal or even zero. I think I would say, in order that it may be zero, and I am convinced about what I am saying, there is one more factor. Don't forget that when we are talking about devolution, in the way that we have been talking about, we are also talking about unitary government in the Centre. Now, an important component of honest devolution has to be an honest provision for 'participation in the Centre by the various components of society'. In other words, if there is a system of government, where there is a President or Prime Minister, or Cabinet of Ministers or whatever, there must be 'sufficient and satisfactory' participation by the minorities in that system of government. Given this, I think all the chances are that there would be much more interest in preserving that system rather than breaking it down.

Now as I said, this bears on development. That's why, I have the thesis - and I don't know how many will share this fully with me, everybody will agree with me in terms of playing lip-service, but, how inherently and in fullness of understanding, they would say this - that there is no devolution that I see as satisfactory unless it is accompanied by development. When I mean development, let us

Contd on page 29

PROPOSED MANAGEMENT DEVELOPMENT ORIENTED LAND BOUNDARIES FOR SRI LANKA

A. Denis N. Fernando

Mr. Fernando is presently the secretary to the Ministry of Minerals and Mineral Based Industries. He is a development planner who engaged himself in mapping the country's natural resources of water and land far over three decades. The views expressed here are personal to him and do not represent the views of the government or the Ministry.

1. Introduction:

From the most ancient times Sri Lanka was known to have three traditional Regions namely the Ruhunu, Maya and Pihiti (Rajarata). These were in fact natural divides of the country, delineated for rule under the immediate direction of the King and his heir apparent. According to Claudius Ptolemy the King ruled over 13 tribes of people who came from different parts of the World and made Sri Lanka their homeland. Rajarata and Ruhunurata were the most important as they were the agricultural regions which had the Hydraulic works under them. In the 13th century due to a cataclysm and internecine wars that destroyed the Ancient Hydraulic Works. The Major part of the population moved towards Mayarata from where the King ruled.

The regions were further sub-divided into provinces or Disavanes under Disawas, the Disavanes, in turn were further sub-divided into Pattus. These were under Rata Mahathmayas, Mudliyors and Vanriyors. These hierarchical officers performed functions pertaining to civil administration on behalf of the King. In addition to these were the Adigars (ministers) who advised the King. The military command was directly under the King.

The country like any other country had its share of invasions. But by and large it was ruled as a single country under a single King for the greater part of the 2500 years of its known historical record.

1.2 Migration within Sri Lanka during the Colonial Era:

The Colonial Era began with the coming of the Portuguese in the 16th century, they progressively advanced their frontiers along the coastline from the south of Negombo upto Matara and in the Northern region from Kalpitiya to Mannar and subsequently the Jaffna Peninsula after the martyrdom of 600 catholics in Mannar. The bitter enmity between the Arabs and the Portuguese over trade made the Muslims to seek refuge and settle in the Kandyan territory where most of them took to farming, especial those who were settled by the Kandyan Kings in the Eastern Region, while others continued as petty traders. This was followed by Religious persecutions by the Dutch caused the migration of catholics from Negombo and Colombo to the Kadyan Territory. In this era too the muslims were persecuted and more migrated to the Kandyan areas as well for the second time.

The country like any other country had its share of invasions. But by and large it was ruled as a single country under a single King for the greater part of the 2500 years of its known historical record.

The Dutch in the mean time encouraged the commercial cultivation of cinnamon on a plantation scale for the first time in the Western Region from Negombo to Galle, where the state had the monopoly of cinnamon trade. In the mean-time, the Tobacco economy was

encouraged and there was a 'gold rush' to the Northern Peninsula from South India were large members of 'Malabars' immigrated to grow hand irrigated tobacco, with well sweeps and dug wells which were constructed by the thousands for the purpose. They also used lift irrigation methods with leather buckets to grow tobacco. It was the period where lift irrigation was in vogue. This legacy of the thousands of dug wells which today have replaced the well sweeps with pumps are yet part of the landscape of the Jaffna peninsula where today they not only grow tobacco, but other cash crops like potatoes and vegetables, as well, and for horticulture purposes where grapes are grown.

The Dutch followed the traditions set by the portuguese before them in administration, like the keeping of local records of Lekammittles and Tomboas, which formed a valuable record of their times. It is also interesting to note that the Dutch styled their Governors in charge of Districts as Dissawas in Keeping with the traditional Kandyan system. The British who followed the Dutch were also enamoured by the trappings of the feudal times, possibly because

it reminded them of their own Medieval lords in their own country, which suited them well; to emphasise their own importance and reflect pomp and glory. However after Independence, one would have normally expected in a democratic set up to pay little

heed to such ceremony. On the contrary, the peoples representatives in the Districts and the Government Agents or "Dissawas" as they were called seem to enjoy such ceremony to show their own importance and they seem to revel in the organisation of such ceremonies at the drop of a hat. Be that as it may.

With the British take over of the entire country, the maritime pro-

management of the Walawe Project even over a decade after the completion (which falls under three districts) can be compared to the impossibility to decentralise its management to a three headed donkey. Because of this inability it has now been handed over to be managed by the Mahaweli Economic Agency. Today we see that only after a few years after its completion, it now faces a major

This management by the Mahaweli Economic Agency cannot be considered a permanent arrangement, as this is a pure unadulterated bureaucracy with no peoples representatives. This arrangement could neither meet the peoples needs or be sensitive to operation and maintenance requirements, as there is no feed back from the people who matter and who are affected by any mismanagement. A democratic system of management demands that a new district has to be carved for the Walawe Project for the integrated management of its water, land and people.

The same decentralisation of powers would also have to be achieved with the massive Mahaweli Project, where billions

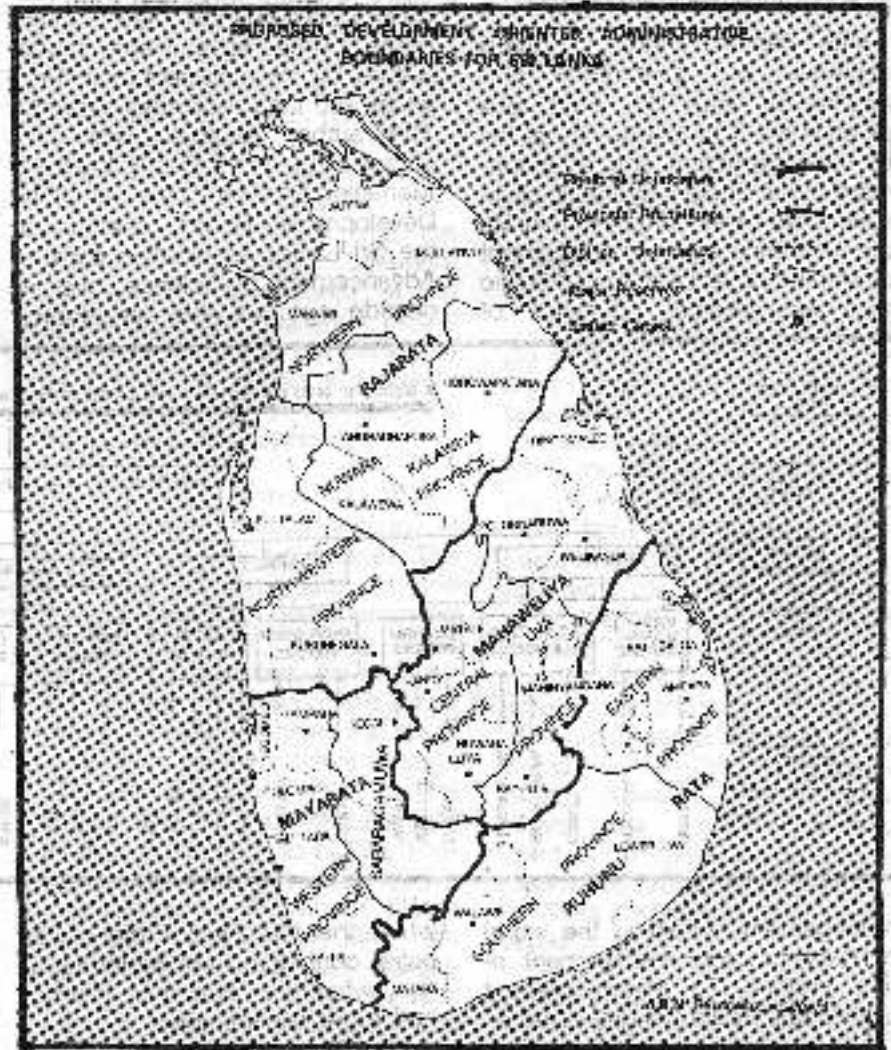
The present Southern Province and the god tasked Liva and Sabaragamuwa province are by no means meaning full territorial units from the point of view of Economic Development. The entire country must eventually be re-organised in the viable Economic Units.

vinces and the Kandyan Kingdom was first divided into Five Provinces, North, South, East, West and Central, which were in fact compass directions, for the convenience of the Colonial Administration. With the waste Lands Ordinance, the traditional lands of the Kandyan peasants were taken over and converted to tea and rubber plantations, which were established by indentured South Indian Labour. The British constructed roads and railways for their military strategy and for infrastructural development for transport which was crucial for the plantation industry. It was this concerted effort that brought about the plantation economy to pay rich dividends not only to the agricultural sector but also to other entrepreneurs in the Kandyan districts. Subsequently these five provinces were expanded to the nine provinces, as we know them today. These were further subdivided to Districts which were mainly for the collection of revenue and law and order purposes to run a Colonial Economy".

1.3 After independence

With independence we yet carry on with the outdated Colonial provinces and districts completely unsuited for development needs. The example of the creation of the Ampara District clearly indicates the necessity of Development Oriented District Boundaries. The inability to decentralise the

rehabilitation programme and we are yet unable to transfer the decision making process to the Districts level.



of rupees have been invested, other wise here too, after a few years we would have to once again reinvest billions of rupees for a massive rehabilitation programme possibly even before its completion, if the management is weak and technically incompetent. One has also to prevent it from being a super bureaucracy insensitive to peoples needs. Its **management strategy demands that it merges with the democratic processes** in short merge with the provinces and districts of which it forms part, if it is to be meaningful to the people. However, one must not forget the scale of the project, which by itself is a region and has to be treated as such. Provinces and Districts have to be carved out of this region. One has also to merge the three levels of management in the Mahaweli region to be interlinked meaningfully.

One cannot afford to breed tragedies and cataclysms and internecine wars like what took place in the 13th century that led to the destruction and abandonment of our ancient hydraulic civilisation. We cannot afford to tolerate the existence by mismanagement or sheer ignorance of the scientific and technological principles of

ing mass suicide. The Mahaweli project is so large both in context of its size and investment that it would have to be treated as a separate agro-Hydraulic region for the Scientific and technological management of its water and land resources, as well as its people, who should be partners of such human development.

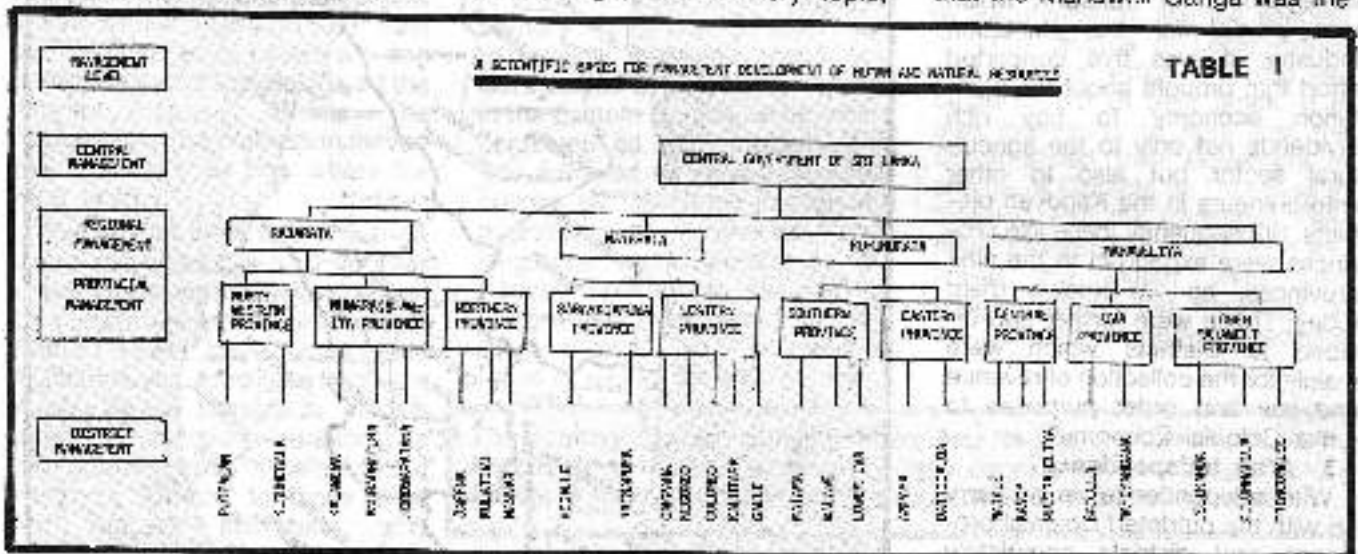
It is in this overall tradition of the historical background that the new Development oriented Administrative Land regions, provinces and districts have been proposed so that they could be managed in a scientific way, as all political decisions hinge on technical economic and social parameters, for the benefit of all Sri Lankans.

