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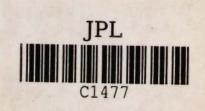
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THE EXPERIENCE OF SRI LANKA

B.S. WIJEWEERA



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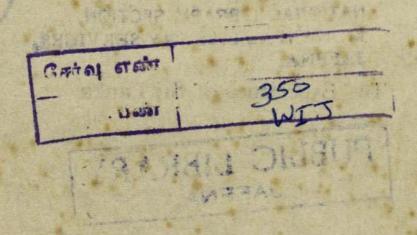


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This book is dedicated to the memory of

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PREFACE

This study traces its roots to the years 1968-74, during which period the author served as a Government Agent in Sri Lanka. The changes that were taking place at that time, in district administration, were fascinating and called for academic inquiry. Of special interest was the concept of District Minister which originated at the periphery and gradually imposed itself on the centre; strangely enough, in an administrative system whose decision-making process was characterised by a high degree of centralisation. This paradox made a good topic for research. Subsequently, other developments—the Presidency and District Development Councils—enveloped the District Minister concept, and it became a matter of interest to trace the inter-relationships and to examine the interaction.

It is not possible to dissociate oneself from one's experiences. On the positive side, such experience can lend empathy to research. On the other hand, too close an involvement with events under examination can impair one's objectivity. Bearing these considerations in mind, a conscious attempt was made throughout this research to subject impressions formed on earlier occasions to the light of fresh inquiry.

The events discussed in this book cover roughly the decade beginning the year 1970. As such, the important political events of 1982 and thereafter fall outside the scope of this study.

The year 1970 marks the commencement of the United Front Government of Sirimavo Dias Bandaranaike. During the period of this Government a novel institution of District Political Authority was introduced for the purpose of co-ordinating and expediting the activities of central government at the district level. Part II

of the research examines the reasons that prompted the creation of this unique institution, the motivations of the various groups and individuals involved in its establishment and, above all, the administrative rationale and justification for such an institution. It also analyses the impact the new institution had on the prevailing administrative structure, especially the implications it held for the power structure within the Government. An attempt is also made to assess its operation in practice and to relate the actual operation to the objectives and intentions for which it was devised.

Part III of the research examines the role of this novel institution after the change to the United National Party Government of J. R. Jayewardene, in 1977. Emphasis is placed on the enhanced status of this institution, through the designation District Minister, and the enlarged role for it as the nucleus of the District Development Council. The latter is also examined as a development in the sphere of local government ir Sri Lanka and as an attempt to merge two distinct trends, one of decentralising through a rearrangement of the central government administrative structure and the other of providing for some degree of devolution of power from the central government to local authorities.

This book is a modified version of the dissertation which was accepted for the degree of Doctor of Philosophy (Political Science) of the University of Peradeniya, Sri Lanka. As such, the initial credit for encouraging me to undertake this study should go to Professors W. A. Wiswa Warnapala and A. Jeyaratnam Wilson (then the Head of the Department of Political Science, University of Peradeniya). The former continued throughout as a supervisor and was a constant source of encouragement. To my other supervisor, Professor K. M. de Silva, I am much obliged, for guidance and good counsel.

I wish to place on record my appreciation and indebtedness to certain other friends who helped me. Professor G. H. Peiris (Department of Geography) and Mr. A. S. Jayawardene (Central Bank) read through important sections of the early draft and offered valuable suggestions for its improvement. Others from

whom I received useful comments included Dr. Susantha Goonatilake (Peoples' Bank), Mr. Gamini Seneviratne (Ministry of Finance and Planning), Mr. S. Easparathasan (Central Bank) and some Government Agents. During the final stages, I profited immensely from the thoughtful comments and suggestions of Dr. G. M. Abeyratne (Central Bank) who read through the entire final draft correcting many an error.

This research gained very much from the library facilities extended to me during a six-week stay at the Department of Administrative Studies, University of Manchester. To Dr. J. O. Johnston and Mrs. S. Goonawardena of the British Council, Colombo and my friend, Mr. Raja Gomez of the Commonwealth Secretariat, London, I extend my thanks for making possible the stay at Manchester. In this connection, thanks also go out to Professor Arthur Livingston, Messrs. Martin Minogue, James Craig in particular, and to the other members of the faculty at the DAS for making my stay not only fruitful but also memorable.

The other references for this research were mostly done in the libraries of the Central Bank, the University of Colombo and the Sri Lanka Institute of Development Administration. To the staff of these libraries I owe a heavy debt of gratitude, not only for the ready assistance but also, often, for setting aside internal procedures to accommodate my special requests.

Finally, it remains to thank my wife for sharing with me an enthusiasm to bring this research to a satisfactory end, and more importantly, for seeing the manuscript through its many stages of typing.

B. S. Wijeweera

1 March 1986, Colombo

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FOREWORD

Experience gives to scholarly activity a subtlety and authenticity not often accessible to those who have only studied and never practised. Dr. Wijeweera, a former Government Agent in Sri Lanka's district administration, is one of those rare officials who took time out to apply the tools of disciplined scholarly analysis and reflection to the problems of how to deal with Sri Lanka's highly centralised administrative structure.

It is an unusually insightful analysis of the development of district administration in Sri Lanka. Only someone who had himself been personally deeply involved in administration outside the capital could write such a paper. At the same time, however, he has approached his subject with admirable discipline. He has been particularly adept at demonstrating the intimate interweaving of (a) how an idea gets articulated, (b) how it finds a proponent who sees utility in the idea either for himself or for the polity, and how (c) events induce a readiness in others to adopt the idea and favour the efforts of the proponent until (d) presto, an innovation has been adopted.

He manages to discuss issues that have evoked intense feeling in Sri Lanka with objectivity and an absence of obvious partisanship. His sense of realism leads him to say in a number of different ways that institutions of government are shaped by politicians and administrators grappling with the practical tasks of accommodating and shaping political power to differing practical and longrun purposes.

His historical discussion recalls the unanticipated centralising bi-products of the Donoughmore Constitution. He reports on successive experiments over the past twenty years to strengthen district representation and administration at the partial expense of central ministries in Colombo. His discussion of the District Political Authority, the District Minister and the District Development Council shows the sources of these innovations, problems of breathing life into them and the built-in resistance from the central Ministers and their bureaucracies at the centre. These politicoadministrative inertias are quite distinct from the contradictory perspectives on communal interests which have either sought or discouraged devolution for quite other reasons.

It can be argued that finding the optimum mix of responsive administration in the districts with dynamic development impulses generated from the centre is indispensible if Sri Lanka's economic development is to gain momentum in acceptable ways. It may also be essential for the long-run peaceful resolution of Sri Lanka's most agonising problem—relations between the Sinhalese majority and the Tamil minority. All the more reason, therefore, for taking seriously the thoughtful, sophisticated and studiously objective analysis by Dr. Wijeweera.

Columbia University, New York W. Howard Wriggins
Professor of Political Science
and
Former U. S. Ambassador
to Sri Lanka.

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PART I. AN INTRODUCTION

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CHAPTER I

DISTRICT ADMINISTRATION IN SRI LANKA: AN OVERVIEW

District administration has been defined as that part of public administration which functions within the territorial limits of a district.1 The emphasis here is on the district, the territory marked off for administrative purposes. All that which takes place within this basic administrative unit is district administration. It embraces all activities of government, the offices and the functionaries; and encompasses all institutions for the management of public affairs such as local government bodies and public corporations Depending on the degree of control exercised by governments authorities, district administration may even include the activitie of non-governmental organisations such as co-operative societies Since the whole country comprises a number of districts more or less similar in character, district administration, thus serves as a microcosm of the total activity of public administration in the country. Of course, there can be wide variations within what is encompassed by this microcosm. For instance, it can show a higher preponderance of central government activity as opposed to local government and vice-versa. Or, even within the scope of central government activity the form may take different patterns; one that reflects vertical departmentalism and working in mutual isolation, in contrast to a highly integrated system with a districtbased unity.2 In spite of this wide variety of possibilities district

^{1.} S. S. Khera District Administration in India (National Publishing House, New Delhi 1979) p. 76.

Robert C. Fried in The Italian Prefects (Yale University Press 1963)
distinguishes between two basic types of district administration — the
integrated and the unintegrated prefecture.

administration possesses that unique feature of being a scaled-down version of the total activity of public administration in the country.

In this sense, district administration serves as a convenient parameter not only for an examination of the government machinery and its inter-relationships at any given time, but also for an evaluation of the changes that have occurred within the government administrative structure over a given time period. In an evaluation of the changes that have occurred in district administration in Sri Lanka, a very useful frame of reference is provided by the Donoughmore Reforms that were introduced in 1931.³ The administrative structure that preceded the Donoughmore Reforms and the one that followed them serve as the two axes of the frame of reference that is to be used throughout this study.⁴

The Colebrooke Period

The administrative structure that preceded the Donoughmore Reforms traces its origin to the Colebrooke Reforms that were introduced by the British in the year 1833 in this Crown colony, then known as Ceylon.⁵ Through these reforms the administration of the whole country was unified and centralised, under the direction of the British Governor and his bureaucracy. The centre of governmental authority was Colombo — the administrative capital where the Governor resided; and in it was concentrated the military and administrative power of the colonial

For a comprehensive account of the Donoughmore Reforms and what followed see I. D. S. Weerawardena Government and Politics in Ceylon 1931 — 46 (Ceylon Economic Research Association Colombo 1951).

^{4.} Other researchers have also found the Donoughmore Reforms to be a meaningful reference point for an examination of district administration in Sri Lanka. See,

⁽i) G. R. Tressie Leitan Local Government and Decentralised Administration in Sri Lanka (Lake House Colombo 1979).

⁽ii) Neil Fernando Regional Administration in Sri Lanka (Academy of Administrative Studies Colombo 1973).

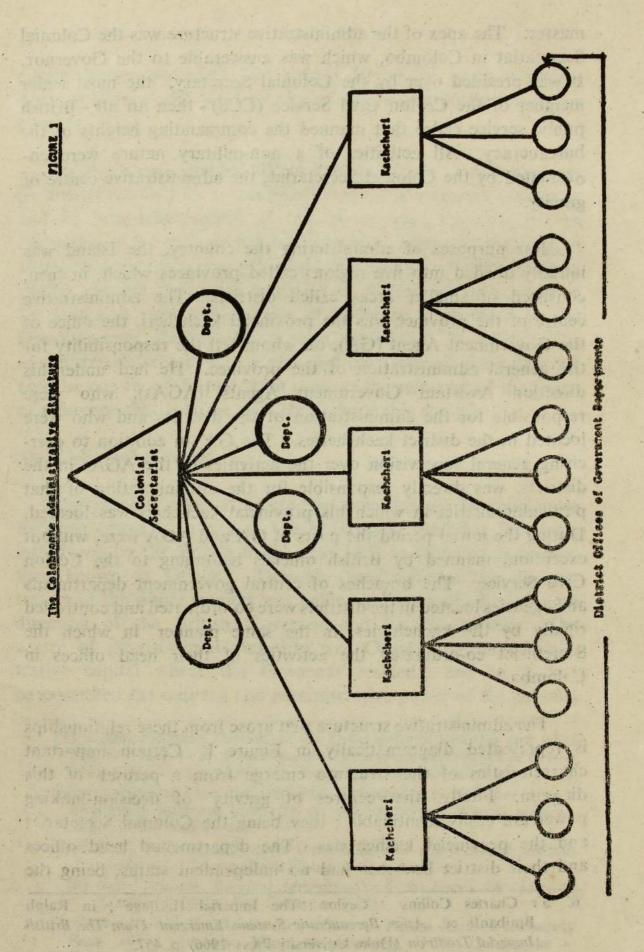
^{5.} G. C. Mendis ed., The Colebrooke — Cameron Papers (Oxford University Press 1956). See also Vijaya Samaraweera "The Colebrooke — Cameron Reforms", in K. M. de Silva gen. ed. History of Ceylon (University of Ceylon 1973) Vol. 3 Chapter VI.

master. The apex of the administrative structure was the Colonial Secretariat in Colombo, which was answerable to the Governor. It was presided over by the Colonial Secretary, the most senior member of the Ceylon Civil Service (CCS) - then an all - British public service cadre that manned the commanding heights of the bureaucracy. All activities of a non-military nature were coordinated by the Colonial Secretariat, the administrative centre of gravity.

For purposes of administering the country, the Island was initially divided into five regions called provinces which, in turn, consisted of smaller areas called districts. The administrative centre of the province was the provincial kachcheri, the office of the Government Agent (GA), on whom fell the responsibility for the general administration of the province. He had under his direction Assistant Government Agents (AGAs), who were responsible for the administration of the districts and who were located in the district kachcheries. The GA, in addition to exercising general supervision over the activities of the AGAs in the districts, was directly responsible for the administration of that particular district in which his provincial kachcheri was located. During the initial period the posts of GA and AGA were, without exception, manned by British officials belonging to the Ceylon Civil Service. The branches of central government departments and agencies located in the districts were co-ordinated and controlled rigidly by the kachcheries, in the same manner in which the Secretariat co-ordinated the activities of their head offices in Colombo.6

The administrative structure that arose from these relationships is represented diagramatically in Figure I. Certain important characteristics of the structure emerge from a perusal of this diagram. Firstly, the 'centres of gravity' of decision-making power are easily identifiable; they being the Colonial Secretariat and the provincial kachcheries. The departmental head offices and their district branches had no independent status, being the

^{6.} S'r Charles Collins "Ceylon: The Imperial Heritage", in Ralph Braibanti ed. Asian Bureaucratic Systems Emergent From The British Imperial Tradition (Duke University Press 1966) p. 457.



appendages of the Colonial Secretariat and the kachcheries Secondly, the chain of command is clear and respectively.7 precise. Authority emanates from the Colonial Secretariat and flows out to the kachcheries, and from there to the peripheral units and back again through the kachcheries to Colombo, in a neatly-laid-out hierarchical relationship. Thirdly, the organisational pattern was simple and one that could be readily understood and mastered even by the newest recruit to the bureaucracy or the humblest of its membership. This simplicity in the administrative relationships would have, no doubt, contributed to efficiency. For, it is an axiom of the physical world that the less complicated a system is, the lesser the number of parts that are linked up in its chain of reaction, the lesser is the tendency to dissipate energy in friction, impedance, overcoming inertia etc.; and the greater its efficiency in converting effort into desired results. Although an administrative system is not an example from the physical world, the analogy is not one without relevance. The elementary form of the administrative structure would have resulted in a smoother translation of executive decisions into action, without the bureaucratic sluggishness that normally accompanies more complex organisational patterns.

This administrative structure lasted for almost a century without substantial change. It presided over a period of rapid social, economic and political transformation in the country; changes that have an impact on the profile of the country even to this day. In the social sphere, the transformation was one from a feudal society to one based on more egalitarian values. At the beginning of this period, and individual's worth or station in life was conditioned by ascriptive criteria such as caste and hereditary

^{7.} This pattern began to change towards the end of the Colebrooke period with central departments establishing district offices that functioned independently of the Government Agents. See K. M. de Silva "The Development of the Administrative System, 1833 to c. 1910", in *History of Ceylon* op. cit. p. 224.

For some aspects of this change see L. A. Wickremaratne — Education and Social Change, 1832 to c. 1900", in History of Ceylon, op. cit., pp. 165 — 186.

lineage; at the end of it acquisitive criteria of educational attainments, access to capital etc. had begun to invest society with a social mobility that transcended feudal trappings.9 In the economic sphere the transition was very marked. An economy based on subsistence agriculture and a system of customary service tenure, which enabled the king and the feudal overlords to exact payment and services from the people, was transformed partly into an economy based on the exploitation of capital, skills and labour and regulated by economic motives of wages and profits. 10 Admittedly, the plantation economy and the attendant infrastructure build-up that arose from these changes were ones that were modelled to suit the interests of the colonial masters; but, even so, decades after the advent of Independence, the economy still bears the stamp of a heavy reliance on the plantation activity spearheaded by the entrepreneurial pioneers of the earlier period. The political advance achieved during this period was also no less significant. The most important developments in this field were the fashioning of modern institutions, in a fairly differentiated form, to bear the responsibility for the legislative, executive and judicial functions of the state. The Legislative Council, with all its limitations, was the precursor to the present-day Parliament and to the introduction of popular, representative government. bureauciacy, based to some extent on meritccracy, served as a 'steel frame' upon which to build the executive at a later stage.11 The judiciary, with its acknowledged penchant for independence and impartiality, has survived to this day to provide stability to

^{9.} See (i) Michael Roberts "Flite Formation and Flites 1832 — 1931", in History of Ceylon op. cit. p. 265 et seq.

⁽ii) Tissa Fernando, "Aspects of Social Stratification", in Tissa Fernando and Robert N. Kearney, ed., Modern Sri Lanka: A Society in Transition (Syracuse University, 1979).

^{10.} This transformation of the economy is dealt with in

⁽i) Lennox A. Mills, Ceylon under British Rule 1795 — 1932, (K. V. G. de Silva & Sons, Colombo, 1964);

⁽ii) Donald R. Snodgrass, Ceylon: An Export Economy in Transition (Irwin. Inc., 1966), Chapters 1 — 3.

^{11.} For an account of the gradual entrenchment of the merit principle at the higher levels of the bureaucracy see P. T. M. Fernando, "The Ceylon Civil Service: A Study of Recruitment Policies, 1880 to 1920" Modern Ceylon Studies, Vol. 1 No. 1, 1970.

the social order; a stability that is generally based on the rule of law and respect for constitutional authority. Undoubtedly, the administrative system should have had a certain catalytic character in order to survive, without substantial alteration to its own form, a period of such fundamental change.

The Donoughmore Period and After

The Donoughmore Reforms that were introduced in 1931 changed radically, among other things, the administrative structure that had been in existence for almost a hundred years. At the apex the reform substituted the Colonial Secretariat with ten ministries, all not necessarily acting in unison; a tendency that has persisted to this day in spite of the introduction of British-type cabinet government under the Soulbury Constitution of 1946. 12 The splitting of the Colonial Secretariat into different ministrics, each independently under the responsibility and direction of a minister, and the grouping of departments under each of these ministries had vast implications for the administrative network. In response to this change at the top the administrative structure had to adjust itself; and, hence, what emerged at the time of Independence was a structure that had undergone substantial modification.

The introduction of ministries in place of the former Colonial Secretariat affected the administrative structure in many ways. Firstly, the authority vested in the new ministries to fashion the shape and style of the administration resulted in a rapid growth in the number of government departments. From the figure of forty, at the time of the Donoughmore Reforms, 13 it had more

^{12.} In 1946, Sri Lanka (then Ceylon) was granted self-government over matters of internal affairs under the Soulbury Constitution based closely on the Westminster model. This Constitution was later amended to provide for an independent, sovereign state commencing 4 February 1947. See K. M. de Silva, "The History and Politics of the Transfer of Power", History of Ceylon op. cit., also his "The Transfer of Power in Sri Lanka", The Ceylon Journal of Historical and Social Studies, Vol IV, Nos. 1 and 2, 1974.

^{13.} Report of the Special Commission on the Constitution (Donoughmore Report), (Government Printer, Colombo, 1953), Appendix III.

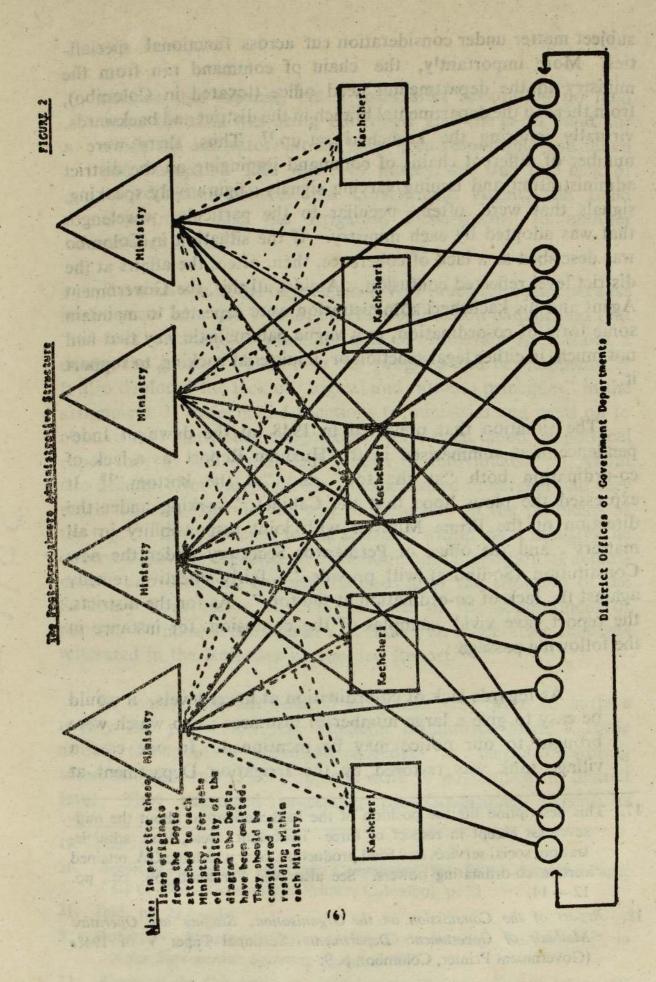
than doubled at Independence 14 Of course, the growth in the number of departments was also a natural response to the expansion of state activity and the active involvement of the local elected Ministers in the development activities of a nascent state. At the same time, the tendency for each Minister to expand his 'empire' by adding more and more departments to his ministry cannot be overlooked.15 Secondly, the formation of ministries tended to encourage centralisation within each ministry; the important decisions being tightly controlled by the departmental head offices. in order to assure to the Minister concerned a high degree of supervision, particularistic intervention and patronage. Thirdly, the feature of functional compartmentalism that was in existence in the make-up of the government department, combined with the semi-autonomous nature of ministerial control to promote vertical compartmentalisation, with the apex at the ministry and lines of division spreading outwards down to the remote village. Thus, the activities of each department came to be insulated from those of another. The organizational pattern that emerged came to reflect increasingly centralised, vertically arranged, departmental field structures which operated through their own functionaries, ignoring the kachcheries in the districts. 16

The administrative structure that emerged after Indeper dence was largely based on the changes that followed the Donoughmore Reforms and is depicted in Figure 2. The Colonial Secretariat of the earlier model, it is observed, has given way to a series of ministries, each representing the authority of the centre in its own functional domain. Also, the distinction between provincial kacheheri and district kacheheri was no more. The major policy guidelines were sorted out at the Board of Ministers or Cabinet Office (not shown in the figure) as the case may be, but the centres of gravity for decision-making purposes were the ministries. This meant that in practice there were as many centres of gravity in Colombo as there were ministries, each demanding equal status. The result was a certain lack of coherence, especially when the

^{14.} Leitan, op. cit., p. 17.

^{15.} Weerawardena, op. cit., p. 124; also Leitan, op. cit., p. 17.

^{16.} Leitan, op. cit., p. 21.



subject matter under consideration cut across functional specialities. More importantly, the chain of command ran from the ministry to the departmental head office (located in Colombo), from there to the departmental branch in the district and backwards, virtually ignoring the kachcheri set-up.¹⁷ Thus, there were a number of different chains of command impinging on the district administration and issuing varying signals; figuratively speaking, signals that were, often peculiar to the particular wavelength that was adopted by each ministry. If the situation in Colombo was described as a lack of coherence, then, often, the affairs at the district level reflected confusion. Amidst all this, the Government Agent and his kachcheri administration were expected to maintain some form of co-ordination, in a vague paternalistic way that had not much, in either legal sanction or ministerial backing, to support it.

The situation that prevailed in 1948, at the dawn of Independence, was summarised in the Huxham Report as a lack of co-ordination both "at the top" and "at the bottom." It expressed the pious hope that the Cabinet, "working under the direction of the Prime Minister with joint responsibility in all matters", and the office of Permanent Secretary under the new Constitution (Soulbury) will provide "a fairly effective remedy against the lack of co-ordination at the top." As for the districts, the report gave vivid examples of the confusion, for instance in the following passage:

As regards lack of co-ordination at lower levels, it would be easy to give a large number of instances; two which were brought to our notice may be mentioned. In one case a village tank was restored by the Irrigation Department at

^{17.} This description fits the position of the kachcheri up to about the midseventies except in respect of three important areas, land administration, social services and food production, over which the GA retained
certain co-ordinating powers. See also Neil Fernando, op. cit., pp.
12-14.

^{18.} Report of the Commission on the Organisation, Staffing and Operative Methods of Government Departments Sessional Paper V of 1948. (Government Printer, Colombo), p. 9.

The situation at the top remained very much the same, because twelve years later the Wilmot Perera Commission commented that "the lack of adequate planning and co-ordination is, without a doubt, the greatest obstacle to our progress and development."20 It also deplored the lack of "logical and rational principles" in the assignment of subjects and functions to ministries and went on to observe that many such assignments "have been based on political expediency or the whims and fancies of individuals."21 two decades after Independence an experienced researcher had very much the same to offer by way of comment on the problems at the top.²² In a reference to the activities within each ministry he observed that the expected co-ordination and integration of departmental activities had not materialised, after the adoption of the Soulbury Constitution of 1946, in spite of the appointment of ministry Permanent Secretaries and staffs; an observation that was reiterated in the Rajendra Committee Report.23

In remarkable anticipation of events that were to surface twenty five years later, the Huxham Committee made a futile attempt to establish a "decentralised budget" as a means of restoring some rationale in the development work of government at district level. They suggested re-naming the Government Agent as

^{19.} Ibid., p. 9.

^{20.} Report of the Salaries and Cadre Commission 1961. Part I. Sessional Paper III of 1961, (Government Printer, Colombo), p. 21.

^{21.} Ibid., pp. 22 — 23.

^{22.} Robert N. Kearney, "Ceylon: The Contemporary Bureaucracy", in Asian Bureaucratic Systems, op. cit., p. 490.

^{23.} Report of the Committee on Administrative Reforms, Sessional Paper IX of 1966, (Government Printer, Colombo), pp. 2 — 6.

"District Agent" and placing upon him the main responsibility of implementing a "district development plan" worked out in the following manner:

Instead of this chaotic system (now prevailing) we recommend that there should be placed on the shoulders of the District Agent the definite responsibility of formulating each year a plan for his area covering the activities of all Departments concerned in development. This plan should be evolved as the result of his consultation throughout the preceding 12 months with the Headmen (DROs), Chairmen of Village Committees, and other influential members of the public and also by close contact with the inhabitants of the area, as well as with local officers of the departments concerned. At an appropriate time each year...... a plan should be evolved for the district for the coming financial year, setting out the new activities, such as new schools, new hospitals, places where training in cottage industries is required, special activities of Agricultural Department, minor irrigation works, village works, new bridges, new roads etc. The plan should be one which each departmental officer agrees is within the competence of his department and in accordance with the policy of his Minister 24

As on a later occasion, these proposals met with resistance from the ministries on grounds of interfering with the concept of ministerial responsibility²⁵, an attitude that was anticipated by the Huxham Committee and which they tried, in vain, to assuage.²⁶ In the event, nothing came of this farsighted proposal.

District Administration After Independence

Since Independence, district administration has been subjected to two opposing and conflicting trends. The first was a continuation of the centralising trend, which began in the Donoughmore

^{24.} Huxham Report op. cit., p. 136.

^{25.} Detailed Statement of Action Taken on the Report on Organisation, Staffing and Operative Methods in Government Departments Sessional Paper I of 1951 (Government Printer, Colombo), p. 30.

^{26.} Huxham Report, op. cit., p. 138.

period, of concentrating more and more decision-making power in the departmental head offices and ministries in Colombo; resulting in a weakening of the district administration and its effectiveness. This was invariably accompanied by the setting up of new departments, functioning under the sole responsibility of ministries, to manage many of the activities formerly entrusted to Government Agents. By 1960, the number of departments had grown to 150,27 although, it should be pointed out, not all of them had any direct bearing on the activities of the district administration. The second trend was more correctly a series of periodic impulses given to the district administration, in fits and starts, with the intention of investing it with greater co-ordinating power, to offset the weakening tendencies brought about by the first. Actually, the latter amounted to no more than palliative measures aimed at symptoms rather than the disease. Typical of this latter trend were the attempts to bring about a greater co-ordination at the district level by the formation of District Agricultural Committees (1948), under the chairmanship of the GA, for the purpose of guiding the agricultural activities of the district; the District Co-ordinating Committees (1953), again under the GA, to supervise all governmental activities; the formal appointment of GAs as deputy heads of department (1964), in relation to the district, in all departments involved in the promotion of agricultural production and marketing; and, finally, the investiture of GAs with the district leadership of the "Food Production Drive" launched in 1966. All these attempts were a clear admission by successive governments that something was chronically wrong with the working of the district administration. In fact, the last measure was the direct result of a recommendation of a top - level committee appointed by the then Prime Minister "for improving the organisation of district administration so as to make it an effective instrument of increased agricultural production."28 The main thesis of the committee was the improvement of the existing machinery by,

^{27.} Wilmot Perera Commission Report Part I, op. cit., p. 21.

^{28.} Report of the Committee of Permanent Secretaries on District Organisation for Agricultural Development, mimeograph, (Ministry of Nationalised Services, Colombo, 10 February, 1967), p. 1.

- (a) bringing the Government Agents into a more direct and effective liaison with the central administration;
- (b) strengthening and improving the basic institution of the district administration, viz. the kachcheri; and
- (c) integrating the activities of various government officers in the district under the leadership of the GA.²⁹

Though well intentioned these measures did not prove to be quite effective. For in 1970, an ILO Mission commented that,

some moves to facilitate co-ordination have indeed been made in recent years, in the formal combination in one person (the government agent) of the post of deputy to the directors and commissioners of all central government departments dealing with agriculture.......... But clearly much remains to be done if district co-ordinating committees, and their counterparts at the divisional level, are to be transformed into active planmaking bodies.³⁰

The weakness of these attempts at district level co-ordination stemmed from certain fundamental inconsistencies and intermal contradictions. Firstly, they had the indirect effect of restoring the Government Agent to the position of pre-eminence enjoyed by him during the colonial era and were, hence, out of tune with the prevailing mood.³¹ Secondly, whole-hearted co-operation for these changes was not forthcoming from the technical and specialist officers in the districts and their superiors in Colombo, who regarded the changes as an usurpation of their legitimate powers and responsibilities. In fact, a FAO team questioned the wisdom of having a generalist administrator, without a formal training in any aspect of agriculture, as the district co-ordinator of the important food production effort.³² Thirdly, the abolition of the Ceylon Civil Service and its replacement by a broad-based Administrative

^{29.} Ibid., p. 3.

^{30.} Matching Employment Opportunities and Expectations (Dudley Seers Report), (I.L.O., Geneva, 1971), p. 158.

^{31.} An elaboration of this comment will be found in Chapter II.

^{32.} Report on Organisational and Management Requirements for Agricultural Development in Ceylon (F.A.O., Rome, 1970, mimeograph), p. 14.

Service in 1963 was done in a manner that placed the most junior members of the former CCS in a position of seniority to others with longer service.33 This enabled some of the members of the former CCS to assume the responsibilities of Government Agent after only six or seven years of total service. At the district level this led to resentment, intra-service jealousy and a weakening of the co-ordinating apparatus.34 Fourthly, and this is a point that is not often realised, owing to the politicisation process that had been progressing all the time within the bureaucracy, it was becoming increasingly difficult for a public servant to assume a leadership role of the district administration without in turn becoming a semi-politician.35 In fact, a state had been reached when decisions were dictated by politicians (belonging to the governing party) solely on political considerations, but were overtly justified by the officials entrusted with the responsibility for taking such decisions as those based on objective and non-partisan criteria. Hence, as an answer to these internal contradictions within the district administration, there were murmurs by 1970 that it should be invested with an elected political leadership.36

A Political Leadership for District Administration

The suggestion of a political leadership for the district administration certainly offered a solution to the four problems discussed above. Firstly, it introduced a novel feature into a district administration which had experienced official tutelage during the past 140 years of its history, and was, in that sense, a radical departure from the colonial tradition. It found ready resonance in a consti-

34. Neil Fernando, op. cit., p. 15.

35. The process of politicisation of the bureaucracy is a theme that will be examined in greater detail in the subsequent chapter.

36. Representations from Individuals, Constituent Assembly Proceedings document No. MCA/13/2/337, memorandum dated 20 September 1970 submitted by the Government Agent, Badulla District, to the Steering and Subjects Committee.

^{33.} The placement of the ex-CCS officers in this manner was later justified by an Anomalies Committee appointed to look into this aspect, among other matters. Report of the Committee on the Ceylon Administrative Service Sessional Paper VI of 1966, (Government Printer, Colombo), p. 19.

tutional history which had been characterised, from Donoughmore times, by a process in which the elected representatives demanded and obtained, in stages, increasing control of the administration of the country. An important difference was that earlier such activity, in keeping with British practice, was confined to the administrative apex, whereas by 1970 it had permeated to other levels of the administrative structure. In this sense, it could also be argued that it was a step towards further de-bureaucratisation of the decision-making process. Secondly, in the form of an elected politician it offered a nucleus to which the generalists and specialists in the district administration could be attached, hopefully, sublimating their differences and frictions in an altruistic commitment to national and social welfare. As a corollary, it also provided the mechanism that could mitigate the rigidity of departmental compartmentalism which generally, provides fertile ground upon which intra-service rivalries germinate and flourish. Thirdly, the presence of an "outsider", but nevertheless one who has intimate contact with the officialdom of the district, placed at the hands of a government and the central decision-makers an independent (hopefully) feedback for the assessment of the merits and weaknesses of development activity; thus adding a new dimension to an assessment that was mainly based on official reports. Finally, it provided the means of resolving the dichotomy that, sometimes, crept into decision-making at district-level; the hidden political motives behind decisions and the overt official justification based on objective, non-partisan criteria. In the future, the political leadership would have to take responsibility for decisions; in the form of questions in Parliament, publicity through newspapers, judicial proceedings and whatever other forms that are available to ensure answerability; without having the facade of an impersonal bureaucracy and a complicated hierarchical chain of authority tracing back to the centre, behind which to hide.

The chief drawbacks of the idea of a political leadership for the district administration were two-fold. On the one hand, it presented a serious disturbing element to the precarious balance of power within a government as reflected in the sharing of portfolios. On the other, it held out a potential threat to the Ministers and, by extension, the Cabinet (which in the final analysis has to approve its implementation), in the matter of authority over the direction of the district administration and in the eventual erosion of power and patronage any loss of authority entails.

The balance of power within a government is closely related. to the manner in which the Cabinet is constituted. All governments are coalitions; if not of parties, at least of notables. It may be that in the case of some governments the political party nature of the coalition is dominant. But coalitions could be discerned, even in instances where governments are formed from the ranks of a single, cohesive political party. They are coalitions that reflect diverse combinations of communal, religious, caste, regional and sectoral interests. The Ministers inevitably get drawn into these interest groups and become spokesmen for them at the decisionmaking level. On many an issue, the position taken by an individual Minister reflects the interests of the group whose cause he chooses to espouse, and also the extent of his obligation to these interest groups for political support, both within a government and outside These differences and power interests are held in precarious balance by the assignment of portfolios and an understanding that, whilst the important policy matters are reconciled by broad consensus at Cabinet level, back at the ministry each Minister is obliged to cater to his special interests. At the district level ministerial individualism finds expression in departmental compartmentalism; no doubt, amply buttressed by the constitutional concept of ministerial responsibility. The district official understands this division of power and acts according to the instructions of the respective ministries. In contrast, a political personality in district administration is an entirely different proposition to an official. Firstly, he is a "political party man", and, in the context of a coalition of political parties may view with disfavour those instructions which in his opinion will jeopardise the local interests of the party to which he subscribes. Secondly, he is also a politician with loyalties towards interest groups which in turn look up to him for leadership. These interests may place him at variance with some of the instructions emanating from the ministries. Thus, in the

introduction of a political leadership into the district administration there was this germ of conflict, which could be a source of constantiritation, and eventually lead to the undermining of the coalition nature of any government. In such a context, the introduction of a political element into the district administration was an idea that was fraught with serious implications.

At a more personal level, the idea of a political leadership presented an obvious threat not only to the individual Ministers but also to the senior officials in Colombo, the Permanent Secretaries and heads of department, whose decisions, very often, pass off as those of the Minister to whom they offer advice. Collectively, the idea had within it a fissionable ingredient, which could set in motion a process of disintegration of the administrative nucleus; to the benefit of the district viewpoint as opposed to that of Colombo. It needs no elaboration that this would have offered a more effective remedy to the trend of administrative centralisation and compartmentalism, than the attempts at mere co-ordination of the district administration experimented with since the time of Independence. It would have also restored a sense of balance to the lack of "general administrative symmetry" that the Donoughmore Commissioners feared would increase as a result of their recommendations; and which tendency they in vain, expected to mitigate bythe encouragement of local self-government in the British style.37 The important point, however, was that a political leadership of the district administration would have meant a major transfer of power into the hands of politicians and officials operating at the district level, from their seniors in Colombo - the Ministers and the departmental heads, respectively. Seniority is a value that is highly prized in the bureaucracy, and ,perhaps to a lesser extent, in the vocation of politics. An institution that does not reflect this reality in its hierarchical relationship is, often, doomed to failure and it would be interesting to investigate how the concept of a political leadership of the district administration took shape in spite of this initial handicap.

^{37.} Donoughmore Report op. cit., p. 33.

CHAPTER II

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POLITICISATION OF THE BUREAUCRACY-A SOCIOLOGICAL INTERPRETATION

The problems relating to the bureaucracy in Sri Lanka are many sided. However, two major themes can be discerned in the literature on the subject. The first theme plays on the anachronistic nature of the bureaucracy and its painful adjustment to the needs of the day. Robert N. Kearney described it as "a transformation of roles from that of a law-and-order bureaucracy to an engine of social and economic change", and went on to explain that the transformation was necessarily difficult because the bureaucracy was "neither selected, trained, nor organised for development activities." Of the same genre but with emphasis on a different aspect were the comments on the need to rationalise the internal mechanism of the administrative structure, so as to eliminate compartmentalism and promote an integrated cohesiveness. The Wilmot Perera Commission, as has been noted already, pinpointed this aspect in the following terms:

The lack of adequate planning and co-ordination (in the administrative set-up) is, without a doubt, the greatest obstacle to our progress and development, and it is significant that although over twelve years have elapsed since Ceylon became independent, very little has been done in the way of planning and co-ordination³.

^{1. &}quot;Ceylon: The Contemporary Bureaucracy", in Asian Bureaucratic Systems op. cit., p. 549.

^{2.} Ibid., p. 485.

^{3.} Wilmot Perera Commission Report Part I, op. cit., p. 21.

It went on to recommend "a simplification of financial and other regulations, which at present are not only antiquated and cumbersome, but seem almost calculated to obstruct." On the need to streamline internal procedures the following passage from the Commission Report is very illuminating:

The second important reform we think is the necessity of decentralising authority as well as responsibility, so that decisions may be taken at various levels promptly instead of only at the highest level........ For decisions to be taken at correct levels, without which the transaction of Government business cannot be expeditious, it is necessary that responsibilities should be clearly vested and understood, and that officers should be trained to face up to such responsibilities.⁵

The second theme of criticism dwells on the unrepresentative character of the bureaucracy and, hence, its patronising and superior attitude towards the public, its needs and its representatives. Wiswa Warnapala traces this trend from the Ceylonisation process that began immediately after the Donoughmore Reforms, to the post - 1956 adjustments, culminating in the final demolition of the prestigious Ceylon Civil Service.6 Other researchers have focused attention on the communal and social class composition of the bureaucracy. Tambiah has commented on the disproportionately small number of Sinhalese, the majority community, in comparison with Burghers and Tamils in the Ceylon Civil Service prior to the Donoughmore Reforms, and how as a result of subsequent pressures and more even expansion of educational opportunities the Sinhalese representation in the CCS became dominant by the time of Independence.7 Another recent study has confirmed this and also highlighted the fact that present day

^{4.} Ibiu., Part II, p. 110.

^{5.} Ibid., p. 110.

^{6.} W. A. Wiswa Warnapala, Civil Service Administration in Ceylon, (Department of Cultural Affairs, Colombo, 1974).

^{7.} S. J. Tambiah, "Ethnic Representation in Ceylon's Higher Administrative Service, 1870 — 1946", University of Ceylon Review Vol. III, Nos. 3 and 4, 1955.

Administrative Service recruits tend to come with rural-school upbringing, and that they are increasingly recruited from the rural and lower middle-class of society.8

These shortcomings in the bureauctacy have provided ample scope for reformers, especially to those from the political sector. The justification that political intervention is a necessary counterpoise for bureaucratic incapacity, lethargy and arregance has resulted in direct political influences being exerted on essentially administrative decisions.9 Of late, politicians in power have tended to demand a greater involvement of the public servants in the policies and programmes of the government of the day,10 even to the point of exclusion of constructive criticism. Although increasing responsiveness to public wants and needs and, hence better bureaucratic performance can be cited as the rationale of political intervention in administration, a surfeit of political involvement has, on the contrary, even reduced existing capabilities, thus, defeating the very objective that is desired. For this reason, an explanation much deeper than the mere reform of the bureaucracy has to be found for the increasing momentum in the politicisation of the bureaucracy. Wriggins, following the pluralist school of social analysis, regarded the bureaucracy as a "component of power" that has to be won over or otherwise commandeered by the rulers.11 Perhaps, a better explanation is to be found in the realm of sociology.

Politicisation of the Bureaucracy as a Sociological Phenomenon

The governing theme of political developments in Sii Lanka, since Independence, has been the adaptation of political parties to the aspirations of the rural Sinhalese middle-class. The watershed

9. Robert N. Kearney, The Politics of Ceylon, (Cornell University, 1973), p. 81.

11. W. Howard Wriggins, The Ruler's Imperative, (Columbia University Press, 1969), p. 9 and pp. 60 — 65.

^{8.} Sarath Amunugama, "A Sociological Analysis of Present Recruitment to the S.L.A.S.", Economic Review Vol. 3 No. 2, May, 1977.

See comment by Michael Roberts, in Michael Roberts, ed., Collective Identities, Nationalisms and Protest in Modern Sri Lanka (Marga Institute, Colombo, 1979), p. 76.

was the General Election of 1956 whereby a coalition of forces representing the peasants, workers, Buddhist monks, indigenous physicians and school teachers obtained a decisive electoral victory. Wriggins described this change as a remarkable transfer of political power from one segment of the population to another. It has also been termed the "silent revolution"; signifying the arrival of a socially responsive party system. Since then, all major political parties in the country that aspire to office have remoulded their images taking dominant Sinhalese nationalism into account. Hence, some of the guiding ethics of politics of the day have to be traced back to traditional Sinhalese society.

A feature of feudal society was the concentration of economic and social power in the nobility. This was no less true in traditional Sinhalese society. Singer observed that "traditional society was characterised by the existence of a single, structurally hierarchical but functionally undifferentiated ruling elite, which was the repository of all power, respect and wealth." Whatever struggles for power and sharing of power that took place was always within the confines of this "ruling elite" and did not extend to the larger population outside it. On the contrary, from the "masses" there was absolute deference and allegiance to the rulers, fortified no doubt by caste rigidity and the Buddhist ethos of the Karmic acceptance of one's station in life. Thus, as one commentator put it,

to men in this pre-political state of existence, the ruler symbolises and represents the people and their way of life. The ruler and the system of government which he represents

12. See I. D. S. Weerawardana, Ceylon General Election 1956, (Gunasena & Co., Colombo, 1960).

13. Howard Wriggins, Cevlon, Dilemmas of a New Nation (Princeton University Press, 1960), pp. 326 — 327.

14. Calvin A. Woodward, The Growth of a Party System in Ceylon, (Brown University Press, 1969), p. 123.

15. Ralph Pieris, Sinhalese Social Organisation: The Kandyan Period. (Ceylon University Press 1956).

16. Marshall R. Singer The Emerging Elite (M.I.T. Press, 1964), p. 19.

17. M. B. Ariyapala, Society in Mediaeval Ceylon (Dept of Cultural Affairs, Colombo, 1968).

may be evil, corrupt and unjust, but in so far as the society over which he presided is stable and traditional he represents the norm of life. This norm may not be a very happy one for the common people but because it was the traditional society they would accept its manifold defects as part of man's fate. 18

When the British annexed the Kandyan areas in 1815 and brought under British yoke the entire country, they disturbed this monolithic structure. The British king took the place of the deposed one, no doubt, without much change in the traditional structure. But, the real change took place as a result of horizontal pressures on the local feudal chiefs and overlords, arising from the presence of British officers and civilians. The change is best described by the following passage:

The chiefs were uneasy under the new regime. Under the former system they had indeed been subject to the tisks of arbitrary monarchism, but these were normally restrained by the rigid structure of custom. On the other hand, they had themselves been petty potentates, exercising high and extensive authority in their provinces and receiving the flattery and submission of their inferiors. Now they were shorn of their power, their influence was circumscribed, their emoluments were reduced and their consequence was diminished. Formerly they had acknowledged no superior but the king; now they were inferior to every British officer and civilian. 19

In structural terms, this was a conflict between two elites, one indigenous and traditional and the other alien and imposed, struggling for ascendancy in the power-structure. This conflict erupted in the form of the rebellion of 1817 – 18. The rebellion, in turn, provided the justification for sterner action and the British elite responded with brutal retaliation and a further consolidation of their power; and the "great convulsion of Sinhalese independence thus ended in the firmer establishment of a foreign yoke." The

20. Ibid., p. 199.

^{18.} K. M. de Silva, ed., The "Rebellion" of 1848, (K. V. G. de Silva, Colombo, 1965), p. 23.

^{19.} Colvin R. de Silva, Cevlon under the British Occupation (Colombo Apothecaries Co., 1953), Vol. I, p. 170.

modus operandi, adopted by the British for a consolidation of power, was to devise an administrative structure which concentrated in British hands the top legislative, executive and judicial functions of government and into which was absorbed the local elite as subordinate functionaries. The vanquished was assimilated into the victorious elite, albeit as a sub-elite, for the purpose of maintaining an administrative structure, which in many respects was similar to the traditional social structure it displaced; in that it "was characterised by the existence of a single, structurally hierarchical but functionally undifferentiated ruling elite." And, no doubt, like its predecessor it received the deference and allegiance of the vast mass of people who had not been accustomed to a style that was different. The only significant occasion when this allegiance was in doubt was the peasant revolt of 1848, in a part of the Kandyan areas; a revolt which was really brought about by heavy taxation.21

What ensued lasted unchanged for about 80 years except in one respect; and that was the gradual differentiation of the judicial power of the state from its legislative and executive authority. The origin of this lay in the proposal by Cameron (a partner in the Colebrooke-Cameron Reforms of 1831) to establish a uniform system of justice for the Island and to take away from the British Governor the supervision of all courts and judicial institution,, and to place them instead under the control of a Chief Justice and his Supreme Court appointed by the Crown.²² Cameron felt very strongly that the relationship "thus subsisting between the local judges and the executive government (was) incompatible with a proper degree of judicial independence", and proceeded to recommend that all dealings with or control over the local judges in the exercise of their judicial functions be made the sole responsibility of the Supreme Court and its Chief Justice.²³ What followed

and to Vocacet increased

^{21.} For details and the general background to the uprising see K. M. de Silva, The "Rebellion" op. cit.

^{22.} G. C. Mendis, The Colebrooke-Cameron Papers op. cit., See also Vijaya Samaraweera, "The Colebrooke-Cameron Reforms", in History of Ceylon op. cit.

^{23.} Mendis, Ibid., p. 125.

in the judicial sphere was a very healthy development of the impartiality in the administration of justice, and one that brooked no interference from sources other than those prescribed by law. The independence of the judiciary became, in course of time, an essential feature of good government in the country. This prompted the Soulbury Commissioners to comment, that S11 Lanka is so accustomed to the British convention of a line of demarcation between the judiciary and the executive "that any departure from British principles would be likely to meet with widespread opposition." Thus, the structure of government became differentiated, at least, in one respect. As for the rest of the structure, it remained highly integrated and unchanged for a period of about 80 years, coinciding with what has been termed the "hey-day of bureaucracy in Ceylon." Ceylon."

The challenge to this order came not from the masses or the traditional elite, but the "new upper class" of anglicised "intelligentsia of professional, commercial and proprietary folk." They became sufficiently organised and vocal to demand not only a greater say in the legistlative body but also a greater representation in the predominantly British Civil Service. In fact, it was an assault on the ruling elite on two fronts; vertically, for a command of the legislative power and horizontally, for a sharing of executive authority. The eventual goal was a complete take – over of the structure in its totality by the new elite, with neither a disposition to differentiate the total power of the structure into separate functions nor to share such power with any other elite. Although the Donoughmore Commissioners noted "a predominating interest in administration" on the part of the new elite, they ignored and

^{24.} A recent exposition of this theme is found in M. J. A. Cooray, The Judicial Role under the Constitutions of Ceylon/Sri Lanka: An Historical and Comparative Study (Lake House Investments, Colombo, 1982), Chapter 3.

^{25.} Donoughmore Report op. cit., p. 144.

^{26.} Collins, "Ceylon: The Imperial Heritage", op. cit., p. 456.

^{27.} A. Jeyaratnam Wilson, "The Crew — Macallum Reforms, 1912 — 1921", The Ceylon Journal of Historical and Social Studies Vol. II No. 1, 1959, p. 85.

misjudged this urge for power. Firstly, they attempted through their reforms to introduce a novel concept of a separation of policy and execution in administration. They called "for a clear division of responsibility between the Chairman (Minister) and his Executive Committee on the one hand, and the Heads of Department under their control on the other."28 Whilst the former was to be made responsible for policy, they observed "that the Head of Department should be supreme in the routine administration of his duties."29 Secondly, the Commissioners attempted to provide for a devolution of governmental power by the encouragement of local self-government through "elected or partially - elected local bodies."30 In the first proposal, the Commissioners were attempting to provide for a sharing of power between the rising elite (the urban, anglicised politician) and the waning elite (the bureaucracy), and in the second, they undoubtedly envisaged the elevation of a new group of rural leaders into elite status, in juxtaposition to "the educated and westernised classes of Colombo."31 Neither of these devices, for a plurality in the "ruling elite", worked.

The developments since the Donoughmore Reforms were a gradual process of the displacement of the bureaucratic elite and the substitution of the anglicised political elite as the "ruling elite" of the country. This process was naturally reinforced by the adoption of a parliamentary system of government in 1946 under the Soulbury Reforms, and the dominant position the executive occupied in such a system.³² The new ruling elite never seriously wanted a rival elite from the local government sector nor a real devolution of power to local bodies.³³ The battle with the bureaucracy imitated a pattern that closely resembled the conflict of elites that followed the establishment of British rule, immediatly after the Kandyan conquest of 1815. Initially, there was an

^{28.} Donoughmore Report op. cit., p. 46.

^{29.} Ibid.

^{30.} Ibid., p. 86.

^{31.} Ibid., p. 33.

^{32.} See comments on parliamentary executive in Chapter 12 of A. H. Birch, The British System of Government' (Allen and Unwin, 1980).

^{33.} See infra ,pp. 157 - 160.

uneasy truce of respecting each others "sphere of influence" and authority, as envisaged by the Donoughmore Commissioners. However, "rebellions" did take place with some of the British bureaucrats adopting an obstructive and unhelpful demeanour towards the new "bosses." As in the case of the earlier rebellion, quick retaliation followed with a greater spurt of Ceylonisation in order to secure local (and hence more amenable) officials into positions of authority. By Independence the Ceylonisation process was almost complete and the top civil servants had been recruited as a sub-elite of the ruling elite. The similarity of background and the community of interests between the senior civil servants and the Ministers ensured a period of relative tranquility, until the peace was disturbed, once again, in 1956.

With the change of government in 1956,³⁵ there was a feeling in government circles that it had inherited a hostile bureaucracy. Charges were levelled that senior civil servants were not averse to deliberately sabotaging government policy.³⁶ Part of the difficulty could be attributed to the presence of some senior public servants who refused to sympathise with the aims and aspirations of the social classes that came into political limelight with the change of government in 1956.³⁷ In the event, conflicts arose between Ministers and the bureaucracy. Although the disagreements were mainly in the area of policy, there were instances of officials refusing

^{34.} Wiswa Warnapala, op. cit., p. 106 et seq., gives instances of open defiance on the part of the British bureaucracy. The well known incidents were the 'Mooloya' and 'Bracegirdle' episodes. See Sessional Papers 15 of 1940 and 18 of 1938 and also the comments in K. M. de Silva, 'The History and Politics of the Transfer of Power', op. cit.

^{35.} Michael Roberts describes this change as a surging forward of the Sinhala "local elite" (meaning those hitherto confined to the vernacular and rural elite positions) through association with the "dissentient Sinhala wing of the national elite." See "Problems of Social Stratification and the Demarcation of National and Local Elites in British Ceylon" Journal of Asian Studies Vol. 33 No. 4, 1974, p. 574.

^{36.} A. Jeyaratnam Wilson, "Public Administration in Ceylon", in S. S. Hsueh, ed., *Public Administration in South and South-East Asia* (International Institute of Administrative Sciences, Brussels, 1962), p. 237.

^{37.} Ibid, p. 237.

to carry out the directions of their Ministers.38 Thus, began the second phase of the subjugation of the bureaucracy by the ruling political elite. The abolition of the elitist Ceylon Civil Service in 1963, and its replacement by a broadbased Ceylon Administrative Service was symbolic of this proces of subjugation. Also, from this time onwards one can trace an overt display of political considerations in such internal public service matters as recruitment, promotions and transfers. Harris and Kearney, writing in the early 1960's,39 and LaPorte,40 in the late sixties, recorded the intrusion of "political appointees" into the lower and middle levels of the bureaucracy. By 1970 the process of politicisation of the bureaucracy was almost complete, "reinforced by the willingness of public servants to accede to politicians' requests and, with increasing frequency, to seek political favour for themselves."41 The process was completed, according to one researcher, with the appointment of certain Permanent Secretaries in 1970 on the basis of their political party affiliations.42 This provoked the comment that what was crucial now was not so much the reasons for it as the fact that all shades of political opinion have accepted it as axiomatic.43 Thus, the feature of undifferentiation in the power structure emerged once again, with the bureaucratic elite being subsumed in the ruling political elite.

^{38.} Wiswa Warnapala, op. cit., pp. 287 — 288.

^{39.} Richard L. Harris and Robert N. Kearney, "Recruitment in Canada and Ceylon," *Public Personnel Review* Vol. 24, 1963; also "Comparative Analysis of the Administrative Systems of Canada and Ceylon", *Administrative Science Quarterly* Vol. 8 No. 3, 1963.

^{40.} Robert LaPorte, "Administrative, Political and Social Constraints on Economic Development in Ceylon." International Review of Administrative Sciences Vol. 36 No.. No. 2, 1970.

^{41.} Robert N. Kearney, The Politics of Ceylon, op. cit., pp. 79-80.

^{42.} P. D. S. C. Goonetilake, "Organisational Forms in Post-Traditiona Society with Special Reference to South-Asia,", (Ph.D. thesis, University of Exeter, 1973), p. 304, For the record, the first "political" appointment to the post of Permanent Secretary was during the period of the UNP Government of 1965-70, a precedent that was gladly seized upon by their successors.

^{43.} C. R. de Silva and Vijaya Samaraweera, "Leadership Perspectives 1948–1975: An Interpretive Essay," Ceylon Journal of Historical and Social Studies Vol. IV Nos. 1 and 2, 1974, p. 25.

It has been obseved that, in spite of the attempts made by the Donoughmore Commissioners to introduce an element of plurality in the "ruling elite" and for a sharing of power, no such development took place. On the contrary, the developments since then show a marked tendency to emulate the pattern "of a single, structurally hierarchical but functionally undifferentiated ruling elite" that existed in traditional society. Two possible explanations could be offered for this trend; one coming from the local situation and the other more universalistic.

The Re-emergence of a 'Ruling Elite'

It has already been observed that traditional feudal society was seriously lacking in plurality within the "ruling elite" and that the ruling group controlled almost all the accesses to power. The ordinary people gave them unqualified allegiance and, in turn, sought from the elite protection and the preservation of customs and rights such as tilling of land. The advent of the British did alter the structure of power; but only to the extent that it superimposed the British bureaucracy on the existing framework. Admittedly, the delineation of judicial functions as a separate sphere of authority took place in this period. But, the judiciary was also British or Dutch in origin and, in the eyes of the common man, was hardly distinguishable from the bureaucracy. In any event, they did merge at the level of the minor judiciary who up to a much later date were from the ranks of the Civil Service. Also, the common European background ensured a homogeneity between the two groups and, no doubt, avoided a conflict of interests. Thus, they were for all intents and purposes one elite sharing power on the basis of a functional differentiation. The entrenchment of the concept of judicial independence in the governing conventions of the country owes itself to a large measure to this absence of elite conflict during the early stages of the differentiation. In other areas of governmental activity, although at the commencement two distinguishable elites existed, the expediency of concentrating all power in British hands led to the re-emergence of a monolithic character of the "ruling elite." Social custom and tradition had very little to offer in mitigation of

this trend and, in contrast to the judicial sphere, differentiation failed to take root.

Given this background it may be contended that, today, the monolithic character of the "ruling elite" is really a reflection albeit in a vicarious way, of the actual wishes of the voter. use of the ballot at successive general elections has demonstrated to the voter, in no uncertain terms, the immense power he wields over political parties in the country and the personalities associated with them. The power to depose "kings" and substitute others in their places is very real. And, this power when used shrewdly can ensure for the voter a wide range of welfare benefits in the form of subsidised food, cheap transport, free medical and educational facilities among a host of other things. It certainly would be a matter of self-interest of the voter to concentrate in this political elite, very much at his mercy during times of elections, all the powers for the realisation of his needs and aspirations: and, if it were so necessary, bestow on this same elite the power to intervene, interfere on particularistic matters such as employment, licences, provision of government utilities, placement in universities, allocation of State land etc. On the contrary, to admit a plurality of elites is to entertain unknown factors and forces in the decisionmaking process, and a consolidation of other elites which do not owe their legitimacy to the power of the vote. Thus, this perception acts in two ways; on the one hand to confer on the political elite almost total power to the exclusion of potential rivals and on the other, by so doing, make available to the voter an all-purpose simple mechanism which could relate to the totality of the benefits he may derive from the state. Thus, the pattern of an omnipotent ruling elite repeats itself with very little in ancient tradition or the colonial experience to mitigate it.

The Elitist Theories

A more general explanation for the confluence of all other elites under the supremacy of the ruling political elite can be found in the refutation of nineteenth-century liberal theories of man in society. The liberal theories prescribed men who were basically

rational beings, pursuing their own self-interest, and who if left free would bring to bear their reason on the problems of social organisation. In the political field, through the operation of electoral and democratic processes, it was thought that the selfish private interests would be sublimated in higher "public interest" or "national interest" in enlightened awareness of the interest of others and in a process of mutual adjustment. It was the duty of leaders to seek out this "public interest" and give expression to it. In contrast, in the early part of this century, the classical elitists presented a different causal relationship and view of social organisations.44 According to Pareto the people were a resource to be organised as a force by those who sought power.45 The struggle for power was confined to small groups; one set of rulers being replaced by another. It was summed up in the famous dictum: "History is the graveyard of aristocracies." Masca, who did an extensive study of past societies came to a similar conclusion.46 To him all societies presented two classes of people; a small class that rules and a much larger class that is ruled. The small "ruling class" was the repository of all power and it was very much disposed to a jealous preservation of the advantages that power brought. In the view of these elitists political parties were the vehicles "for the perpetuation of an elitist, oligarchic rule within a democratic political framework."47 Michels went further and propounded the "iron law of oligarchy" which operates even within the internal processes of political parties and similar organisations. In a study of political parties and trade union movements in Europe he came to the conclusion that even these organisations fell victim to the "aristocratic" principle.48 He showed how in

^{44.} For a commentary on this school see J. H. Meisel, *Pareto and Mosca* (Prentice-Hall, 1965). Though a disgraced lot because of their rejection of democratic values, their sociological conclusions still have a relevance— especially for developing countries.

^{45.} Vilfredo Pareto, The Mind and Society Arthur Livingstone, ed., Vols. III & IV, (Cape, London, 1935).

^{46.} Gaetano Mosca, The Ruling Class trans. Hannah D. Kahn, (McGraw-Hill, New York, 1939).

^{47.} Woodward, op. cit., p. 15.

^{48.} Robert Michels, *Political Parties* trans, E and C. Paul, (Free Press, New York, 1958).

human organisations the few ultimately lead the many. The masses, he argued, were by nature apathetic and needed leaders who could look after their welfare and take the decisions on their The leaders, in turn, acquire feelings of superiority which feed back to the masses and result in a veneration of these exalted persons. The human weaknesses of hero-worship and apathy combine with the need for management by those possessed of administrative competence, to produce a "Bonapartist" pattern from which very few organisations could escape. Thus, the political elite which justifies its existence, according to liberal theories, as the instrument which translates in a democratic context popular aspirations and social forces into governmental action, simultaneously displays another face of "a power-oriented organisation whose function is the acquisition of power and patronage."49 And, as long as the "opium" of populist welfarism is available for sedation of the masses into insensitivity, the political elite should, given its power-orientation, evolve into a single ruling elite to the exclusion of rival groups.

The antithesis of the single ruling elite theory is the pluralist view which claims that power in modern society tends to be diffused between rival, independent elite groups.⁵⁰ The French sociologist Raymond Aron stressed the distinction between economic power and political power and the degree of autonomy enjoyed by each.⁵¹ In his view, the elite in modern society can be divided

^{49.} Woodward, op. cit., p. 16.

^{50.} The pluralist thesis is to be distinguished from the notion of a plural society that is commonly employed to describe Sri Lanka's multi-racial configuration; of social groups that live in close proximity to each other but remain distinctively differentiated on lines of language, religion, race and ancestry. See,

⁽i) Wriggins, Dilemmas op. cit., p. 20.

⁽ii) Robert N. Kearney, "Nationalism, Modernisation and Political Mobilisation in a Plural Society," in Collective Identities op. cit. p. 445.

⁽iii) Vijaya Samaraweera, "The Evolution of a Plural Society" in K. M. de Silva, ed., Sri Lanka — A Survey (Hurst and Co., 1977), pp. 86-107

^{51. &}quot;Social Structure and The Ruling Class,", The British Journal of Sociology Vol. 1 No. 1, 1950, pp. 1-16 and Vol. 1 No. 2, 1950, pp. 126-143.

into five competing groups; political, bureaucratic, economic, military and 'leaders of masses.' Keller developed this theme further by postulating the existence of a number of "strategic" elites "whose judgements, decisions and actions" have important consequences on society. In this expanded form, the dominant elites were not only political and economic but also cultural, academic and scientific. Robert A. Dahl, in his classic study of the transformation and development of a simple urban community under the impetus of industrialisation, found no evidence of a single elite imposing its will on the community. Rather, it was a case of a number of elites competing for power on the basis of interest groups and "political resources." Recent studies of industrialised societies have tended to follow the pluralist school, e.g. Porter in Canada, and Sampson in Britain.

An important corollary to the pluralist thesis is the independent status of the various elites competing for power. The degree of autonomy possessed by them is regarded as a measure of the democratic character of the society as opposed to the totalitarian tendency of merging all other elites as sub-elites of the political elite.⁵⁵

A Hypothesis

Sociological studies on Sri Lanka have, so far, not brought the rival claims of these two elitist theories into sharp focus.⁵⁶ They have, as in the case of Singer, either tended to assume the

The New Anatomy of Britain (Hodder and Stoughton, 1971) adopts a sharper pluralist approach in a vivisection of British society.

^{52.} Suzanne Keller, Beyond The Ruling Class (Random House, 1963).

^{53.} Who Governs? (Yale University Press, 1961).

^{54. (}i) John Porter, The Vertical Mosaic (University of Toronto Press, 1970).

⁽ii) Anthony Sampson, in his trilogy

Anatomy of Britain (Hodder and Stoughton, 1961)

Anatomy of Britain Today (Hodder and Stoughton, 1965)

The New Anatomy of Britain (Hodder and Stoughton, 1965)

^{55.} Raymond Aron, op. cit., p. 10.

^{56.} For a general discussion of the rival claims see Geraint Parry, *Political Elites*. (Allen and Unwin, 1976).

pluralist view⁵⁷ or ignored the issue completely.⁵⁸ In the early 1960's, Singer identified a number of elites competing with the political elite for a share of state power; the important among them being the bureaucratic elite, the military elite and the trade union elite.59 Though not directly exercising state power, he also attached importance to the Sangha — the Buddhist religio-cultural elite. To the latter category he could have added the less powerful, nonetheless important, academic elite. Even at the time of Singer's research, trade unionism was an established part of political party activity, often on a non-class solidarity basis.60 then, even non-marxist political parties have begun to regard labour organisations as essential concomitants of party politics. The close relationship between party politics and trade union activity has resulted in a complete congruence of these two elite groups. The politicisation of the bureaucracy and the consequent subservience of the bureaucratic elite to the political elite has already been discussed. 61 As regards the military elite the position today is not very much different from that of the bureaucratic elite. Dominated at the inception by a minority religious group (Catholic and Christian) at its top echelons, it was the elite that was most unsympathetic to the social changes that followed Independence. In 1961, in a rash attempted coup, which incidentally displayed their ignorance of the social and political undercurrents of the day, they "played right into the hands of the antagonistic political elite."62 Thereafter, all governments took the precaution of not only providing for a greater representation of

^{57.} The Emerging Elite op. cit.