It must be stated that this is not the first time that suggestions for having development oriented district boundaries have been made. They have been made before by development planners, water and land resources experts. The author together with Mr. James H. Lanerole, C.C.S. the then Managing Director of the Industrial Development Board, addressed the Sri Lanka Association for the Advancement of Science, over a decade ago, on this very topic,

Let some one put the question as to why I have introduced the word "Land Boundaries": this was done with a definite purpose, as there is also the need to do a similar planning exercise for the new Territorial Boundaries within our Economic Zone that falls within the jurisdiction of our country, which covers more than twenty times the land area and does not fall within the ambit and scope of this paper.

2. Land Regions, Provinces and Districts

Today we do not have regions but provinces imposed on us by the colonial powers for revenue collection purposes. These boundaries today have no bearing whatsoever for development purposes. Sri Lanka was known to have three traditional regional boundaries from the most ancient times namely Ruhunu, Maya and Rajarata (or Pihiti). It is known that these boundaries changed with time due to political and strategic considerations. But they essentially followed natural boundaries. It is recorded in the 2nd century B.C. that the Mahaweli Ganga was the



WHY RETAIN IRRATIONAL PROVINCIAL BOUNDARIES ?

(V. K. Nanayakkara)
(Additional Secretary, Ministry
of Defence)

Existing Provincial and District boundaries in the Island are an historical accident and a legacy of British colonial rule. In 1833, when Colebrooke established five provinces, it was a simplistic exercise of demarcation into North, South East, West and Centre. With the passage of time, through modifications other units were added for a final toll of nine Provinces.

These nine Provinces continued as the sub-national unit of administration until Independence and for sometime thereafter. It was in 1955 that this system of Provincial Administration was abolished and District Administration introduced in its place. The Districts are really sub-divisions of the Provinces.

There was never unanimity as regards an appropriate unit for development administration. In fact, the post independence era witnessed experimenting with varying units ranging from the Local Authority, Assistant Government Agents Division, the revenue District and the Province. To achieve popular participation smaller units are advocated. For development planning, larger units are preferred. Divisional Development Committees and Development Councils mooted at various times were considered failures. The establishment of Provincial Councils (with possibilities of merger of adjoining Provinces) is the latest attempt in this regard. However this repre-

sents a reversion to a unit discarded in 1955.

Thus it is seen that varying units are proposed and then discarded. Before giving up in despair, it makes sense to look again at the formulation of sub-national entities.

It is our view that the malady lies in the way the Provincial boundaries are drawn. The boundaries of the five provinces in 1833 did not matter very much as the colonial administration had very limited functions of peace keeping and collection of revenue. With independence and self rule, the requirements have changed. Today, the Government is no longer a passive observer of the development scene but an active participant as well as a catalyst.

Integrated development

A few illustrations may suffice to demonstrate the inadequacy of existing provincial boundaries. The integrated development of the Walawe Basin has been hampered by the fact that at least three Provincial Authorities are involved in the implementation of this single Project. As Map 1 shows the lower reaches in the river flows through Southern Province while at the higher reaches, the left bank falls within the jurisdiction of Uva Province and the right bank within Sabaragamuwa Province. Going back to a Provincial Unit, the administration is further complicated as at least two of the new capitals are now situated much farther. Integrated development of the Walawe Basin has suffered

due to a multiplicity of administrative authorities.

Pollution control

The strains caused by existing Provincial (as well as District) boundaries are revealed in other instances too. For example, environmental protection is extremely difficult where the development region cuts across a natural river basin, as at Walawe. The Walawe Ganga receives the effluents discharged from the National Paper Corporation factory at Embilipitiya which is situated in the Sabaragamuwa Province. Downstream water is used as a source of supply of drinking water for the towns of Ambalantota and Hambantota situated in the Southern Province. If the entire river basin fell within a single administrative entity, the abatement of the pollution created by the discharge of toxic effluents would necessarily have been dealt with in a more effective manner.

Sharing of water

To illustrate the point how existing Provincial and District boundaries hinder development, let us take the water resources available for agriculture which is the main plank for poverty alleviation in the Dry Zone. The ad-hoc, nearly North-South line demarcating the Eastern Province separates the sources of water from the downstream users. Any "Kanna maeting" serves to highlight how the passions can rise when it comes to decisions for distribution of irrigation water which is the life blood of the Dry Zone farmer. When different ethnic groups inhabit the higher and lower reaches of rivers controlling the respective Provincial Councils, the conflicts are likely to be further aggravated.

Rivers that cross national or sub-national boundaries present governments with thorny issues of water sharing. The neighbouring

DEVOLUTION / REDEMARCATION

TABLE I
PROPOSED REGIONS INDICATING INCLUSIVE URBAN
AREAS AND RIVER BASINS

Region	Area Km ²	Selected Urban Centres	River Basin No. Name	Catchment Area Km ²				
I	2670	Colombo	1 Kalani Ganga 2 Bolgoda	2292 378	XI	5448	Kandy Matale Nuwara Eliya Badulla	60 Mahaweli Ganga (Upper reaches)
II	2720	Kaunara Ratnapura	3 Kalu Ganga	2720				46 Thumpakent 9 47 Namakada Aru 11 48 Mandipattu Aru 101 49 Pattanthe Daphue Aru 101 50 Vett Aru 26 51 Unnichchal 350 52 Mudani Aru 1295 53 Miyangolla Ela 228
III	3309	Galle Matara	4 Bentota 5 Madu Ganga 6 Madampe 7 Terwatta 8 Ratgama 9 Gin Ganga 10 Koggala 11 Polwatta 12 Nilwala Ganga 13 Sinmodara Oya 14 Kirana Oya	629 60 90 52 10 932 65 1236 971 39 225	VI	8167	Tincomalee Mahiyangana	54 Maduru Oya 1559 55 Pulliyapota 53 56 Kirimechi Odai 78 57 Bodigoda Aru 165 58 Mandan Aru 13 59 Makarachchi Aru 37 60 Mahaweli Ganga (Lower reaches)
IV	8494	Hambantota Ambalantota Embilipitiya Wellawaya Buttala Moneragala	15 Rekawa Oya 16 Uruwokka Oya 17 Kachigala 18 Walawe Ganga 19 Karagan Oya 20 Malala Oya 21 Emaniaka Oya 22 Kirindi Oya 23 Bambawee Ara 24 Mahasawa Oya 25 Butawa Oya 26 Menik Ganga 27 Katupila Aru 28 Kuranda Ara 29 Namadagas Ara 30 Karambe Ara 31 Kumbukkan Oya 32 Bagura Oya 33 Ginkula Oya 34 Helawa Ara 35 Wila Oya	76 352 222 2471 58 404 60 1178 80 13 39 1287 88 132 109 46 1253 93 15 51 489	VII	9929	Anuradhapura Horowapathana Kalawewa	61 Kantalar 450 62 Palampotta Aru 70 63 Panna Oya 145 64 Pankulam 380 65 Kunchikumban Aru 207 66 Palakutti Aru 21 67 Yan Oya 1536 68 Mee Oya 91 69 Ma Oya 1036 90 Malwatu Oya 3284 91 Kal Aru 212 92 Modaregamia Oya 942 93 Kala Oya 2805
V	5968	Ampara Batticaloa Bibile	36 Heda Oya 37 Karanda Oya 38 Simena Ara 39 Tandadi Ara 40 Kangikadichi Ara 41 Rufus Kulam 42 Pannel Oya 43 Ambalam Oya 44 Gai Oya 45 Andella Oya 86 Chappi Aru 88 Parangi Aru 89 Nay Aru	611 427 52 22 57 35 186 116 1813 526 6 842 567	VIII	4760	Jaffna Mannar Yavuniya Mullaitivu	70 Churian Aru 75 71 Chavar Aru 31 72 Palladi Aru 62 73 Muidel Aru 189 74 Kodakkallu Aru 75 75 Per Aru 378 76 Pali Aru 85 77 Maruthapilly Aru 41 78 Thoravi Aru 90 79 Piramenthal Aru 83 80 Nathali Aru 122 81 Kanakarayan Aru 995 82 Kalawalappu Aru 57 83 Akkarayan Aru 194 84 Mendekal Aru 300 85 Pailarayyan Kadu 160 86 Pali Aru 458 88 Chappi Aru 67 88 Parangi Aru 842 89 Nay Aru 567
IX	5479	Puttalam Kurunegala Chilaw	94 Moongil Aru 95 Mi Oya 96 Madurankuli Oya 97 Kalagamuwu Oya 98 Rathambala Oya 99 Deduru Oya 100 Karambala Oya 101 Ratmal Oya	44 1533 72 253 217 2647 596 217	IX	5479	Puttalam Kurunegala Chilaw	94 Moongil Aru 44 95 Mi Oya 1533 96 Madurankuli Oya 72 97 Kalagamuwu Oya 253 98 Rathambala Oya 217 99 Deduru Oya 2647 100 Karambala Oya 596 101 Ratmal Oya 217
X	2263	Negombno Gampaha	102 Maha Oya 103 Attanagalu Oya	1528 735	X	2263	Negombno Gampaha	102 Maha Oya 1528 103 Attanagalu Oya 735
					XI	5448	Kandy Matale Nuwara Eliya Bajulla	60 Mahaweli Ganga (Upper reaches)

Indian sub-continent is replete with instances of wars and strained relations over shared river basins. The division of water resources was at the root of the Hindu-Sikh dispute in the Panjab where the Akali Dal, the political party of the Sikhs, have been agitating for a

greater share of the regions waters. These events finally led to hundreds of deaths when the Indian Army stormed the Golden Temple at Amritsar in 1984. Division of the Indus waters at the upper reaches had been a major bone of contention between India and

Pakistan. Similarly, the construction of the Farakka barrage by India in the upstream Ganges led to a dispute between India and Bangla Desh.

These are lessons of experience for us to avoid potential conflicts

THE NEED FOR DEVOLUTION OF AUTHORITY AND REGIONAL PARTICIPATION

Science City Corporation Concept of Devolution

By Dr. Nath Amarakone
(Chairman - Citizens Solidarity Front)

Dr Nath Amarakoon was professionally educated as an engineer and obtained his doctorate in Civil Engineering from London University. He has been engaged as a Research Engineer at the State Engineering Corporation. Later he was the permanent Secretary for the Ministry of Housing and Construction and Chairman of the State Engineering Corporation. He retired in 1977 and set up his own industries. Presently he is the Chairman of Cosmo Link Group of Companies. He was the founder President of O.P.A. and the President of ASTW, Citizen Solidarity Front, the People's Economic Development Foundation and Sanathana Foundation.

SRI LANKA trapped in a vicious cycle of power psychosis of leaders superposed on a fear psychosis of the masses has slipped down on the scales of economic growth to reach the bottom 10% of the poorest of the world's nations. Allegations and counter allegations thrown at each other by political leaders have brought about only increasing frustration among the youths who have risen up in arms against the very system of power transfers through the Westminster type Parliament.

The time has come, as appealed by the OPA and National Amity Movement last year, the Mahanayakas, Bishops Conference and other non-partisan leaders lately to ask the intellectuals, political leaders to re-examine the entire philosophy of development pursued over the last 40 years without being able to meet the aspirations of the people. New vistas are needed in the entire national drive towards economic regeneration.

In this context the clamour by the population groups most affected for liberalisation of segments of the economy from the clutches of centralised political planning, a process now termed

as devolution needs careful examination as a practical step in decentralisation of decision making.

The devolution cry mainly arise from Tamil ethnic population of the North who were affected by the central government policy implementation leading to stop-go-situation in the Northern agro-industrial economy, creating serious hardship to the farmer population giving rise to Tamil separatism. The marginalised deep South has risen in arms through left wing agitation for generations without serious impact on the politics of the country till recent times when the whole population has risen up in arms in rebellion.

Following the politico-economic struggle of the Northern Tamil sector, the devolution of authority has taken a character much influenced by the separatist psychosis of regional power groupings rather than economic demands of decentralisation of decision making. The results of negotiations of government with political groups of the North, introducing the unavoidable intervention of Indian politicians has led to the Provincial Council system of units for purpose of delegation of authority now incorporated in the 13th Amendment of the Constitution.

The demarcation of provincial boundaries by the British to suit the colonial needs of administration which is still carried over, has very little relevance to the economic development of these areas. The perpetration of the system has been the main problem that has to be corrected in a new strategy for economic revival.

The emphasis laid by successive governments over the last 40 years on agro-industrial strategies has clearly pointed to the need to concentrate decentralisation of administration to geographic zones based on watershed management and inter communication. A carefully thought out redemarcation of economic zones that leads itself to an efficient management of population activity is shown in the Proposed Regional Boundaries Map I. This follows clearly on the major Rivers System, Map II brought out by A. D. N. Fernando some time ago. Such sub-units for devolution of authority be termed Prefatures. Thus Sri Lanka would be divided into 8 Prefatures, each lending itself to a climatic zone of development. It may be noted that the above sub-divisions commands socio-economic and regional interests of the communities.

Each Prefature will have a population ranging from 1 million to 2 million, with a land area ranging from 5,000 square kilometers to 13,000 square kilometers. A close network of economic linkages between resources, activities, road and trading can lead to efficient development of

socio-economic projects through coordination. A significant feature of the demarcation is that each Prefecture commands a stretch of the coast as well as the river valley and a population base. The 8 Prefectures are listed below and contain the main city centres listed against them:

IT must be emphasised that properly planned economic urban sub-sections within each of these river valleys would lead itself to the development of the agro-industrial linkages to enhance the benefits to the people.