^{58.} See, (i) Tissa Fernando and Robert N. Kearney, ed., Modern Sri Lanka op. cit.

⁽ii) Michael Roberts, ed., Collective Identities op. cit.

^{59.} Singer, op. cit., Chapter 6.

^{60.} See, (i) Kumari Jayawardana, The Rise of the Labour Movement in Ceylon (Duke University Press, 1972).

⁽ii) Robert N. Kearney, Trade Unions and Politics in Sri Lanka (University of California Press, 1971).

^{61.} For a recent and incisive account see Vijaya Samaraweera, "The Role of the Bureaucracy," Ceylon Journal of Historical and Social Studies Vol. IV Nos. 1 and 2, 1974.

^{62.} Singer, op. cit., p. 127.

Sinhalese Buddhists, the majority community, in the armed services, but also of placing at the top military counterparts of the ruling political elite. Hence, even if not to the same extent as the bureaucracy, the elite of the aimed forces are themselves sufficiently politicised to form a sub-elite of the political elite. In respect of the Sangha (the Buddhist clergy that personifies the religious and cultural tradition) it is doubtful whether one could find an independent elite status for them even in traditional society. Their other-wordly pursuits and the close association with royalty in those days, through the enjoyment of 10yal patronage, carved out a role for them as providers of a social ethic which supported the feudal order. Severely oppressed and neglected during the colonial period, they rose into prominence as a pressure group along with the changes in 1956.63 Since then they have been too closely associated with political parties and, as a result, split into various opposing camps.⁶⁴ However, their identification with the forces of resurgent nationalism did carve out for them a role of an elite with a status independent of political parties. The situation in regard to the academic elite also reflects a gradual shift in roles. In the early stages, the academic staff of the then University of Ceylon projected a distinct image of a coterie of opinion leaders and independent observers. Its independent nature was nurtured by a high degree of autonomy the University enjoyed, initially, in the management of its internal affairs. However, the very autonomy of the academic world encouraged "aloofness" and "ivory tower" attitudes within the academic community which subsequently proved to be its undoing. The "aloofness" provided the excuse for greater governmental control; firstly, through the Higher Education Act of 1966, "passed despite opposition from the majority of teachers in all four universities in the island"65 and, latterly through the placement and positioning of government-party

^{63.} Weerawardana, General Election - 1956, op. cit., Chapter VI.

^{64.} For an account of the politicisation of the Sangha see W. A. Wiswa Warnapala, —Sangha and Politics in Sri Lanka: Nature of the Continuing Controversy, "Indian Journal of Politics" Vol. 12, Nos. 1-2, 1978.

^{65.} A. Jeyaratnam Wilson, Electoral Politics in an Emergent State: The Ceylon General Election of May 1970, (Cambridge University Press, 1975), p. 35.

favourities at key points of the university internal power structure. The repercussions were immediate — a disintegration into various cliques overtly associated with political parties and very much the aspirants of electoral spoils. Thus, the differentiation of elites that Singer noticed in the early 1960s proved to be ephemeral, yielding to a reverse process of a gradual assimilation of them by the supreme political elite, apparently confirming the view of classical elitists.

In this chapter an effort has been made to put forward the hypothesis of an overbearing ruling elite operating throughout the history of this country; the manner of gaining "ruling status" changing from royal/feudal connections, to belonging to the British bureaucracy and, finally, to subscription to the ruling political party⁶⁶ The intention was to offer a fuller explanation to the process of politicisation of the buteaucracy that has been gathering increasing momentum in recent times. Explanations have been offered (Kearney, 1973) in terms of unresponsiveness, anachronistic and unrepresentative nature of the bureaucracy and a lack of commitment to developmental objectives. A more recent and penetiating analysis of these factors has been offered by Samaraweera (Role of the Bureaucracy, 1974). However, these confine their examination of politicisation, to the bureaucracy, without linking it with the pervasive influence politicisation has on other elite groups, the religious and cultural, the academic, the business and industrial, and the mass media. Collectively, it is a process that is affecting the whole of society of which the bureaucracy is only one constituent.67 Robinson's study of the changing structures of a village society indicates a marked shift from a society conditioned by traditional values, e.g. ownership of land, caste

^{66.} In contrast, Janice Jiggins in her illuminating study of the impact of caste and family on politics points to kinship structures as a modern bases of elite cohesion. This is true. But, family connections only serve to facilitate recruitment; once recruited "ruling status" is conferred by subscription to the ruling political party. See, Caste and Family in the Politics of the Sinhalese 1947–1976, (Cambridge University Press, 1979).

^{67.} Barrie M. Morrison et al., ed., The Disintegrating Village (Lake House Colombo, 1979), p. 33.

etc., to one in which "political affiliation is now not only a relevant but often a mandatory component of decisions about village affairs."68 It is for this reason that, rather ambitiously, a fuller explanation has been attempted in the form of the hypothesis outlined above. The closest to this hypothesis, in current literature is to be found in the aftermath of the youth insurgency of 1971. Gananath Obeysekere pointed to the existence of a "ruling elite" having a "virtual control of the political machinery, government, business and the professions" and to the proposition of political parties being "factions of the elite striving to gain control of government."69 Tissa Fernando sub-divided the elite into a governing (GE) and a non-governing (NGE) elite; the former comprising the nobility, politicians, those who have invested money in politics, highest - placed government officials; the latter consisting of professional people, academics, lower-placed government officials, entrepreneurs, trade unionists, etc. 70 Nevertheless, a strong assertion of similarity to the Paretoan model has still to find a place in contemporary sociological literature on Sri Lanka,. Hopefully, the above hypothesis may pave the way.

However appealing this line of inquiry may be, it would not be possible to proceed beyond the stage of a hypothesis without seriously distracting oneself from the scope of the current study. It is, therefore, left in this form for further empirical study; either by way of confirmation, or refutation.

^{68.} Marguerite S. Robinson, Political Structure in a Changing Sinhalese Village (Cambridge University Press, 1975), p. 208.

^{69. &}quot;Some Comments on the Social Backgrounds of the April 1971 Insurgency in Sri Lanka," Journal of Asian Studies Vol. 33, No. 3, 1974, p. 380.

^{70. &}quot;Elite Politics in the New States: The case of Post-Independence Sri Lanka," Pacific Affairs Fall 1973, p. 372.

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PART II THE DISTRICT POLITICAL AUTHORITY SYSTEM

THE DISTRICT POLITICAL CONTROL OF THE PROPERTY SYSTEM

CHAPTER III

THE PRELUDE THE UNITED FRONT GOVERNMENT OF 1970 AND THE INSURGENCY

The political development of Sri Lanka since Independence is largely the story of the growth of political parties vying for electoral power. A tradition of universal franchise, extending from 1931 and nurtured in a political climate of welfari m embracing wide areas of health, education and food, had the effect of creating an electorate that became increasingly conscious of its power. At Independence the standard of living in Sri Lanka was much higher than in most neighbouring countries, measured by criteria such as per capita income, literacy, nutrition, social mobility and status of women.1 Perhaps this, more than other social factors, contributed towards the development of an articulate and demanding electorate; an electorate that was ever willing to supplement the efforts of individual politicians or political groups in the mobilisation of political programmes, especially of a populist character. Woodward commented on this transformation; of how parties formed by elected notables for the purpose of maintaining political power for themselves eventually, under the pressure of voters, moved from their positions of courtship of notables to parties moulded by the public.² As parties become more responsive to popular aspirations they were compelled, in a competitive situation to adopt populist platforms in order to obtain power. The public in turn, became more and more aware of their potential to shape the style and policies of government through the judicious use of

^{1.} Gunnar Myrdal, Asian Drama (Penguin Press, 1968) Vol. 1, p. 344.

^{2.} Woodward, op. cit., p. 275.

the vote; and this they learnt to do very effectively. Governments were changed six times since Independence, three of the changes, in 1956, 1970 and 1977, being dramatic.

It is against this background that the United Front (UF) consisting of the Sri Lanka Freedom Party (SLFP) and its allies—the marxist Lanka Sama Samaja Party and Communist Party—came into power in May 1970. Collectively, they commanded a two thirds majority in Parliament and had a 25-point "Common Programme", that the three parties had agreed to when in the Opposition, as the manifesto. It is outside the scope of this study to enumerate all the issues that figured in the electoral victory of the U.F. Government. Nor is it easy to apportion the relative importance of each issue. However, three issues figure prominently for the purpose of this study. They are:

- (a) the problem of unemployment,
- (b) the restoration of the rice ration to its earlier level of two measures (roughly 2 kilos) per week per person, and
- (c) the reform of administrative processes to provide for greater people's participation in administration.

The Problem of Unemployment

A major challenge of politics in Sri Lanka has been the balancing of economic growth and employment with the popular gains in the field of education. Since the introduction of the Free Education Scheme, the population had access to free tuition at all levels—from kindergarten right up to the university. Between 1950 and 1970, school enrolments more than doubled and government expenditure on education increased almost fivefold. The most spectacular advance was in the field of university education, brought about by the populist pressures on successive governments. The number of universities increased from one to four, and the number of university students by more than tenfold, from just over 1000 to

^{3.} for a detailed coverage of the election issues see Chapter 7 in Wilson, Electoral Politics op. cit.

^{4.} The free education facilities commenced in October 1945.

^{5.} The Five Year Plan (Government Printer, Colombo, 1971), p. 109.

nearly 12,000.6 Unfortunately, economic growth and employment could not keep pace with the spiralling aspirations and expectations of the increasing numbers of the educated.7 The chief cause was the type of education that was inculcated by the educational system: one which emphasized academic learning to the neglect of prevocational skills. The Ten Year Plan of 1959 recognized this incompatibility between the potential for employment and nature of educational preparation, and called for "bold decisions in respect of educational policy" to "adapt the type of training provided for white-collar jobs to a realistic assessment of opportunities in this field."8 Apparently, no such re-assessment took place. For, according to a survey conducted at that time, some 550,000 persons were unemployed by 1970, making about 14 per cent of the total labour force aged 15 to 59.9 Of the unemployed. 25 per cent were with G.C.E. (0) Level or higher qualification. 10 According to another piece of research, the unemployment estimate in 1969 was about 112,000 young persons with the G.C.E.(0) Level and about 14,000 univer ity graduates.¹¹ In addition, "more than 100,000 young people (came) pouring every year out of the secondary schools with paper qualifications for which the demand (was) very limited."12 This, then, was the unemployment problem in 1970.

The Rice Ration and Food Subsidy

It is said that tice is politics in Sri Lanka. The origin of the food subsidy can be traced to the trade dislocation brought about by the Second World War. The increased earnings from exports, especially rubber, and the heavy British expenditure on the maintenance of the military establishment in the country contributed to a situation of high money supply. This was compounded by a

7. Kearney, The Politics op. cit., p. 209.

^{6.} Dudley Seers Report op. cit., p. 9.

^{8.} The Ten Year Plan (Government Printer, Colombo, 1959), p. 47.

^{9.} Socio-Economic Survey of Sri Lanka 1969/70, (Government Printer, Colombo, 1972).

^{10.} Labour Force Survey 1968, (Department of Census and Statistics, Colombo, 1970).

^{11.} A. Jeyaratnam Wilson, Politics in Sri Lanka 1947-1973, (Macmilan, 1974), p. 62.

^{12.} Dudley Seers Report op. cit., p. 5.

drop in volume of rice imports from Burma, Indo-China and Thailand after they were overrun by the Japanese. The inflationary impact of the shortfall in the import of food items against a rising money supply was phenomenal. The Government had to adopt emergency measures to contain the cost of living. As Table 1 shows increased quantities of wheat flour were imported as a substitute for rice. 13

TABLE 1. — IMPORTS OF RICE AND FLOUR, 1939 — 45

	1939	1940	1941	1942	1943	1944	1945
Rice (thousand tons)	 584						
Flour (thousand tons)	 19	18	22	90	203	296	220

Rationing of rice and cereal substitutes was started and the distribution was completely taken over by government; initially, through "People's Depots" of the Marketing Department and subsequently through state-sponsored consumer co-operative societies. Government monopoly of the means of distribution facilitated price control, and in 1943 it was decided to subsidise foodstuffs as a means of cushioning the public from any further price increases. What was begun as a wartime exercise, however, persisted with government continuing to hold a monopoly of the import of rice and flour. Rationing and the subsidy on rice continued unabated; and the total subsidy on food had grown to about 20 per cent of government expenditure by 1951. 15

The first serious attempt to curtail the food subsidy was in 1953. An acute world shortage of rice and the attendant increases in costs prompted the United National Party (U.N.P.) Government to raise the price of rice in July, 1953 from twenty five cents a measure (one kile approx.) to seventy cents. The leftist Opposition parties called out a strike to protest this move, and widespread violence broke out resulting in a number of deaths of the strikers as a result of police firing. The Prime Minister, Dudley Senanayake, resigned as a consequence. The new Government under Prime

^{13.} Gamani Corea, The Instability of an Export Economy, Marga Institute, Colombo, 1975, p. 185

^{14,} Ibid., p, 204

^{15.} Annual Report for the Year 1951, (Central Bank of Ceylon, Colombo), p 15.

Minister, Sir John Kotalawela, not only reduced the price of rice to fifty five cents a measure but also, in 1954, increased the ration to two measures per person per week. In 1962, the Finance Minister of the then S.L.F.P. Government, Felix Dias Bandaranaike, attempted to reduce the rice ration by half a measure in presenting the budget proposals for the financial year 1962/63. Again pressure was mounted on the Government by the trade union sector led by marxist political parties in the Opposition. Government backbenchers themselves expressed concern and the Government took the unprecedented step of going back on the proposal for the reduction of the rice ration, after it had been approved by the Cabinet and presented in Parliament. The Minister of Finance resigned in protest from his portfolio immediately thereafter.

The next assault on the rice subsidy came during the U.N.P. Government of 1965 - 70. It was a Government that placed greater reliance on friendly relations with western capitalist countries and one that looked forward to increased borrowings from such sources to finance the external resource gap. During the period 1965 - 70 the credit facilities made available to it by the IMF, IDA and World Bank, both as project aid and balance of payments support, were considerable in comparison to earlier periods. 18 However, IMF credit carried with it the concomitant of measures directed towards altering economic strategies. In short, Sri Lanka was to curtail its extravagant expenditure on social services. The first Letter of Intent signed in July 1965 called on the Government, inter alia, "to review the full subsidy scheme with a view to the progressive reduction of its burden on the budget, cushioning, at the same time, its impact on the low income groups."19 The second, signed one year later, imposed on the Government the need "to contain the net food subsidy expenditure within the level of net expenditure for 1965 — 66 and to announce the steps to be taken to implement the new policy as early as possible before the

^{16.} R. Mahalingasivam, "Food Subsidy in Sri Lanka", Sri Lanka Journal of Social Sciences, Vol. 1 No. 1, 1978, p. 76.

^{17.} Budget Speech 1962/63, Hansard, 26 July 1962, column 1368.

^{18.} Foreign Aid, (Government Printer Colombo, 1969).

^{19.} Budget Speech 1970-71 (Government Printer Colombo . 1970) p. 7.

end of 1966."²⁰ In November 1966, the Government took the first step in this direction by reducing the weekly ration to one measure per person. In an effort to ward off the ensuing unpopularity, this ration was given free of charge; when earlier both measures were sold at fifty cents each. The second measure was available in the open market, to be purchased if required, at roughly three times the earlier price.²¹

The Food Production Drive, 1966 - 70

However, the more significant development associated with the rice subsidy was the "Food Production Drive" launched under the personal direction of the Prime Minister, Dudley Senanayake. with a view to increasing, in the short run, domestic rice production. By then Sri Lanka had over a million acres under paddy, cultivation; a part of which was under irrigation, the result of heavy investment of agricultural colonisation schemes initiated after the Donoughmore Reforms.²² An elaborate organizational network was built, under the supervision of the Cabinet Sub-Committee on Food Production, percolating right down to the village level through farmer organisations called Cultivation Committees and the ubiquitous Multi-Purpose Co-operative Societies. Cultivation Committees were the creations of the Paddy Lands Act of 1958 and were composed of about a dozen elected farmer representatives of an area corresponding roughly to a group of adjacent villages. These committees were generally charged with the responsibility of planning the cultivation of paddy, in advance of each season, by a consensus - like resolution of such matters as dates of release of water from the tank, variety of seed paddy to be used in the forthcoming season, estimates of requirements of fertiliser etc. Their counterparts in the agricultural operation were the village co-operative societies (again with an elected leadership), which were responsible for the procurement and provision of agricultural inputs such as seed paddy, fertiliser,

^{20.} Ibid., p. 8.

^{21.} Wilson, Electoral Politics, op. cit., p. 34

^{22.} For an excellent account of the expansion of colonisation activity and the opening up of neglected land in the Dry Zone see B. H. Farmer Pioneer Peasant Colonisation in Ceylon, (Oxford University Press, 1957)

agricultural loans, etc. as indicated by the Cultivation Committees. Above all, the co-operative societies were responsible for providing the marketing outlet for the produce at the stage of harvesting. Two important factors facilitated the fusion of these activities at the village level. Firstly, there was considerable overlap between the elected leadership of the Cultivation Committee and the cooperative society. Sometimes, they were the same individuals. Secondly, the successful operation of the agricultural activity brought direct financial benefits to this leadership consisting of landowners or cultivators; quite apart from whatever other results it may have had by way of increasing national output or boosting government propaganda. In other words the village leadership had a stake in its success. These activities were coordinated by government at three levels; at the divisional level by a team headed by the Divisional Revenue Officer (DRO) and consisting of the Agricultural Instructor of the Department of Agriculture, the Divisional Officer of the Department of Agrarian Services, the Inspector of the Department of Co-operative Development and the Technical Assistant of the Irrigation Department; at the district level by the Government Agent, the District Agricultural Extension Officer, the Assistant Commissioner of Agrarian Services, the Assistant Commissioner of Co-operative Development and the Irrigation Engineer, once again, acting as a team under the leadership of the G.A. The third level of co-ordination was at the centre, in the Ministry of Agriculture, Food and Co-operatives, which brought together the various functional departments and other agencies involved in the agricultural operation, such as the People's Bank (for agricultural loans).

Admittedly, it was a highly bureaucratic structure and the only contact with the paddy-grower, formally provided for in the structure, was at the village level. Even at this level, the decision-making was more of an "official-guidance" type rather than one reflecting a "people's participation in grassroots planning", as its apologists would want us to believe. Nevertheless, it had certain favourable features in it. Firstly, it provided a link between the centre, the seat of administrative power, and the village, the point of execution, through a well-defined chain of command operating

through the Ministry of Agriculture, Food and Co-operatives, the G.A., the D.R.O. and the village-level organisations. This helped to cut through the "red tape" arising from departmental "empires", rivalries and jealousies. Secondly, it made a clear distinction, perhaps unconsciously, between the "line" function of government activity of achieving higher levels of paddy production (the objective of the organisation) and the "service" functions of providing irrigation, loans, fertiliser, seed material and marketing facilities which are ancillary to such objective. The "line" function was made the responsibility of the central chain of command and the "service" functions that of the specialised agencies. This was the first practical manifestation, since Independence, of an exercise in national planning involving a mix of specialised functions that cut across ministerial boundaries. Thirdly, it emphasised the need for constant communication and exchange of views between the various levels of the chain of command. There were frequent discussions through visits from Colombo-based officials to the districts and. more importantly, there was a healthy rapport between the village organisations and the divisional level functionaries. In fact, the more successful operations were in districts in which the Government Agents themselves had a constant and personal dialogue with the village organisations. Though organisational strength was not the only contributing factor (good weather, higher market prices were equally important), without doubt, there was an upsurge both in the extent cultivated and the production of paddy. The data in Table 2 could be taken as indicative of this upward trend. The annual average yield per acre harvested also rose from about 32 bushels to approximately 42 bushels during this period.²³

TABLE 2.-PADDY ACREAGE HARVESTED AND PRODUCTION 1962-70

Year	1962	1963	1964	1965	1966	1967	1968	1969	1970
Acreage (millions)	1.50	1.53	1.53	1.24	1.51	1.57	1.63	1.54	1.76
Production (million bushels)	48.1	49.2	50.5	36.3	45.7	55.1	64.6	65.9	77.4

Source: Table 2, - Annual Report, Central Bank of Ceylon, 1970 & 1971

^{23.} Averages extracted from Tables 2 and 3 in Annual Report 1971 Central Bank of Ceylon. It has also been claimed that these figures have been exaggerated somewhat by over-zealous officials working in the districts.

The "Food Production Drive" was also not without its mistakes. It had high propaganda value and became the repetitive theme song of the Government's leading spokesmen.²⁴ The propaganda machinery, through the press and the radio, inundated a public that became progressively cynical of its glorious "achievements." Some of the statistics that were trumpeted over the radio were so blatantly improbable that their repetition ad nauseam created a strong backlash of public disenchantment. The chief weakness lay in the organisational structure itself, in that it did not provide for an independent feedback to the centre, of what was taking place at the grassroots level. The political leaders were insulated on the one side by the bureaucratic hierarchy of the organisation, and on the other by the mesmerism of their own propaganda.

The Opposition's chief target was the cut in the rice ration and the political advantage to be gained from it. But, the Government's strategy, on the other hand, had linked the riceration intimately with the "Food Production Drive" and, the Opposition was constrained to question its success.25 The Opposition took particular delight in exposing the excesses of the propaganda machinery of government and, in the process, in ridiculing what was basically a meaningful national effort. In the world of combative politics a thing is either good or bad depending on whether one is associated with it or not, and it would have required rare courage of the Opposition to admit the good features of the "Food Production Drive." As it turned out, the Government's strategic link of the rice-cut with the effort in increasing paddy production pushed the Opposition into an ambivalent position in respect of the latter; a course of action, as will be discussed later, it was soon to regret.

People's Participation in the Administration

The stated objective of people's participation in the administration and, thereby, making the administration more democratic was the reform of the bureaucracy. However, as discussed in the previous chapter, it was also to be the culmination of an inexorable trend of the political elite completely subjugating a

^{24.} Wilson Electoral Politics op. cit. pp. 116-117.

^{25.} Ibid. p. 117.

bureaucracy which had been sufficiently politicised by then. The technique that was to be adopted was a familiar one, no doubt inspired by the two marxist parties in the coalition, of instituting a parallel chain of command of government "loyalists", to exist side by side as a check on the official hierarchy, in all government departments and enterprises. It was argued that this device would transform the administration, make it more democratic and link it more closely with the people.

Immediately on being returned to power, with a strong majority in Parliament, the U.F. Government set about implementing its objectives as set out in their joint manifesto. Workers' Councils and Advisory Committees were set up on an elective principle in public enterprises and government departments, respectively.²⁶ The elective principle was employed because of the obvious difficulty of nominating "loyalists" in the context cf a coalition of three parties, each pledged to the preservation of their individual party identities. People's Committees were also established for each ward in a local authority "with a view to making the administration more responsive to the needs of the country and wishes of the people and also to help associate the people with the work of formulating and implementing national economic plans."27 The Chairman and members of these committees, however, were appointed by the SLFP Minister of Public Administration, Local Government and Home Affairs in consultation with the Member of Parliament of the area. The functions of these three types of committees were kept within the confines of offering "criticism and advice" to the normal administrative machinery: which fact prompted a critic to see in it "the imprint of the civil servants who prepared the blueprint." Collectively, the new institutions were not intended to usurp the power and functions of the normal administrative structure although they, at times, subjected the administration to severe tests of accommodation. More than the hidden hand of the bureaucracy, the chief reason

^{26.} Budget Speech 1970-71 op. cit. p. 30.

^{27.} Ibid.

^{28.} W. A. Wiswa Warnapala "Workers Councils and Advisory Committees in Sri Lanka", *Indian Journal of Industrial Relations* Vol. 2 No. 1 1975 p. 12.

for this mellowing down of their authority were the internal suspicions within the coalition Government itself. The marxist parties had a clear pattern and goal before them, to utilise "the paraphernalia of participatory democracy — people's committees, workers councils, advisory committees and divisional development councils" — for a consolidation of their power in the Government.²⁹ They were thwarted in this effort by the light-wing of the SLFP, especially the SLFP Minister of Public Administration, Local Government and Home Affairs whose antipathy to the marxist parties was well known.

The "Food Production Drive" after the Change of Government in 1970

Soon after the new Government assumed office it restored, in keeping with its election promise, the rice ration to its earlier level of two measures per week, thus imposing a heavy burden on the Exchequer by way of subsidy. By this move the natural incentive for domestic production was very much curtailed as the open market price of tice collapsed. Also, as already explained, in the heat of electioneering tactics the Government was forced into an ambivalent position in regard to the "Food Production Drive" initiated by its predecessor. Although the Government did not officially disband it, the cumulative effect of government's reticence in regard to its future and the fears of government officials engaged in agricultural work of being branded as supporters of U.N.P. policy (i.e. policies of the previous Government) was to dampen the enthusiasm of those officials genuinely involved in the operation and to weaken an elaborate structure that had been set up to superintend its working.30 Though it is readily conceded that it is the farmer and not the bureaucracy that grows food, sudden changes in emphasis (if not in policy) can have harmful effects on national programmes; a matter that was mentioned in passing. by the Dudley Seers Mission.31

^{29.} Wilson adopts a much stronger position in referring to People's Committees etc. as "instruments of mass agitation." See *Electoral Politics* op. cit. p. 189.

^{30.} Impressions of personal interviews held in 1970 with some GAs and senior officials of the Ministry of Agriculture and Lands.

^{31.} Dudley Seers Report op. cit. p. 100.

Divisional Development Councils

The Government's main concern on assumption of office was to generate immediate employment "to-fulfil the aspirations of thousands of young men and women for whom life will lose all meaning unless they can find a useful place in our society."32 With this in view it initiated a "crash employment programme" with the objective of creating 100,000 jobs within the first financial year of the term of the Government.33 The main thrust of this programme was borne by Divisional Development Council (DDCs) which were set up to promote small-scale industries using rural resources. The DDCs were constituted under the chairmanship of the D.R.O.s and contained a wide membership of officials and non-officials, including the M.P. of the area.34 Village Councils, Co-operative Societies, Rural Development Societies, Cultivation Committees were represented through their presidents or chairmen, and so were the divisional level officials of the Departments of Cooperative Development, Agriculture, Agrarian Services, Irrigation etc.35 Each DDC was initially provided with an allocation of Rs. 200,000, the expenditure to be phased over two financial years.36 They were required to formulate and manage, through suitable co-operative institutions, projects involving:

- (i) subsidiary food crops, horticulture, livestock, fisheries, floriculture etc.
- (ii) small industries,
- (iii) minor irrigation, rural roads, and
- (iv) rural housing, public buildings, civic amenities etc. 37

Initially, the minimum employment target was "50 units of sustained employment" per DDC.³⁸

^{32.} Budget Speech 70/71 PO. cit. p. 28.

^{33.} Ibid.

^{34. &}quot;A Note on DDCs" issued by the then Ministry of Planning and Employment Aug. 1970. Internal file Regional Development Division, Ministry of Plan Implementation, Please note that the abbreviation DDC is also used to denote the District Development Councils discussed in Chapter VIII.

^{35.} Ibid.

^{36.} Ibid.

^{37.} Ibid.

^{38.} Ibid.

The institutional framework used for the DDC programme was very much similar to the one employed by the previous Government for the operation of the "Food Production Drive." At the base were co-operative societies composed of the youths engaged on the project, providing a form of self-management under the guidance of a Divisional Development Assistant. The DDA was a public official recruited by the Ministry of Planning and Employment from among the category of unemployed graduates. The projects were formulated and planned under the direction of the DRO and a team of divisional-level officers. At the district level. the GA and his team of district officials co-ordinated these projects and recommended their implementation to the Regional Development Division of the Ministry of Planning and Employment.39 On approval the funds were released to the GA, who was "required to ensure that the money is properly used for the purposes for which it is allocated and that the usual financial procedure is followed."40 It was obvious that at the district and divisional level the emphasis had shifted, with the change in government from paddy production to employment generation; and the same set of officials addressed themselves to the new priority with equal enthusiasm. Within a short time over a thousand projects were inaugurated, some "for the establishment of small industrial projects ranging from simple rattan basket-weaving (handicrafts) to more complicated fruit-canning factories, boatyards and the manufacture of spare parts."41 The programme was not without its defects; the more serious ones were highlighted by the Dudley Seers Mission and also by other researchers. 42 Firstly, the GAs and the DDCs lacked the expertise to formulate projects on the basis of economic and technical feasibility, resulting in the creation

^{39. &}quot;Some hints on the preparation and implementation of projects by DDCs a note prepared by the Ministry of Planning and Employment, Jan. 1971. Internal file quoted above.

^{40.} Ibid.

^{41.} Dudley Seers Report op. cit. p. 177.

^{42.} For an appraisal of the programme at the national level see A. C. Randeni and others "Report of a Survey on the Investment Projects Fstablished under Divisional Development Councils" Staff Studies, Central Bank Vol. 8 No. 1, 1978; and at a district level Gerald Peiris "Agricultural Growth Through Decentralised and Popular Participation: A Survey of DDC Farm Projects in Kandy District" Modern Ceylon Studies, Vol 3 No. 1, 1972.

of "make-work jobs with no real contribution to output." Secondly, the co-operatives running these projects were composed of inexperienced youth, resulting in inefficient mangement or bureaucratic control. Thirdly, adequate attention was not paid to the marketing problems that had to be overcome in disposing of the product. In any case, far more serious events were to engage the minds of politicians, planners and the people in the next few months.

The Insurgency 1971

The insurgency of April 1971, which was led by disenchanted rural youth, was a social explosion the like of which had not been experienced in the country earlier. It has been described as "the most agonising test of the political order in modern times."43 Sri Lanka's emergence from colonial rule was a process characterised by constitutional agitation and peaceful negotiation, in contrast to the upheavals and liberation struggles that accompanied independence in neighbouring countries. Since Independence the trend was for the emergence of a hitherto neglected rural Sinhalese middle-class as the dominant force in society. Buddhist monks, indigenous physicians and rural school teachers, who were earlier ignored and relegated to positions of insignificance in society because of their ties to the traditional culture and the local language, formed the nucleus of a social force which, in coalition with peasants and urban workers, challenged the power of the Englishspeaking elite, centred around Colombo. But, the important fact was that even so fundamental a transfer of power from one segment of the population to another was formalised through the ballot at the General Election of 1956. In fact, "the non-revolutionary character of the masses and their orientation toward parliamentary action" has been cited as the main reason for the abandonment of revolutionary ideology by the traditional marxist parties and for their gradual socialisation into the parliamentary process.44 There had been two attempts earlier, especially the abortive coup hatched in 1961 by certain sections of the armed forces, to take over power by force; but on both occasions they had been the

^{43.} Kearney The Politics, op. cit. p. 201.

^{44.} Woodward op. cit. p. 212 et seq.

isolated actions of a small group of disgruntled servicemen without any serious backing from the people (politically) or the armed forces. Hence, the armed attempt made by the Janatha Vimukthi Peramuna (People's Liberation Front) to sieze power was not only unique but also a rude shock to a society that had become accustomed to a parliamentary system as a means of resolving social problems. The fact that it was a recognised (though proscribed) political party that sought to overthrow by force the established government, and that such an attempt was organised exclusively by the youth evoked much comment.⁴⁵

This study is not involved with the sociology and politics of the insurgency.46 Rather, its interest is in the impact of the insurgency on the normal activities of government, the resulting dislocation of the administration and, more generally, on the attitudes and thinking of the political leaders. In about ten of the twenty two districts heavy insurgent activity was experienced. Thirty five police stations were captured by the insurgents, and in such areas anarchy prevailed.47 It is claimed that the insurgents even replaced public officials and judges with their own appointees: and that cases were heard in summary form and sentences passed by the new "judges." About a hundred other police stations were attacked and the police were put on the defensive.48 Communications and supply lines of essential commodities were disrupted and the whole country was placed under a state of siege. The Government was forced to place the country under army control and within about three months of the outbreak those associated with the insurgency either surrendered or were arrested, and normalcy was restored.