The Science City Corporation concept of regional planned with R & D, industry, sports, community, leisure facilities under each Prefecture can project the community demand into the 21st century by careful long term planning. See Chart 'A'.

Superposed on the 8 Prefactural development programmes, located at regional centres are 4 Free Trade Zones located close to the main ports of entry and exit to the country which control customs. The GCEC in Katunayaka and Biyagama near to Colombo have already developed. The Galle Industrial Zone at Koggala is under planning stage. Trincomalee FTZ and Yalpanam Kankesanthurai-Paranthan FTZ must be planned as a base for Industrial Zones in the North and East. This cater to the growing needs of large scale industrialisation and rapid growth in the neighbouring areas.

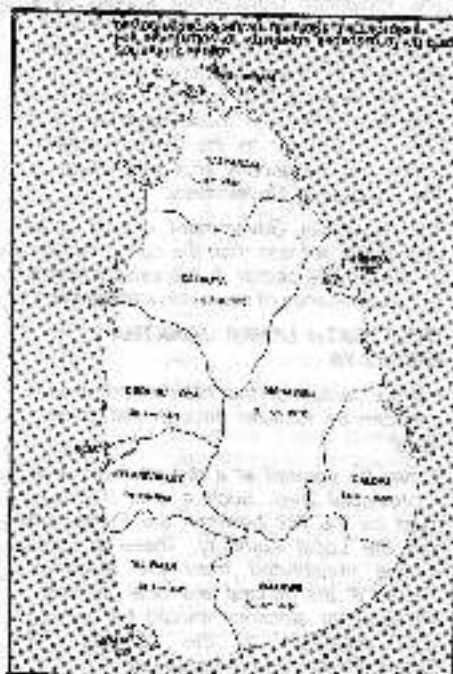
These four industrial zones would attract the labour, road networks and draw on the research and development potential associated with the technical and university institutions around these zones, apart from collaboration with the foreign business activity.

These proposals for development zones under the Prefecture system will take out any regional disputes among the ethnic groups. The inter-dependence will promote collaboration, cooperation and co-existence, a much desired change in outlook for a political stabilisation of the country.

Citizens Solidarity Front Conference
14th September, 1989.

Chart A SCIENCE CITY CORPORATION		
Approach / View point	Subject of Re-organisation	Planning Concept
Chemical of Resource Activity	<ul style="list-style-type: none"> Improvement of basic and applied research based on resource utilisation. Inter-land exposure. Establish Creative and technological communities. 	<ul style="list-style-type: none"> Continuation of University & Technical institutions with R & D centres. Inter-Science - resto of science multi-use networks. Community industry - resto of science.
Reorganisation of Technical activities	<ul style="list-style-type: none"> Recognition of Agro-Industrial Zones based on Human activity and resource utilisation. Coordination of population based activity. Establish multi-use network in cities. Promote regional, towards regional re-organisation. 	<ul style="list-style-type: none"> Optimum use of population. Free of migration, inter-city network. Harmony between work place and living environment. Maximum security and sense of unity to be felt.
Local Development	<ul style="list-style-type: none"> Improve basic industries with multi-use network. Industrial and township layout for industrial zones at regional level. Promote national and regional exchange policy. Utilisation in the use of better of better internal resources. 	<ul style="list-style-type: none"> Low science based industry. Reorganise science facilities. Creative technological development. Science Parks and Service Parks. Job creation.
Low Urban Factories	<ul style="list-style-type: none"> Response to new urban needs. Conversion of old urban housing to urban networks. Planets development. 	<ul style="list-style-type: none"> Multi-use network structure. Freedom for between R & D and society. High amenity based city centres. High compact city. Maintenance of urban areas management.

PREFACTURE	CITIES	AREA SQ. KM
1. Kogala	Colombo, Avissawella, Neddimalle, Gampaha, Kogala.	4,833
2. Norwala	Beraha, Galle, Matara.	6,023
3. Welisara	Embilipitiya, Ambalammala, Welisara, Moragaha.	8,494
4. Mal Oya	Bibile, Anuradhapura, Embilipitiya.	5,968
5. Mahaweli	Tiligulakele, Mahiyagaha, Rajula, Kande, Malake, Nuwara Eliya.	13,956
6. Kala Oya	Kalamaha, Anuradhapura, Haripitipana.	9,320
7. Yalpanam	Jaffna, Mannar, Vauniga, Muttur.	3,720
8. Deolu Oya	Quilao, Puttalam, Kuruppegala.	5,472



Contd from page 10
soil conservation, forests, flood control, management of natural hazards etc. A watershed boundary always passes through sparsely populated areas unlike the existing Provincial boundaries which separate human activities at their most dense points.

Map 2 presents eleven sub-national units drawn on the basis of the watershed. Table 1 indicates the approximate area of each unit, the major townships and the river basins that fall within each designated region. We reiterate that the watershed region be given a fair trial in place of the present one. Unless we do so, we will be permanently trapped in our difficulties, faced with constantly explosive situations.

SOME OF THE SUGGESTIONS, OBSERVATIONS AND PROPOSALS FOR DEVOLUTION OF POWER RECEIVED BY ALL PARTY CONFERENCE

OBSERVATIONS OF TAMIL UNITED LIBERATION FRONT - SEPT 1989

The provisions contained in the 13th Amendment to the Constitution and the Provincial Councils Act are both in qualitative and quantitative terms inadequate in substance and content.

It is regrettable that the political leadership in this country has shown reluctance to follow the numerous examples of the resolution of internal conflicts in multi-ethnic diverse and plural societies, such as Canada, Switzerland, Yugoslavia, USSR, and India by the evolution of systems of government which ensure power sharing, equality and justice to all their peoples.

No Constitution that has been framed thus far in this country has been founded upon a Tamil consensus. Need for such a consensus, we submit has become an inescapable reality.

MAHAJANA EKSATH PERAMUNA

To initiate negotiations between representatives of all sections in the North and the East in which the ethnic crisis originated and thereby install a new devolved structure suited to the particular provinces and abolish the present provincial council system.

THE LIBERAL PARTY

The adoption of a federal constitution with a bicameral legislature and on the basis of nine provinces.

The powers devolved upon the Provincial Legislatures and Provincial Governments should be based upon those set out in Part II of the Programme of the Democratic Peoples Alliance.

The boundaries of the current Eastern Province could by mutual agreement of all interested parties be redrawn.

DPLF'S OBSERVATIONS - 19TH SEPTEMBER 1989

Devolution based on a Canton system could be an answer to the national question.

The canton system is based on linguistic regions. The Tamil speaking region has a large Muslim community, whose language though Tamil, has a distinct identity of its own - religion, culture and way of life. Their numbers are greatest in the East where they comprise a substantial percentage of the population.

This community feels that in the North-East Province they will be reduced to the status of an innocuous minority.

TAMIL EELAM LIBERATION ORGANISATION

The present constitution deserves to be replaced by a new and dynamic one, socialistic in content and federal in its

form. Though we do not disapprove of the executive Presidential System and the proportional representation system, we believe that the country needs a new constitution providing for a union of states and ensuring equal justice in socio-economic and political terms to all sections of the people. In such a federal set-up we demand that the Northern and Eastern Provinces should together form a Tamil linguistic state in which the Muslim majority areas would be granted autonomy under an autonomous council.

THE EPRLF

When we say that devolution is a function of a development it means that it establishes the right to develop a nation's language, culture, economy and the mode of its' polity.

Powers that should be devolved in all subjects on the North-East Provincial Government should not be less than the powers enjoyed by the Indians States. The relationship in the administration and the finances between the Central Government and North-East Provincial Government should not be less than that between Indian-Central Government and the state Government of India.

It should be assumed that the North-East Province will not be bifurcated at any stage and in anyway and it will continue to be one Province.

The Provincial Government should have the powers to negotiate with foreign countries or foreign countries' agencies regarding investments and donations. In the event of the negotiations ending successfully decisions arrived at these negotiations if are not contrary to the general foreign policy and the general economic policy of the Sri Lankan Government.

The Provincial Government should have legal rights not less than the rights enjoyed by the private sector in the establishment and maintenance of economic institutions.

THE EKSATH LANKA JANATHA PAKSHAYA

It is our contention that the desired devolution can be realised through self-government.

It may be created at a district level or at a provincial level. Such a unit, however, must be the link between the Parliament and the Local Authority. These councils shall be constituted from the members elected at the general and local elections. No separate elections should be held to elect members to the councils. All Chair-persons and Mayors of all local authorities in an area concerned and all

members of Parliament elected from the area shall become members of the Provincial Council.

THE CEYLON WORKERS' CONGRESS

CWC wishes to re-iterate its position on the need to create ethnic community oriented Pradeshiya Sabhas wherever feasible in order to enable ethnic minority communities that are dispersed and may be concentrated in limited areas to have focal points of development. Such focal points are imperative for development and for fostering the culture of the different ethnic communities.

THE DEMOCRATIC WORKERS CONGRESS

There shall be a predominantly Tamil unit comprising of what is the combined Northern and Eastern Provinces but excluding the area covered by the predominantly Muslim unit.

There shall be a predominantly Muslim unit comprising the predominantly Muslim areas in the Amparai District as the base and the identified predominantly Muslim areas in the Batticaloa and Trincomalee Districts.

All state powers, legislative executive and judicial, except those reserved to the centre, shall be devolved to democratically elected bodies called provinces. Parliament shall, however, be able to override legislation of the provinces by a 2/3 majority of its whole membership, with a minimum of 50% Members of Parliament of the minority communities voting for such a motion.

ALL CEYLON MUSLIM LEAGUE

It is necessary to strengthen the Executive powers of the Chief Minister and Board of Ministers, and provide sufficient funds to carry out the works, which come under their purview. The Institutional Organisations for the proper functioning of the Provincial Councils should be established without delay, otherwise Provincial Councils will go the same way as District Development Councils.

Employment in Provincial Councils should be in the ethnic proportion of the Province which should be distributed in the ethnic proportion of the district.

SRI LANKA PROGRESSIVE FRONT

Urban Councils and Village Committees should function progressively with more vested power in them. The system of Village Committees should be modernized.

No Provincial Council should exceed the powers of the Central Government.

Comments on Devolution

I have had the benefit of perusing the article on "Devolution of Powers and Provincial Councils", given to me.

Development oriented boundaries is not an essential prerequisite for the effective functioning of Provincial Councils. It must not be forgotten that the Provincial Council system was adopted only as a possible political settlement to the Ethnic Problem. Therefore, it is best to leave the Provincial boundaries as they are. If they have to be redemarcated, let it be done so for political reasons – to ease tensions and maintain peace.

The reason why the District Development Council system failed miserably was because the politicians, who helped to introduce that system as a political solution to the tensions of that time, sought to hoodwink the masses by trying to explain that accelerated economic development would take place by such a system. Let the same mistake not be made with regard to the Provincial Council System also.

No doubt the present provincial boundaries are a relic from the colonial times. The politicians will want to redemarcate the boundaries in one way; the economists will want to redemarcate the boundaries in another way. Whose will should prevail? Each would have their different, and perhaps valid, reasons to do so.

I will not subscribe to any "interim measures" as regards the redemarcation of boundaries. It is far too sensitive a matter to be tinkering with at regular or given intervals. If a redemarcation of boundaries has to be done, then it must be a once and for all matter. One cannot be allowed to experiment with boundaries.

I was particularly interested in one statement in paragraph 1.6. That is the sentence "the Muslims of Kinniya and of Mutur should be free to decide whether they prefer to be a minority within a majority or a minority within a minority". Are you not bringing in politics into the redemarcation of the Mahaveli Catchment area? Either Provinces have to be carved out for political reasons or for economic reasons. I think we cannot have both.

If I understand the present Tamil dispensation correctly, they would never agree to the Mahaveli Catchment Area No. 60 as you have shown on the map – whether the Muslims agree or disagree to your suggestion. It cuts off the Northern Province from the Eastern Province and the present Tamil dispensation will go to war on this issue!! That is why I think that your idea to eventually have no Province which is landlocked would not work – certainly not if you are seeking a corridor through the Northern or Eastern provinces.

Again, your statement that "the Eastern Province boundary cannot be altered without the consent of the people of the Eastern Province" is conceding the position that ultimately political considerations will govern reasons for redemarcation of provincial boundaries and not economic arguments.

I would alter the first sentence of paragraph 1.9 to read "only meaningful devolution of powers to politically oriented territorial units will be conducive to stability, to economic development and to the sharing of prosperity". Devolution of powers must be such as would reduce the Concurrent List to a bare minimum otherwise it will lead to considerable controversy with attendant delays.

I do not know how the principle of the right of self-determination is relevant to the article under consideration nor will I agree with Mr. Nihal Jayawickrema's proposition that the right of self-determination "means that cohesive ethnic groups have the right to choose for themselves a form of political organisation and through such organisation to freely pursue their economic, social and political development". I would rather say that the right of self-determination is the inalienable right that an ethnic group, which satisfies the definition of a nation, has to determine its own destiny. The right of self-determination of the Tamils of the North does not by any means end with determining for themselves whether they want Pradeshiya Sabhas, Gramodaya Mandalayas, Village Committees, etc. and their boundaries. If this is what Mr. Jayewickrema or some understand to be the right of self-determination, then we are heading for a lot of trouble.

I will also disagree with your proposition that "at least one party in the North will not be laying down its arms unless and until a genuine scheme of devolution is conceded". Not a single Tamil militant group, who have all been now officially recognised as political parties, will ever give up the arms in their possession. Each party has its own reasons to keep their arms. These reasons have nothing to do with any scheme of devolution.

On the subject of colonisation, referring to the D. P. A. Manifesto of November 1988, you ask for definition of the word 'area' and the phrase 'demographic complexion'. As one of those involved in the drafting of the D. P. A., Manifesto, I must say that we certainly did not have any given area in mind, like the Pradeshiya Sabhas or Grama Sevaka Divisions. We were thinking of areas in relation to ethnic groups. For instance, take the two areas mentioned in your article – Kinniya and Mutur. We would recognise these places as Muslim areas and the 'demographic complexion' of these areas would be Muslim. A situation contemplated by you in Maduru Oya catchment area was certainly not the type of situation we were contemplating, because it was not relevant as it goes outside the principle explained by us in the Manifesto (and quoted by you under para. 7.1).

G. G. Ponnambalam (Jr.)
General Secretary
All Ceylon Tamil Congress.

A FRAMEWORK FOR ENVIRONMENTAL POLICY

Final Part

Continued from May

Mr Jan Suurland, Policy Advisor to the Central Environmental Authority for two years from 1988. Earlier he was Director, Environmental Policy Development and Management in the Ministry of Environment in the Netherlands. Also he had been the Chairman of the Group of Economic Experts of the OECD Environmental Committee from 1981 to 1983 and since then a member of this Committee.

by Jan A. Suurland

Specific Control Strategies

Implementation of environmental strategies requires a tuning of objectives, instruments, organization and actual execution to the specific conditions of particular ecosystems and different source categories. With regard to environmental quality control this implies that an area approach should be followed reflecting the characteristics of particular natural and economic ecosystems. Thus, where the main function of a natural ecosystem is to conserve genetic resources (nature reserves) there will be only very limited scope for human activities. Where an ecosystem is being used as a natural resource base (lagoons, coastal seas, rivers) economic use of such resources should be controlled and protected to avoid over-exploitation and to avoid damage to ecosystem conditions.

In case of cultivated ecosystems (paddy lands, forest plantations, pastures, etc), land use should be compatible with soil characteristics, morphology and other physical conditions and where necessary such conditions should be adapted to sustain cultivation. In case of urban systems, we only can maintain stability if we provide the necessary infrastructural and other technical means to take over or compensate for natural ecosystem regulation. Therefore, quality control requires tuning of management objectives and means to specific ecosystems, i.e. an area approach.

Variations in ecosystem conditions and the purposes for which they are being used also have to be reflected in source control

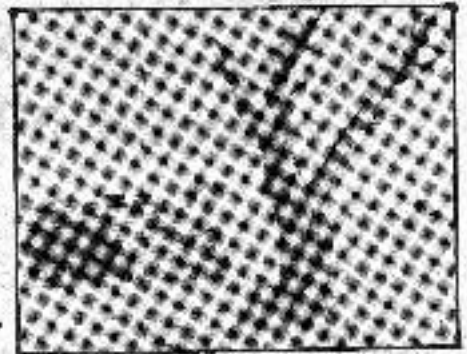
strategies. To protect a natural reserve we will have to prohibit the establishment of polluting industries in their vicinity or to impose very stringent pollution control measures. To avoid over-exploitation of a natural resource we have to establish procedures to distribute user rights among the local people and possibly to ban certain techniques and so on. Therefore, source control strategies should follow a target group approach reflecting the particular socio-economic conditions of local communities (for instance in relation to the management of nature reserves and natural resources) or the socio-economic conditions of particular subsections of the economy, such as industrial sectors, agricultural sectors, etc.

It may be evident that a target group approach implies an active participation of local communities and interest groups in the formulation and implementation of specific quality and control strategies.

The main elements of such specific control strategies are being presented in figure 5.

IV. IMPLEMENTATION OF SOURCE CONTROL STRATEGIES

As in other countries, it is likely that also in Sri Lanka implementation of adequate source control strategies will prove to be the most problematic part of environmental management. Therefore, it may be useful to discuss in somewhat more detail the most crucial elements of source control. Thereby we will focus on problems



related to economic ecosystem management.

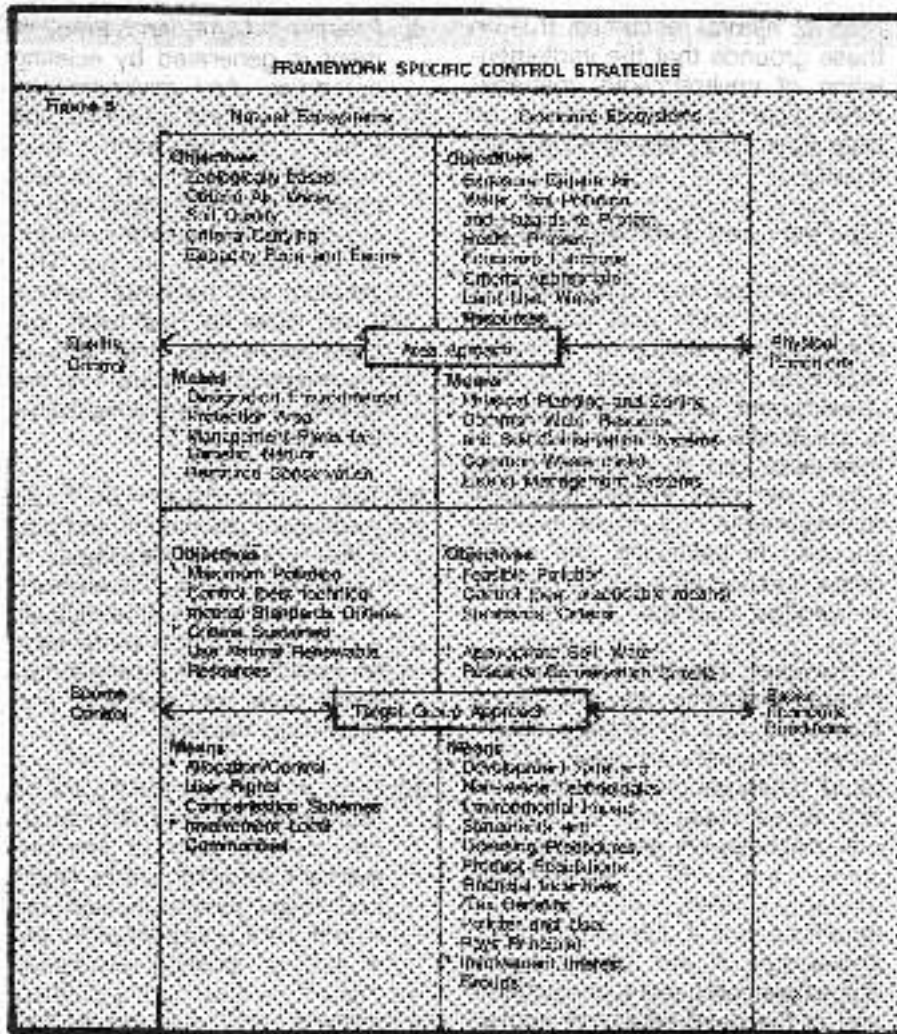
(1) Internalization of Environmental Costs

We have stated that the major objective of economic ecosystem analysis is to sustain the productivity of renewable resources and the stability of vital ecosystem functions.

This being the case, it is obvious that the sound management of such ecosystems should be the prime responsibility of all who are in-charge of such ecosystems and make use of it. Under ideal circumstances there would be no need for government interference, because a rational use of economic ecosystems would be in the interest of all users. Also each and everyone should be willing – in his own interest – to make the costs necessary to sustain the productivity of such resources, that is by taking appropriate environmental protection measures. In short, there would be no discrepancy between economically and environmentally sound management of economic ecosystems and all costs associated with the maintaining of ecosystems stability would be 'internalized' in the production costs of the various economic activities.

However, the actual situation is quite different and does require government intervention due to the following circumstances:

(a) Though everyone in the end will benefit from healthy (sustainable) air, water and soil conditions some will benefit more than others. For example: Though a textile com-



compared to future costs. The combination of these factors results in a behaviour that favours options rendering short-term profits of economic resource use even if this means a loss of sustained productivity in the longer run.

In an open market economy, which is being managed on the basis that prices should reflect real scarcities, effectuation of the principle of Environmental Justification means that the aim should be to 'internalize' the costs of environmental control. This principle of 'internalization of environmental costs' means that any use of a common resource, direct or indirect, made by an individual economic household should be paid for by that household in proportion to its use. (**Direct Individualization of Internalization**) Where it is impossible or impracticable to have the user paying directly, costs may be redistributed by means of some kind of levy, again as much as possible in proportion of the individual use made by households. (**Indirect Individualization or Internalization**) In cases where we are dealing with typical, common or collective resources (goods) for which it is impossible to assess individual user benefits the costs of maintenance should be borne by society at large. This is for instance the case with 'natural reserves'. (**Collective Internalization**) (The term collective internalization is being used to underline that society as a whole is bearing the cost and that those cost are being internalized via general taxes.)

pany (its employees) will benefit from higher yields of paddy fields through lower food prices, this benefit does not necessarily compensate the costs to be made by this company for pollution abatement to protect same paddy fields. So there is an uneven distribution of costs and benefits of environmental management. In economic terms this means that in the absence of abatement measures, the price of textile products does not reflect the real social costs of production.

(b) Even if individual users recognize the importance of ecosystems stability as a common resource for all users, they will try to minimize their share in the costs of maintaining this common resource. For example every farmer knows that an adequate

and regular supply of irrigation water is dependent on the adequate forest coverage of hill sides. Nevertheless it is not likely that he will volunteer to pay 'his share' in the costs of re(aff)orestation of eroded hills unless this applies to everyone. Thus individual users of common natural resources prefer to have a 'free ride' rather than to pay for its use.

(c) Our economic behaviour is being determined by balancing costs and benefits of different available opportunities. We generally choose that opportunity that will render us maximum returns over costs. Also we place higher value on returns to be earned in the short run than on profits to be gained in a more remote future. Consequently, we put a higher price on costs to be made now

It must be noted that various combinations of the three means of cost-internalization are possible. For example, a farmer can be obliged to invest in soil conservation measures on his own land (direct-internalization), in combination with a land-tax (or alternatively a surcharge on the use of irrigation water) to let him pay for collective conservation measures in the catchment area concerned (indirect-internalization), while by

means of general taxes he will contribute to the funding of the protection of vulnerable steep slopes. A gem miner may be obliged to re-fill the mine after exhaustion (direct-internalization), to deposit a sum for the restoration of the surface (indirect-internalization), to deposit a sum for the restoration of the surface (indirect-internalization), while general taxes may be used to promote R & D of more environmentally sound mining practices, although in this case such R & D also could be financed by a surcharge on the sale of gems. A distillery may be obliged to have its own waste water treatment facility (direct-internalization) but because its residue may need further treatment in a collective treatment facility it will also have to pay for the costs of sewerage and collective treatment for instance by a levy on the waste water volume (indirect-internalization) and finally the distiller will have to pay taxes to finance i.a. the costs associated with the establishment and funding of environmental control agencies (collective internalization).

These examples illustrate that there are many ways to internalize the costs of environmental control. Also it may be clear that there are different views possible as how far 'internalization' should go. Some will argue that only those costs for which a 'direct casual link' between 'user' and 'environmental control costs' can be established, individualization of such costs is allowable. Others will argue that the 'need for environmental control' is primarily caused by the economic households using the environment as a 'resource' or 'dump' and therefore, those costs should be borne by them, at least in first instance. What should be done in practice is thus again a 'political decision'. However, it is evident that any major departure - for a longer period of time - from the 'principle of internalization' will result in less efficient solutions, if not obstruction of environmentally sound manage-

ment of natural resources. It is on these grounds that the implementation of environmental management systems should follow the User Pays and Polluter Pays Principles.

(2) New and Existing Sources

We have introduced the Principle of Environmental Justification as the general Code of Conduct regarding the approval of new development activities. When this is combined with the Principle of Internalization of Environmental Costs, we may expect that new developments will more or less succeed in balancing real social costs and benefits (as far as our knowledge reaches).

However, the bulk of environmental problems we are facing today are due to already established activities. In view of the rapid deterioration of ecosystems that takes place due to existing mal-practices we have to develop some kind of 'rehabilitation strategy'. Also, it must be emphasized that due to our limited knowledge of the functioning of (the whole complex of) ecosystems and of the dose-effects of numerous (chemical) substances released into the environment every day, it is impossible to establish once and for all environmentally sound control systems regarding new development activities. It is most likely as has been demonstrated again and again that we systematically under-estimate the environmental hazards involved in all kinds of activities. Because of this 'trial and error approach' we will have to adjust from time to time the practices of already established production and consumption activities. Nevertheless, the distinction between new and existing sources of (potential) environmental degradation is an important one from a socio-economic and therefore, policy point of view and should have its implications for the implementation of environmental management measures.

(a) Present income and employment is generated by existing enterprise. Any environmental control resulting in higher unit costs of operation may adversely affect the market position of existing manufacturing firms, the income position of farmers and so on. This problem will be more serious if we have to deal with low competitive units of enterprise operating at the margin of the market or even operating below the bottom line.

(b) The introduction of new resource conservation and pollution control technologies - needed to comply with environmental management objectives - will generally be more easy for new than for existing enterprise both for technical and economic reasons.