During this critical period the top leaders of the Government were engrossed in the day - to - day military strategies of regaining

^{45.} A. C. Alles *Insurgency* — 1971 (Colombo Apothecaries 1977) p. 217. See also Gananath Obeyesekere op. cit. p. 370 and Janice Jiggins op. cit. Chapter 7.

^{46.} Apart from the references cited in f.n. 45 other interesting studies are available in Asian Survey' Vol. 12 No. 3, 1972 (Politicus) and Asia Survey Vol. 15 No. 9, 1975 (Kearney and Wiswa Warnapala).

^{47.} Alles op. cit. Appendix I.

^{48.} Ibid.

control of the whole country. The other politicians, especially the government Members of Parliament, were too mindful of their personal safety to venture out into the open and prominence. Whatever administrative arrangements for the re toration of normal services and supplies that were possible - and this varied from district to district depending on the intensity of the insurgent activity - were made solely on the initiative and owing to the civic sense of the public officials on duty. The presence of the military in each area provided the security of law and order and it was left to the civil administration to work out the details. Food and essential commodities such as rice, flour, sugar, petroleum, kerosene had to be transported from Colombo to the outstations. In the estate areas manufactured produce such as tea, rubber and dessicated coconut had to be transported to Colombo for export. This entailed requisitioning of lorries, co-ordination of road transport, formation of convoys and, not the least of them, enthusing civilian vehicle drivers to undertake such missions in a climate of uncertainty. One remarkable feature of administration during this critical period was the absence of the usual plethora of circulars and administrative instructions emanating from the head offices and ministries in Colombo. Except for the strategic instructions to the district Military Co-ordinating Officers and the Government Agents regarding the activities in the respective districts, Colombo's giant administrative complex was rendered mute by the situation. This occasioned one GA to quip that the administrative system had telescoped back into what it was during the hey-day of British bureaucracy.49 The strong military presence and the absence of the local politician, no doubt, lent credence to this analogy. Be it as it may, there is no doubt that the contemporary bureaucracy responded to the crisis magnificently. The chief ingredient of the revivalistic mood was the sense of discipline that had been restored in the public service. For example, by a simple radio anouncement and without any prior warning the Government announced its decision to advance the time of opening of offices from 9 a.m. to 8 a.m. with effect from the next day. On the next day they were there to a man in response to a decision, which under normal conditions would have been preceded, if at all,, by protracted

^{49.} Remark made at a private discussion with the author.

trade union negotiations. The response from the public was excellent, some actions bordering on martyrdom⁵⁰ whilst others were no less in bravery.⁵¹ Individual acts of heroism among civilian public servants were also not unknown.⁵² In sum, the district administration surpassed all expectations in its ability to present a "steel frame" and cope with a crisis; one which in its early stages spelt imminent danger to the life of every public official.

As in the case of the bureaucracy, the insurrectionary movement had a noticeable impact on the attitudes and thinking of the top political leaders of the country. As far as the traditional marxist parties were concerned, their leaders were very much embarrassed by the display of revolutionary tactics which the elders had learnt to dispense with in their pursuit of parliamentary power. As an answer they were naturally prodded on to the adoption of more radical programmes and to impressing on the Government, of which they were partners, the necessity of implementing at least some of them. The spurt of socialistic legislation that followed in the fields of acquisition of private business undertakings, imposition of ceilings on the ownership of houses and agricultural land, nationalisation of foreign estates etc. appear to be the outcome of such reaction. As for the major partner in the Government coalition, the attitude was best reflected in the following statement of its chief spokesman in Parliament:

Mr. Speaker, the present situation marks, in my view a total denunciation of the forms and procedures which we

^{50.} The well-known case is that of a general practitioner Dr. Rex de Costa who was gunned down at his residence by the insurgents for the "crime" of assisting the police. See Alles op. cit. p. 165.

^{51.} The A.G.A. Nuwara Fliya Kachcheri narrated how the planters of the area volunteered to act as armed escorts for the transport of manufactured tea to Colombo in convoys. Personal interview.

^{52.} The Minister of Public Administration, Local Government and Home Affairs paid a compliment on the floor of the House to two Government Agents in particular for their exemplary conduct during the armed attack on the police stations. *Hansard'* 4 May 1971 column 582. A lesser known young DRO spent his honeymoon in harness at Mahiyangana, an area of insurgent activity. Personal interview.

have been trying to emulate and ape, borrowed from a foreign culture, totally irrelevant to our present-day thinking and to the present-day context.⁵³

The Leader of the Opposition, and deputy leader of the U N.P., also expressed his fears of the dangers to democracy arising from a parliamentary "Opposition that is destructive, excessive and irresponsible." He called for greater co-operation with the Government and a re-assessment of the role of Opposition parties in a context where the under-privileged in society were "beginning to think that political parties are the political vehicles of those who only seek power for the sake of power." The fact that his party refused to endorse this line of thinking is incidental. Of greater significance is the fact that a number of leading politicians of differing shades of party opinion were publicly prepared to recast and re-assess existing practices, processess and the style of government. In short, it was a mood that called for innovation and change.

^{53.} Felix R. Dias Bandaranaike Hansard 4 May 1971 column 539.

^{54.} J. R. Jayewardene "Parliamentary Democracy — The Role of the Opposition in a Developing Nation Parliamentarian, July 1971 p. 193.

^{55.} Ibid. p. 193.

^{56.} For an account of the conflict within the U.N.P. on this issue see E. Kariyakarawana and N. S. Wijesinghe J. R. — The People's President' (Varuna Publications, Colombo, 1981) pp. 123-128.

CHAPTER IV

THE EMERGENCE OF THE CONCEPT OF A DISTRICT MINISTER AND A FLASHBACK TO THE EARLIER ADMINISTRATIVE SYSTEMS

The first published statement embracing the concept of a District Minister is contained in two documents presented by the Government Agent, Badulla District who functioned in that office during the period 1968–1971. The first was a memorandum dated 20 September 1970 submitted to the Steering and Subjects Committee of the Constituent Assembly, set up by the newly elected United Front Government for the purpose of drafting a new republican Constitution which was to replace the Soulbury Constitution under which the country had been ruled since 1946. The second was the administration report pertaining to the activities of the Badulla District for the financial year 1969—70.3

In the first document an unsuccessful attempt was made urging the framers of the new Constitution to recognise the possibility of appointing junior ministers on a district basis, to assist the Cabinet as a whole in its multi-functional responsibilities within such district, instead of the prevailing practice of appointing them to assist individual functional ministers. The proposal was completely out of phase with the constitutional thinking and experience of that time and it

^{1.} See also A. Jeyaratnam Wilson, "The Future of Parliamentary Government," The Ceylon Journal of Historical and Social Studies Vol. IV, Nos. 1-and 2, 1974, p. 48.

^{2.} Constituent Assembly Proceedings documents No. MCA/13/337, op. cit.

^{3.} Administration Report of the Government Agent, Badulla District for 1969/70, (Government Printer, Colombo, 1971). Reproduced as Appendix 1.

found no response from the legal and constitutional experts who were associated with the Steering and Subjects Committee. The legal and constitutional experts were those who had earned their spurs in Britain either as students or barristers, or local legal luminaries who were steeped in Westminster style constitutional law. Understandably, a favourable response to a strange constitutional form could not have been forthcoming. However, what was suggested was a change in the allocation of subjects and responsibilities within the executive from one of functional responsibility to one of spatial responsibility; a feature that had long been evident in the prefectoral systems in Italy and France and the colonial administrations of the French and the British.

As stated above, Sri Lanka was still under the influence of its British constitutional and administrative heritage. This becomes clearer when one considers the response to the proposal made by the then Leader of the Opposition, J. R. Jayewardene, to create an office of elected President exercising executive powers somewhat similar to those of the Presidents of U.S.A. and the French Republic.⁵ At the time this proposal was made he was only the deputy leader of the U.N.P., with very little expectation of aspiring to party nomination at a forthcoming presidential election.6 Furthermore, the understanding was for the then Prime Minister to assume the office of executive President immediately on adoption of the new republican Constitution, so that the next election for presidential office would have been many years later after the term of the first executive President.7 As such, it was a proposal that was only very remotely connected, if at all, with the personal ambitions of the proposer. In fact, the proposer had held

^{4.} For confirmation of this British bias see A. Jeyaratnam Wilson, "Politics and Political Developments since 1948" in Sri Lanka—A Survey op. cit., pp. 288–289; also James Jupp, Sri Lanka: Third World Democracy (Frank Cass, 1978), p. 222.

^{5.} Constituent Assembly Proceedings Basic Resolutions, 2 July 1971, column 2626.

^{6.} The leader of the U.N.P., the leading party in Opposition,—was Dudley Senanayake, an ex-Prime Minister, who would have normally been the party nominee at a presidential election. His premature death in April 1973 resulted in J. R. Jayewardene assuming the party leadership, quite unexpectedly.

^{7.} See f.n. 4 above.

this view for some time as being the best way of ensuring a stable executive.⁸ Once again, the proposal was a deviation from the Westminster model and found no favourable reception in the Constituent Assembly.

The administration report of the Government Agent, Badulla District presented a rationale for the concept of a District Minister. It attempted "to take a critical look at the most important institution from the point of view of economic development namely, the government's administrative and executive machinery and its operation, especially, at the provincial (district) levels." It was certainly not a thesis in the academic sense with references to published literature, etc. But, its pioneering nature singles it out for further comment by way of amplification.

The report spelt out four important proposals. First, it called for a change in the manner in which funds were provided annually by government, for the execution of works and programmes that could be characterised as of a local or district nature as distinct from funds for national or supra-district projects. It called for a direct vesting of such funds with district officials, with also the concomitant authority to expend such funds without these being channelled through government departments in Colombo; as had been the practice up to that time. Second, it called for a decentralisation of the decision-making power in respect of these activities from the centre of gravity of Colombo to the districts through the creation of a novel office called the District Minister. Third, it called for a greater co-ordination of the sub-offices of government departments engaged in development activities at the district level, by cutting them off from their functional head offices in Colembo and merging them into a District Secretariat under the leadership of a District Minister. Fourth, as a corollary to the third, it called for an amalgamation of the Colombo-based head offices of departments engaged in development work with their

⁸ Address to the 22nd Annual Sessions of the Ceylon Association for the Advancement of Science, December 1966, reproduced in J. R. Jayewardene Selected Speeches and Writings, (Cave and Co., Colombo, 1979), p. 86.

^{9.} Appendix I, infra, p. 268.

respective ministries. Collectively, it comprised a coherent package of proposals which was meant to resuscitate the decaying district administration. In the following pages an attempt is made to explain in greater detail the rationale behind them; though some of these points have been touched upon in Chapter I.

Administration in the Colebrooke Period

The style of government and the administrative apparatus inherited by Sri Lanka at Independence was largely the legacy of British colonialism. It had its origin in the Colebrooke Reforms of the eighteen thirties, whereby the administration of the then colony of Ceylon was unified and brought under the central direction of the Governor and his bureaucracy. 10 The essence of government at that time was the maintenance of the stability of British imperial power over the colony, the preservation of law and order in the country and the collection of sufficient revenues to finance the administrative structure, without it becoming a drain on Britain's own resources. 11 Although the administration was brought under the central direction of the Governor (and the Colonial Secretariat in Colombo), in actual practice, what emerged was a fairly decentralised system with the centre of gravity closer to the provincial and district kachcheries (which were presided over by the Government Agents and Assistant Government Agents respectively) than to the 'headquarters' in Colombo. It was a system which, subject to overall direction on matters pertaining to colonial policy, invested in Government Agents a very high degree of flexibility and decision-making power.12 and, in matters

10. The Colebrooke-Cameron Papers op. cit., p. 52.

12. For an insight into the pivotal role occupied by the Government Agent in the administrative structure during the Colebrooke period, see

(i) Leonard Woolf, Growing: An Autobiography of the Years 1904–1914, (Hogarth Press, 1961),

(ii) Idem, Diaries in Ceylon 1908-1911, (Hogarth Press, 1963),

(iii) S. D. Saparamadu, ed., "Leonard Woolf's Diaries in Ceylon 1908–1911", published as Ceylon Historical Journal Vol, IX, July 1959–April 1960.

^{11.} Ibid., Introduction, p. xiii. One of the important reasons behind the appointment of the Colebrooke Commission was the recurring excesses of expenditure over revenue, thus making the colony a financial liability on the Treasury of England.

connected with the development of the district, relied to a large extent upon the initiative of the Government Agent¹³

One of the important objectives of the Colebrooke Commission was to make the management of the colony - seen as a commercial entity viable. Prior to the appointment of the Commission, the Treasury in England had repeatedly drawn the attention of the Colorial Office to the excess of expenditure over revenue in the management of the affairs of the colony.14 The Colebrooke Reforms were directed in full towards rectifying what the Commissioners felt was the basic malaise afflicting the administration of the colony - excessive governmental control of its economic activi-Responding to the mood that was prevailing in Britain they envisaged a greater prosperity through private enterprise and less government control and had as their objective the practical task of creating the necessary environment for the flow of capital. expertise and labour. It has been observed that Colebrooke expressed a resentment, as a matter of principle, to the engagement of the state not only in direct production but even as a marketing outlet.15 His was a philosophy of private enterprise, free market and a prosperity resulting from them.

The social and economic transformation that followed the Colebrooke Reforms is good testimony to the efficacy of the administrative system that resulted from such reforms. And, in the sphere of administration the prominent place afforded to the Government Agent, in a fairly decentralised administrative network, did make a substantial contribution to whatever economic development that was achieved during the next century. Firstly, it was the coffee boom. Planters with capital were attracted, granted jungle land quite liberally and supplied with imported labour from neighbouring South India. The tremendous effort involved in opening up land in remote areas and establishing plantation settlements, the basic nature of which plantations have remained

^{13.} Wiswa Warnapala, Civil Service Administration op. cit., p. 71.

^{14.} P. D. Kannangara, The History of the Ceylon Civil Service 1802–1833, (Tisara Press, Colombo, 1966), p. 213.

^{15.} Ibid., p. 227.

unchanged to this day, could not have been realised if the administrative system was weak and inefficient. About 300,000 acres were opened up for coffee during the period 1840 - 1880.16 Accompanying this land settlement were the improvements in roads and communications. The Colombo - Kandy railroad, which was completed in 1867, opened up the central part of the Island and appreciably reduced transport costs. 17 All this had to be achieved under primitive conditions without the aid of modern technology. When the coffee era ended, with the plant succumbing to the coffee-leaf disease, the economic system had the vitality to move on to a substitute in the form of tea. After the old coffee lands had been planted, new lands were opened up for tea. Subsequently, rubber and coconut plantations also came up in other parts of the Island. The position in 1930, after a century of the Colebrooke system, was that from virtually zero the plantation sector had grown to approximately 500,000 acres each in tea and rubber and double this extent in coconut.18 Recurring shortfalls in revenue vis-a-vis expenditure, which was a feature of the pre-Colebrocke period, were no more and revenue surplus had become the order of the day.19 The surpluses were used lavishly on the task of improving the Island's transportation systems, thereby laying the foundation for what was to be an excellent road and rail network.20

Undoubtedly, the innovator or agent of change during the Colebrooke period was the European planter, the entrepreneur with capital²¹ As a group the planters constituted a powerful political lobby having representation in the Legislative Council. Their chief concern during this period was the furtherance of their economic interests whether in the provision of better roads or hospitals.²² However powerful their lobby was, they had to contend with the Government Agent at the operational level and it is a credit to both

17. Ibid., p. 31.

19. Ibid., p. 32. 20. Ibid., p. 32.

21. Wiswa Warnapala, op. cit., p. 68.

^{16.} Snodgrass, An Export Economy op. cit., p. 20.

^{18.} Ibid., Tables 2-5, 2-6, 2-7.

^{22.} D. M. Forrest, A Hundred Years of Ceylon Tea 1867-1967, (Chatto and Windus, 1967), Chapter II.

sides that the objectives set for them by the Colebrooke Reforms were, by and large, realised chiefly owing to the common bond of language, race, habits and way of living — the social homogeneity. And, this success must also be attributed to the contributions from the administrative system itself; the chief features of it were decentralisation of decision-making power to the Government Agent and the horizontal integration of development activities within the district.

Admittedly, the above is a one-sided view in that it does not take into account the social and economic costs of the change which took place during the plantation era23. For instance, the lands that were utilised for development were those that were traditionally held by the peasantry for their "chena" cultivation and for cattle-grazing. The exploitation of land for plantation purposes led subsequently to severe landlessness among peasants, and rural poverty. Also, the inflow of large numbers of migrant labour from South India and their establishment in estate areas as a foreign enclave, cut off socially and culturally from the neighbouring villages, created a political problem of a highly explosive nature. Finally, it can be argued that the infrastructure itself by way of roads, communications was an adjunct of the export economy and that the predominance of the plantation lobby prevented a diversion of state resources to other economic sectors.²⁴ The latter course of action may have had the effect of shaping a more balanced economic pattern. But, the real test is the objective for which the Colebrooke system was devised. It was devised for the express purposes of promoting private enterprise as against state involvement, of attracting foreign investment and skills and,

^{23.} For a different viewpoint see,

⁽i) K. M. de Silva,—The Colebrooke-Cameron Reforms," The Ceylon Journal of Historical and Social Studies July 1959, pp. 245-256; also "Introduction" to his Social Policy and Missionary Organisations in Ceylon 1840-1855, (Longmans, 1965).

⁽ii) Tilak Hettiarachchy, The Sinhala Peasant, (Lake House, 1982).

^{24.} B. H. Farmer argues that far greater government expenditure took place on roads and railways of direct benefit to the plantations than on tapping the agricultural potential of the Dry Zone, a policy which would have brought substantial benefits to the p asantry of Sri Lanka. Pioneer Peasant Colonisation op. cit., Chapter 5.

in the final analysis, of making the colony financially selfsustaining. These objectives were realised in full although the system could be faulted when pitched against national-oriented economic and social goals.

The Post-Donoughmore Period and the Problems of Administrative Organisation

In contrast to the Colebrooke period, the administrative system that followed the Donoughmore Reforms was one that was heavily weighted in favour of centralised decision-making. To use an analogy, the centre of gravity of decision-making power shifted to the Colombo - based ministries whereas earlier it was located in the district kachcheries. A good description of what prevailed about fifty years after the Donoughmore Reforms is given below:

In contrast (to the pre-Donoughmore period), the system of regional administration in 1970, indicates a marked decline in the authority and power of the government agent and his Kachcherie organisation over field staff of other functional departments and in local government activities. Most of the functions formerly discharged by him in local government and development work have been removed from his ambit of direct control. Authority was mainly concentrated in the central ministries and departments (in Colombo) and the government agent was not a link in most chains of command nor considered the hierarchical superior of other field staff in his region.²⁵

The reasons for this change are manifold and have been discussed in brief already. However, the primary cause of this change is the manner of the introduction of self-government, firstly through the Board of Ministers under the Donoughmore Constitution and, latterly, by the adoption of a cabinet system of government based on the Westminster model.

If the Colebrooke-Cameron reforms, reflected the parsimony of the Treasury of England and the "laissez-faire" attitudes in

^{25.} Neil Fernando, op. cit., p. 18.

Britain in the eighteen thirties, then, in contrast, the Donoughmore Reforms were inspired more by the internal pressures within the colony itself. The main thrust for reforms came from the educated locals, most of whom had imbibed the ideals of liberty, self determination and equality, that they learnt from the British, and who increasingly demanded a greater share of executive power. As it stood just prior to the Doroughmore Commission, the executive powers of the State (of course, in the context of a British colony) were vested in the Executive Council, and the legislative powers in the Legislative Council; the latter being the refuge of the local politicians. This dichotomy resulted in local politicians being shut out from the administration and being confined to "legi-lative functions." But to them, the main attraction was not to legislate but to participate and direct the welfare and development programmes of government, which were gaining an increasing share of the expenditure budget. For instance, during the financial year 1928/29 welfare and development expenditure accounted for about 50 per cent of the total.26 Social services expenditure alone, i.e. education and health, increased from 15 per cent to 17.6 per cent during 1925 - 1929.27

Another important feature of the pre-Donoughmore mood, which was to influence subsequent events, was the antagonism that had developed between the British civil servants and the local politicians. During the early stages of the Colebrooke period, the unofficial legislators were nominated by the Governor and were chosen mainly from the European community. Thu, the position within the Legislative Council was one of unity of values and social background. The Council functioned more or less as an appendage to the executives.²⁸ In the years immediately preceding the Donoughmore Commission, however, the Legislative Council was composed of twelve official and thirty seven unofficial members.²⁹ Of the unofficial members thirty four were elected, twenty

^{26.} Snodgrass, op. cit., p. 63.

^{27.} M. D. H. Jayawardane, Economic and Social Development of Ceylon 1926-54, (Ministry of Finance, Colombo, 1954), p. 122.

^{28.} G. C. Mendis, Ceylon Today and Yesterday (Lake House, 1963), p. 82.

^{29.} Donoughmore Report op. cit., p. 12.

three on a territorial and eleven on a communal basis and, hence, owed no loyalty to the Governor and his executive. The Ceylon (Legislative Council) Order-in-Council of 1923 which instituted the above reforms so provided for the first time for a majority of elected members in the Legislative Council. This aggravated the tension that had been building up between the officials (who were responsible to the Governor and the Executive Council) and the local representatives (whose loyalties were to themselves if not to their respective electorates). The hiatus is best described in the words of the Commissioners themselves:

The most striking characteristic of the Ceylon constitution is the divorce of power from responsibility. The unofficial members, who are 1 of 1 esponsible for the conduct of public business, enjoy an overwhelming majority in the Legislative Council; the official members, who are so responsible, are in a permanent minority.³⁰

This antagonism was most evident in the deliberations of the Finance Committee of the Legislative Council, which was a subcommittee consisting of all unofficial members sitting under the chairmanship of the Colonial Secretary.31 Two other officials were also members of this sub-committee. The main function of this sub-committee was the examination of the annual budget and any supplementary requisitions for expenditure. The examination was done department by department; the head of department concerned and his assistants being in attendance to explain and answer any questions that may arise. However, the deliberations took on an adversary character with the heads of department being treated "as hostile witnesses against whom it is permissible to employ all the forensic arts of cross-examination."32 The Donoughmore Report went on to add that the "questions were rarely confined to the matters at issue" and that the inquisitional tone of the inquiry was bordering on "grave ciscourtesy" and, sometimes, personal abuse.

^{30.} Ibid., p. 14.

^{31.} Ibid., p. 17.

^{32.} Ibid., p. 17.

The Donoughmore Reforms that were introduced in 1931 and the subsequent constitutional developments towards full self government had the effect of super-imposing on the Colonial Secretariat, the seat of executive power, a political leadership. Whereas earlier the Colonial Secretariat was the de jure apex of executive power whilst, in actual operation, the district kachcheries and the Government Agents retained a high degree of decision—making authority and flexibility, the new reforms and their subsequent developments tilted the balance towards the centre in favour of greater administrative centralisation, by investing the central administrative complex with political muscle. Naturally, what evolved was a "highly centralised and Colombo-oriented administrative environment" at the expense of a fairly decentralised administrative structure that prevailed prior to the Donoughmore Reforms.

A good indicator of this trend of centralisation is the percentage of civil servants deployed for work in the districts as against their total number in a given year. The Ceylon Civil Service was the higher public service up to the time of its abolition in 1963 and it would be a fair assessment of the relative importance attached by government to the respective work areas, to ascertain how the civil servants were deployed between the work in Colombo and the districts. Certain difficulties arise in comparit g the figures, because during the early stages civil servants were engaged for judicial posts which later were not included in the schedule of posts of the Ceylon Civil Service. For sake of uniformity these posts have been completely excluded from the computation. Also, the inclusion and exclusion of technical posts from time to time introduces a factor that disturbs the basis of comparison. However, subject to a margin of error arising from the above qualifications the trend is very clear. In 1845 and 1904 about 60 per cert of the civil servents were deployed for work in the districts as against Colombo-based work; in 1959 this proportion had declined to

^{33.} Kearney," Ceylon: The Contemporary Bureaucracy', op. cit., pp. 491 and 527.

30 per cent, the greater number working in Colombo, in ministries, departments, corporations etc.³⁴

The acrimony that had coloured the relationship between the local politician and the British civil servant during the initial stages of the Donoughmore Reforms had a perverse impact on the form and style of the administrative system that was to follow. At the time of the introduction of the reforms about 60 per cent of the members of the Ceylon Civil Service were British.35 All the important positions of head of department, Government Agent and posts in the Secretariat were held by British civil servants, and the Ceylonese in the CCS were relegated to positions of subordinate status.36 The first Ceylonese Government Agent was in fact appointed only around the time of the Donoughmore Reforms.37 Hence, there would have been a natural tendency on the part of the Donoughmere ministers to eschew a form of remote control of the administration, which the Government Agent's machinery implied, and embrace a system of departmental organisation operating on functional lines, which would ensure to the minister a closer control and immediate supervision of the day-to-day activities. Admittedly, the ministers would have had to contend with British heads of department. But, in the prevailing mood of distrust and resentment, a head of department working directly under one's supervision was a more manageable proposition than an outlandish Government Agent, to whom access was necessarily delayed and difficult. The vagaties of the communication facilities would have also compounded the distance that prevailed, both

^{34.} The figures for the years 1845, 1904 and 1959 (roughly fifty year intervals were obtained from the following secondary sources:

⁽i) Wiswa Warnapala, Civil Service Administration op. cit., Appendices II and VI.

⁽ii) Kearney "Ceylon: The Contemporary Bureaucracy," op cit., Table 3, p. 519.

⁽iii) Snodgrass, op. cit., pp. 81-82.

^{35.} Collins "Ceylon: The Imperial Heritage," op. cit., p. 468.

^{36.} Idem, Public Administration in Ceylon (Royal Institute of International Affairs, 1951), p. 102.

^{37.} S. A. Pake man, Ceylon, (Ernest Benn Ltd., 1964), p. 87.

literally and metaphorically, between the minister and a British Government Agent.

The other factor that shaped the form of administration that was to emerge in the coming years was inherent in the Donoughmore Reforms themselves. Prior to the reforms the administration was district-oriented, with emphasis on the district official as opposed to his sometimes hierarchical superior in Colombo. No doubt, the Colombo officials were the seniors and the de jure "bosses" but, de facto, the decisions were made in the districts or were largely conditioned by thinking that reflected the district viewpoint. It has been already noted how the planters (who were basically a district lot as opposed to the European merchants who were based in Colombo) influenced the pace and nature of expenditure on infrastructure development. Another good example is that of H. R. Freeman, 38 Government Agent of the North-Central Province, who championed the cause of the local peasantry against the central government in the matter of "chena" cultivation, "a form of cultivation which the government considered extremely wasteful and desired to discourage, but which he thought suited to the genius of the people."39 In the opinion of another respected member of the CCS, "provincial officers generally identified themselves with the interests of their people and were able to represent and press their views when matters arose affecting those interests".40 In addition the Government Agents of Colombo, Galle and Kandy were ex-officio members of the Legislative and Executive Councils from time to time, and were regarded by the Governor more as "representatives" of their areas and the people living within them than as mere officials.41 Whatever may be the merits of this

^{38.} Freeman, after retirement, was elected to the Legislative Council and the State Councils of the Donoughmore period in preference to local candidates. See S. Namasivayam, *The Legislatures of Ceylon* 1928–1948, (Faber and Faber, 1950), p. 95.

^{39.} Collins, "The Imperial Heritage," op. cit., p. 459.

^{40.} Ibid., p. 457. Note the use of the word "people" in the manner of an elected representative.

^{41.} Despatches Relating to the Constitution of the Ceylon Legislative Council Document 3, Sessional Paper II of 1910, (Government Printer, Colombo) p. 8.

claim the fact remains that a district or local viewpoint even found expression at the highest decision-making levels, in a situation where the bulk of the executive authority was, in any case, residing in the districts. It is true that, as has been often quoted, there were already forty departments with their head offices in Colombo at the time of the Donoughmore Reforms.42 But, about fifty per cent of them (e.g. Prisons, University College, Customs, Solicitor-General, Archaeology) were not involved in development activities and were not directly connected with district admin istration; and in respect of the balance, "they generally used the provincial and district system, with local officers working apart from but in close harmony with the government agents."43 Not only did the pre-Donoughmore administrative system contain the feature of decentralisation but also it displayed an internal cohesion; being coordinated at the centre by the Colonial Secretariat and at the periphery by the kachcheri.

It is a tragic irony that politically one of the progressive reforms under the Donoughmore Constitution, that of creating a Board of Ministers, should in retrospect turn out to be very damaging from the point of view of administrative capability and efficiency. In response to the clamous for self-government and as part fulfilment of this agitation the Donoughmore Reforms provided for a Board of Ministers to replace the Executive Council, which was the seat of executive power during the earlier dispensation.44 The Board consisted of ten members; three of whom were exofficio consisting of the Chief Secretary, the Financial Secretary and the Legal Secretary. The other seven were selected from the House of Representatives, named the State Council. The State Council divided itself into seven Executive Committees, on the basis of individual preferences of members, to deal with the following subjects :-

- (i) Heme Affairs
- (ii) Agriculture and Lands
- (iii) Local Government
- (iv) Health

Appendix III, Donoughmore Report op. cit. Collins, "The Imperial Heritage," op. cit., p. 457. Ceylon (State Council) Order in Council 1931. 43.

- (v) Education
- (vi) Labour, Industry and Commerce
- (vii) Communications and Works.

Each Committee thereafter elected by secret ballot a Chairman who was thus appointed to the Board of Ministers as minister in charge of those departments coming within the purview of his Committee; the departments having been assigned to the respective Committees. The Board of Ministers functioned under the Chairmanship of the Chief Secretary. The Board was collectively responsible only in the matter of presentation and approval of the annual estimates of revenue and expenditure. On all other matters, each minister assumed complete responsibility for his area of work.⁴⁵

The outcome of this administrative arrangement of having ministers responsible for functional areas of government activity took many forms. 46 In the main, it contributed to over-centralisation, a "Colombo bias" of the decision-making process and compartmentalised sectoral development of the economy as opposed to a regional and integrated improvement of the total economy; problematic features of government which have persisted to this day.

Over-centralisation of the decision-making process was the natural result of investing the administrative apex with political muscle. Earlier Colombo was no doubt the administrative centre but the limitations of the Colonial Secretariat, both in the number of personnel and scope of its activities, rendered its supervision none too pervasive. At that time, the power lay in the districts where the bulk of the civil servants and other departmental staff were and, hence, decision-making had a distinct district and rural orientation. Even the technical departments, that had head offices in Colombo, were content to operate in close association with the district administration, if not for any other reason but that the latter

^{45.} Donoughmore Report p. 39.

^{46.} This was a typical instance of transplanting an administrative structure that had developed successfully in Britain in the belief that it should work with like success elsewhere.

had an excellent field network operating down to the village level. The fact of both the Government Agent and head of department in Colombo being officials having a common outlook would have no doubt contributed to a feeling of mutual trust and confidence. The act of creating ministries on a sectoral basis and placing them in the charge of individual ministers had the effect, administratively, of expanding and intensifying the activities of the former Colonial Secretariat. Thus, as a result of the Donoughmore Reforms, the Colonial Secretariat expanded into a Board of Ministers and intensified its activities under seven sectoral ministries; which led, in turn, to a rapid growth in the Colombo-based bureaucracy. Given the nature of the politician, his record of consistently demanding and obtaining a greater say in administration, his animosity and suspicion towards British officialdom and the lack of a coherent and unified governmental policy dictated by party dicipline, events naturally led to an increasingly centralised administrative power in Colombo at the expense of the district.

The other aspect of this reform was the initial impetus given to politicians and administrators alike to view national economic development as the simple aggregate of growth in the different sectors of the economy such as agriculture, fisherie, industry etc. : an attitude that, no doubt, gave wide scope to able ministers to build their political images. This attitude was the inevitable outcome of setting up ministries for sectoral areas of government activity, on the basis of individual ministerial responsibility. Earlier, the economic unit was not sectoral but spatial - in the form of an administrative district, and all economic activity whether it be plantations, paddy cultivation, tank repair, construction of bridges and so on converged at the district level into a cohesive unity under the aegis of the district administration. In contrast, the Colombo-based ministries, with their understandable obsession for maximising results, split the economic activities into watertight compartments and directed them from Colombo unmindful of the activities of other sectors of the economy. In the event, what obtained at the operational level in the districts was at most a feebly co-ordinated package of activities, with very little internal cohesion

The third consequence of the manner of constituting a Board of Ministers under the Donoughmore Reforms took a very subtle form and, in a way, was a by-product of the centralisation trend which resulted from the reforms. It is to be noted that, generally, ministers were recruited from the ranks of the political elite; a phenomenon that is not any less today. An analysis of the composition of the two State Councils showed that lawyers constituted the most prominent group with proprietory planters, businessmen following to a lesser degree.47 Though in the subsequent Parliaments the position changed appreciably as a result of the democratising effects of universal franchise, the same cannot be said in relation to the composition of the Cabinet of Ministers. Ministers continued. as before, to be largely recruited from the elite of the governing group of the day. The combination of Ministers with elitist backgrounds and ordinarily elitist official counterparts in the administration led to a Colombo-orientation in the decision-making process. Thus, as Michael Lipton has observed elsewhere, the decision-making process came increasingly under the way of a mixed but coherent urban elite consisting of politicians, administrators, trade union leaders, successful businessmen, prominent academics, influential editors, etc. held together, unconsciously, by a common chord of urbanness in their attitudes and values.48 This may have not, as Lipton concluded in relation to other countries, resulted in the diversion of scarce resources away from a deserving rural sector. In the Sri Lanka context, the position in relation to rural investment was not so bad,49 but the dominance of the central decision-making process by an elite urban group cannot be denied.