(c) Even in case where it can be demonstrated that the social cost-benefit ratio of environmental control measures (short and long term) outweigh the loss of capital and employment vested in existing enterprise there is the socio-political problem that the gains and losses do not accrue to the same categories of people.

It is obvious that - unless such factors are taken into account and actions are taken to overcome obstacles that may arise due to these factors - we cannot expect to make any significant progress in environmental management. In view of these circumstances we can derive the following general guidelines for implementation:

(i) Standards of environmental control for new enterprise should generally be more stringent than for existing enterprise. This principle holds both for pollution control measures and performance standards related to resource conservation. In many countries this distinction is described as;

- best available technology for new sources, and
- best practicable means for existing sources.

Although, this distinction leaves ample room for differences in actual interpretation and further elaboration it may be very useful as a general guidance for implementation.

- (ii) In cases where an existing source is required to apply control methods that are more stringent than best practicable means there is a case for financial compensation of the extra costs involved. Such cases may occur where the protection of 'natural ecosystems' do require more severe control measures. (Environmentally Justified Compensation).
- (iii) In case where application of the principle of best practicable means is beyond the financial capabilities of an existing firm compensation should be allowed only if otherwise the economic viability of such enterprise would be undermined. (Economically Justified Compensation).
- (iv) Financial compensation of environmental control measures in enterprises of which the economic vitality is doubtful, should take place only in the context of a comprehensive set of measures to restore sound economic performance.

It is bad - although rather common - policy to exempt marginal or unprofitable enterprises from normal (best practicable) environmental standards on just these grounds. The problems with such enterprises are 'economic' in nature (bad management, old equipment, over-sized capacity or under-sized units of operation, under-investment, low-skilled or low-motivated labour and

so on). Only if such economic problems are properly addressed, there is a scope of improvement in both economic and environmental performance. If not, all but a few will loose.

- (v) Existing firms, farmers, etc., should be granted a certain period of time to adjust themselves to new environmental requirements. This transition period is needed to enable entrepreneurs;

- to find optimal (cost-effective) methods of environmental control suited to their specific operational conditions,

- to combine where possible the need for environmental control with investments in energy - and raw-material saving technology, and

- to avoid major disruptions in the cash flow that may endanger their 'otherwise sound' liquidity and solvability. Such transition periods may differ from sector to sector, depending upon the magnitude and urgency of their environmental problems and the specific economic circumstances applying to the sector.

- (vi) In order to facilitate and possible to speed up the implementation of environmental control throughout industry, agriculture and other sectors of the economy, government may introduce special incentives to comply with environmental objectives. Such incentives may be tax reductions, premiums on resource saving technology, direct investment grants for the installation of pollution abatement control facilities and so on. It must be emphasized that such incentive schemes should be limited to the transition period

(for various sectors). Also it is important to note that such incentives schemes will only be effective with regard to basically sound enterprise.

- (vii) Apart from typical economic adjustment problems, one of the major obstacles for existing enterprises to comply with environmental objectives is the lack of feasible low-cost non-waste technologies. In order to promote the development and introduction of such technologies government may consider the establishment of a 'Non-Waste Technology Promotion Fund'. Such a fund should grant subsidies both for the development and demonstration (pilot-projects) of such techniques.

To conclude this section, it may be emphasized again that, most of the obstacles hampering the implementation of environmental control measures are due to weak economic performance of (the various sectors of) enterprise and the lack of an effective industrial and agricultural sector policy. For this reason, it is most important that the implementation of environmental control measures takes place in conjunction with an 'economic structure policy' aiming at rationalization, modernization and restructuring of sectors of enterprise by providing proper incentives, technological guidance and human resource development.

3. Target Group Approach

From the two previous sections it may be clear that the environmental management of economic ecosystems cannot be carried out without due regard of the factors determining the economic performance of various sectors of enterprise.

If Government expect entrepreneurs to integrate environmental considerations into their invest-

ment decisions and management practices, entrepreneurs have the right to demand from government an understanding of their economic environment. Such an understanding requires of the Government;

- that environmental management objectives pertaining to their activities will be established by a proper assessment of priorities,
- that implementation schemes will be based on an assessment of the availability of feasible and cost-effective control methods, and
- that implementation will allow entrepreneurs to find most optimal solutions to comply with environmental objectives.

Since the combination of environmental problems and technical-economic conditions prevailing in different (sub) sectors of the economy are quite different there should be a flexible approach reflecting such differences. This certainly does not mean that the general guidelines for implementation as presented in the previous section are not valid for all sector but rather that there is room for further elaboration (refinement) on a sector by sector basis. Such an elaboration is needed to tune the implementation of environmental objectives to specific conditions prevailing in different sectors and branches of the economy. In other words, we should follow a Target Group Approach.

A target-group may be defined as a group of decision-makers representing a set of more or less similar economic activities with common environmental management problems.

The basic philosophy of the target group approach is that by means of careful analysis, consultation, policy planning and implementation it is possible to

match ecological constraints and economic opportunities in a way that will be beneficial to overall productivity of the sector concerned.

The main (operational) objectives of a target group approach should be to establish a medium-term (3-5 years) scheme of implementation of environmental control measures consisting of:

- (a) general levels of environmental control to be applied throughout the target group taking into account relevant variations in scale and type of economic activities;
- (b) a time-schedule for implementation, eventually phased with regard to specific environmental issues and types of activities;
- (c) identification, assessment and selection of feasible physical control methods (technology), eventually combined with a technology-development programme to enhance environmental control options in the longer run;
- (d) assessment and selection of appropriate financial incentives to overcome existing obstacles for environmental control;
- (e) assessment of specific needs for training and extension services to facilitate implementation to be followed by an agreement on mutual responsibilities and cost-sharing, and
- (f) assessment of specific needs for monitoring and evaluation of the implementation scheme again followed by an agreement on mutual responsibilities and cost-sharing.

Essential for target group approach is that the sub-sector concerned is being represented by people who have a mandate to negotiate on behalf of the sector. Also essential is that the environ-

mental, technical and economic information on which decisions regarding the various elements have to be made in reliable and reflects major variations in type or scale of activities and environmental problems as there may be.

A major advantage of the target group approach is that the interaction between economic and environmental issues is being analyzed and discussed on a level that is most appropriate from a socio-economic point of view. Socio-economic issues like prevailing market conditions and prospects, production structure, technology development, employment and human resource development play a dominant role at the sectoral or branch level.

For example, some individual enterprises may be weak while the economic position of the majority of enterprise in the sector is strong. In this case it would be wrong to grant exemptions or subsidies for environmental control to weak individual firms. Poor economic performance of an economic (sub) sector as a whole may be due to over capacity, out-dated product assortment, old production equipment, etc. In such a case there is a need for modernization and rationalization of overall production capacity within the sector. Such a restructuring process can very well be combined with improvements of environmental control. Another example may be that due to lack of know-how, capital or land-security more profitable types of land-use are not being undertaken (agroforestry, horticulture, animal husbandry). A change from low earnings or subsistence agriculture to more profitable cultivation systems is probably the best way to ensure appropriate soil and water conservation measures.

All these examples illustrate that much can be gained by having a comprehensive analysis and policy planning of environmental and economic problems at the sectoral

level. Another major advantage of a target group approach is that it provides clarity with regard to environmental objectives and ways and means of implementation to all people concerned. If the sectoral environmental objectives and implementation schedule is published and distributed everyone concerned may know what the policy is and what its implications are. This certainly will facilitate the implementation process because entrepreneurs will be able to anticipate and decision-makers will know how to place problems related to individual enterprise in their proper context.

However, there is also the other side of the coin. First, it must be noted that by presenting environmental problems on a sectoral level there may be a strong pressure on behalf of the target group to 'relax' environmental objectives (target levels of control) and to buy time by lengthening the time schedule for implementation. This will be less of a problem if there is a strong political commitment towards the achievement of environmental objectives or in cases where enforcement of environmental control may result in the shut down of marginal enterprise to the benefit of more viable enterprise.

Secondly, a target group approach requires a lot of information gathering, analysis, consultation and planning. This means an investment in time and manpower efforts on behalf of both the environmental and economic management sectors of Government. It also can result in the delay of tackling very urgent environmental problems. Such capacity problems and possible delays in actual implementation have to be balanced against the advantages of a target group approach regarding overall effectiveness and efficiency of implementation and enforcement. It is however obvious that priority should be given to (sub) sectors which cause major environment problems.

Thirdly, and very close connected to the first and second point, it must be emphasized that a target group approach requires the full co-operation of the 'economic management' sectors of Government. Not only should they be convinced of the need for appropriate environmental management systems but also that this is of sufficient priority and 'economic interest' to (re) adjust their own sectoral policies and instruments for this purpose. Environmental policy-makers may experience quite some difficulties in achieving such active support. This points again to a careful selection of target groups more in particular to sectors where we may expect that both 'economic' and 'environmental' benefits of a target group approach will be large.

Conclusion

The efficiency and effectiveness of environmental management will be determined to a great extent by the ways and means source control strategies will be designed and implemented. Such strategies should aim at an integration of environmental objectives and environmental costs with due recognition of the variations in circumstances between and options available for new and existing activities as well as the differences between subsectors in the economy. This can be accomplished by following a target group approach. Such a target group approach should be developed and implemented in close consultation with the interest groups involved. However, it also requires an appropriate co-ordination between the government sectors involved in environmental, respectively economic management, not in the least because, efficient source control is very much dependant on and can be enhanced substantially by improving the economic efficiency of agriculture and industry. When developing such a target group approach priority should be given to those subsectors which are

creating serious environmental problems and where there is substantial scope for improving economic efficiency by upgrading production technology, saving of energy and raw materials.

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restoring the status quo ante with regard to the demographic proportions of those areas.

State land available for allocation will be made available to the landless of the area.

Areas from which people have been forced out of lands they have habitually inhabited (including refugees) shall be identified and such inhabitants shall be rehabilitated in those areas completely. All persons shall be free to purchase land, live and carry on their livelihood in any area of this country."

The word 'area' needs to be defined. Does it mean a Pradeshiya Sabha of around 81 sq. miles on an average or a Grama Sevaka Division of about 4sq. miles on an average?

'Demographic complexion' also needs elucidation. If Tamils subject to Thesavarnai in the Jaffna peninsula are given land in the Maduru Oya catchment area along with Batticaloa Tamils subject to Mukkuwa law and Tamil-speaking Muslims subject to Muslim law and Indian Tamils subject to the common law, would that be considered as changing the demographic complexion in the Maduru Oya catchment area?

Column 170 of Hansard of 19th February 1987 sets out the proposed allocation in Scheme B in Batticaloa District as follows:-

Allottees	14,081 (approx)
So. Indian Tamils	10,449 - 1.40
Muslims	4,430 - 1.1
Indian Tamils	270 - 0.3
	15,558

This proposal has been incorporated in the Peace Accord of 29th July 1987 and should be adhered to

MECHANIZED PADDY CULTIVATION AND IT'S PROBLEMS IN THE AMPARA DISTRICT

A. N. AHAMED

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Introduction

In rice developing countries, like India and Thailand, increasing production through modern agricultural techniques include the development of high yielding, improved cultural practices, irrigation systems, and farm mechanization. Although mechanization may be started for increasing productivity and increasing land productivity, it is more efficient cultivation, particularly of heavier and more difficult soils. This may lead to increases in cropping intensity and employment (Chattopadhyaya, 1960).

The study focuses on

1. The characteristics of the rural sector, Ampara and Pampala.
2. The availability of the tractors, their use and the access of rural people to purchasing tractors.
3. Factors affecting the use of tractors.
4. Problems of the rural sector, Ampara and Pampala.
5. Policy recommendations for the farmers.

Mechanization

The degree of mechanization is directly related to the study area because 80-90 percent of the farmers in this area were using bullocks and 10-15 percent of bullocks were used to do other services with other heavy agricultural equipment. The study area is in the Ampara District, Pampala, Sri Lanka. Additionally, the study area is a rice growing area. The rice farmers in these villages were using a traditional method of cultivation with bullocks and oxen. The people in these villages were using tractors and bullocks. The study area was divided into two parts, Ampara and Pampala. The study area was divided into two parts, Ampara and Pampala. The study area was divided into two parts, Ampara and Pampala.

The large government effort to promote farm mechanization in Sri Lanka which began in the late 1940s and the early 1950s, four-wheel tractors were imported at the rate of 2000 per decade and two-wheelers at 3500 per decade (Harris, 1970).

For this reason, Sri Lanka now has a tractor density approximately that of India, Burma and some 45 percent of annual paddy acreage in tractor powered irrigation and agriculture (1960).

average farm size of the tractor owners (11.7 acres) was significantly larger than that of the tractor hirers (6.4 acres). The rice farmers with large farms generally have their own tractors to facilitate faster land preparation. They usually rent out their tractors to earn additional income, which in turn, has been used as supplementary capital for the purchase of material inputs such as fertilizer and other chemicals.

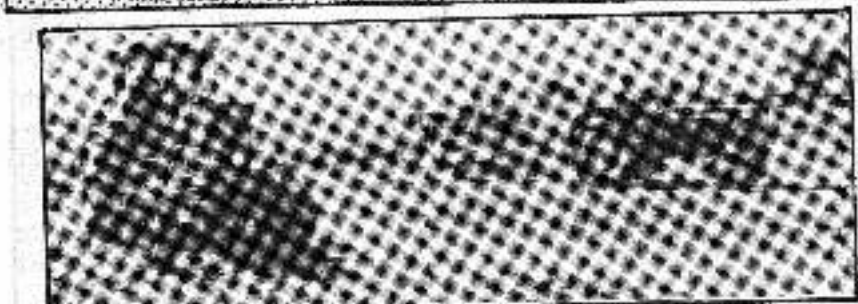
There were no significant differences in yield and cropping intensity between the two farm groups. However the average yields per acre in the "Yala" season were significantly higher than those of the "Maha" season for both groups.

This is due to the abundance of sunshine and the availability of irrigation water throughout the dry season. The average cropping intensity of the tractor owners was 192% while the tractor hirers had an average cropping intensity of 168%. High cropping intensity in the study area might be attributed to irrigation and mechanization.

Eighty two percent of the tractor hirers are land owners and the rest are lessees and share tenants. In the case of tractor owners, 72 percent of them are land owners and the rest are lessees and share tenants. Rice farming is the primary occupation of the majority of both tractor owners and the tractor hirers (70 percent of the tractor owners and 60 percent of the tractor hirers). A large percentage of the tractor owners, however, had reported that rice farming was their primary occupation as compared to the tractor hirers.

Type, Age and Source of Capital:

The most common make of tractor (68 percent) used in the sample villages was MF 240. About 32 percent of the sample farmers used MF 135. Ninety four percent of the tractors were solely owned, with an average age of 3.7 years. Since a large amount of capital is required in purchasing a tractor,



Results Characteristics of the sample farmers:

The tractor hiring farmers were, on the average, significantly older

(41 years) than the tractor owners (24 years old). There was, however no significant difference in the mean educational attainment between these two farm groups. The

the tractor owners had to obtain loans from Commercial banks and other financing companies for the purchase of a tractor. Forty eight percent of the tractor owners obtained loans from Government Commercial banks while only 22 percent borrowed capital from private companies. About 30 percent of the farmers used their own capital in purchasing their tractors.

There were 137 four-wheel tractors in service in the sample villages. Out of this total, 80 percent were hired out. On the average a tractor ploughed 56 acres in the "Yala" season and 68 acres in the "Maha" season.

Reasons for Using and Renting-Out Tractors:

Table: 1 Shows the reasons for using and renting out tractors in the study villages. Timeliness in land preparation operations was the most common reason cited by the sample respondents for using tractors (60% of the tractor hirers and 38% of tractor owners). Most of the farmers believed that machine services would save time in land preparation, thus enabling them to plant earlier and increase their cropping intensity. In the past, the slow pace in land preparation with the use of draft animals had caused delays in their planting schedule.

The second most important reason cited was the unavailability or lack of draft animals that could be hired in the study areas (24 percent of the tractor hirers and 18 percent of the tractor owners). The other reasons mentioned for using tractors, were the increase in leisure time and less strenuous land preparation were more efficiently done with the use of tractors. Mechanical land preparation also relieves the farmers of the problem of hiring or maintaining work animals. Tractors can prepare much larger areas quickly than the work animals and require none of the care and feeding that the work animals require during the off-season.

In the case of the tractor-owners, the primary reasons for renting-out their tractors or for doing custom work was to augment their income.

Problems with regard to tractor use:

Lack of available tractors that they could hire at their time of need was the most important problem that the tractor hiring group encountered. Due to the large capital requirement for the purchase of tractors, many farmers in the sample villages could not afford to buy their own tractors. This was, therefore the major reason why there were few tractors in the sample villages. The shortage of tractors was further intensified because of the farmer's practice

high fuel and maintenance costs, the tractor owners had to charge the tractor hirers Rs 800-1000 per acre. Because of the high contract rates that they had to pay, the production cost of the tractor hirers had, in turn, increased thereby reducing their profit margin. Hence, the tractor hirers mentioned that the benefits they derived from tractor use were fewer compared to those of the tractor owners because their farms were not thoroughly prepared and also because of their higher production cost.

On the other hand, the main problem faced by tractor owners was the fuel shortage during the peak months for land preparation

Table 1
Reasons for using tractors, 124 sample farms
(Ampara district)

Reason	Tractor Hirer		Tractor owner	
	No.	Percent	No.	Percent
Saves time and allows farmers to plant on time	74	60	18	36
Less strenuous work or eases physical burden	12	10	04	08
Unavailability of working animals for hire	30	24	08	16
Work done more efficiently	08	07	08	16
To augment income	-	-	12	20
Total	124	100	50	100

of performing land preparation operations simultaneously. In view of the high work load of the tractor drivers or operators as a result of the high demand for tractor services in these areas, they failed, therefore, to do a good job. In order to meet the demand for tractor services, land preparations were hurriedly done. The farmers reported that thorough land preparation could have substituted for weed control methods. With thorough land preparation, weed population would have been reduced, thereby minimizing the cost of weeding or weed control.

Moreover, the tractor hirers complained about the high contract rate for tractor work. Due to the

activities (Table: 2). Due to fuel shortage, land preparation tasks were often delayed and this was also mentioned as a major factor for the inability of the tractor drivers to meet the tractor hirers demand for custom services. This delay in the completion of land preparation operations sometimes caused lower crop yields or crop failures in a number of farms.

Another problem that the tractor owners encountered was the increasing cost of hired labour. Due to the increase in their cost of living, the tractor drivers even took trade union actions to exert pressure on the tractor owners to meet their demand for higher

wages. These labour disputes between the tractor owners and the drivers mostly took place during the peak land preparation schedule. Such labour disputes also served as a contributing factor to the delay in the completion of land preparation activities in the sample villages.

Unavailability of spare parts and inadequate servicing or maintenance of the tractors were also among the major problems confronting the tractor owners. Political allegiance or affinity was often found to be a barrier to obtaining spare parts from authorized agents. Moreover, due to the fact that the authorized agents have limited stocks of spare parts, the tractor owners had to purchase

and maintenance costs, all interact to make profitability of tractor ownership highly variable.

Conclusion

In view of the high demand for tractor contract services, land preparation operations were hurriedly done by the tractor drivers or operators. Another problem mentioned was the high custom rates charged by the tractor owners which averaged Rs 800 - 1000/- per acre. This in turn, reduced the profit margin earned by the tractor hirers. High tractor custom rates were attributed to the increase in wage rates of the tractor drivers, rising fuel costs, as well as the increase in repair and maintenance expenses. Lack of available spare

there has been a substantial increase in the demand for tractor custom services in recent years in the Ampara district, but the number of four wheel tractors in the district is still insufficient to meet the increasing demand for tractor custom services. The high demand for tractor contract services in the district might be correlated with the availability of assured irrigation facilities and the scarcity of labour and working animals in the area. Such high demand for tractor contract services in the study area has increased utilization of tractors, thereby increasing repairs and maintenance expenses of the tractor owners. Maintenance problems attributed to lack of imported spare parts and skilled mechanics were among the major problems of the tractor owners.

Findings of the study have also indicated that large farmers were the tractor owners and had a higher demand for tractor services compared to the small farmers, implying that the rich and large farmers would largely benefit from mechanization of land preparation. The fact that tractors can prepare much larger areas rapidly than the work animals has motivated the rich farmers with large landholding to own a tractor.

The high custom rate appeared to be the most serious problem confronting the tractor hirers. This might have a serious implication on the future demand for tractor custom services depending on the availability and rental cost of working animals in the district. Increases in the prices of fuel and the wages of the tractor drivers, as well as repairs and maintenance expenses had made tractor use more expensive in the study area. Despite the increase in tractor custom rate, the hirers could not revert back to the use of animal power because of the scarcity of working animals.

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Table 2
Problems encountered by the tractor owners
50 sample farms, Ampara district

Reason	No. of Farms Reporting	Percentage
High Maintenance cost	43	86
Fuel Shortage	32	64
Non-availability and high cost of spare parts	36	72
Increasing wages of tractor drivers	45	90
Lack of specialized or skilled tractor mechanics	28	56

The percentage does not add up to 100 because the sample farmers gave multiple answers.

their spare parts from private agents who charged from 1.5 to 5 times higher than the official price. Maintenance cost, therefore, varied from 4 to 74 percent of their total gross income from their tractor renting operation. Repairs and maintenance expenses have risen due to the scarcity of spare parts and the black marketing operations in the district. Hence, the tractor business operation can be considered as a highly complex one. The type and age of the tractor, the type and combination of jobs performed, the contract rates charged, the number of days worked, fuel costs and the repair

parts & blackmarket selling of spare parts contributed to a large extent to the increase in repair and maintenance expenses of the tractor owners. Fuel shortage during the peak months for land activities were also reported to have caused delays in the accomplishment of land preparation operations and served as a major factor for the tractors owners' inability to meet the demand of other farmers for tractor custom services. Such delays sometimes caused crop failure in a number of farms.

Based on the foregoing discussions, it can be concluded that

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take the regional councils or the provincial councils. I am talking of the capacity to be afforded to these councils, not just to waste central government monies, squander them on corruption – as I called it once, the decentralisation of corruption, rather than the decentralisation of government – no, not for this purpose, but really for them to be able to engage in the use, in the study, in the examination and in the development of their local resources for production. That is because, given what we call a gestation period, shall we say five years or six years whatever – sometimes gestation periods are related to the life-time of a tree, a rubber tree takes five years to grow and a cashew tree takes so many years to grow and so on – but given the use of resources in each area and the development of these resources for production, the product of which then becomes the basis also for increasing prosperity to the people, and to the regional councils or provincial councils and to the central government, then you have a buttress for the devolutionary structure which will make it unshakable.

As I said in my lectures that is why development will also benefit. I have not gone into that. Development will also benefit by having devolution, because participatory democracy, economic democracy, is an important concept. But devolution itself will not stand. Let me go as far as saying that will not stand, unless it is backed up by power to the Provincial Councils or to the periphery, to engage in productive developmental activities. This has been borne out also in a recent experiment in Karnataka State. Karnataka State is one of the northern most of the Southern States. I suppose you can put it that way. It is a very interesting experiment, where the Zilla Parishads, which are equivalent – one of these states is as big as or bigger than our country – to the Provincial Council, or

Regional Council, set up a system where their chief executive is the Chief Minister; the chief civil servant is simply his executive; and the local resources of that area are in the hands of the Zilla Parishad for planning and for application of investment for productive purposes. It attracted so much attention that Dr. Farouk Abdullah, then Chief Minister of Jammu and Kashmir, made a statement that he intended to follow this up also as a device. I am mentioning this, as a footnote, to illustrate the practical importance that has been accepted, by those who have done it, development as a support to the devolutionary process.

There is a need to develop an understanding of concepts before we can really implement a system of devolution. We could have an excellent devolutionary pattern, intellectually worked out, but if the people are not ready for it, then it would collapse.

History

In 1926 we had the first proposal by Bandaranaike for a federal structure. We had the Kandyans, before the Donoughmore Commission in 1931 – in fact they developed this idea before that in 1925 for a federal structure. And we had the interesting situation where the Tamil community opposed the setting up of a federal structure. Now here, was an early example of a state of confusion as to what they wanted. I am quite sure of course, that each one saw its own sectional interest in different ways. But your point is even more illustrated when we come down, when the 'B - C' Pact was formulated. And it was hardly a federal structure in one sense. It was shot down on the ground, that it was a threat of a federal structure and federalism was then equated, this was the worst part of it I think, with the threat of separation. Now I am not saying these fears and threats should be set aside. What I am not saying is that here is a phenomenon which came up as

a reality. And I think what I would underline is that it is very important in society to meet these fears, however wrong or ill-based they are, as much as to provide for solutions.

It is necessary for society to be advanced enough in ideas to be able to accept a change. I think, fortunately in one sense, but unfortunately through the price that we have paid, through the circumstances and events that have happened in this country, in a sense from 1956 or 1958 onwards, and increasingly after 1983 – these are all very unfortunate – but I think fortunately we now have a situation where, I hope I am not wrong, there is fairly wide understanding and acceptance of the fact, that we need a devolutionary system, and that a devolutionary system is not bad after all. So all I would say is that, if this comes up, we have to assure the people, and I hope this will be done, to assure especially the majority community who now feel also that they are a minority in the larger geo-political context in the Indian Ocean area, that this is not divisive. And the only way to do this nationally, is by injecting the development component into this; by applying a fair mechanism, where in sincerity and honesty, 'identity, security and opportunity' are provided; and by ensuring the participation in the Centre of the minority communities. I think if this is done, then, in concept, the people will begin to accept that this is not a divisive thing and there would be a convergence, as I said, between the politics of devolution and the principle of devolution.

Switzerland and India

The classic case that people like to quote is Switzerland. In this century we forget that Switzerland had 700 years of war, of fighting, just sheer fighting, before it forged an arrangement, a federal structure, through the cantonal system, which makes it a model country.

Now if anybody asks whether the Swiss are Swiss, or something else, whether they are Romanche, or Italian, or French or German, I think the Swiss themselves will be the first to laugh at you. They will say 'we are Swiss'. At the same time, they are proud to display their own special characteristics. This is a classic case and I think is a great hope. If they fought for 700 years, we did not fight so long, I hope I can call it 7 years instead of 700. But whatever it is, it is a classic instance.

Now there are other instances where obviously the same story has been enacted but with much less drama. It has happened in Belgium, it has happened, in the United States, in Canada, which it has happened in Australia. It has happened in India. Now in India it is a subtle way, as I would like to put it, India, at independence, was one country. There were states which were set up not on linguistic terms. If they were linguistic in some cases it was just by accident. And I want to put it to you, that as it happened, and the states got redefined in linguistic terms, that if this had

not happened, the divisive forces of the politics of devolution would have come into operation. In other words, that the divisive threat of the Union of India would have been a reality or a force to be reckoned with. The fact that there was a federal system set up on a linguistic basis gave satisfaction to components of the society, of this large country of India, and allowed room for self-expression, which then led to a strengthening.