^{47.} Namasivayam. op. cit., p. 70.

^{48.} Why Poor People Stay Poor (Temple Smith, 1977), pp. 61-62; & also his Introduction.

^{49.} Lipton's conclusion was based on researches done in about twenty developing countries including India, but not Sri Lanka. The heavy outlay on colonisation-cum-irrigation schemes, rural health and education initiated in Sri Lanka from the time of the Donoughmore Reforms has mitigated the country's position in the face of a charge of rural neglect. Nevertheless, the basic point made by Lipton of the existence of an "urban bias" in the decision-making process remains valid. For a criticism of Lipton's "urban bias" approach for explaining resource allocation see Keith Griffin, Book Review, The Journal of Development Studies Vol. 14 No. 1, 1977, pp. 108-109.

The irony of all these developments was that although they were the direct outcome of the Donoughmore Reforms, the Commissioners were overtly specific on the dangers of a centralised administrative system far removed from the rural environment. They did reflect on the lack of a "general administrative symmetry" the unequal match of the district administration against the might of the centre; and, went on to comment:

Any further grant of responsibility to the central government will emphasise and increase this contrast; and such opportunity, as may be afforded, must be given under the new constitution to redress the balance by the encouragement of local self-government as a first step in the elaboration of measures to diminish the poverty and ill health which in some provinces is the lot of many villagers. It is essential to emphasise, at the risk of reiteration, the importance of keeping in sight the lot of the rural worker. The great gulf fixed between him and the educated and westernised classes of Colombo forms a contrast. 50

On the need to bring in a positive regional bias into the decisionmaking process the Commissioners were no less eloquent, as the following passage indicates:

The argument in favour of the establishment of a Prcvincial Council in each province is that such a scheme might result in a large part of the administrative work now carried out in the Legislative Council coming into the hands of persons permanently resident in the country districts and thus more directly in cortact with their needs; in the relief of the departments (ministries) of the central government of much detail work and in their being thereby set free to consider and advise on the larger affairs of the country: in the special views of the different races predominant in the different parts of the Island having effect in the administration of these parts; in members of the growing body of politically – minded persons in the country being placed in an honourable position to render real assistance in the administration; and in an increase in

^{50.} Donoughmore Report p. 33.

knowledge and capacity of the representatives of lesser local bodies who might be summoned to sit on the councils. 51

Where the Donoughmore Commissioners miscalculated was in their belief that grassroots local government will grow in this country as in Britain and in their failure to provide for alternative checks on the ascendancy of centralised administrative power in the event of a failure of a vigorous local government. This is all the more serious because the Commissioners themselves commented on the lack of "drive" at the centre for a promotion of local government and on "evidence of apathy towards, and ignorance of. the conditions which make good local government of a modern type feasible."52 Needless to say local government of the quality envisaged by the Commissioners did not take root in the post-Donoughmore period; although important measures were taken to rationalise the local government structure, displace the unelected officials from their seats of authority in respect of village committees town councils, urban councils and municipalities and replace them by elected members.53 As for the recommended devolution of power from the centre to the districts, the new elected ministers were as much lacking in "drive" as the officials that preceded them,54 and the political counterweight envisaged at the district level as a match to the increased political muscle at the centre never materialised. In the event, the administrative system developed into one with a high concentration of power and authority at the centie.

Financial Accountability and the Problems of Expenditure Control

The direct result of the functional allocation of ministeria responsibility and the centralisation of admiristrative power was the development of a structure of government financial control which supported and accentuated these very features. The funds

^{51.} Ibid., p. 88.

^{52.} Ibid., p. 86.

V. Kanesaiingam, A Hundred Years of Local Government in Ceylon (Modern Plastic Works — Printers and Publishers, Colombo, 1971) pp. 55-61.

^{54.} Leitan, op. cit., pp. 56-77.

that were voted by Parliament for a financial year were vested in the respective ministries, and the Permanent Secretary (later designated Secretary) of the ministry, in his capacity of Chief Accounting Officer, was made responsible to Parliament for their expenditure. His responsibilities, as defined by Financial Regulation 127, were to ensure—

- (1) that each of his Accounting Officers,
 - (a) has planned the financial work of his department so that the business is transacted with correctness and financial propriety; that is to say, the business must be transacted in accordance not merely with the financial and departmental orders but also with the high standards of integrity expected in the transaction of public business;
 - (b) has evolved a system which provides adequate controls over expenditure and the collection of revenues;
- (2) that existing items of expenditure, as well as proposals for new or increased expenditure, in the departments under his control, are closely examined in the ministry from the points of view of economy and efficiency;
- (3) that all cases of doubt or difficulty are referred to him so that he may bring his own administrative experience and judgement to bear on them;
- (4) that Appropriation Accounts are duly rendered by each of his Accounting Officers, and examined at the ministry before he signs them; and that important differences in the Estimates and the actual expenditure are critically investigated by him;
- (5) that important variations between departmental estimates and expenditure receive critical examination of the ministry;

(6) that the collection of revenue or other government dues for which Accounting Officers are responsible is closely watched and examined by the ministry.⁵⁵

His Accounting Officers were, in terms of Financial Regulation 125 the heads of department; almost all of whom were, like him located in Colombo. 56 Their responsibilities in regard to the activities of their departments were similar to those spelt out above for the Chief Accounting Officers. 57 The result was a structure of financial control which concentrated financial accountability and authority in Colombo

In such a context it was not unnatural that the officials in Colombo should build up an elaborate set of rules and procedures to ensure that activities of government 'are undertaken with due regard to economy, efficiency, propriety and integrity expected in the transaction of public business" and, above all, to satisfy them selves personally that things are working in accordance with such objectives. The impact of this on the activities of government outside Colombo (where, in any case, the major development work took place) was crippling. The general feeling at the district level was that sufficient financial discretion was not vested with the officials at the spot causing "a project engineer who is executing a programme costing millions of rupees to seek authority from the head of department to purchase rupees fifty worth of sundry items." 58

The other feature of the structure of financial control was the direct consequence of the functional allocation of responsibilities among ministries. For example the subject of colonisation schemes was a matter for the Ministry of Lands and the Accounting Officer was the Land Commissioner. A control of all expenditure on this item on an island-wide basis was maintained by the Land Commissioner's office in Colombo. Although each year the voted expenditure

^{55.} Financial Regulations, (Government Printer, Colombo, 1966).

^{56.} The notable exceptions to this were the Government Agents, who were themselves heads of department and the Accounting Officers in respect of some of the financial transactions executed by the kachcheries.

^{57.} Financial Regulation 128.

^{58.} Appendix 1, infra, p. 184.

was apportioned, initially, among the various colonisation schemes throughout the island what was brought to a focus at the end of the vear in accountability was the ability of the department (this being the almost exclusive criterion of performance) to utilise the total amount voted for such activity. Now, not all districts were equally equipped for the discharge of their activities whether it be in the deployment of skilled personnel, the availability of good roads and communications or essential machinery such as road-rollers, bulldozers, lorries, tractors etc. In the event, there were large disparities in the administrative capabilities among districts and those bestowed with better facilities were, generally, the more efficient and able to expend the funds allocated to them. In view of this it was very common for funds allocated to one district, originally, to be transferred towards the end of the year to another, on the ground that the performance of the former was sluggish in comparison. This suited everybody in the system because ultimately what was called in question was the ability of the department to utilise the total money sanctioned to it by Parliament. However, the impact on development activity as a whole was far from salutary. system that favoured the developed districts as against those that were less equipped and, more importantly, it distorted resource allocation by diverting the greater part of it within a given subject area to those districts that could consume it faster in contrast to the areas, say, that could show the better returns for such investment. Thus, if left unchecked, it was a system that perpetuated a vicious circle of initial administrative advantage being followed by greater resource investment leading to increased disparities in administrative capabilities among districts and so on.

The District Minister Concept — Its Strength and Weaknesses

The proposals contained in the administration report of the Government Agent, Badulla were directed towards rectifying the evils of functional compartmentalisation of government activity, over-centralisation of the decision-making process and the hidden bias towards more developed areas to the detriment of those lesser equipped for administrative capability. But underlying all this though not explicitly stated, was the theme that somehow the

administrative structure that prevailed during the Colebrooke period was superior to the one that followed the Donoughmore Reforms. This is evident in the proposals for the amalgamation of the head offices with the ministries (i.e. cutting down the size of the Colombo bureaucracy), investing the ministries with the responsibility for the formulation of policy plans and programmes and the parallel development of the integration of the district offices into a District Secretariat which will be responsible for execution and expenditure of funds. But the striking feature of the proposals was the strategy adopted to counteract the basic imbalance within the administrative structure by the appointment of a District Minister who given a chance may develop into an effective counter-weight to the political might of Colombo. Where the Donoughmore Commissioners had been disappointed in their expectation of independent local government institutions as the countervailing force against central government, the current proposals attempted to substitute for it a part of the same central government machinery in judicious juxtaposition to the power of the centre. That the device was effective is borne out by the fact that it was able, as subsequent events will demonstrate, to meet the tests of its utility and efficacy as an administrative organ and, in the ultimate analysis, to survive.

The chief weakness of the proposals was their disregard of the established concept of ministerial responsibility in the working of parliamentary-cabinet type governments. This concept postulates the constitutional responsibility of the Minister for all actions of the administration under his charge and, ultimately, for his responsibility to Parliament for all such actions, however important or trivial. It necessarily follows from this that the Minister-in-charge should have a direct and immediate control of not only policy and programme formulation, but also of the day- to -day implementational aspects of such programmes. The divorce of overall policy direction from execution as envisaged in the proposals was untenable under a strict application of the concept of ministerial responsibility, in as much as a similar proposition put forward by the Donoughmore Commissioners for a distinction between policy and execution proved futile. It was certainly not consistent with the concept of ministerial responsibility to have a District Minister responsible for execution and a functional Minister for policy and authorisation, unless on a strict understanding that the former shall act as an assistant to and under the direction of the latter—a procedure that was not without its own complications.

An equally important consideration, that militated against the ready acceptance of a concept of a District Minister, was that responsibility always carried with it the perquisites of power and patronage. Responsibility meant the power to grant favours, to build up a reputation and to decide between competing claims, all of which ensured a steady clientele for the Ministers. To have to delegate such executive functions to a District Minister, even in the capacity of an assistant, was to call for a voluntary abdication of power; a phenomenon that is seldom observed in the political field.

The context of coalition government was also not without difficulty in finding a favourable response to this novel concept. Ashas been pointed out earlier, the forces of coalition were balanced by a careful sharing of cabinet portfolios. The office of District Minister, although at a lower level, would have no doubt brought into this political equation another variable. It is well known that interparty differences are reconciled at cabinet level by a consensus on important policy decisions. It is equally well known that back at the ministry each Minister is obliged to cater to party interests. The officials at the district level understand this delicate balance of power and act accordingly. A District Minister, on the contrary ibeing a "political party man", may view with disfavour those jnstructions emanating from Colombo, which in his view will Ieopardise the local interests of the party to which he subscribes. sn such a situation it would not be unnatural for him to canvass such instructions at a higher level, thus exposing the coalition nature of a government to instability and constant bickering. Undoubtedly, the junior partners in the coalition had very much to fear from such a development.

The factors enumerated above militated heavily against the adoption of a District Minister system in Sri Lanka. When it did surface two years later it was more a response, as will be seen, to

a crisis than the outcome of a wholehearted acceptance of it by the Government. The resulting reticence of government in defining its powers and authority left many a loose end, to be tied up at the whims and fancies of individual politicians, thus, bringing serious discredit to the novel institution and thereby damaging its effectivness. It is a reflection of its vitality that it did survive, not only the uncertainties of the initial period but also a complete change of government.

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CHAPTER V

THE DISTRICT POLITICAL AUTHORITY: AN IDEA FINDS EXPRESSION

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The initial reactions to the publication of the administration report and the idea of a District Minister proposed by it were mixed. The Government Agents viewed it as a further encroachment of the politician into the territory of administration and a formalisation, at the district level, of a politicisation process that had already gone too far.1 The official view of the Government was reflected in the stance adopted by the Minister of Public Administration, Local Government and Home Affairs, who was the Minister in charge of the subject. In a report to the Cabinet he expressed himself, thus:

I would like to mention the idea which has been recently canvassed of having a Political Local Head in the districts as is done in some other countries like Zambia. Though the appointment of a Political Head in each of the districts or provinces had its advantages, it may not be workable in a

- Subject Matter (i) 356/51/98 (SB/EO) and Decentralisation of Kachcheri Administration 356/51/98A (SB/EO) and Decentralisation of Budgetary Allocaand Decentralisation of Budgetary Allocations — 1971.
- Employment Programme and Divisional Development Councils 1971. (ii) 356/158/18 (SB/ES)
- (iii) 356/158/35(SB/ES) Special Food Production Programme — 1973. All references to internal files of the Ministry of Finance shall imply the above files. In this connection thanks are also due to Mr. C. Gamage, Secretary/Ministry of Home Affairs, for the use of the Home Ministry Record Room for purposes of cross-reference.
 - This is a summary of the views of two Government Agents, whose comments were sought by the author of the administration report.

^{*}The author acknowledges with gratitude the permission granted by Messrs. C. Chanmugam and B. Mahadeva, Deputy Secretary to the Treasury and Director-General of Planning, respectively, for the use of the material in the following files maintained by the Budget Division General Treasury:

multi-party parliamentary democracy as ours, and I would not recommend the proposal at the present stage of our development.²

It would appear from the above that a Zambian precedent had clouded the issue; for, the logic of the inconsistency of such an appointment with multi-party parliamentary democracy is not very clear. Be it as it may, the matter was officially settled; and instead the Government opted for the Divisional Development Councils, to which reference has already been made, as the mechanism which will enable "the people's views to influence the process of decision-making at both divisional level and district level."

Other reactions to the report were no less important. A staff writer of the Lake House Group of Newspapers reviewed it and described the proposal as a "lucid and cogent case" for the decentralisation of the administration.4 This prompted another contributor to the press to comment, cynically, that proposals for decentralisation were not something new in this country - a valid point, no doubt; and that politics has made of them "a tangled web."5 The Dudley Seers Mission which was in the Island at that time made a direct reference to the administration report and the evils of compartmentalism, centralisation of budgetery control and the thwarting of local initiative which had been cited in the report.6 But, by far the most important response to it came from a group of government back-benchers who represented rural electorates in the Badulla District. Their espousal of the proposals proved to be so significant that their attitude to them deserves a deeper examination.

 [&]quot;Re-organisation of the District Administration," Cabinet Memorandum of 31 August 1971, p. 7, file containing copies of Cabinet Memoranda 1971 submitted by the Minister of Public Administration, Local Government and Home Affairs, Record Room, Ministry of Home Affairs.

^{3.} Ibid.

^{4. &}quot;The Case for Decentralisation," Ceylon Daily News 29 June 1971, p. 4

^{5.} L. G. Anderson, "Viewpoint", Ceylon Daily News, 9 July 1971, p. 4.

^{6.} Dudley Seers Report op. cit., p. 158.

The Government Backbencher and the Politicisation of the idea

The social forces that surfaced in 1956 had a lasting impact on the nature of political parties in Sri Lanka. Thereafter almost all parties aspiring to governmental power had to adapt themselves to the aspirations of the rural, Sinhalese middle-class. This left its imprint on many aspects of public life, not the least on the profile of parliamentary membership. Singer traced this transformation in the composition of parliamentary membership from a westernised elite to one that has "a deep sense of identification with their traditional culture, and values a very local perspective, and a strong sense of ethnic nationalism." Political parties themselves have tended to recruit into parliamentary membership increasing numbers from among the latter in order to boost their popular image. The outcome has been a steady polarisation within the government parliamentary group, of a small westernised leadership holding the reins of power and a larger "swabasha"-speaking group of backbenchers without much formal power at the centre. This is very much in the pattern of the development of ar "aristocratic oligarchy" predicted by Michels, except that, in the local context, it has been further dramatised by a social class cleavage.

The plight of the government backbencher in such a context is none too fortunate. In the rural electorate he is the elected "king"; the omnipotent social mechanism that has been devised to translate every public need or particularistic wish of the voter—the transfer, the appointment, the road, the school building and so on—into a reality. The power to do most of it resides in Colombo and, to the backbencher, this means an endless trek from one ministry to another, one department to another corporation, within a bureaucratic maze of governmental organisation. Had he the sophistication, or an intimate knowledge of the mechanics of government organisation, his task would be simpler. But, the nature of his rural upbringing, which though an asset for political mobilisation (incidentally, the chief virtue sought for in him by the party leadership), fails him in the important task of transmitting rural aspirations into Colombo's nerve centre. He becomes

^{7.} Op. cit., p. 49.

increasingly dependent on the personal intervention of Ministers, leading to a patron-client relationship; a tendency that is all the more encouraged by the Ministers themselves in the promotion of their respective "personality cults." In contrast, at the district level the public official is more often than not overawed by the MP's presence and as a result things move much faster; the chief drawback being that not much power resides at the district level to cater to the MP's wishes. In such a climate, it is not unnatural that the backbenchers should cling on to any straw that offers the hope of drawing closes, to where their electorates are, the decision-making authority that relates to their sole as "brokers" of the people.

Thus, from the outset that group of MP's found an attraction to the idea of a District Minister and looked upon it as something that had been tailor-made for their special needs. They sought and obtained an interview with the Prime Minister to press their case for its adoption. After a lengthy discussion and patient hearing they were informed by the Prime Minister, quite understandably, that the matter would be referred to the Minister of Public Administration, Local Government and Home Affairs for consideration. The insurgency broke out a few days later and the attention of those holding power and the backbenchers alike was diverted to things far more serious. Nevertheless, the idea had been planted in the Prime Minister's mind, a fact that largely influenced the direction of subsequent developments on this subject.

The final rejection of this concept by the Minister of Public Administration, Local Government and Home Affairs and his recommendation to that effect to the Government proved to be only a temporary setback. If at all, it strengthened the conviction of the group of MPs of the unfortunate consequences of the "oligarchic principle" in government decision-making, and redoubled their enthusiasm for an innovation, which in their view would provide, at least, a part remedy for this very evil. Their

^{8.} Those who participated in this discussion, which was held at the Rosmead Place residence of the Prime Minister, were the government Members of Parliament M/S R. M. Appuhamy (Bandarawela), Edwin Wickremaratne (Mahiyangana), Somapala Seneviratne (Passara), A.M.Jayawardana (Bibile) and the Government Agent, Badulla.

next forum was the government parliamentary group, a majority of whose members shared the same disenchantment with the workings of the cumbersome administrative system and its unresponsiveness in the face of present-day pressures that MPs have to encounter in their electorates.

The deflection of this idea into the arena of the government parliamentary group had the inevitable effect of politicising it. Up to that time, it had been an administrative innovation designed for the purpose of shifting some of the smaller foci of decisionmaking authority to the districts, of decentralising budgetary control and accountability, and of realigning the hierarchical compasses of government departments engaged in development work from their magnetic orientation towards Colombo to one that was directed towards the districts. The medium that was to transmit these changes and give expression to them was the office of District Minister (or junior minister); the term Minister being used in the same sense as in the Constitution of the day, as denoting a part of the executive. The members of the government parliamentary group (especially those backbenchers coming from rural electorates) were not sufficiently sophisticated to appreciate constitutional subtleties or the mechanics of the administrative network and, hence, they attached to the proposal the only interpretation they could articulate. To them it was a subjugation of an unresponsive bureaucracy by a second rung of the political elite and a further step in the inexorable march towards a political control, at all levels, of the bureaucracy; hence, the change to the imposing title, District Political Authority (DPA).

Two important strands could be delineated with regard to the re-interpretation given to the concept of a District Minister by the government parliamentary group. Firstly, there had been considerable speculation, prior to the general election of 1970, on the role that was to be assigned to People'. Committees in the event of a United Front victory. After the elections there was disagreement within the Government, between the marxist elements

^{9.} Wilson, Electoral Politics op. cit., p. 128.

and the moderates, on whether these committees should take the form followed in socialist countries, of party organs controlling the administration, or be simple advisory bodies which would bridge the gap between ruler and ruled. In the end the view of the moderates had to prevail. But, this debate introduced into the mind of the simple backbencher the notion that there should be some political device to act as a check on the administration at various levels of operation. Secondly, many of the problems and difficulties arising from the very nature of the organisation of government - its centralisation, diffusion of responsibility, lack of delegation etc. - were associated in the minds of the simple backbencher as the direct outcome of the evil presence of the bureaucrats within it; a feeling actively encouraged by the actions of Ministers themselves in their eagerness to build up a clientele through particularistic and ad hoc interventions in the day-to-day affairs of the administration. Many a Minister has had the occasion to explain to distraught but well-meaning officials, in private, that such interventions are necessary evils of the party system, and that at all other times rational, more universalistic procedures should prevail; which means, of course, that they should prevail until he decides to intervene again. The net result was the identification of the bureaucrat as a pedlar of rules and regulations at the expense of positive action, who was very much in need of a political boss who was prepared to set aside "the ARs and FRs"10 and prod the bureaucrat into activity. Hence, to the backbenchers, the concept of District Minister had the very ingredients that could make a meaningful change in the relationship between the bureaucracy and the Government.

The association of this idea with the government parliamentary group resulted in another important development which was to give it added momentum. In the final analysis every cause needs a person to champion it. The more powerful this figure is, the more articulate or the more of a tactician he is, the greater the chances

^{10.} A.R. and F.R. refer to government's general instructions regarding the conduct of public business and are embodied in the Administrative Regulations and Financial Regulations, respectively. Very often, as in the instant case, this term is used in a pejorative sense implying a slavish attachment to procedure and routine, resulting in inactivity.

of such cause meeting with eventual success. In the then Deputy Minister for Planning and Employment and M.P. for Minneriya such a person was to be a found. A lawyer by profession, and a person with a fair amount of agministrative experience, he had the necessary skill to reason out and argue a case. As Deputy in the key Ministry of Planning and Employment he had ready access to the Prime Minister, who was the Minister-in-charge. Above all, he had spent a major part of his political life nursing the Dedigama electorate which he contested earlier and was relatively new in the Dry Zone of Minneriya. He would have needed, very badly, an attractive berth from which to nurse the new electorate; and in the possibility of an appointment as DPA for Polonnaruwa (later realised), with its patronage and power to allocate public funds, he would have seen an opportunity that was too good to miss. He took it upon himself to be the champion of the new idea, which by then had a number of adherents among the backbenchers, and the chief spokesman at the top governmental level for its adoption. As events will show, he played an important part both at the time of adoption of this innovation by government and during the early stages of its implementation.

The Decentralised Budget

A narrative of the emergence of the District Minister system would not be complete without a reference to a parallel and complementary development namely, the Decentralised Budget. It would be recalled that the proposal for a decentralisation of budgetary control and "a complete re-casting of the format of the Financial Estimates with a view to vesting funds, at least, in respect of development programmes in the provincial heads" was one of the chief planks of the reforms suggested in the administration report discussed earlier. Although the Minister of Public Administration, Local Government and Home Affairs had expressed his misgivings regarding the "workability" of a District Minister system, he had been independently toying with the idea of decentralising the control of government expenditure with a view to maximising results. In April 1971, he made some proposals to the

^{11.} Appendix I, infra, p. 186.

Government which were to introduce some fundamental changes in the planning and provision of government expenditure.¹²

For the purpose of provision of funds and control of expenditure, the basic unit up to that time was, generally, the government department, commonly termed a head of expenditure. Ministries themselves were regarded as separate heads of expenditure for purposes of providing funds for payment of salaries of ministry staff, etc. Finarcial provision was made to the heads of expenditure and this provision was shown distributed among the various programmes or items of expenditure coming under the supervision and responsibility of such head of expenditure (department). Thus, expenditure on minor irrigation works for example would be provided as a block vote under the department responsible for such activity and it would be the responsibility of the department concerned (of course, in consultation with its ministry) to determine the allocation to the various districts. The final test of performance would be the ability of the department, ir its totality, to utilise the funds. Comment has already been made on this system of budgetary control, the flexibility with which it encouraged the transfer of allocations from one district to another and the advantage it conferred on districts that were better equipped to use up funds to the neglect of other criteria such as ability to produce the better results from a given unit of expenditure.

The other feature of the system of budgetary control was the emphasis on functional compartmentalism of expenditure — the direct consequence of making allocations to departments. Funds once granted cannot be used by another department and, if at all, can be transferred only to another item of expenditure within the same head of expenditure. This, no doubt, facilitated financial propriety and accountability, but at the operational level of a district it militated against the growth of an integrated approach to

^{12. &}quot;Draft Proposal for Decentralization of Budgetary Allocations and of Financial and Administrative Arrangements for Development and Development Activities in the Districts', 26 April 1971, paper accompanying Cabinet Memorandum dated 14 May 1971 on "Draft Proposals of the Ministry of Public Administration, Local Government and Home Affairs," Cabinet Memoranda 1971, Record Room, Ministry of Home Affairs.

development activity, especially when so many government departments had a role to play in it.

By far, the most harmful consequence of the system of budgetary control that was followed was the over-riding characteristic of incrementalism as the chief determinant in the allocation of resouces. Neither the Cabinet nor the planners determined, in a real sense, the manner in which the limited resources should be utilised.13 In practice, what was followed was that each department prepared its own budget in a draft form using the previous year's budget as a base and by adding or subtracting funds where necessary and appropriate. These drafts were then consolidated by the Treasury (often to the accompaniment of acrimonious debates, imposition of financial cuts and resulting heartburning, accusations of Treasury obstructionism, etc.) into a national budget of expenditure. Its approval by government, thereafter, was a formality. As a result, the consolidated expenditure budget invariably looked a great deal like that of the preceding year, with a high tendency for almost all programmes to be continued without serious examination of their usefulness in relation to the changed needs of the country.

The proposals contained in the Cabinet Paper of 26 April 1971 touched on the very sensitive point cited above and urged that the Government should "in each financial year first decide upon what sum of money it proposes to set apart for development activities and capital works of a local character." In the financial context prevailing at that time, it was proposed that roughly about fifty per cent of the national capital expenditure should be set apart for small local works as against large projects of national significance. The aftermath of the insurgency obviously conditioned the thinking behind the suggestion for a large slice of the development budget for works of a local character, which "would

^{13.} This comment is true in respect of a large slice of the government expenditure budget. However, individual ministers do have their way in the matter of inclusion of their "pet" schemes.

^{14. &}quot;Draft Proposal for Decentralisation of Budgetary Allocations", op. cit., p. 47-49

^{15.} Ibid.

help to channel the enthusiasm and organisational ability of the people and particularly of the youth in the area for productive purposes." However, the more significant feature of the proposal, from the point of view of resource allocation, was that it was advocating a radical departure from a bureaucratic, incrementalistic, bottom-up style to a top-down system, in which the Government determines the priorities and the areas of expenditure, and the bureaucracy churns out the programmes and projects to suit and match such rationalisation. In this respect, the proposal was laying the groundwork for the development of a PPB system for resource allocation; a system that had been adopted, to some extent, in countries such as the U.S.A. and Canada. 16

In sharp contrast to the compartmentalism of the earlier budgetary process, the proposals suggested another fundamental change in the creation of an all-embracing single programme for "capital works of a local character" in a bid to cut across departmental and functional boundaries (jealousies?). The funds for this programme of work were not to "be divided up and allocated among the different ministries as at present on a functional basis." Instead, they were to be allocated directly to the districts to be used by the DDCs, that had been already set up under the employment generation programme. The change that this proposal implied was twofold. Firstly, it meant that a large number of functionally distinct activities such as minor irrigation, village roads, school buildings, paddy stores etc. were to be brought under a single head of expenditure for budgetary purposes, thus

^{16.} PPB stands for Planning, Programming and Budgeting. In contrast to the classical budgetary process this approach is based on a centrally determined set of priorities and apportionments, determined independently of the initiatives of ministries and departments, communicated downward through them in a disaggregative fashion. For a discussion on PPB see,

⁽i) Aaron B. Wildavsky, The Politics of the Budgetary Process, (Little-Brown & Co., 1979);

⁽ii) Charles Schultze, The Politics and Economics of Public Spending (Brookings Institute, 1968);

and for a recent critical appraisal, Robert D. Miewald, Public Administration: A Critical Perspective' (McGraw-Hill, 1978), Chapter 6.

^{17. &}quot;Draft Proposal for Decentralisation of Budgetary Allocations", op. cit. p. 2. Also, supra pp. 47-49.

facilitating a transfer of funds, if required, from one type to another — a facility that did not exist under the earlier system. The following passage illustrated this flexibility in clear terms:

An essential feature of this draft proposal is a change in the principle applicable to the transfer of funds....... Thus, if, for instance, owing to some delay the total money provision cannot be spent as allocated for, shall I say a road in Kegalle (district), the saving is not transferred to a road in some other area, but will be allocated for some other development project within the list approved by the Divisional Development Committee in Kegalle.¹⁸

Secondly, it meant that the departments with their vertical compartmentalism were receding in importance in the matter of ordering priorities of expenditure, and that an integrated consensus within the district was, in the future, to be the guiding hand in the matter of deciding which gets what. A corollary to this would be a decrease in the power of the heads of department in Colombo (and indirectly that of the minister in charge of the department) and a proportionate increase in the power of the local Member of Parliament (and, of course, the district officials associated in the programme). Obviously, in the implementation of this proposal the emphasis was to be on the Government Agent and his kachcheri administration. For, in a parallel document the Minister of Public Administration, Local Government and Home Affairs expressed such a view, thus:

In the interest of having a more effective control over all development and routine administrative matters in each district, the Government Agent should be delegated greater authority by the various ministries. It is found that decisions which are best taken by the Government Agent, who is the man on the spot, have often to be referred to the centre which does not see the problem in the same urgency or in the same light. This results in avoidable delay and, perhaps, also in a wrong decision. If decentralisation is to be meaningful, an essential

Also, supra pp. 47-49.

^{18.} Ibid., p. 3.

prerequisite is greater delegation of functions by the centre to the Government Agent.¹⁹

The proposals encountered some very fundamental objections at the Ministry of Finance; objections that were based on the nature of alternative economic strategies available to government.²⁰ It was, firstly, pointed out that the estimate of funds available for capital items of a local character given in the draft proposals was exaggerated, it being much lower; and that it was not possible, in any case, "to visualise any significant increase in this figure in the future either." More importantly, it raised the serious issue of centralised versus decentralised planning, in the following terms:

The critical problem facing the Ceylon economy, in the face of steadily deteriorating terms of trade and threat of economic stagnation and decline, is the inescapable need to step up the rate of economic growth, to find resources for investments bringing a high rate of return, and to keep the diversion of resources away from productive enterprises at a minimum. This is the prerequisite for further increase in social welfare and high employment rates.

This is so vital to the country's interest at this particular juncture that is must remain the prime object of government policy, and must not be compromised in any way.

Development planning must remain centralised to ensure many vital objectives, such as the allocation of scarce resources, the proper choice between alternative investments on economic grounds, the efficient use of existing productive assets, the establishment of export-oriented, import-substitution-oriented and productive enterprises, and the financing of a programme of investment over the next four to five years which will enable the country to attain desirable social and economic objectives,.²¹

^{19. &}quot;Re-organisation of the District Administration.," Cabinet Memorandum of 31 August 1971, op. cit.

^{20. —}Observations of the Minister of Finance on the Draft Proposal for Decentralisation of Budgetary Allocations," 18 May 1971. Internal file of Ministry of Finance.

^{21.} Ibid., p. 1.