As far as the Hindu-Muslim situation is concerned I would call it a trans-India phenomenon. I would not attribute it to the weakness of devolution. Because, you will see that the Hindu-Muslim phenomenon - it may manifest in Ayudhya or it may manifest in Maharastra or, it may manifest in Hyderabad or somewhere else is a phenomenon which is trans-continental, in the sub-continent of India. It is a State-phenomenon. It is a country-wide phenomenon. So I would not say it is something germane to the state-structure.

In the Punjab situation, it illustrates what I am saying, in fact

because there you have the case of a minority which is de facto, concentrated into one physical area, and the fact is, I am not here to sit in judgement on anything or anybody, the fact is I think, the present situation can be largely explained by the fact, that the need, the extent of devolution that was necessary, was not effected in time. In other words, if five years ago, or ten years ago, a type of devolution had been effected in Punjab, then we would not have been in this present situation.

As for the rest, I don't think it is fair for me to go into, because then we are trying to pick holes, find fault with the application of government policy as at present in the Punjab. So I grant you the phenomena, the phenomena exist. But we have to be very careful. The Hindu-Muslim phenomenon is not the result of devolution and the Punjab situation is the result of delayed devolution. Too little, too late, as Marshal Petain said, when Hitler invaded France, it had too few people to defend the motherland. But too little too late is a fearsome consequence. And that may be an example for us also.

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With these problems confronting the tractor users in the study area, the following recommendations are, therefore made:

1. Local manufacturing of small tractors and spare parts should be promoted by the government without government protection or subsidization in order to reduce the cost of tractor contract services and to serve on foreign exchange. Local manufacturers should develop effective, easy to operate and maintain small tractors. As a result, cost differences between animal and tractor power services will become small enough to induce an increasing number of farmers to purchase or rent small tractors.
2. The government should also assist in training mechanics and

3. machine operators since available skilled mechanics in the study area are still inadequate.
3. The government should not subsidize the manufacture, purchase or use of tractors through low-cost credit programmes (subsidized interest rates). Based on past experiences in various countries, such programmes have seldom benefitted the majority of the farm population. Instead, easy credit (more and bigger loans) should be provided without any interest subsidy to attract the local manufacturers to invest in the manufacturing business, as well as to provide the farmers, enough capital which will enable them to purchase or rent locally produced, low-cost tractors.
4. To help the small farmers, who

cannot afford to buy their tractor avail of tractor services, the government through existing farmer organizations and cooperatives, should look into the establishment of a tractor pool or the organization of a tractor contract system in the area similar to those existing in Thailand and Malaysia. If this will yield the desired benefits, farmers's training on the operation and maintenance of the tractors should follow.

References:

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2. Ahmed, J. 1975: Green revolution with or without tractors: The case of Sri Lanka. Agriculture Mechanization in Asia, Vol. VI, No. 2.
3. Farrington, T. and W. A. T. Abeysekera 1979: Issues in farm power and water use in Sri Lanka. ARTI Sri Lanka.

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by the Maha Oya and in the south by the Gin Ganga and included the mountainous area eastwards up to the Mahaweli Ganga.

It was recorded by Claudius Ptolemy (Circa 150 A.D.) that Ruhunu was synonymous with Nagadipa which extended at that time to include the Jaffna Peninsula. The Rajarata in the south was bounded by the Deduru Oya, in the North limited itself to the mainland, and eastwards to include the Knuckles Massif. The Mayarata included the rest namely the area between the Deduru Oya in the north, the Gin Ganga in the south and the central massif in the east.

There were many changes in the Regional Boundaries between the time of Gajabahu I (Circa 150 A.D.) and the 14th century. But principally the Ancient Administrative system had been to divide the country into Agro Hydraulic Regions ruled by a King and assisted by his heir apparent and also assisted by Military advisors and Adlgars (Ministers) under whom Disavanyas and Korales; the equivalent of Districts and Divisional Revenue officers areas of present times were administered.

If we have to go back to the Management of our economy which is fundamentally based on Agriculture and fisheries, then we would have to go back to the traditional Agro-Hydraulic Regions, but in addition we would also have to demarcate a new region for the management of the largest development project of all time, namely the Mahaweli Project. In short we have to start with a base of 4 large Agricultural Regions namely the Rajarata, the Mayarata, and Ruhunurata and the Mahaweli Region (in short the Mahaweliya). These natural agricultural regions have to be further sub-divided again on the basis of natural divisions into provinces and districts for Development and Management purposes.

In addition to the capital of Sri Jayawardenapura it would also be necessary that the four regions have their own metropolises to be established at Colombo, Kandy, Anuradhapura and Tissamaharama to meet the new requirements. Where ever the infrastructure and amenities are inadequate this should be strengthened. They have been chosen as being central and also given weight to their historical significance.

2.1 Provinces and Districts within the different Natural Regions

The four regions have been first subdivided into Provinces and then further sub-divided to districts, retaining as far as possible their present boundaries, but subject to the changes required for development needs for the management of agricultural tracts and fisheries management, dependent on natural boundaries of water and

necessary on a historical basis as far as possible. The province of Uva and the Southern province were divided to include the Lower Uva (Moneragala) to the Southern province, while the Galle district was included to the eastern province. This decision was taken as the Galle district belongs to the wet zone and has problems common to the natural regions of Mayarata. See Table I showing the levels of management of Central Regional Provinces and District eves proposed for a scientific basis of Development.

On the proposed Regional divisions, the Island population is approximately distributed on the following basis. Rajarata 21%; Mayarata 37%; Ruhunurata 14% and Mahaweliya 28%. The population densities is highest in Mayarata, and Mahaweliya, while it is lowest in the Rajarata and in Ruhunurata. The population imbalance in Ruhunurata could be rectified if the Galle District is included to Ruhunurata, but as stated earlier it has this disadvan-

Regions	Provinces	28 Districts
RAJARATA	(1) North Western Province (2) Nuwara-Eliya Province (3) Northern Province	Pulrajain, Kurunegala, Kadawewa, Anuradhapura, Polonnaruwa, Jaffna, Mullativu, Mannar
MAYARATA	(4) Western Province	Gampaha, Negombo, Colombo, Kalutara, Galle
RUHUNURATA	(5) Sabaragamuwa Province	Kegalle, Distripura
MAHAWELIYA	(6) Southern Province (7) Eastern Province (8) Central Province (9) Uva Province (10) Lower Mahaweli Province	Matara, Nuwara, Lower Uva, Ampara, Batticaloa, Matale, Kandy, Nuwara-Eliya, Badulla, Mannar, Welikada, Polonnaruwa, Trincomalee

land resources, (see maps on river systems) and Development oriented Management Boundaries.

In some instances the existing provinces had to be spilt up to fall into the agricultural regions.

The districts have been grouped into ten provinces keeping in mind natural divides of river catchments, as they determine natural boundaries for agricultural development. The existing historical names have been retained as far as possible and new names created where

tage. However, if population distribution is to be an important criteria, then the Galle district should rightly belong to Ruhuna.

The new Regions, Provinces and Districts are indicated in the accompanying map and is also listed here for easy reference.

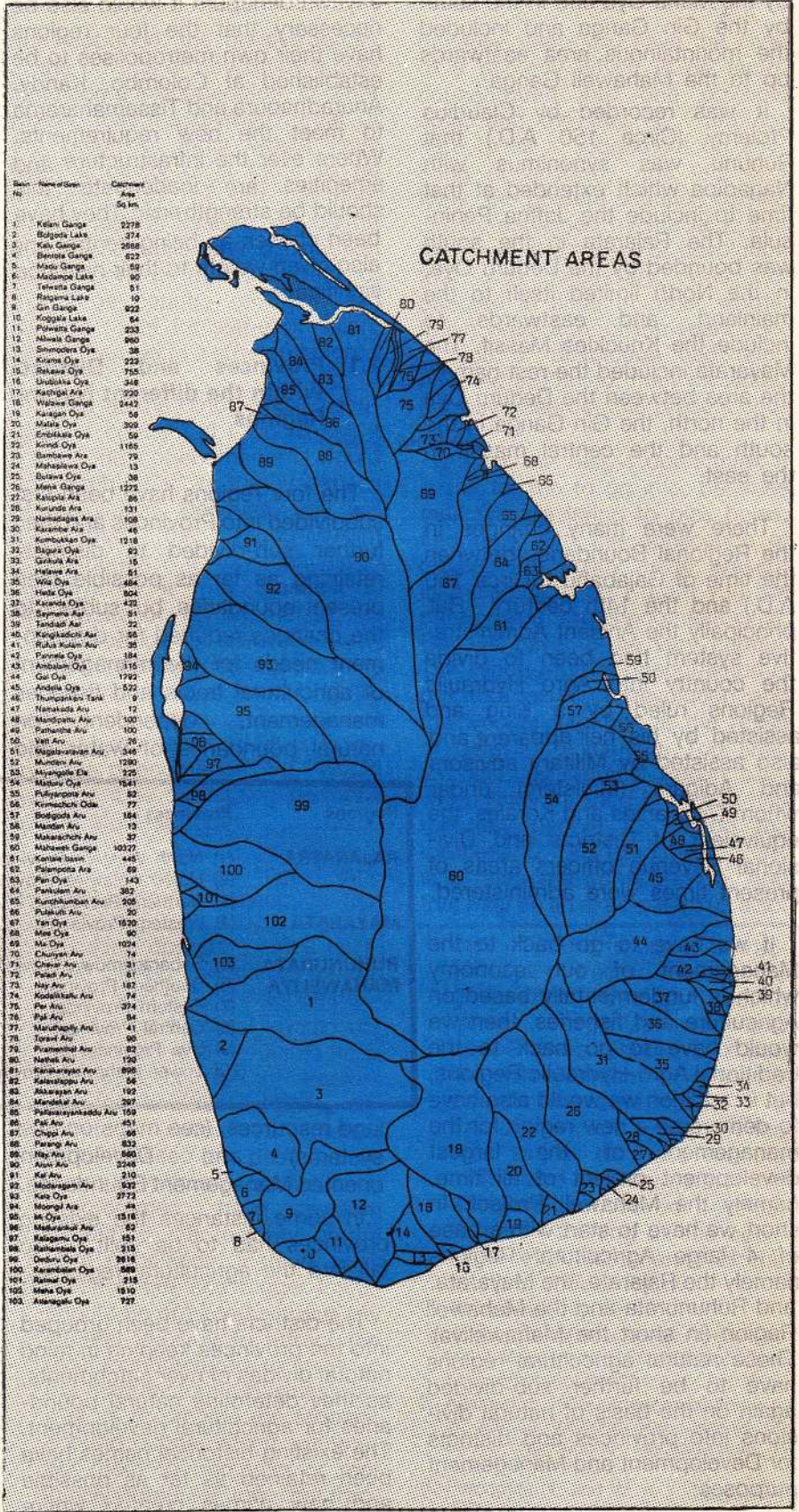
The proposed ten provinces have been divided into 28 districts for better agricultural management, fisheries and industrial development. Three new Districts have been proposed for

Kalawewa, the Walawe Project area and the third for the Negombo district. The high population in the present Gampaha district as well as the specialised fisheries activities and the free trade zone, require special management and attention by the people of this proposed district as they are directly affected by these major activities.

3. Concluding

It is apparent to every one that only by the creation of the rational divisions of the Land Areas of the country into Agricultural Regions, Provinces and Districts that the economy of the country and the welfare of its people and its management could be ensured. Ultimately political freedom has no meaning in the abstract, unless it is integrated to the economic and social wellbeing of its people. For this we have to create economically viable units and areas for the maximisation of the use of the resources of land and water, for the emancipation of its people and for the good of the largest number in a socialist democracy. Political power or freedom have otherwise no meaning to the people. It has meaning to the people only when they can be partners in development, where they can help to take meaningful decisions which are technically sound, economically beneficial and socially desirable. For this purpose we would have to mobilise the intelligentsia:- the Scientists and Technologists, the Economists, competent Management specialists and others to harness the Natural and Human resources that nature has bestowed upon us, for the development of Agriculture, Fisheries and Industry, for the good of the largest number.

I sincerely hope that these proposed divisions would form a basis for the crying need for decentralisation at Regional, Provincial and District level, at this critical time of our history.



Puttalam District Main Economy:

Agriculture: Coconut, paddy, cashrops, Horticulture.
 Major schemes: Irrigation, Fishery, Forestry, Water
 supply.
 Fisheries: Brackish water and coastal fisheries.
 City: Puttalam - Towns: Galle, Mannar.

Kurunegala District Main Economy:

Agriculture: Coconut, paddy, tobacco, Cashrops.
 Schemes: Reservoirs, Balaigoda, minor irrigation
 schemes.
 Fisheries: Brackish water and coastal fisheries.
 City: Kurunegala - Towns: Kulusripaya, Mannar.

Kaluwawa District Main Economy:

Agriculture: Paddy, Coconut, Cashrops.
 Major Schemes: Kaluwawa, Nagapana, Kalyana,
 Agaramwa, Malawadi System H.
 Fisheries: Inland Fisheries.
 City: Tennantpattana. Towns: Kallawa, Nigalka,
 Talawa, Galawa.