In fairness to the draft proposals it must be pointed out, however that it did not directly call for a drift from central economic planning to a loose federated sort of system the above comments seem to imply. If at all, such an implication was only indirect, in the suggestion for a higher share of the capital expenditure (about fifty per cent for the Decentralised Budget; which is really a matter of strategy and not of organisation. It was still open to the central planning mechanism to decide whether, in terms of national strategies, the Decentralised Budget should get a high share as contemplated in the draft proposals, a low share (about ten per cent) as envisaged by the Ministry of Finance or something in between. On the other hand, in support of the Ministry of Finance submissions serious doubts had been cast on the competence of the decentra,lised planning units which were available at the district level and, by implication, the wisdom of placing too heavy a reliance on the strategy of a Decentralised Budget. The following comments are apposite:

In the first place neither the councils (DDCs) nor the Government Agents are equipped to formulate and screen projects on the basis of any criteria of technical and economic feasibility. Lack of technical know-how relating to the industrial projects, and an overriding preoccupation with employment might tend to create make-work jobs with no real contribution to output. The object of rural industrialisation under DDCs should not be taken to imply the dispersal of industry with smaller units or higher employment potential than is compatible with norms of efficiency and the process of economic development.²²

The ideological indispensability of a fairly centralised planning mechanism for the promotion of socialistic, social and economic organisations may also have conditioned the thinking of the marxist Minister of Finance and given rise to apprehensions of an overdose of budgetary decentralisation.

The second serious objection from the Ministry of Finance stemmed from the fear of exposing the planning process to an

^{22.} Dudley Seers Report op. cit., p. 176.

irrationality arising from parochial pressures. It quite rightly anticipated the dominance of the local Member of Parliament in the governmental affairs at a district level and went on to argue against it, thus:

We have, in fact been experiencing some of the ill effects of a type of regional or area development in the past mainly as a result of the pressures exerted by Members of Parliament. The results are seen in the numerous maternity homes, dispensaries and schools — some half completed and others built but not equipped — in various parts of the country which cannot fit into any overall scheme of development. Again, once funds have been allocated and a "development plan" prepared purely on local considerations, would it be practicable for a ministry — or even the Planning Ministry — to veto or amend any of these proposals as envisaged in the (Cabinet) memorandum? There will be so many persons with vested interests in seeing the plan carried through as originally formulated that making changes will be quite difficult.²³

Thus, here was a dramatic manifestation of a classic dilemma in development planning.²⁴ A country with a highly centralised planning apparatus run on a set of national proirities but bogged down in implementation by its very elitism and remoteness from the local situation. In contrast, the antithesis of a wider participation, generation of new ideas and a broadbased commitment resulting from the wider involvement, but unable to pull itself up from the morass of parochialism and particularistic pressures.

The third objection arose from the valid expectation that there would develop pressures, in course of time, for increasing provisions under the Decentralised Budget at the expense of provision required elsewhere, thus leading to the eventual giving way of a national sectoral plan of development "to a generalised local programme of development, whose priorities may be based on

^{23. &}quot;Observations of the Minister of Finance," op. cit., p. 2.

^{24.} Mike Faber and Dudley Seers, ed., The Crisis in Planning, (Chatto and Windus, 1972), Vol. 1, Chapters 1 and 4.

considerations other than national development." The matter was shelved upon the Ministry of Finance recommending to the Cabinet that since the Draft Estimates for 1971/72 had been virtually completed, this could be examined further in connection with the Estimates for 1973.²⁵

Apparently, no such "further examination" took place, because one year later, in September 1972, the Minister of Public Administration, Local Government and Home Affairs was constrained to submit another Cabinet Paper, which was almost a verbatim reproduction of the earlier one on decentralisation of budgetary allocations. The observations of the Ministry of Finance on this second paper on budgetary decentralisation provide interesting insights into the workings of the decision-making process at the topmost governmental level. A few preliminary comments on the general budgetary process, however, have to be made in order to place the observations of the Ministry of Finance in proper persepective.

It has already been noted the the classical budgetary process is incrementalistic and that it lays a greater emphasis on the items of expenditure and the departments controlling them, rather than on the objectives of government that are hoped to be realised by such expenditure. The emphasis on the department begets functionalism and compartmentalism to the exclusion of a flexibility in the transfer of funds from one function to another (unless both functions happen to be controlled by the same department), although the functions may be geared to the realisation of the same governmental objective. This is the functional aspect of the budgetary process. It has also another, equally important, aspect — that of serving as a mechanism which rationalises the allocation of scarce resources among the competing claims of the notables in the

^{25. &}quot;Observations of the Minister of Finance on Re-organisation of the District Administration," 13 September 1971. Internal file of the Ministry of Finance.

^{26. &#}x27;Proposal for Decentralisation of Budgetary Allocations for Capital Works of a Local Character, '4 September 1972. Cabinet Memoranda 1972 Record Room, Ministry of Home Affairs.

^{27.} Observations of the Minister of Finance, 14 October 1972. Internal file of Ministry of Finance.

Government the, Ministers. In the context of a developing country such as Sri Lanka, with its high level of political consciousness, the main thrust of economic and social development has been borne by the Government. This is partly reflected in the high levels of public investment planned by successive governments.28 Thus, resources mean power for the department that spends it, and patronage and political clout for the Minister controlling such department. The budgetary process recognises this basic fact of the governmental power structure and ensures that each Minister would tend to "win a little" in the annual budgetary stakes. "winnings" are, in turn, converted by the departments into development works involving a whole range of fanfare, opening ceremonies, inaugurations, etc. at which the Ministers are given ample opportunity to explain to the people the good work done by the Government in general, and by the Minister concerned in particular. In the circumstances, budgetary allocations falling within the activities of a given ministry are valuable assets, to be invested judiciously in a manner that will ensure to the Minister concerned the maximum possible gain. As a corollary, they are to be guarded as jealously as possible from outside exploitation, meaning utilisation by other ministries on other items. It will be thus seen that functionalism and compartmentalism of the classical budgetary process are traits that find a ready resonance in the basic political reality of sharing of power, within the Cabinet of a government. In the context of a coalition of political parties, which prevailed at that time, these considerations would naturally have assumed an accentuated relevance.

The proposals for budgetary decentralisation outlined in the Cabinet Paper were directed towards the elimination of compartmentalism (in respect of capital works of a local nature) and the pooling of such resources in a single block allocation without

^{28.} In 1970, public investment was 8 per cent of GDP whereas private investment was 10.4 per cent (Budget Speech 1978, Minister of Finance and Planning, Government Printer, Colombo, November 1977, p. 14). The Five Year Plan 1972 (op. cit., p. 27) programmed for an approximately equal sharing of investment between the two sectors. In 1978, however, private investment was 8 per cent of GDP whereas public investment had risen to 12 per cent (Annual Report, 1979, Central Bank p.13).

going into the practical detail of identifying the ministry under which this provision was to be made. This ambiguity was fully exploited by the Ministry of Finance in its second set of observations which suggested that "presumably, therefore, they will be appropriated under the Ministry of Public Administration, Local Government and Home Affairs," to be distributed at the discretion of the Minister on the basis of D.R.O. divisions or parliamentary electorates. According to these observations, the breakdown of this allocation, as separately provided for under various ministries in the Financial Year of 1971/72, was as follows: 30

HOPPOWER AND DATE TO SAIL TO THE SAIL SET		Rs.
Ministry of Planning and Employment	a spill t	94.79 million
Ministry of Irrigation, Power and Highways	10.20	40.90 million
Ministry of Education	uli co s	26.54 million
Ministry of Agriculture and Lands		21.66 million
Ministry of Cultural Affairs		2.00 million
Ministry of Parliamentary Affairs and Sports		0.60 million
Ministry of Public Administration, Local Gover	nment	WITH LONG !
and Home Affairs		22.79 million
scallery, they are to be quarded as a solution	Ve tr oc	209.28 million

When presented in this form it would have drawn the attention of the other six Ministers, involved in the change, to the danger of losing their patronage through a surrender of their allocations. In fact, one Minister had expressed in private his objections to these proposals on this very ground.³¹

The practical difficulties involved in obtaining approval for projects to be undertaken by the Decentralised Budget also came in for criticism. The proposals "had indicated that the projects prepared by the DDCs should be submitted to the ministries concerned (meaning, the ministry responsible for that function) as well as the Ministry of Planning and Employment" and that the

^{29. &}quot;Observations of the Minister of Finance," 14 October 1972, op. cit., p. 1.

^{30.} Ibid., pp. 2-3.

^{31.} As conveyed to an M.P. of the Puttalam District by a minister affected by the proposed changes. Personal interview with the M.P., Mr. Augustinu Fonseka.

respective ministries and the Ministry of Planning and Employment will have the right to veto or amend any of the projects. It was pointed out that the proper exercise of the power of veto and amendment meant that, once again, the Member of Parliament "will have to walk the corridors of ministries concerned to get his own proposal approved." The ministries concerned, it was argued, will not approve unless the project fits into their scheme of priorities, which means that far from decentralising the work "we will be where we began." The real issue was posed in the following submission:

The end result will be no better than the present situation. This is inevitably so because the Minister (Public Administration, Local Government and Home Affairs) realises that we cannot advocate a carte blanche authority being given to local government committees to spend money as it likes without some responsible authority at the centre having the final say with regard to the disposal of the money.³²

Finally, the observations touched on the cardinal issue of the concept of ministerial responsibility, a central theoretical feature of constitutional law. It argued, that the proposed decentralisation was a negation of the hallowed practice of holding Ministers responsible for the acts of the administration. Citing the example of the sphere of education it presented its argument in this form:

The Minister of Education is responsible for the proper imparting of education in the country and provision of educational facilities for every child in the country. If the establishment of schools and laboratories are to be determined by local development committees and councils, how is this responsibility of the Minister of Education to be carried out? He must determine, the pace at which we can progress and the areas which require greater attention and special consideration.³³

33. Ibid., p. 5 .

^{32.} Observations of the Minister of Finance, 14 October 1972, op. cit., p. 4.

The Minister of Public Administration, Local Government and Home Affairs was not to be outmanoeuvred by these objections. He responded immediately with another explanatory Cabinet Paper clarifying some of the adverse issues raised by his Cabinet colleague.34 In regard to the issue of the ministry which was to control the Decentralised Budget, he replied that in the proposals it was not contemplated that his ministry should be the beneficiary. He explained that the block vote should be provided under the Ministry of Planning and Employment, which was under the direction of the Prime Minister, and that the apportionment to the districts and DDCs was to be by that ministry. The involvement of the Prime Minister at this stage of the debate would, no doubt, have had some sobering impact on the attitudes of other Cabinet members affected by the contemplated changes. In regard to the low estimate of funds for local works arrived at by the Ministry of Finance he responded, with credibility that it depended a lot on the criteria used to distinguish between local works and those of national significance. In any case he argued, that if the figure was as low as computed by the Miristry of Finance, then, it reflected a serious imbalance in the central allocative process particularly "in the context of the present high unemployment situation since the large national projects are highly capital-intensive while small local projects are highly labour-intensive."35 In regard to the operational difficulties envisaged by the Ministry of Finance at the stage of approval of projects, he countered that the fears of deadlock arose from an undue emphasis on the power of veto and amendment that was conferred on the functional ministries and the Planning Ministry. The power of veto, he argued, "would, however, be the exception than the rule, because the construction of, say, a school building of 100 ft. X 30 ft. to provide additional classroom space, so long as it is within the general cost structure and conforms to type plans, would not normally run into a veto."36 He also pointed out that the projects would be prepared, in the first place, in consultation with the district level technical officers

22. Observations of the Municipy of Figures, 14 October

^{34. &}quot;Decentralisation of Budgetary Allocations for Local Capital Works," Cabinet Memorandum, 17 October 1972, Cabinet Memoranda 1972, Record Room, Ministry of Home Affairs.

^{35.} Ibid., p. 2.

^{36.} Ibid., p. 3.

of functional ministries in terms of certain known criteria laid down for them by their respective ministries, and, hence, a subsequent veto on grounds of technical non-feasibility non-availability of staff or non-conformity with the policy objectives of that ministry would be a very rare occurrence.

A few days later the observations circulated by the Prime Minister in the capacity of Minister of Planning and Employment appeared to tilt the scales in favour of the Decentralised Budget.37 These observations indicated an agreement "in principle" with the proposals for a Decentralised Budget but, perhaps with the intention of allaying the fears of Cabinet colleagues adversely affected by the change, indirectly sided with the interpretation given by the Ministry of Finance to the scope of the activities coming within the Decentralised Budget and also the quantum of moneys to be allocated to it. In a gesture characteristic of a compromise it explained that "detailed administrative procedure to implement the proposed scheme will be worked out by the Ministry of Planning and Employment in consultation with the other ministries."38 In anticipation of a favourable decision by the Cabinet, the Secretary to the Ministry of Planning and Employment circulated a letter to all ministries and departments suggesting a breakdown of the 1973 capital budget on a district basis.³⁹ It requested that capital items provided for in the votes of each ministry/department "be classified on the basis of administrative districts." The anticipation of an early decision by the Cabinet on this issue proved to be misconceived. At the Cabinet meeting of 1 November 1972 no decision was taken either way, instead it was decided to call for a further report jointly from the Ministry of Finance and that of Public Administration, Local Government and Home Affairs. 40 On 10 November 1972 the Minister of Finance presented the Annual Budget for 1973

^{37. &}quot;Observations of the Minister of-Planning and Employment," 23 October 1972. Internal file of Ministry of Finance.

^{38.} Ibid.

^{39.} Ministry of Planning and Employment letter No. PG/7/4 of 23 October 1972. Internal file of Ministry of Finance.

^{40.} Letter No. A. 176/72 of 11 November 1972 from Secretary/Cabinet to Secretary/Public Administration, Local Government and Home Affairs Internal file of Ministry of Finance.

without any commitment whatsoever in regard to decentralisation of budgetary allocations.

From this point onwards the developments took on a winding style. At its meeting of 13 December 1972 the Cabinet referred this matter for further consideration to a sub-committee consisting of the

Minister of Finance (Chairman)
Minister of Irrigation, Power and Highways
Minister of External and Internal Trade
Minister of Public Administration, Local Government
and Home Affairs
Minister of Agriculture and Lands
Minister of Fisheries
Minister of Housing and Construction

with the Ministry of Finance providing the secretarial support.41 In pursuance of this decision the Secretary to the Treasury circulated a letter to all ministries calling, in respect of the year 1973, for "a complete statement indicating the manner in which budgetary allocations for local works, both capital and maintenance, are distributed among the 145 (parliamentary) electorates."42 reference to the circular sent out by the Ministry of Planning and Employment earlier calling for a district breakdown, it explained that "what will be necessary, therefore, would be a further break-up on an electoral basis." Now, the budgetary process not its control mechanism had at that time been geared to a classification of expenditure on a spatial basis, leave alone a parliamentary electorate basis. Perhaps, this was the reason which earlier prompted the Ministry of Planning and Employment to call for a break-up according to the twenty two districts in the first instance. In calling for a breakdown on an electoral basis, the Ministry of Finance was not only asking from the departments something new and strange but

42. Treasury Circular Letter—Supply and Cadre (22) of 8 February 1973
Internal file, Ministry of Finance.

^{41.} Letter No. A. 176/72 of 27 December 1972 from Secretary/Cabinet to Secretary/Public Administration, Local Government and Home Affairs. Internal file of Ministry of Finance.

was also suggesting to them a very difficult manner in which to set about it. Little wonder that the departments found their task very complicated in adjusting to an electorate basis, in a budgetary context whose preparation and control took no cognizance of the existence of such electorates. Some departments experienced genuine difficulty in giving an electorate-wise break-up, although a district-wise one would have been possible taking the performances of the previous years into consideration. In the event, reports were delayed and it was not till May 1973 that a comprehensive report was prepared for the consideration of the Cabinet.

This report, which was compiled by the Treasury at the instance of the Ministry of Finance and titled "Treasury Memorandum on the Proposal for Decentralisation of Budgetary Allocations,"43 far from clarifying matters clouded the issues further. It confirmed that the monetary provision for local works would be small (about Rs. 200 million), a view that was supported earlier by the Planning Ministry, and also raised seven "issues to be settled before a programme or decentralising the budget is worked out." Some of these issues were a repetition of what had been said earlier, but the striking feature of the report was its inability to come to grips with an allocative style that disregarded sectoral investments, and emphasised the ultimate governmental objective of achieving rural development regardless of the sector of the economy that promotes such development. It raised the question of what the distribution pattern of this allocation would be "among the sectors viz. Irrigation, Highways, Health, Education etc." and how the overall priorities among the sectors will be maintained "in the process of distribution to the districts and electorates." Sectoral imbalance, in the context of a low share of the capital budget (about 13 per cent), was a small price to pay to achieve a broader participation and commitment at the local level and, more importantly, to usher in a process of decentralising the decision-making mechanism of government. Notwithstanding these objections the Cabinet, at its meeting on 13 June 1973 requested the Minister of Finance to issue necessary instructions to the ministries to ensure that in the preparation of the 1974 budget local works of a capital nature will be

^{43.} Internal file of Ministry of Finance.

shown decentralised.44 Apparently, the matter did not end there. For, at a conference of Government Agents held at the auditorium of the Central Bank on 16 July 1973 the Minister of Public Administration, Local Government and Home Affairs complained "that although a decision had been made to decentralise the budget for capital works of a local nature it appeared that the Finance Ministry did not consider it a feasible proposition."45 According to the Minister it had to be re-canvassed at the Planning Council, a Cabinet sub-committee, and accordingly he urged the Government Agents "to proceed with the task of identifying investment proposals in consultation with Members of Parliament immediately, to avoid delays in case the scheme for decentralisation is approved. 40 Perhaps, the matter would have dragged on indefinitely if it were not for the "food crisis" that changed events dramatically in September 1973. However, before that a few comments have to be made on this stalemate on the Decertralised Budget.

These proposals were made in April 1971 in the aftermath of the insurgency. They were in a sense a response to it and attempted to introduce certain radical changes in government expenditure and, by implication, in the budgetary process. Their undisputed objective was a greater response to the wishes and aspirations of the local rustic, even if it meant a sacrifice of national criteria to the pressures of parochialism. As an administrative reform they echoed the recommendation made by the Huxham Committee as far back as 1948. But they floundered in the face of an obvious reluctance at the centre to abdicate power; bringing to a focus the cynical comment made by a writer quoted on an earlier occasion, that whatever the proposals for decentralisation politics would ultimately make of them "a tangled web." The other aspect of this experience is the chronic indecisiveness that characterises the decision-making process at the highest level when the issues touch on the power structure at the top. The administrative

^{44.} Letter from Secretary/Cabinet bearing No. Misc 33/73 and date 20 June 1973 addressed to Secretary/Finance conveying the Cabinet decision, Internal file, Ministry of Finance.

^{45.} Minutes of Government Agents Conference held on 16 July 1973. Internal file, Ministry of Finance.

^{46.} Ibid., introduced for emphasis.

structure is so centralised and the decision-making process so much tied to the power structure within the Government that, often, one is left wondering whether the national interest and the public good, which are repeatedly trumpeted on public platforms, have any bearing on the decision-making process and its inner ramifications; or, as a celebrated economist once surmised after an exhaustive survey of the Asian scene, whether "the stakes the politicians play for are not opportunities to advance the national interest but power, prestige, personal advantage, (and) patronage." 47

Whilst the Decentralised Budget debate was dragging on at the top level, it was gradually gaining more adherents at the level of the government parliamentary group. As newspaper reports of meetings of the government parliamentary group indicated from time to time, this was a recurring theme at such discussions. Moreover, the backbenchers were now not content with only a Decentralised Budget; they were demanding simultaneously "a political leadership at the district level to get development work moving."48 In the face of this agitation, the Government leadership had also to show some concern and the usual response was that the Decentralised Budget was under preparation and would be implemented very soon.49 Matters, however, came to a head very soon with the deterioration in the situation in regard to food supplies. Serious shortages were being experienced all over the world. 50 Sri Lanka too had to adopt drastic measures to meet the situation arising from reduced imports of rice and flour. The climate, once again, after the experience of the insurgency, became conducive to radical change - change that is slow to manifest in less trying environments.

The Food Crisis and the Emergency Food Production Drive of October, 1973

Mention has already been made of the new Government's attitude of ambivalence in regard to the Food Production Drive

^{47.} Myrdal, op. cit., Vol. II, p. 776.

^{48.} Ceylon Daily News city edition, 7 March 1973, p. 1.

^{49.} Ceylon Daily News city edition, 22 June 1973, p. 1.50. See Newsweek 4 June 1973 and Time 20 August 1973.

launched by its predecessor. As a result, the energies and attention of the district administration were engaged more on the employment programme under the auspices of the DDCs; and the paddy production programme was left without the co-ordinated effort that superintended it earlier at the district level. The first casualty was the supply of agricultural credit for financing paddy cultivation. The cultivation of paddy as is well known is largely the business of an impoverished peasantry and a ready supply of agricultural credit has to be maintained by the Government if it is to achieve the national production targets. Any deficiency on this score either results in a direct lowering of production or in driving the poor cultivator into the clutches of the village money-lender or landlord, thereby eventually stifling the motivation to produce more. This fact has been fully appreciated by all governments and the Government of 1965-70 had as a major plank of the Paddy Production Programme launched in 1966, the New Agricultural Credit Scheme. This scheme provided for the granting of short-terms loans (in cash for labour costs, tractor hire, etc. and in kind for supply of materials such as seed paddy and fertiliser) through the People's Bank — a government-owned national enterprise. There was no collateral security for these loans (the hypothecation of the rice ration books of the family members of the cultivator was more a token pledge than an insurance against default) and repayment was to be made from the harvest that followed about four months later. The key agency that supervised this national operation was the village Multi-Purpose Co-operative Society. It identified the genuine cultivators, processed the loan requirements in relation to the cultivable extent of paddy land, consolidated the individual requirements into a single loan application to be made by the society to the bank, disbutsed the loan so obtained among the individual applicants both in cash and in kind, acted as the marketing outlet for the harvest and, ultimately, as the medium for the recovery of the loans. Taking into account the large number of applicants for loans (about a million) and the short period within which the cycle of operations had to be completed, this constituted a serious challenge to the district administration. Cultivators who defaulted in the repayment became ineligible for further loans, thereby jeopardising the cultivations of the subsequent seasons. With the diversion of the emphasis on to the DDC

programme, after the change in government in 1970, the district administration lost its grip on the Agricultural Credit Scheme and the result was a gradual decline in the availabiltly of credit for the promotion of paddy production (Table 3).⁵¹

TABLE 3.—SUPPLY OF AGRICULTURAL CREDIT FOR PADDY CULTIVATION, 1967-72

Season	line	Maha 67/68	Maha 68/69	Maha 69/70	Maha 70/71	Maha 71/72	Maha 72/73
Loans granted (Rs. million)		61.4	45.8	39.3	23.5	24.0	20.3
Default (Rs. million)		8.8	16.8	18.9	11.0	9.6	7.7
Percentage of default		14.0	36.7	48.1	46.8	40.0	37.9

Source: Table II B 7, Annual Report 1974, Central Bank.

Total paddy production also showed a marked decline (Table 4).

TABLE 4.—PADDY ACREAGE HARVESTED AND PRODUCTION, 1964—73

	Year	ar Extent Harvested (million acres)			Paddy Production (million bushels)	A. Light
	1964	-	1.53	1	50.5	
	1965	1000	1.24	A 30	36.3	
	1966		1.51		45.7	
DOM DEREIS	1967	al first.	1.57	1000	55.1	
11-11-11-11-1	1968	1	1.63		64.6	
	1969		1.54	Charles W	65.9	13/18/1-3
	1970		1.76		77.4	Y Share
	1971	5	1.71		66.9	
	1972		1.58		62.9	
	1973		1.66		62.9	

Source: Tables 2 and 3, Annual Report 1974, Central Bank.

Now, it would not be quite correct to lay the full blame for the deterioration of the situation in regard to paddy production on

^{51.} There are two paddy cultivation seasons each year called Maha (October—March) and Yala (April—September). Only figures in respect of the major season, Maha, which accounts for about 2/3rds of the total annual production, are shown in Table 3. Also, the change in government took place in May 1970, but it affected the recoveries of loans granted for Maha 69/70

the breakdown in the supply of agricultural credit. Rainfall and weather conditions have such a pervasive influence on production levels that the drought conditions that prevailed during 1972 contributed to serious shortfall in the production of that year. 52 The unsettled conditions that prevailed in the country during the insurgency of 1971 would have also contributed to a dislocation of the normal agricultural operations during 1971. Further, all agricultural loan schemes have displayed a familiar pattern of high initial utilisation, followed by default, then ineligibility, leading to reduced loan utilisation in a gradual spiralling process.⁵³ The New Agricultural Credit Scheme of 1967 was no exception to this and it repeated the familiar pattern of becoming ultimately inoperative.34 Adding to these problems was the Government's own food subsidy policy of providing two measures of rice on the ration, one of which was given free; a policy that catered to consumer interests to the detriment of the paddy producer.55 However, it would not be purely speculative to surmise that the failure on the part of the district administration to maintain the same degree of interest in the paddy production programme, that it maintained during the previous administration, con tributed, to some extent, to the rapid deterioration in the production levels.

The scenario created by external factors was even gloomier. The period 1973 — 74 was marked by a situation of global food shortage. As Table 5 shows the shortfall in supplies led to substantial increases in price.⁵⁶

52. Annual Report 1972, Central Bank, p. 22.

^{53.} For a survey of agricultural credit schemes operated in Sri Lanka since 1947 see, "Agricultural Credit: A Case for Clinical Examination," mimeograph, Ministry of Plan Implementation, October 1980.

^{54.} For a good discussion of the problem of default see, Nimal Sanderatne, "The Problem of Defaults in Sri Lanka's Small Farmer Loans," Staff Studies Central Bank, Vol. 7 No. 1, 1971.

^{55.} Until mid-1973, one measure of rice was given free-and the other at Rs. 1, which price corresponded roughly to the cost to government of locally produced rice. See R. Mahalingasivam, op. cit., Table 2, p. 79.

^{56.} The average landed cost in a given year, generally, reflects the price level that prevailed during an earlier period, i.e. at the time of negotiations.

TABLE 5.—RICE AND FLOUR IMPORTS—QUANTITIES AND COSTS
1971—74

Food Imports	1971 Rice/Flour	1972 Rice/Flour	1973. Rice/Flour	1974 Rice/Flour
Quantity (thous. tons)	. 290/318.	. 294/301	335/396	293/402
C&F Cost (Rs. per ton)	674/650	547/640	807/1144—	2462/2132

Sri Lanka was in the grip of an impending crisis. The drop in domestic production of rice had to be offset by increased imports of rice and flour, against a climate of escalating world prices and at the expense of an increased foreign exchange outlay which the country could ill afford. The stage was set for some drastic measures and, perhaps, radical solutions which under normal conditions would not receive serious consideration.

In early September 1973, the Prime Minister was out of the Island attending the Non-Aligned Summit in Algiers. In her capacity of Minister of Planning and Economic Affairs her Deputy was acting for her. As commented on earlier, the Deputy Minister of Planning and Economic Affairs had by then constituted himself as the champion of the government backbenchers in the promotion of the idea of a political leadership of the district administration. In his acting capacity, he would have had intimate knowledge of the serious crisis that was facing the Government. In this situation, the acting Minister would have, no doubt, seen the chance of carrying through the idea of a political leadership of the district administration that had so far failed to gain respectability at the top governmental level. On 4 September 1973, he presented a Cabinet Memorandum, in his capacity of acting Minister of Planning and Economic Affairs, drawing attention to the Cabinet decision of 13 June 1973 granting formal approval for the commencement of the Decentralised Budget beginning the year 1974.57 He proposed that in the given situation of a serious food crisis the entirety of the Decentralised Budget should be deployed on a programme of emergency food production, an argument he dramatised, thus:

^{57.} Cabinet Memorandum, "Decentralisation of the Capital Budget—Priorities and Institutions," internal file, ,Ministry of Finance.

In the determination of priorities for the decentralised allocations, I am of the view that there is only one priority today. We have now come to a decisive moment in the history of this country when all energies of the nation have to be directed to the achievement of the main objective of survival and self reliance through the production of essential food items. There cannot be any conflict on the choice of priorities since what is needed to be done is obvious and that is to prevent mass starvation.⁵⁸

He went on to suggest the diversion, with immediate effect, of the entire Decentralised Budget earmarked for 1974 on food production activities organised on a district basis, "by crying halt to all other activities" at the district level, with the objective of mobilising "all resources of the Government in the form of men, material and machinery on a war footing to achieve self-sufficiency in food." On the controversial question of a political leadership of the district administration, the proposal placed before the Cabinet was that,

In making these far-reaching proposals, the acting Minister would have been fortified by two sources of strength. Firstly, as the Deputy he would have been aware of the views of the Prime Minister on the question of a political leadership of the district administration and may have even had this matter cleared up with her prior to her departure. A more likely proposition is that he was acting on the explicit instructions of the Prime Minister and serving

^{58.} Ibid., p. 1.

^{59.} Ibid., p. 3.

as a sounding board for her strategy to meet the crisis.⁶⁰ Otherwise, it would be difficult to explain either the revival of a proposal that had been rejected by the Government on an earlier occasion, or the unqualified support given to it by the Prime Minister, immediately on her return. The second source of strength was obviously the overwhelming backing for the proposals from the government backbenchers.

Or 5 September 1973, the Cabinet expressed agreement "in principle" to the above proposals but referred them for detailed examination and report to the National Planning Council, a subcommittee of Cabinet. On 19 September, the report of the National Planning Council on these proposals was considered by the Cabinet. By then, the Prime Minister was back in office and the Cabinet decided to go ahead with the proposals immediately by providing a contingency vote of Rs. 25 million for expenditure under this programme during the balance period of 1973, pending parliamentary approval of the Decentralised Budget for the year 1974. On the next day, the Prime Minister made the first public announcement of the decision to launch a "Food Production War" and to appoint District Political Authorities to superintend it. She called upon government officials to act as "captains" under the political leadership of the DPAs.

A parallel development in respect of the food ration has to be explained in order to place the above decisions in their proper perspective and also to explain the urgency and speed with which

^{60.} This view is reinforced by an obviously inspired newspaper leak of the proposals contained in the memorandum and the bold prediction by the newspaper that details of a new food production drive under a political leadership are expected to be announced by the Prime Minister on her return from Algiers. Ceylon Daily News 8 September 1973, p. 1

^{61.} Copy of Cabinet Decision of 5 September 1973. Internal file, Ministry of Finance.

^{62.} Copy of Cabinet Decision of 19 September 1973. Internal file, Ministry of Finance.

^{63.} Address to an assembly of Ministers, government Members of Parliament. Government Agents and senior officials held at the Bandaranaike Memorial International Conference Hall on 20 September 1973, Reported in the Ceylon Daily News city edition, 21 September 1973, p. 1.

they were taken. It has been recorded that the restoration of the rice ration to its original level of two measures per person per week was one of the main election pledges on which the United Front Government of 1970 was swept into power. Soon after the Government took office it continued to provide the first measure free of charge (as was done by the previous Government) and in fulfilment of the election promise a second measure was sold, at a price that corresponded roughly to the cost to government of locally produced rice. In view of the "food crisis", the Government had to reduce the "free" ration to half a measure, and virtually double the price at which the "paid" ration was to be sold, subject to availability of supplies.64 Similarly, wheat flour, which earlier had been sold without quartitative restrictions at a price of forty eight cents per pound, was brought under the ration; each person being entitled to only one pound of flour per week at seventy cents.65 Quite agart from the adverse impact on the population arising from the increase in selling prices, these steps spelt an immediate compulsory reduction in the consumption of two staple food items which the country had been accustomed to up to that time. These changes were made effective from 1 October 1973 to coincide with the launching of the 'Food Production Wai" and the appointment of District Political Authorities.66 In this sense, the DPAs were in effect, "new frontiersmen" who were to take the message of crisis to the people, and seek their understanding and support for the remedial measures that had been taken by the Government to tide over the crisis.

The situation was certainly a tense one as was acknowledged by the Prime Minister in her open appeal to the security forces to ensure law an l order and to support actively the "Food Production War". Moreover, it was a humiliating retreat for the Government that had earlier pledged to provide, if elected, two measures of rice on the ration to every individual. The memories of the youth uprising of 1971 were still fresh and many top government

^{64.} Annual Report 1973, Central Bank, p. 186.

^{65.} Ibid.

^{66.} Ceylon Daily News city edition, 29 September 1973, p. 1.

^{67.} Ceylon Dally News, 21 September 1973, op. cit.

politicians would have been apprehensive of military involvement and the excesses that are normally associated with the use of security forces in the restoration of law and order, if food riots were to break out.68 The situation was explosive. It was one of those occasions in a cabinet system of government when governmental authority tended to be concentrated in the leader, in this case the Prime Minister. Whatever reservations some of the Ministers may have had about the appointment of DPAs, such feelings were submerged in the common desire to avert a crisis. Also, the marner in which the subject of food distribution was tagged on to the responsibility for the Emergency Food Production Programme left the DPAs in an unenviable position. They were earmarked, in the eyes of the sceptics, to be the "scapegoats" in case the situation went out of hand. The idea of a political leadership of the district administration, that had been mooted as a deliberate act of decentralising central government authority to the districts, thus, suddenly found expression three years later as an emergency measure to meet a crisis situation.

^{68.} For an account of the political situation in the country and the food shortages experienced see, W. A. Wiswa Warnapala, "A Test for Both the Rulers and the Ruled: Sri Lanka in 1973," Asian Survey Vol. 14 No. 2, 1974.

CHAPTER VI

THE DISTRICT POLITICAL AUTHORITY SYSTEM IN OPERATION

As explained earlier, the DPA system was launched by Prime Minister Sirimavo Dias Bandaranaike, on 20 September 1973 as a strategy for meeting the immediate food crisis. It had not much constitutional backing, there being no explicit provision in the Constitution for such a type of appointment within the executive.1 Judging from its long gestation period there could not have been much support for it either, from the other members of the Cabinet. In fact prior to this there had been no advocates of it at the topmost governmental level, either in Parliament or in public forums. It was introduced almost by Prime Ministerial fiat. The obvious lack of enthusiasm for it at the topmost level and the reluctance on the part of most Ministers to delegate to the DPAs a fair share of their administrative responsibility reduced its effectiveness and cramped its style once the period of crisis was over. The lack of clear governmental instructions, defining the scope of the activities falling within the purview of the DPA and his relationship to line ministries, made the working milieu confusing. With the result, individual DPAs and GAs gave the system varied interpretations leading to conflicting procedures and patterns in different districts. Admittedly, in a novel experiment it would not be possible, not for that matter desirable, to define precisely the functions and the of operation; it being best to leave open, flexible and to be regulated by informal But, in the face of a lukewarm support for the experiment at the topmost level, the informal arrangements did not materialise to

^{1.} The Constitution of Sri Lanka (Ceylon) 1972 (Government Printer Colombo) Chapter XIII.

fill effectively the vacuum created by the lack of constitutional clarity and governmental instructions. In the end it remained essentially an ad hoc device which, having outlived its usefulness, struggled for survival in a hostile climate that had long lost the sense of despair and urgency that gave occasion to its birth.

Prime Minister's Co-ordinating Secretariat

A special agency called the Prime Minister's Co-ordinating Secretariat was created for the purpose of giving central guidance to the DPAs. It was to be under the personal direction of the Prime Minister operating through her Co-ordinating Secretary, a daughter of the Prime Minister who had been appointed to this newly - created post in February 1973.2 The Co-ordinating Secretary to the Prime Minister was assisted in her tasks by the Deputy Minister for Planning and Economic Affairs, the Deputy Minister for Defence, the Army Commander and the Director, Division of National Planning of the Ministry of Planning and Economic Affairs. It was a blend of the political, military and bureaucratic elements in government acting in the style of an emergency council. They met almost daily and functioned as the sole central authority for the direction at the district level of the emergency food production programme and as the co-ordinating authority at the centre for bringing together the diverse agencies and ministries that had a role to play in this programme. Twenty DPAs were appointed, under the hand of the Prime Minister, one for each district; except that in the case of Anuradhapura and the two neighbouring districts, Vavuniya and Mannar, one person was appointed to function as the DPA in all three districts.3 Except for Vavuniya and Mannar all districts had a M.P. from within the district as the DPA. Of the twenty DPAs, three were Ministers, twelve Deputy Ministers and the balance five senior government Thus, a large number of them were seasoned and experienced politicians. Their initial responsibilities were broadly defined as examining the causes for the non-cultivation

^{2.} Ceyton Daily News city edition 7 February 1973 p. 1.

^{3.} List of District Political Authorities circulated by the Co-ordinating Secretariat. Reproduced as Appendix II.

of paddy land and taking remedial steps to bring under cultivation all possible land in the forthcoming Maha season (1973/74) falling between October - March.4 This was to be extended to other crops such as yams, pulses, and cereals, which were important substitutes for rice.⁵ Some of the remedial measures suggested were the timely provision of adequate inputs in the form of seed material, fertiliser, agro-chemicals, etc., if necessary, in the form of loans against recovery from the harvest; immediate repairs to tanks, minor irrigation canals, etc., utilising hired labour on government funds.6 They were to work in consultation with other MPs of the district and, especially, in all financial matters they were to work through the GAs, to whom the funds had been released and who were accountable for their proper expenditure.7 Similar instructions, but in a more detailed manner, were sent to the respective GAs explaining their responsibilities in the programme.8 In short, it was a concerted effort, once again, to bring to bear at the district level the need to remove all obstacles in the way of an increased production in rice and like foodstuffs.

The response from the district administration and the other specialist offices in the district was magrificent. It was as if another crisis had galvanised them into a fresh spurt of activity. The overriding influence the Co-ordinating Secretariat had in Colombo also had its beneficial effects. Many Financial Regulations were relaxed in order to vest in the GAs greater financial flexibility and authority. Arrangements were formalised when the Co-ordinating Secretary requested all ministries and heads of department in Colombo to advise their local heads of district offices to give every assistance possible and the fullest cooperation

^{4. &}quot;Instructions to Political Authorities", Prime Minister's Co-ordinating Secretariat. Internal file, Ministry of Finance.

^{5.} Ibid.

^{6.} Ibid.

^{7.} Ibid.

^{8. &}quot;Instructions to Government Agents", Prime Minister's Co-ordinating Secretariat. Internal file Ministry of Finance.

^{9. &}quot;Utilisation of funds for the Special Food Production Programme", Treasury Circular dated 22 October 1973 addressed to GAs. Internal file. Ministry of Finance.

to District Political Authorities and Government Agents in the National Emergency Food Production Campaign.¹⁰

Certain policy measures adopted by government in support of the Emergency Food Production Drive were themselves very significant. The government purchase price for paddy which stood at Rs. 14 per bushel was increased twice during the year 1973 first to Rs. 18 in February and then to Rs. 25 in October with the launching of the DPA system. 11 As already mentioned. the increases in price 101 the sale of rice and flour and the act of bringing them under a rationing scheme, effective 1 October 1973. lent further impetus to a greater production of rice. Of no less import was the decision to resuscitate the flagging Agricultural Credit Scheme which, as pointed out earlier, had by then become almost inoperative owing to the high rate of default in repayments. A comprehensive Rural Credit Scheme was launched to replace the old scheme in stages 12 and the Bank of Ceylon, another nationalised venture, was also brought in. The immediate benefit of this change was an upward revision of the credit limits permitted for cultivation purposes and a three-year moratorium granted to defaulting borrowers for the repayment of overdue loans. 13 A large number of ineligible farmers became overnight eligible for cultivation loans at much higher levels of credit per acre. Further, the Decentralised Budget, which was in gestation for two years, was finally approved and placed at the disposal of the GAs to be utilised on the Food Production Drive on the direction of the DPAs.

The good rainfall that prevailed during this season and the high market prices (arising from conditions of scarcity) added to the collective impact of the above measures. In a dramatic reversal of the unheal hy trend that had characterized activities in this field since 1970, production and other indicators of agricultural

^{10.} Circular dated 15 October 1973 issued by the Co-ordinating Secretary to the Prime Minister. Internal file Ministry of Finance.

^{11.} Annual Report 1973 Central Bank p. 186.

^{12.} Ibid. p. 42.

^{13.} Ibid. p. 45.

activity took an upward turn (Table 6). Paddy production rose to 52.6 million bushels during the 1973/74 Maha season, the highest for a Maha crop up to that time.¹⁴

TABLE 6. — PADDY CULTIVATION STATISTICS, MAHA SEASONS 1970/71 — 1973/74

	Maha	Maha	Maha	Maha
Season	70/71	71/72	72/73	73/74
Acreage Harvested (Millions)	1.09	1.04	1.09	1.29
Cultivation Loans Granted (Rs. million)	23.5	24.0	20.3	84.2
Average Yield (bushels per acre)	44.9	48.1	45.5	47.6
Production (million bushels)	41.6	42.2	42.1	52.6

Source: Annual Reports (1971 1972 1973 1974) Central Bank.

The institution of DPA had got off to a very good start. Undoubtedly the whole package of measures taken by government in October 1973, in response to the food crisis, contributed to the tremendous upsurge in the production of paddy during the Maha season 1973/74. The increases in respect of other crops such as yams and cereals were themselves noteworthy. The crdeit for this success went to the novel institution of DPA. An administrative device, without much constitutional backing, that had emerged in a state of national emergency had survived the crisis. Sceptics who had expressed doubts earlier concerning its feasibility were, once again, put on the defensive.

The Impact of the DPA System on the Conventional Style of Government

Two features in the style of government changed as a result of the DPA experiment. Firstly, the style up to that time had been for individual Ministers to take credit for the success of any programme. This followed automatically from the functional allocation of subjects and responsibilities. Programmes were the special domains of individual Ministers wherein their aptitudes and abilities

^{14.} Annual Report 1974 Central Bank p. 38.

^{15.} Ibid. p. 42.

were tested. Also, they were the means by which individual Ministers projected their "personality cults" on to the public, and the foundations upon which their future political ambitions were built. In a DPA system, the spotlight shifts away from the functional Ministers (to the extent that programmes are made the responsibility of DPAs) and focuses on the Political Authorities in the districts. It also diffuses the credit for any successful programme among the twenty two districts and compels the functional ministries to adopt a low profile. It was a system that called for changes in attitudes and adjustments, and one that seriously cramped the style of functional Ministers in their pursuit of the "cult of personality."

The second change that the DPA system was instrumental for was the phenomenon of the "presidentialisation" of the Office of Prime Minister. Traditionally, the Prime Minister's Office had been a small one with an equally small select staff attending, mainly, to the public relations aspects of the Prime Minister's duties. Its initiative in policy-making and direction was marginal,16 and in this field its main function was to serve as the link between the head of government and the real policy-making instruments, the Cabinet and the ministries. With the appointment of District Political Authorities, under the direct supervision of the Prime Minister, the Prime Minister's Office took on a new dimension, and for the first time established a direct link with the twenty two districts and their administrations. Admittedly, the DPAs could not have been supervised by any other ministry without, in turn, transforming such ministry into some form of super ministry; an eventuality that would have precipitated more serious complications in the relationships between ministries. Hence, the most appropriate place for a supervision was the Prime Minister's Office. However, this had vast implications. The Prime Minister's Office was now cutting across ministry boundaries, treading on ministerial responsibilities and exerting a direct influence on the

^{16.} Here the PMO is to be distinguished from the person — the Prime Minister who exercised considerable influence and initiative in the Cabinet and through individual discussions with Ministers. See Joseph A. L. Cooray Constitutional and Administrative Law of Sri Lanka (Hansa Publishers, Colombo 1973) p. 237.

administration in the districts; and, more importantly, it was opening itself to direct regional influences on matters that were functionally the responsibility of ministries. In the process, it was substituting itself for the ministries as an instrument of policy-making in government; a fact that was amplified in the following passage of a circular sent to Government Agents by the Secretary to the Ministry of Public Administration, Local Government and Home Affairs:

Every Government Agent, A.G.A., D.R.O. and other officer concerned should act in accordance with the decisions and instructions of the Political Authorities in their districts and should extend to them the maximum possible cooperation. Wherever there is a problem arising from the fact that such instructions may run counter to a ministry circular or any other rule or regulation, I expect such situation to be reported to the Prime Minister's Co-ordinating Secretariat for clarification and resolution of the problem. Where necessary, the Co-ordinating Secretariat will consult the ministry concerned.¹⁷

The message conveyed by the above circular was quite clear. Problems were to be expected, but their resolution could not be left to the discretion of individual functional Ministers whose authority was adversely affected by the creation of the institution of DPA. The solution offered, that of the Prime Minister's Office acting as an umpire, further encroached on the authority of functional ministries and carved out for the Prime Minister a role that could evolve into one comparable with an executive President.

This phenomenon of "presidentialisation" is not something unknown in countries following a cabinet form of government. It has been the subject of comment in Britain for a long time, 18 and

^{17.} Circular No. AB/DC/17 dated 10 December 1973. introduced for emphasis for emphasis.

^{18. (}i) R. H. S. Crossman - Introduction in Walter Bagehot The English Constitution (London 1964).

in recent times in Canada since the advent of the Trudeau Governments.19 It is a means of investing the administration with the quality of charismatic leadership. However, in Sri Larka this development exposed the nakedness of the well-guarded myths" of cabinet government and parliamentary government.20 As should be expected, the initial reactions against and entrenchement of "presidentialisation" and, by implication, the DPA system came from these very sources of diminished power.

The DPA System on the Defensive

In early 1974, Sri Lanka was faced with a worsening economic situation. The oil crisis, world food shortages and global inflation combined to place the county in a perilous situation.21 decision of the Government to govern till 1977, in excess of the five year period for which it had been elected in 1970, gave rise to apprehensions, on the part of the Opposition, of "dictatorial" intentions.22 At the centre of controversy was the "Jana Vegaya" ("People's Force") group within the SLFP which had close contact with the Prime Minister. This group had a left -wing orientation and in its leadership were the two daughters of the Prime Minister. one of whom was the Co-ordinating Secretary referred to earlier. One other leading personality of this group was the Deputy Minister of Planning and Economic Affairs, who had much to do with the introduction of the DPA system. Many observers believed that this group, having close contact with the Prime Minister and the

Denis Smith "President and Parliament: The Transformation of Parlia-19. mentary Government in Canada", in Thomas A. Hockin ed. Apex of Power (Prentice Hall 1971).

Crossman op. cit. observes that the British system of government was 20. neither cabinet government nor parliamentary government but a thinly disguised prime ministerial rule. For a more recent development of this theme see

⁽i) Richard Crossman Inside View (Jonathan Cape 1972).

⁽ii) John F. Mackintosh The British Cabinet (Stevens, 1977), Chapter

^{21.} N. Balakrishnan, "Sri Lanka in 1974: Battle for Economic Survival", Asian Survey Vol. 15 No. 2, 1975.

The Government was elected for a five-year period, in May 1970 with 22. a mandate to frame a new republican constitution. The new Constitution, promulgated in May 1972, prescribed a period of five years for the Government from the commencement of the Constitution.

support of a number of government parliamentarians, had considerable influence over the policies of government.²³ Moreover, important sections in the Opposition viewed the activities of this group as being directed towards the establishment of a dictatorship.

It is in this context that the Opposition moved in Parliament, in March 1974, for the appointment of a Parliamentary Select Committee to investigate an alleged conspiracy to destroy the sovereignty of the people."²⁴ The chief target was the "Jana Vegaya" group, consisting of, among others, the Prime Minister's two daughters, the son-in-law and the Deputy Minister of Planning and Economic Affairs, which it was alleged had taken control of important government programmes such as DPA, Food Drive, Decentralised Budget and the direction of foreign policy and had infiltrated into important sections of the armed forces and the public services with a view to a forceful seizure of power.²⁵ The Leader of the Opposition further claimed that,

the Jana Vegaya group and the members of the Prime Minister's family in it constitute the real government of this country. They form an inner cabinet, with the Prime Minister in the background, in which most Ministers are only figure-heads. The formal government which consists of the Cabinet exists only in name.²⁶

The motion was naturally defeated by the Government's majority in Parliamen, but, nevertheless, achieved its political objective of creating sufficient antagonism within the ranks of the Government against the activities of the "Jana Vegaya" group. The members of the Cabinet who were referred to as mere "figureheads" would no doubt have resolved to give a lie to such speculatory remarks, by a greater assertior of their ministerial authority. Conceptually

^{23.} Balakrishnan, op. cit., pp. 103 - 104.

^{24.} Hansard 6 March 1974, column 814 et seq.

^{25.} Ibid.

^{26.} Ibid., column 862.

this episode may be regarded as a spirited defence by the forces of parliamentary and cabinet forms of government against a rising tide of 'presidential' power.

The indirect casualties of this encounter were the DPA system and the Decentralised Budget, which were directly supervised on behalf of the Prime Minister by her Co-ordinating Secretariat. Undoubtedly, these two administrative arrangements strengthened the hand of the Prime Minister vis-a-vis the other Ministers. it would be apparent from the earlier discussions that they were never devised for the purpose of an extension of prime ministerial rule and that, on the contrary, they claimed their origins from circumstances and forces that had very little to do with the personal ambitions of the Prime Minister. They had found a harbour in the Prime Minister's Office solely from considerations of administrative necessity; not the least being the lukewarm support for them from many of the leading personalities in the Government. The Opposition's attack on the "Jana Vegaya" group succeeded in undermining whatever lukewarm support these administrative devices enjoyed at the top levels of government, solely out of deference to the Prime Minister; and also in reducing the effectiveness of two administrative experiments which had, to some extent, helped to tide over the crisis that had precipitated itself upon the Government six months earlier.

The allocation of funds for the Decentralised Budget which was the mainstay of the DPA system suffered a serious setback soon after. The allocation which stood at Rs. 175 million for the year 1974 was reduced to Rs. 125 million in the expenditure budget for 1975.²⁷ The chief cause of this reduction was the re-transfer of expenditure votes in respect of items such as minor irrigation works from the Decentralised Budget back again to the votes of the Ministry of Irrigation, Power and Highways.²⁸ This was also a

^{27.} Government Financial Estimates 1974 and 1975, Votes of the Ministry of Planning and Economic Affairs.

^{28.} Ibid., Votes of the Ministry of Irrigation, Power and Highways. In fact, in 1974, the largest contribution to the Decentralised Budget came from this Ministry.

retreat from the position of pooling of resources prescribed by the Decentralised Budget. Conceptually to the extent of such withdrawal the concept of functional responsibility of Ministers gained and its antithesis, the DPA system suffered a loss. Signs of disenchantment with the Decentralised Budget also came from Members of Parliament representing urban electorates. They found naturally that funds were being syphoned off to rural and agricultural areas and that their projects of providing urban utilities were being relegated to positions of lower priority. Although small in number this group had within it certain powerful personalities who could have been expected to put across a point of view that was not too favourable to increased allocations under the Decentralised Budget. In fact the subsequent allocations under the Decentralised Budget remained static, if not reduced, in comparison to the steady increases in the capital expenditure of government in the subsequent years (Table 7).

TABLE 7. — THE DECENTRALISED BUDGET IN RELATION TO GOVERNMENT'S TOTAL CAPITAL EXPENDITURE, 1974-77

Year	Decentralised Budget Rs. million	Total Capital Expen- diture Rs. million	Percentage
1974	175	1277	13.7
1975	125	1960	6.4
1976	350	2786	12.5
1977	300	2263	13.2

Sources: Government Financial Estimates (1974, 1975, 1976, 1977), Annual Reports (1974, 1975, 1976, 1977), Central Bank.

Land Reforms and Their Impact on the DPA System

The other source of danger to the DPA system was, ironically, the immense power flowing to it from the land reforms that were implemented during the period 1972-75. The Land Reform Law of 1972 was a significant attempt to re-structure the land ownership pattern in Sri Lanka. The Law prescribed a 25-acre ceiling on the private ownership of paddy land and a 50 - acre ceiling on other land, subject to the limit of a total of 50 acres to be owned by a defined family. At the initial stage, agricultural

land owned by public companies, i.e. large plantations, was exempted. In terms of this Law a little over half a million acres were taken over by the State and then re-distributed. Table 8 gives the break-up of the distribution pattern.²⁹

TABLE 8. — PATTERN OF DISTRIBUTION OF LAND TAKEN OVER UNDER THE FIRST PHASE OF THE LAND REFORMS OF 1972 — 75

CONTRACTOR OF THE PROPERTY OF THE PARTY OF T	The state of the s	en sielen bie	The Property of the St.		
Managing A	uthority	Percentage of Total Extended taken over by the State			
Land Commissioner (for a	lienation as hom	esteads			
among landless peasants			20		
State-Owned Plantations	TARREST OF THE		22		
Co-operative Societies and	Co-operative For	rms of			
Management			51		
Others			7		

It will be noticed that over fifty per cent of the lands were managed by different co-operative organisations ranging from the Multi-Purpose Co-operative Societies to farmer co-operative settlements, in all of which the local Member of Parliament (belonging to the governing party) has an important say. The political content of the reforms necessitated a heavy involvement of the DPAs in the decision-making processes of alienation, forms of management, selection of individuals to shoulder the responsibilities of management, etc. Land being both an asset and a potential source of income, the first claim on the lanc taken over came, naturally) from the MP of the area where such land was situate.. 30 The DPAs, being MPs themselves, could not resist these particularistic pressures emanating from the electorates. Nor were they, or the district level officials advising them) well versed in the expertise of scientific land use to offer any attractive alternatives to the suggestions put by the local MP. Even if they had, they were drowned in the emotion that accompanied the Land Reforms; the

^{29.} Figures recast from Table 2 in, Nimal Sanderatne, "Perspectives in Land Reform", Economic Review Vol. 1 No. 1, 1975. See also Table II(B) 7, Review of the Economy 1976, Central Bank.

^{30.} The formation of electorate level Land Reform Co-operative Societies, with the government MP or nominee as President, to manage land taken over but not otherwise alienated (to peasants, state-owned plantations, co-operative settlements, etc.) gave a fillip to this sort of claim. Circular No. 2 of 31 October 1974 issued by the Minister of Agriculture and Lands to all DPAs.

grandeur of setting right an historical injustice by conveying back to the people the land appropriated from their forefathers, the restoration to the landless rural youth his means of livelihood. In the end, what prevailed as the decisions of the DPA were the wishes of the individual Member of Parliament and the actions of a clique of 'loyalists' selected by the MP concerned to run these co-operatives. This mode of nomination by the Member of Parliament was a double-edged weapon which could cut both ways as brought out in the following excerpt:

In defence of this system, one could say that the loyalty of individuals is a condition of paramount importance to the success of this type of venture, at least at the pioneer stage, and that the elected representative of the people is more suited to perform this function than any other. Whatever validity this point of view may have, it is necessary here to recognise some of the adverse effects of the system as it has operated in practice. The criterion of loyalty, when it overshadows all others, has frequently led to the emergence of the incompetent. The authority of the officials responsible to the government tends to be undermined. The inefficient and the corrupt find refuge in political patronage.³¹

As was the experience, the adverse effects predominated.³² The resulting mismanagement and running down of good agricultural land,³³ brought about by this 'loyal clique', did irreparable damage in the eyes of the public to the image and concept of the DPA system.

The second stage of Land Reform brought with it a further share of discredit to the DPA system. The Land Reform (Amendment) Law of 1975 vested in the State, land in the form of large

^{31.} Gerald Peiris, op. cit., p. 78.

^{32.} R. D. Wanigaratne et al., -Policies and Implementation of Land Reform in Selected Villages of Sri Lanka . mimeograph, (Agrarian Research and Training Institute, Colombo, 1979), pp. 8-9.

^{33.} Ibid., p. 10. See also R. D. Wanigaratne and M. Samad, "Land Alienation Under Recent Land Reforms", mimeograph, (Agrarian Research and Training Institute, Colombo, 1980).

plantations and estates owned by public companies which ewer exempted under the earlier Law. The total extent of land taken over was about 400,000 acres, of which a little over half was good tea land and another quarter under rubber. Drawing inspiration from the experience of the earlier land take-over, the Central Bank issued a timely warning to the Government in the Annual Report for 1975. It said:

In view of the vital importance of the plantation sector in the national economy, it is essential that the efficient running and good management of these estates are ensured on a continuing basis under state ownership. The latter could be achieved by setting up in place of the agency houses an efficient and effective organisation for their management, and by seeing that the estates are under the supervision of experienced and competent mer at all levels. This is all the more significant because up to now the plantation sector has earned the bulk of the country's foreign exchange and produced the major portion of the surpluses to sustain extensive welfare services and meet the overall deficits in other state-run enterprises.³⁴

Although the Government took a wise decision in continuing to run them as large plantations under the management of two state-owned enterprises, the Janatha Estates Development Board and State Plantations Corporation, it could not save the interests of these plantations from the caprice of individual Members of Parliament. Political considerations loomed large in the matter of appointments and transfers in the affairs of the estates taken over, leading to a lowering of morale and ultimate deterioration of the quality of management. Adding to this was the almost unbridled power over local affairs, that was granted to Members of Parliament belonging to the governing party. In time, every individual action of a government M.P., every misdeed of a government

^{34.} pp. 10-11.

^{35.} Malinga H. Gunaratna, The Plantation Raj (Cave & Co., Colombo, 1980).

^{36.} Morrison et al., po. cit., pp. 33-34.

supporter came to be regarded by the ordinary public as a manifestation of the excesses of the DPA system; a miscomprehension that had its origin in the choice of the title Political Authority. Everything bad that was considered to be motivated by local political considerations was left at the doorstep of the DPA system, although the situation would have been just the same even if there had been no DPA.

The Control of Expenditure Under the Decentralised Budget

The decentralisation of financial control to the district level, one of the important concomitants of the DPA system, raised problems of a different nature. Detailed accounting procedure for the Decentralised Budget was laid down by the Treasury, to facilitate uniformity of financial procedure and control of the allocation by the Ministry of Planning and Economic Affairs and the GAs.37 At the same time, there was a clear understanding that these funds were to be spent by the Government Agents in consultation with the DPA and on programmes approved by him. In districts in which the DPAs were not appreciative of the needs of financial control and propriety, the urge to get things moving fast, resulted in serious violations of accepted canons of expenditure control; the Government Agents as Accounting Officers being hustled into activities that they would normally have treated with great circumspection. The Report of the Auditor-General for the year 1977 gives many instances of this nature.38 Some examples of improper expenditure were failure to refund unspent balances to the Consolidated Fund, employment of watchers for long periods to guard buildings that had been constructed but not put to use, utilisation of funds from the Decentralised Budget for purchase of capital assets of some state corporations, wasteful expenditure on projects that had to be abandoned half way, funds released by Government Agents to other agencies such as the Territorial Civil Engineering Organisation, Education Department etc., for specified items of work being utilised by the recipient agencies on works other than those approved.39 It was also

^{37.} Treasury Circular No. 159 of 3 September 1975.

^{38.} Parliamentary Series No. 5, Seventh Instalment - Part II.

^{39.} Ibid., pp. 15-32.

revealed that bank accounts had been opened in the personal name of the DPAs in two districts, 40 though the sources for these accounts were private collections and not government funds. Certain districts exceeded the expenditure allocations granted to them by the Ministry of Planning and Economic Affairs, thus, disclosing an absence of proper control over expenditure. 41 Some of these lapses were no more serious than those committed by ordinary government departments in the course of annual appropriations. But, they brought discredit to the system because of the close identification of these lapses with the activities of the DPAs.

The Parliamentary Electorate as a Unit of Administration

Another problem the DPA system had to encounter was the growing recognition of the electorate as the basic unit of administrative action within the district. In fact, when the initial allocations were made under the Decentralised Budget, in 1974, some districts immediately proceeded to distribute the funds equally among the electorates, vitiating the fundamental principle of a rational ordering of district priorities. This tendency was the natural outcome of a trend persisting for a long time whereby the local Member of Parliament was regarded as the legitimate intermediary between the voter and the administration, the unofficial "ombudsman" for public grievance and th. "eyes and ears" of his constituency. 42 In this context, the needs of the electorate were paramount and the call for a "higher" district viewpoint was as difficult as sacrificing the parochial local interests for the greater national good. Certain measures, to be explained, adopted after the change of government in 1970 tended to formalise this trend of institutionalising the electorate as a basic unit for administrative purposes.

In colonial times the Village Headman was the direct link between the people and the administration. In those days he was selected on the basis of wealth, social standing and position of

^{40.} Ibid., p. 24.

^{41.} Ibid., p 31.

^{42.} Leitan, op. cit., pp. 202-206.

influence in the village society. The very fact of selection further enhanced his prestige within the village community; he being the chief government functionary in the area. This system led to much corruption at the village level.43 It was felt that the system of recruitment perpetuated the entrenchment of privilege, and the oppression of the lower social classes in the village. In 1963, the post of Village Headman was abolished and in his place the Grama Sevaka, meaning the "servant of the village", was appointed mainly on the merits of a competitive examination and or a district basis. Thus, ascriptive criteria gave way to more objective and impersonal ones in the manner of recruitment. In 1971, in a sudden reversal of this method, the competitive examination for entry into the Grama Sevaka Service was done away with and recruitment for vacancies was made, mainly, on the recommendation of the local Member of Parliament; the candidate being required to have the minimum educational qualifications prescribed for the post. By this method, the Grama Sevaka, no doubt, acquired a position of power that he did not enjoy earlier as a mere recruit to an impersonal cadre. But this change also strengthened the position of the Member of Parliament in that it institutionalised the electorate es a basic unit of administration.

Similar changes occurred in the field of co-operative societies and the agrarian scene. The re-organisation of the consumer co-operative network, which took place in 1973, resulted in the displacement of elected Boards of Management and their replacement by Boards a majority of whose members, notably the President, was in effect nominated by the Member of Parliament. Similarly, the members of Cultivation Committees and Agricultural Productivity Committees were appointed by the Minister-in-charge on the recommendation of the local Member of Parliament. In

^{43.} Report of the Commission on the Headmen System Sessional Paper 27 of 1935. See also the comments in the Donoughmore Report op. cit., p. 91.

^{44.} Report of the Committee on the Re-organisation of the Co-operative Movement (Government Printer, Colombo, 1980) p. 2.

^{45.} Bradman Weerakoon, —Emergent Leadership at the Village Level, Economic Review Vol. 1 No. 10, 1976, p. 113.

instances where the Member of Parliament belonged to the Opposition, the government's party organisation at the electorate level had an important say in these matters.

These developments have been described by an experienced administrator, who in his official capacity was very much affected by these changes as a general trend in developing countries "of institutionalising the position of the politician as the innovator of charge." Whilst this is no doubt true these developments also had the effect of entrenching the electorate as a unit of administrative action. In time two di-poles Colombo—national interest and electorate—local interest emerged to form the matrix within which decision-making operated. The functional ministries and the Members of Parliament respectively become the pivots of these di-poles. The DPA system, with its district base, failed to take root in a medium that gravitated alternately between the centre and the electorate.

The Workshop of Government Agents

An interesting study of the working of the DPA system is provided in the Report of the Government Agents' Workshop which was conducted in March 1975. It was a workshop of the twenty two Government Agents, a party that was very much affected by the changes, and, hence, the conclusiors and comments have to be taken in that light. A recurring theme of this report was the lack of clear definition by government of the role and responsibilities of the DPA; in relation to central ministries and departments, the Government Agents and district heads of department, and the other Members of Parliament in the district. Obviously, the institution of DPA was not the outcome of a deliberate act of government and there were many loose ends which had to be tied up gradually. The failure to do so, as commented on at the workshop, was a reflection of the lack of wholehearted support for it at

^{46.} Idem, "Role of Administrators in a Changing Agrarian Situation: The Sri Lanka Experience", Journal of Administration Overseas Vol. 16 No. 3, 1977, p. 148.

^{47.} Report of the Government Agents Workshop, The District Political Authority System (Academy of Administrative Studies .mimeograph, Colombo 1975).

the topmost levels of government. Also, the Government Agents themselves were totally unprepared for so radical a change, that impinged on the very exercise of their powers and functions, that they, naturally, indulged in the bureaucratic reflex action of seeking clear and written guidelines. One area where the Government Agents obviously slipped was in the organisation of the district offices for the DPAs. In seventeen districts the DPAs were accommodated in the kachcheries themselves, 48 leaving it open for conjecture whether in the other five districts the GAs were reluctant to accommodate the "usurpers." Only in twelve districts was a responsible kachcheri official functioning as honorary secretary to the DPA (in three of them the GAs themselves had volunteered to function as the secretary for purposes of smoother administrative liaison) leaving the DPAs to fend for themselves in the remaining district .49 Taking into account the fact that the DPA's functions were closely linked to the kachcheries through the Food Production Drive and the Decentralised Budget, the ideal arrangement would have been the placing of the kachcheri machinery at the disposal of the DPA, as the executive arm, in the same relationship as that of a Minister and a central ministry. In fact, this would have not only resulted in a smoother liaison but also helped to curb the "political excesses" of the DPAs. The fact that this did not happen, except in a few districts, has to be attributed to a serious lack of appreciation, on the part of the Government Agents, of the nature of change implied by the institution of DPA as much as to the lacuna in government instructions on this aspect. Two other disturbing features, commented on at the Workshop, that of attempts by the DPA to interfere with the statutory functions of the GA and the divided loyalty of public officers arising from the novel presence of the DPA, were really problems that a ose from the setting up of independent offices for the DPAs. A closer merger with the GA would certainly have avoided a divided loyalty in the public service and helped to impress on the DPA a greater respect for statutory obligations through the symbiotic process of "bureaucratisation" of the politician — a phenomenon that is, sometimes observed in the case of Ministers.