Aurudhapura District Main Economy:

Agriculture: Paddy, Cashrops, Citrus.
 Irrigation Schemes: Nuwakawa, Nachchikawa, Poval-
 kumb and further development work proposed under
 Mahaweli System I.
 Industries: Tourism.
 Metropolitan City: Aurudhapura Town, Madawachchya.

Hewapetota District Main Economy:

Agriculture: Paddy and Cashrops.
 Irrigation Schemes: Pahalaya, Wankanda, Hantawewa,
 Kuruwawa. In addition to further development under
 Mahaweli System II.
 Fisheries: Inland, Brackish water & coastal fisheries.
 City: Hewapetota - Town: Palmaradi.

Jaffna District Main Economy:

Agriculture: Tobacco, Coconuts, Palmes, vegetables,
 Horticulture.
 Irrigation Schemes: Mine ground water extraction
 scheme, Jannayatu, Akkayar Kalam, Vannakulam.
 Fisheries: Brackish water and coastal fisheries.
 Industries: Cement, Granite and Tourism.
 City: Jaffna. Towns: Puzosham.

Mullativu District Main Economy:

Agriculture: Paddy, Cashrops.
 Irrigation Schemes: Mullayankulam, Tennantpattana.
 Further development under System C, L of Malawadi
 Scheme.
 Fisheries: Brackish water and coastal fisheries.
 City: Mullativu. Town: Oltakandam.

Mannar District Main Economy:

Agriculture: Paddy, Cashrops.
 Major Schemes: Giant Tank, Vannakulam, Tube well lift
 irrigation, further developed under system 'C' of Mahaweli
 Project.
 Fisheries: Brackish and coastal fisheries.

Gampaha District Main Economy:

Agriculture: Coconut, paddy.
 Major Irrigation: Atanagala Oya Scheme and other minor
 schemes.
 City: Gampaha - Towns: Minuwangoda, Veerangoda.

Negombo District Main Economy:

Agriculture: Coconut, paddy.
 Major irrigation: Muthurupwala drainage scheme.
 Fisheries: Brackish water and coastal fisheries.

Industries: Free Trade Zone, Commerce and Tourism.
 City: Negombo. Towns: Kancheshkade, Kulara,
 Kulusripaya, Watala, Randeni and Kalenna.

Colombo District Main Economy:

Agriculture: Coconut, paddy, rubber.
 Major Schemes: Kithi and Akkaya, Balagoda Drainage
 Schemes.
 Fisheries: Brackish water and coastal fisheries.
 Industries: Principal Commercial Capital with International
 Harbour, various industries.
 Capital: Sri Jayawardenapura.
 Regional Metropolitan City: Colombo.
 Towns: Marawala, Mahangama, Mount Lavinia, Ake-
 sewela and Panadura.

Kalutara District Main Economy:

Agriculture: Rubber, coconut, paddy.
 Major schemes: Battala Ganga scheme, Madampe Salt,
 Water extraction schemes.
 Fisheries: Brackish water and coastal fisheries.
 Industries: Tourism and rubber technology, Textiles,
 Cheet Kalaru. Towns: Palukura, Mahangama, Ambel-
 goda.

Galle District Main Economy:

Agriculture: Rubber, Teak, Paddy, Sugarcane.
 Major Schemes: Gallepala Project.
 Fisheries: Brackish water and coastal fisheries.
 Industries: Fisheries Harbour and Tourism.
 City: Galle - Towns: Hakkalam, Bembak, Bokka.

Kapalle District Main Economy:

Agriculture: Rubber, Tea, Spices, Paddy.
 Irrigation: Subansiri, Minor irrigation.
 City: Kapalle - Towns: Mawwala, Rambakkara.

Kalutara District Main Economy:

Agriculture: Rubber, Tea, Spices, Paddy.
 Irrigation: Minor Irrigation.
 Industries: Gems and Tourism.
 City: Rannipura - Towns: Talangoda, Palakula.

Muturu District Main Economy:

Agriculture: Tea, Rubber, Paddy, Spices,
 Irrigation Schemes: Mine Irrigation, Proposed M
 walganga Scheme.
 Industry: Tourism.
 City: Muturu Town - Akkara, Kamburuziya, Durigaya,
 Doda, Weligama.

Wakawa District Main Economy:

Agriculture: Paddy and Cash crops, Sugarcane.
 Major Irrigation: Wawwa, Chanchikawwa, Maruthakula
 and Pidiyagama.
 Fisheries: Inland Fisheries, Brackish water and coastal
 fisheries.
 City: Pindipitiya Town: Lanqala, Ambalantota.

Lower Oya District Main Economy:

Agriculture: Citrus cultivation, Paddy, Sugarcane.
 Major Irrigation: Lunugama, Rupa, Oya.
 Fisheries: Brackish water and coastal fisheries.
 Regional Metropolitan City: Trincomalee.
 Town: Hantantota, Marangala, Kalamya and Butera.

Ampara District Main Economy:

Agriculture: Paddy and Cash crops, Sugarcane.
 Major Irrigation: Gal Oya Scheme, Teak, Pine, Natural
 Oya Irrigation, Akkara Oya, Uduwala Reservoir etc.

Fisheries: Inland Fisheries, Brackish Water and coastal
 fisheries.

Batticaloa District Main Economy:

Agriculture: Paddy and Cashrops.
 Major Irrigation: Ummathiri Tank.
 Fisheries: Brackish water and coastal fisheries.
 Industry: Paddy processing and Tourism.
 City: Batticaloa Town: Wakkachchi, Piddikrupi.

Makala District Main Economy:

Agriculture: Tea, Rubber, Spices, Tobacco.
 Major Irrigation: Nalanda Oya Scheme, Dewhuwa, Ilwa-
 akkara.
 Hydro Power: Ukulela, Rowellana.
 Industries: Gems, Tourism, Jewellery.
 City: Makala - Towns: Rambak, Hakkala.

Kandy District Main Economy:

Agriculture: Tea, Rubber, Spices, Tobacco.
 Major Irrigation: Rajgala Dam, Kumbura, Kumbura
 Hydro Power, Kumbura.
 Industries: Handicrafts, Tourism.
 Regional Metropolitan - Other: Kandy.
 Towns: Peraldeniya, Gampola, Mahawagala.

Nuwara-Eliya District Main Economy:

Agriculture: Tea, Spices.
 Major Irrigation: Kumbura Scheme.
 Hydro Power: Galwanah, Ninnon Drain, Malawadi.
 Industry: Tourism.
 Other: Nuwara-Eliya - Towns: Moolayya, Hattala.

Badulla District Main Economy:

Agriculture: Tea, Paddy, Cashrops, Vegetables.
 Irrigation: Minor Irrigation, number of proposals.
 Hydro-Power Project.
 Industry: Tourism.
 City: Badulla - Towns: Hantawewa, Wakkara.

Mahiyangana District Main Economy:

Agriculture: Paddy and Coconuts.
 Major Irrigation: Mipe, Anzai, Wapalala, Dambawewa,
 Samburawewa, Wankanda, Hakkala, Spaka 'C' and
 System 'D'.
 Fisheries: Inland Fisheries.
 City: Mahiyangana - Towns: Hantawewa, Gaurakumbura,
 Dehara, Kumbura.
 Agriculture: Paddy and Coconuts, Animal Husbandry.
 Major Irrigation: Kumbura Oya, Dambawewa, Samburawewa.
 Fisheries: Inland Fisheries, Coastal Fisheries.
 City: Wankanda - Town: Mawwara.

Palmanawa District Main Economy:

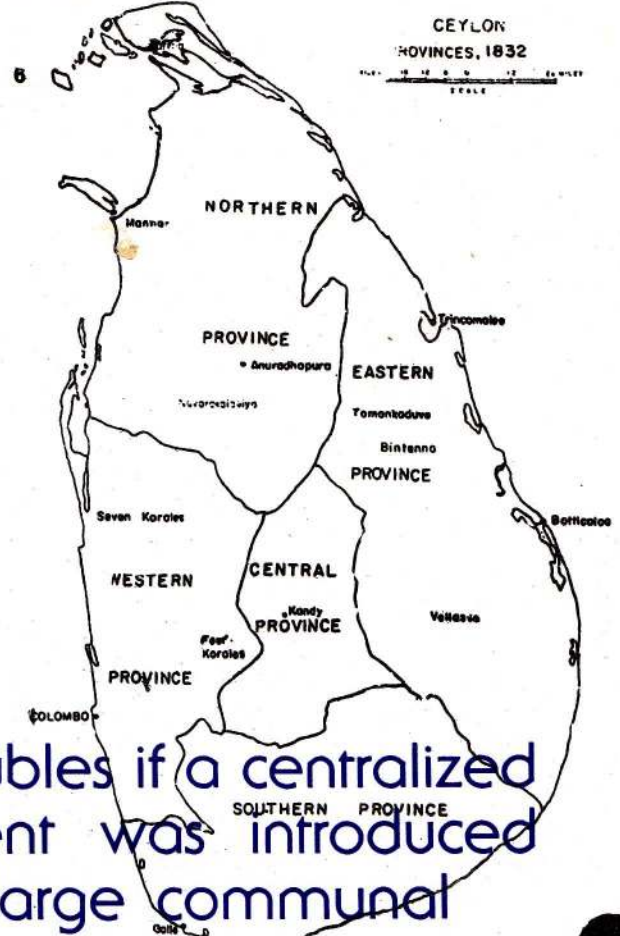
Agriculture: Paddy and Cashrops, Animal Husbandry.
 Major Irrigation: Hantawewa, Samburawewa, Kumbura,
 Kumbura, Hantawewa.
 Fisheries: Inland Fisheries.
 City: Palmanawa - Town: Hinguragoda.

Trincomalee District Main Economy:

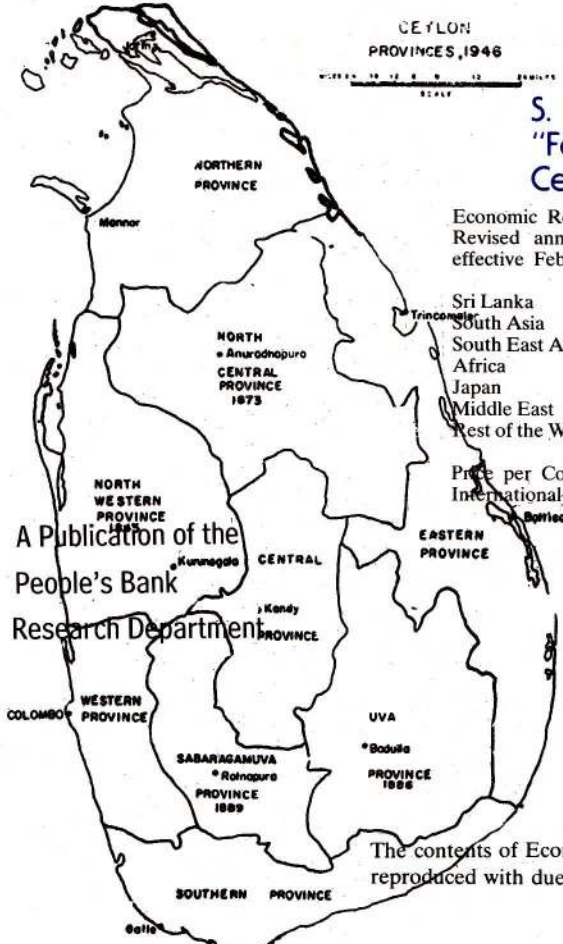
Agriculture: Paddy, Sugarcane and Cashrops, Animal
 Husbandry.
 Major Irrigation: System 'A', Aji Kumbura Reservoir.
 Fisheries: Brackish water and coastal fisheries.
 Industries: International Harbour, Tourism.
 Major Coal Thermal Power Generation.
 Free Trade Zone, Proposed Tourism, Somawathya
 National Park.
 City: Trincomalee - Towns: Muttur, Kumbura.



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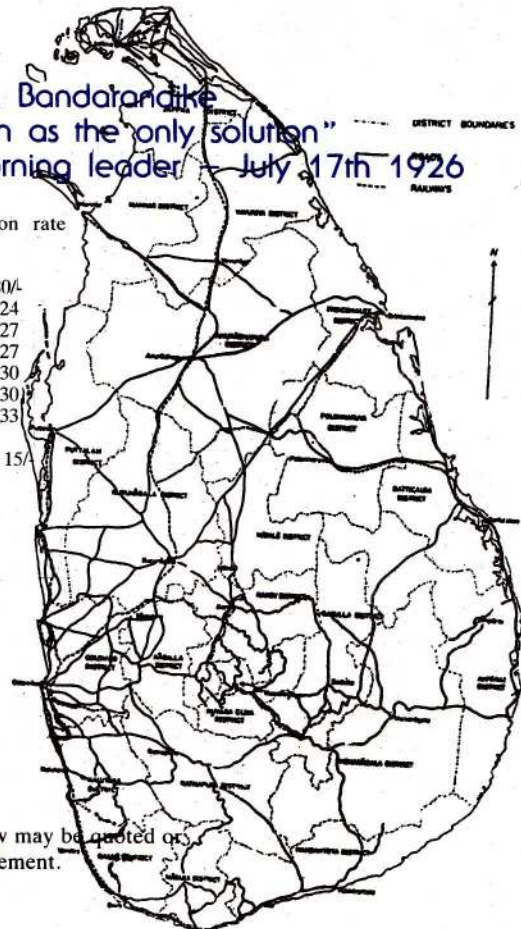
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