^{48.} Ibid. p. 17.

^{49.} Ibid. p. 17.

Of greater relevance were the comments or the adverse effects of the DPA system in increasing the tendency towards 'electorate parochialism" and in alienating groups not subscribing to the views of the governing party from the mainstream of development activity in the districts. To quote from the Workshop Report "in many districts decentralised budget funds (were) mechanistically divided among all electorates without any objective evaluation of development potential" and "most GAs have observed the cold shoulder treatment given to those groups that did not meet with the approval of the DPA."50 In this regard the DPA system has been more sinned against than sinning. In reality, both "electorate parochialism" and the "alienation effect" were the products of the increasing power of the government Member of Parliament over the acts of the administration — a process that had been gathering momentum since Independence.51 As pointed out earlier, the powers given to the government Members of Parliament to nominate Grama Sevakas, members of the Boards of Co-operative Societies, Cultivation Committees and Agricultural Productivity Committees had the effect of institutic nalising the electorate as an administrative unit and also of alienating opposition groups within the electorate from an active participation at such level. As such the DPA system was more a victim of this trend than its author. contrary, with its district bias it had within itself the necessary ingredients to rise above petty parochialism. But the reason why it failed to do so was that the DPA, the individual as distinct from the system, was an MP himself and very much a party to "electorate parochialism." Contrery to what has been generally expressed, the hope of mitigating the evil effects of the increasing power of the government Member of Parliament over local affairs lay ir the very promotion and growth of the DPA system as a distinctly "higher" countervailing force opposed to a narrow electorate perspective.

On the positive side the DPA system was seen, at the Workshop discussions as contributing to four important and beneficial trends.⁵² Firstly it was felt that the system strengthened the co-

^{50.} Ibid. p. 5.

^{51.} Leitan op. cit. p. 202.

^{52.} The District Political Authority System op. cit. pp. 1-3.

ordination of development activities at the district level through the authority vested in the institution to allocate resources and decide priorities. Secondly, much relief was expressed concerning the fact of Government Agents being relieved of the need to make political decisions. "With the establishment of the DPA, political decision-making as regards priorities, became, formally vested in the DPA." Thirdly, the formal appointment of a DPA conferred on the district administration, as a whole, a higher status in its relationship with the administrative centre—the ministries and the departmental head offices. To quote from the Workshop Report:

The DPAs have closer contact with the ministers which the GAs don't have. It is remarked that "even Heads of Department and Secretaries of Ministries take the DPA more seriously than the GA." To establish this point one GA has stated that "although a lengthy report full of data with pros and cons of a project submitted by a GA hardly moved the centre, now a telephone message with very much less facts and figures sets in motion various projects involving large expenditure," 53

Whether this was for the better or worse would depend on the particular circumstances of the case. A good example of the deference with which Colombo's decision-making treated the DPAs was provided by the then GA of Matale District. He narrated that the DPA set aside a policy decision of the Ministry of Internal and External Trade in regard to the manner of distribution of rationed food items and substituted, unilaterally, a modified method of distribution within his district; a decision that was neither revoked not approved of by the Trade Ministry. Fourthly, the institution enabled the mobilisation of popular support, though of a partisan nature, for administrative tasks that were normally difficult to organise. Examples cited were weeding and transplanting campaigns in the matter of paddy cultivation. The

^{53.} Ibid. p. 40.

^{54.} Cyril Gamage and Martin Minogue "The District Political Authority System in Sri Lanka" Journal of Administration Overseas Vol. 17

No. 4 1978 p. 276. This sort of unilateral action by the DPA in defiance of policy guidelines laid down by ministries. was more the exception than the rule.

final consensus was that, in spite of the shortcomings, the DPA system had to a considerable extent devolved political power and authority from the centre to the districts, and that there had been a corresponding decrease in the control maintained by the ministries and departments at the centre in relation to the administration at the district level.

In the final analysis the DPA system symbolised two key elements that could be used in a development strategy. They were decentralisation and democratisation.

Decentralisation was a key element in this institution because through its functions not only were the funds for an appreciable and vital range of programmes decentralised, to be controlled, expended and accounted for at a district level, but also the very political decision-making process was decentralised in order to preside over this disbursement of funds authoritatively. be obvious, by now, that the mere decentralisation of funds would not have been half as successful without the DPA system to preside over it. Further the Members of Parliament (especially those belonging to the Government) who had earlier to spend quite a lot of their time seeking ministerial sanction and chasing files up and down the corridors of ministries and departments (not to mention their follow-up at the district level) now found themselves to be an integral part of the very decision-making body that had the power to authorise expenditure. The result was a higher rate of utilisation of funds. Table 9 gives the pattern of under-expenditure for capital items of government both at a national level and for the Decentralised Budget.

FABLE 9. — UNDER-EXPENDITURE : DECENTRALISED BUDGET,		NATIONAL 1974 — 77		LEVEL AND	
minimal incompany of minimal	10	1974	1975	1976	1977
National Level		,			
Provision in Rs. million .		1690	2421	3055	3102
Actual Expenditure		1277	1960	2786	2263
Under-Expenditure (%)		24.5	19.0	8.8	27.0
Decentralised Budget		STREET			
Provision in Rs. million .		175	125	350	300
Actual Expenditure		171	120	322	310
Under-Expenditure (%)		2.3	4.0	8.0	- 3.3

Sources: Government Financial Estimates (1974 1975 1976 1977) Tables 9.9 and 9.12, Review of the Economy 1977, Central Bank.

It will be noticed that, with the exception of the year 1976, the levels of under-expenditure for the Decentralised Budget have been consistently lower than the national levels. In fact, for the year 1977 the Decentralised Budget recorded an over-expenditure of Rs. 10 million, though it is not a thing to be encouraged. Also Table 10 would demonstrate that the expenditure under the Decentralised Budget covered a wide range of activity. Under normal conditions such a wide variety of items would have needed the activation of about a dozen ministries in Colombo and the administrative chains of command. The administrative time and energy saved by the operation of the Decentralised Budget under the DPA system can never be quantified or assessed. But, the fact that it survived, as a mechanism of decentralisation in a climate that was none too favourable, bears ample testimony to its efficacy.

TABLE 10. — PATTERN OF EXPENDITURE UNDER THE DECENTRA-LISED BUDGET, 1974 — 77

Selected Item			Expenditure in Rs. Thousand						
00		7	1974	1975	1976	1977			
1.	Agriculture and Irrigation		72,023	53,124	93,990	81,240			
2.	Communications	3	46,547	28,229	68,475	76,096			
3.	Education		13,106	15,101	72,085	62,775			
4.	Local Government Works		6,090	7,064	39,849	38,843			
5.	Civil Administration		7,107	3,856	17,273	26,449			
6.	Community Services		4,784	1,343	8,042	7,783			
7.	Health		2,883	1,139	8,958	5,960			
8.	Fisheries		1,374	1,175	4,567	1,476			

Source: Table 9.9. Review of the Economy 1977, Central Bank.

The feature of democratisation that was evident in the DPA system was really the converse of the elitism that pervades the decision-making processes of Colombo. If one examines the major decision-making bodies in Colombo and their individual members fairly closely, one cannot fail to notice, by and large, the social homogeneity that binds them together; whether they come from the political sector, bureaucratic sector, academic sector or the private sector. They form a closed corporation—a sort of confraternity—in which the members share common attitudes and values. Of course, there is no denying that among them especially the political elite there are some who either by birth,

upbringing or inclination have their roots firmly grounded to the soil. But even in these instances, whatever their private philosophies may be, the cumulative effect of having to live in the city. of having to be in constant contact with each other both at official and informal gatherings, of having to cut off the rural and rustic element from their lives owing to the nature and pressure of their work, is that they become very much the hapless victims of this society than its masters. In contrast, at the district level, there is no such alliance of common attitudes binding the group together. They are from mixed backgrounds with very diffused social contact with each other and, above all, the dominant political sector of this group is very much more rural and rustic than its counterpart in Colombo. Further, the very nature of the work exposes the decision-making process, to a very high degree, to rural and local influences of a democratising nature. It is this situational advantage that the DPA system absorbed to its benefit and displayed as a manifestation of democratisation

PART III.

THE DISTRICT MINISTER SYSTEM AND THE DISTRICT DEVELOPMENT COUNCILS

CHAPTER VII

THE TRANSITION FROM DISTRICT POLITICAL AUTHORITY TO DISTRICT MINISTER

Whilst in Opposition, the UNP took care not to attack the features of decentralisation and democratisation that were evident in the DPA system. The Decentralised Budget was treated with great respect for its utility as an instrument for rural investment. The faults of individual MPs and DPAs were isolated for criticism without in any way attacking the administrative concepts behind the DPA system. In preparation for the General Elections of July 1977, it made a categorical statement on the continuance of the DPA system, if elected to form a government, under the title of District Minister (DM), implying also a clear constitutional provision for such an appointment. The party manifesto proclaimed that District Development Councils (DDCs) will be constituted for the purpose of co-ordinating and directing development programmes and that,

District Development Councils will be headed by a District Minister of State, who will not be a member of the Cabinet, and will consist of Members of Parliament, elected Heads of Local Bodies and Government officials.

Once elected to office², with an unprecedented majority of five sixths of the total number of seats in Parliament, it reiterated its stance on the question of District Minister at the first possible

^{1.} U.N.P. Manifesto: A Programme of Action to Create a Just and Free Society 1977, p. 10.

^{2.} For a political analysis of the change in government see, Vijaya Samara - weera, "Sri Lanka's 1977 General Election: The Resurgence of the UNP, Asian Survey Vol. 17 No. 12, 1977, pp. 1195-1206.

opporturity. In the first Statement of Government Policy³ the new Government outlined its plans for the district administration:

The Government will also establish Development Councils at the Electoral and District levels for the purpose of coordinating and directing development programmes. Electoral Development Councils will be headed by the Member of Parliament and will consist of elected Members and officials of Local Bodies and Government officials in the Electorate. District Development Councils will be headed by a District Minister of State, who will not be a Member of the Cabinet, and will consist of Members of Parliament, elected Heads of Local Bodies and Government officials.⁴

The proposals in regard to Electoral Development Councils were not put into effect. In practice, what prevails at the electorate level is, still, the dominance of the Government party MP or, in the absence of one, the views of those in whom the Government reposes trust.⁵ The proposals in regard to District Ministers and District Development Councils had to await formal constitutional provision. Also, the Government's first priority was the superimposition of a system of executive President on the Westminster model that had been in operation since 1947.

District Ministers as Ministers outside the Cabinet

The formal constitutional provision for the appointment of District Ministers came in the form of the Second Amendment to

^{3.} The Throne Speech was replaced by the Statement of Government Policy after the adoption of the First Republican Constitution of 1972.

^{4.} Hansard 4 August 1977, column 110.

^{5.} Impressions of interviews with some Government Agents, The introduction of proportional representation in the matter of elections to the next Parliament and the consequent enlargement of the electorate to embrace a district may eventually lead to the eclipse of the MP as a representative of local interests. Also, see f.n. 35 in this chapter.

the Constitution of 1972.⁶ The main objective of the amending bill was the constitutional provision for an executive presidency, in the Gaullist style⁷." The introduction of a presidential form of government in order to provide for a stable executive had been, for some time, a consistent theme in the public statements of the leader of the UNP.⁸ Thus, it came as no surprise when he imposed this line of thinking on his party in preparation for the General Elections of 1977.⁹ The party manifesto for the General Elections spelt this out in very clear terms:

Executive power will be vested in a President elected from time to time by the people. This will ensure stability of the executive for a period of years between elections. The Constitution will also preserve the Parliamentary system we are used to, for the Prime Minister will be chosen by the President from the party that commands a majority in Parliament and the other Ministers of the Cabinet will also be elected Members of Parliament.¹⁰

The main features of the presidency, that was introduced by the Second Amendment, were that the President shall exercise all executive power, be the Head of State and Government and the Commander-in-Chief of the armed forces. He would appoint the Prime Minister and other Ministers, preside at meetings of the Cabinet as its Head, determine the number of ministries and the assignment of functions to them reserving the right to assign to himself any subject or function. As Head of State his powers include, among others the power of summoning, proroguing and dissolving Parliament. In short, it is a combination, in the

^{6.} Second Amendment to the Constitution: A Bill to amend the Constitution of Sri Lanka, presented in the National State Assembly on 22 September 1977.

^{7.} Jeyaratnam Wilson, The Gaullist System in Asia (Macmillan, 1980), p. 29.

^{8.} See footnotes 4 and 7 in Chapter IV.

^{9.} For an account of this development within the UNP, see W. A. Wiswa Warnapala, "Transition to a Presidential System of Government: The Second Amendment to the Constitution of Sri Lanka", The Indian Review Vol. 1 No. 1, pp. 44-48.

^{10.} U.N.P. Manifesto-1977 op. cit., p. 10.

person of an executive President, of the powers of a constitutional Head of State as envisaged in the Republican Constitution of 1972 with the executive authority of a Prime Minister in the Westminster model. According to the amending bill the then Prime Minister was to assume the office of President on an appointed day. The Second Amendment also made provision, for the first time in the constitutional history of the country, for the appointment of Ministers who would not be members of the Cabinet. The relevant amending clause in the bill read:

The President may, from time to time, appoint from among the Members of the National State Assembly, Ministers, who shall not be members of the Cabinet of Ministers. The President shall assign to such Ministers such subjects and functions as he may determine, and may, at any time change such assignment.¹¹

The immediate purpose of the amending clause was to provide for the appointment of District Ministers. Explaining this, J. R. Jayewardene (then the Prime Minister) informed the House:

Under the present Constitution you have Ministers of the Cabinet of Ministers. Now we are giving the power to the President to choose Ministers who are not in the Cabinet of Ministers and we hope to make them District Ministers......

Under the present Constitution every Minister is chosen by the Prime Minister and has to be in the Cabinet. But we want to have a system of District Ministers, one for each District, chosen from the Members of this Assembly—not from outside.¹²

The Second Amendment was adopted by the National State Assembly on 4 October 1977 and certified by the Speaker on 20

^{11.} Clause 15, A Bill to Amend the Constitution of Sri Lanka op. cit.

^{12.} Hansard 23 September 1977, columns 1241-1242. This provision has also been used subsequently to appoint Project Ministers, functioning outside the Cabinet.

October 1977. Its operation was postponed till 4 February 1978 to coincide with the anniversary day of Independence — which the UNP prides itself on as something it had negotiated for the country.

The constitutional provision for both an executive President and a District Minister system through the Second Amendment may not have been a coincidence. It would be recalled that the introduction of the DPA system under the previous administration led to the "presidentialisation" of the office of the Prime Minister, and that at that time the Co-ordinating Secretariat displayed certain features of a presidential style of government. In fact, the two systems are complementary and a District Minister system requires the strong backing of a "presidential hand" if it is to meet effectively the challenges of authority and power emanating from the functional ministries. As should be clear by now, a District Minister system is not compatible with the strict application of a concept of ministerial responsibility along functional lines of authority. What is more, if it is the intention to strengthen the hand of the President within the executive, then the District Minister system affords an excellent opportunity. Thus, the President can keep a check on wayward Ministers, at the centre through the appointment of Secretaries to ministries and at the periphery through District Ministers. The original wording of the amending clause lent support to this view. It specified that "every Minister (meaning ministers other than Members of the Cabinet) appointed under this section shall be responsible and answerable to the President and to the National State Assembly."13 This provision was subsequently altered, at the time of adoption of the Second Republican Constitution in 1978, to read "shall be responsible and answerable to the Cabinet of Ministers and to Parliament;" perhaps, in deference to the sensibilities of the functional ministers.14

The Preliminaries to the Appointment of District Ministers

Although the amending provisions came into operation in February 1978, the District Miristers were not appointed

^{13.} Clause 15, A Bill to Amend the Constitution of Sri Lanka op. cit.

^{14.} Article 45(3) of The Constitution of the Democratic Socialist Republic of Sri Lanka 1978.

immediately. This was indicative of a fairly cautious and deliberative approach the new Government was adopting towards this novel institution. The implications of the introduction of a District Minister system were studied in great detail by the Development Planning Unit of the then Ministry of Planning and Economic Affairs, which obtained the services of a UNDP consultant for this purpose. Whilst commenting that in the proposal for District Ministers "the Government of Sri Lanka appears to have brought itself to the threshold of potentially substantial reforms in respect of district administration and of local government" it struck a cautionary note in the following paragraph:

A major weakness of institutional reforms and of reform proposals (in Sri Lanka) over the past 25 years has been their excessively piecemeal and often ad hoc character. It is a weakness which one hopes may be avoided at the present time in respect of the creation of District Ministers. If this new institution were to be created, as appears to have happened with the Political Authority System, without adequate regard for its impact on other institutional structures then the chances for success will be minimised and the probability of unintended consequences maximised.¹⁶

Of course, the most serious implication of the introduction of a District Minister system was its impact on the system of cabinet government itself and the attendant conflict with the concept of ministerial responsibility; a point on which the Dawson Report was surprisingly silent, 17 may be for tactical reasons. But, given the determination of the Government to go ahead with the scheme, the report indicated certain useful areas of inquiry which, no doubt, would have engaged the attention of the political leadership and the planners.

^{15.} Peter Dawson, The Implications of the District Minister System for District Administration mimeograph, Ministry of Planning and Economic Affairs, September 1977.

^{16.} Ibid., p. 3.

^{17.} Suprising, because this point had already been raised in the literature cited in the bibliography attached to the report.

Another reason which delayed the appointment of District Ministers was the Government's preoccupation with the task of drafting a new Constitution in terms of its election manifesto. 18 On 20 October 1977 the National State Assembly adopted a resolution for the appointment of a Select Committee to consider the revision of the Constitution. This Committee commenced its deliberations by publishing in the newspapers a notice calling for representations in respect of matters contained in a Questionnaire prepared by it 19 Item No. 5 of the Questionnaire read:

What are your views in regard to the appointment of District Ministers, their powers and functions? 20

Understandably, the Government would not have wished to proceed with appointments to an institution which was engaging the attention of the Select Committee. The report of the Select Committee was presented to the National State Assembly on 22 June 1978 and the chief proposal, in respect of the institution of District Minister, was the amendment of the Constitution in regard to the answerability clause to read that District Ministers 'shall be responsible and answerable to the Cabinet of Ministers and to Parliament"; instead of the earlier provision by which they were responsible and answerable "to the President and to the National State Assembly." ²¹

On the same day the Government tabled a White Paper on the subject of District Ministers, it being the first comprehensive statement by the Government on the subject since it assumed office.²² It explained that the scheme of District Ministers "will

^{18.} U.N.P. Manifesto op. cit., p. 10.

^{19.} Report of the Select Committee of the National State Assembly Appointed to Consider the Revision of the Constitution Parliamentary Series No. 14, 1978, p. 141.

^{20.} Ibid., Appendix I, p. 198.

^{21.} Ibid., Article 44 of Draft Constitution, Appendix II, p. 548. The term Parliament was re-introduced, in place of National State Assembly, in the draft constitution prepared by the Select Committee.

^{22.} Proposals for the Appointment of District Ministers tabled in the Nationa State Assembly on 22 June 1978. The White Paper is reproduced as Appendix III.

strengthen the representative character of the democratic system by grafting on to it a scheme for self-management by the people of a district." Accordingly, the chief objectives of the proposals were cited as:

- (a) enabling the people to participate in the administration at the district level through their elected representatives,
- (b) enhancing the accountability of District Ministers to the President, the Cabinet of Ministers, and Parliament, and
- (c) facilitating control, co-ordination and the expeditious functioning of activities of the administration at the district level.

The White Paper envisaged the setting up of District Development Councils, presided over by the District Minister, consisting of the Member of Parliament of the district and not more than ten others including representatives of local authorities and nominees of the President. The admit istrative arrangement proposed was in the nature of a mini-mit istry for the district, with an administrative head designated Secretary to the District Minister and appointed by the President. Functions were to be assigned to the District Ministers by the President. Once assigned they were to be "performed by the District Minister and executed by him and the Council through the Secretary." The proposals listed fifteen subjects that were to be handled by District Development Councils:

- (i) Agriculture and Food;
- (ii) Land Use and Settlemert;
- (iii) Animal Husbandry;
- (iv) Co-operatives;
- (v) Small and Medium-Scale Industries;
- (vi) Fisheries;
- (vii) Rural Development;
- (viii) Housing;
 - (ix) Education;
 - (x) Health Services;
 - (xi) Cultural Affairs;
- (xii) Minor Irrigation;

- (xiii) Agricultural Marketing;
- (xiv) Social Services;
- (x1) Agrarian Services.

The list of subjects was so wide that it would have satisfied the demands of the most ardent of enthusiasts of administrative decentralisation. However, the mini-ministry concept did not materialise, it being superceded by a local body under the Development Councils Act No. 35 of 1980. The statutory provisions of this local authority will be discussed in the next chapter.

The Appointment of District Ministers

As explained above, the formal appointment of District Ministers had to await the adoption of the Second Republican Constitution in September 1978. In the meantime certain preparations had beer made. In October 1977, all deputy ministers had been written to informing them of the intention to appoint District Ministers as Ministers without Cabinet rank and inquiring from them whether they wished to continue as deputy ministers or be considered instead for appointment as District Ministers.²³ At that time, the role of District Ministers had not been well defined whereas deputy ministers were an established part of government's power structure, the latter role providing for opportunities to act for a Cabinet Minister and, generally, being regarded as a stepping stone to future Cabinet appointment. In the event, the deputy ministers were not too eager to relinquish their present positions although many of them (author's conjecture) may have wished to have both. Finally, the Government decided to appoint a fresh set of MPs, all of them first-timers in Parliament, as District Ministers. Perhaps, the Government would have considered this as an useful means of inculcating administrative experience to the new parliamentarians, although the obvious undertones of patronage -"enabling a President to cast his net far and wide to secure support in the legislature"24 — cannot be overlooked.

^{23.} Personal interview with Mr. M. S. Amarasiri M.P. then Deputy Minister for Trade and Shipping.

^{24.} Wilson The Gaullist System op. cit. p. 66.

Twenty two District Ministers, one for each district, were appointed by the President on 5 October 1978.25 There was no formal assignment of subjects and functions in the manner and form that is utilised in the case of other Ministers. They took their oaths before the President as Ministers appointed under Article 45 of the Constitution.²⁶ As in the case of District Political Authorities their functions were left open, wide and flexible under the broad understanding of co-ordination.²⁷ As explained by the President at a meeting of District Ministers, the powers and functions were to be as wide or as narrow as the particular District Minister was able to make them.²⁸ It was a system which leaned heavily on the individual personality of the District Minister, his or her understanding of the administrative network and its intricacies, the ability to get a good response from the public service and also the central ministries In this respect, it was very much like the DPA system from which it had evolved. However, in one important respect it differed from the DPA system and that was in the relationship of District Ministers to central ministries. Right at the outset, the advice given by the President to District Ministers was that they should work in close consultation and in liaison with the functional ministers and act according to programmes approved by them.29 Even the follow-up of matters discussed at the monthly meetings between the President and the District Ministers was channelled through the respective ministries; ministers and their senior officials themselves being present at such meetings in order

^{25.} The list of District Ministers is reproduced as Appendix IV. Two vacancies in the districts of Jaffina and Mulaitivu were kept unfilled in the expectation of offering them to members of the TULF the Tamil Opposition party. This did not materialise and they were also later filled by two Government party MPs.

^{26.} Personal interviews with District Ministers M/S P. Dayaratne (Amparai District) Kirthi Abeywickrema (Matara District) and M. S. M. Aboosally (Ratnapura District).

^{27.} Letter No. P/CF/17 (DM) of 15 December 1978 issued to District Ministers by the President.

^{28.} Narrated by District Minister Mr. P. Dayaratne. Personal interview.

^{29.} Ceylon Daily News city edition, 20 October 1978, report of President's address to the newly-appointed District Ministers p. 1.

to clarify and present the ministry point of view.³⁰ Apparently, a conscious attempt was being made to avoid a conflict between District Ministers and central ministries.

The regular meetings between the President and the District Ministers (generally at monthly intervals) helped to institutionalise the District Minister system. Ministers attended these meetings, especially if items falling within the purview of their ministries were on the agenda. Whilst there was every opportunity for the District Ministers to take up matters felling within the purview of individual ministries separately with the Minister concerned, the former were not averse to making use of this forum also to discuss such matters. Perhaps, the presence of the President and other Ministers lent the meetings an air of a direct dialogue with the highest decision-making body - the Cabinet. Also the meetings may have acted as a presidential check on the ministries themselves; the matters discussed being reported on and followed up at subsequent meetings. The matters discussed impinged on a wide range of government policy and activity.31 A typical meeting would include discussions on matters such as repairs to school buildings, promotion of palm oil production, improving handloom textile centres, the provision of better terms and facilities for Police Reservists, the shortcomings of the telecommunication services, the need for increased allocations under the Decentralised Budget, shortage of staff in government departments, tank repairs, demarcation of national parks and sanctuaries, etc.32 Almost all of them came within the ambit of individual responsibility of central ministers and, very often, the matter ended with either the Minister concerned explaining the policy position of agreeing to concede the District Minister's request; the former being more the rule according to the minutes of such meetings. This prompted one senior official who regularly attended such meetings to describe the matters under discussion as "mostly parochial."33 Whilst this is no

^{30.} From an interview with Mr. S. M. L. Marrikkar, Additional Secretary, President's Office.

^{31. &}quot;Minutes of District Ministers Meetings" Ministry of Home Affairs file.

^{32.} Ibid. minutes of meeting held on 28 May 1980.

^{33.} Personal interview.

doubt true, it has also to be borne in mind that this is exactly what could be expected of the role assigned to District Ministers. They were basically co-ordinators who had to tie up the loose ends in a multitude of government activity taking place at the district level. Their interest was specific, not general and their horizon was circumscribed by the district boundary. Necessarily, they had to raise these very specific and local matters to obtain redress or solution. From another point of view the District Ministers were fairly new parliamentarians who, in view of their lack of administrative experience, cannot be expected to conceptualise from the specific to the general. Even if this were done, it would have involved them in matters of policy., the prerogative of Members of the Cabinet. Ultimately, it would have appeared to them a safer course of conduct to raise specific issues rather than engage the wrath of functional ministers by appearing to encroach on their torritory - policy formulation.

A Brief Comparison - DPA and DM Systems

In many respects, the District Minister system resembled the District Political Authority system that it replaced. Two points of difference, however, have to be recorded. Firstly, the District Ministers had a formal constitutional position that was not The former were available to the District Political Authorities. appointed in terms of Article 45 of the Constitution whereas the latter owed their positions to the informal authority of the Prime This distinction, however, had no visible impact on their respective roles. The DPAs acted with as much authority and confidence as their successors who had a constitutional status. In the performance of their assigned functions of co-ordination and supervision they were indistinguishable; one set faring no better or worse than the other.34 Secondly, a conscious effort appears to have been made to stave off a collision between the activities of District Ministers and the responsibilities of functional ministers. The selection of relatively junior parliamentarians for appointment as District Ministers, the clear instructions issued to them at the outset to work in consultation with functional ministers

^{34.} Interviews with GAs who have had the experience of both systems.

and in accordance with programmes decided by the latter, the association of functional ministers at regular meetings with District Ministers, the avoidance of a "presidential style" in dealing with matters raised by District Ministers and the act of channelling these matters through the respective ministries had the cumulative effect of marking out a subordinate status for District Ministers when compared with their predecessors. Whether this conformity with the conventions of the Westminster style augured well for innovation and change (which the District Minister system symbolised) is a matter that leaves much room for debate. For the present, it has to be conceded that whilst subscribing to the practice of functional responsibility of central ministries and the concept of ministerial responsibility it was only prudent to have instilled in District Ministers a respect for their constitutional and political seniors, a point that appears to have been neglected in the operation of the DPA system.

The ill-effects of the rising power of the local Member of Parliament on the DPA system were discussed in Chapter VI. Instances cited were the over-riding powers given to the Government MP in the field of Land Reforms, co-operative society management, appointment of "Grama Sevakas" and members of Agricultural Productivity Committees and Cultivation Committees. The accumulation of unbridled power in the hands of a single individual and the attendent abuses it brought about did much to damage the operation of the DPA system with which the Government MPs were inextricably involved. Although to the discerning the power of the Government MP and the DPA system were two separate things, the general public misread the evils of one as symptoms of the other. Perhaps, in recognition of this danger an attempt appears to have been made initially to rid the District Minister system of some of the ill-effects emanating from the rising tide of the power of the Government MP. The decision to subject the Boards of Management of co-operative societies to popular election by the membership was a case in point. However, the problem remained basically the same. As one Government MP explained. the Member of Parliament (belonging to the Government) has become, in the eyes of the public, so entrenched in the administrative

structure in respect of matters affecting his electorate that it would require a tremendous effort to dislodge him at this stage.

Some of the official documents that have been released, in recent times, concerning the state of affairs that prevails at the district level also reflect the situation described in the preceding paragraph. A Government Agents' Conference held in August 1978 recorded the recurring theme of the omnipotent position of the Government MP in the matter of deciding priorities on items of expenditure to be accommodated under the Decentralised Budget.!! The influence of the MP was so strong that one GA even argued against a special allocation being granted to be spent at the discretion of the GA himself. He explained:

MPs will also approach us and we will not be able to use our discretion on the matter.

About two years later, another representative group of district level officials consisting of engineers, general administrators, education specialists, agricultural specialists voiced their concern about the "interference by politicians in transfers of officers engaged in development programmes without any consideration to the progress of the work" and "deciding priorities of projects, change of projects from one village to the other merely on political grounds." They went on to pinpoint that "appointments are often made through political sponsorship and these appointees are neither suited to the

^{35.} Impressions of an interview with Mr. Vincent Dias M.P. for Badulla and others. Mr. Dias went on to express the opinion that even after the adoption of the district as the parliamentary electorate political parties would be compelled to associate candidates with smaller areas within each district for purposes of political mobilisation. There are indications that the "party list" system would be amended to accommodate this.

^{36.} The Decentralised Budget in Sri Lanka, Report of a Seminar for Government Agents held on 11 August 1978 Ministry of Plan Implementation Annexures pp. 139-168.

^{37.} Ibid. p. 103.

^{38.} Report of the Workshop on Implementation of District Development. Works — 23.2.1981 to 3.3.1981, Ministry of Plan Implementation 1981, mimeograph p. 7.

job, nor are they sufficiently skilled to perform their duties."³⁹ At a much higher level, about fifteen heads of department lamented that "the impression is fast gaining ground that political and personal influences are more important than efficiency and the bility to perform."⁴⁰ On the adverse effects of political meddling they commented:

Political interference in day-to-day matters of administration have tended to erode the authority of Heads of Department and supervisors thereby destroying their enthusiasm and will to work. It is useless delegating duties unless at the same time sufficient authority is conferred to carry out such duties without fear or favour. Political meddling of this sort takes away the required authority formally delegated and thus undermines the process of delegation without which no administration can carry on.⁴¹

It would, thus, appear that whatever government was in power, whatever designation that was assigned, be it DPA or DM, the inexorable trend of politicisation is taking an increasingly firmer grip of the administration.

The Decentralised Budget

For one full year after the formation of the UNP Government of July 1977, the Decentralised Budget functioned under the aegis of the Government Agent. Till October 1978 there were no District Ministers to preside over its disbursement. Instead, the Government formalised what had been in existence even earlier in many districts by allocating funds to the Decentralised Budget on an electorate basis. From the begining of 1978 funds were provided at the rate of Rs. one million per electorate.⁴² This strategy took

^{39.} Ibid. p. 15.

^{40.} Top Management Seminar/Workshop on Current Issues in Personel Manage ment in the State Service, Sri Lanka Institute of Development Administration, mimeograph, 4 September 1980 p. 7.

^{41.} Ibid. p. 7.

^{42.} Financial Estimates 1978. Subsequently the 1978 allocation was increased to provide for the completion of all items of work that had been started prior to 1978. See The Decentralised Budget in Sri Lanka op., cit. p. 2.

away much of the responsibility from the GAs and institutionalised it in the Member of Parliamert. Also, by then the Treasury was adopting a procedure in regard to the release of funds which virtually short-circuited the GA. Although the funds were shown in the Estimates as coming under the Decentralised Budget, in practice they were released by the Treasury, on application, to the executing departments through their respective functional ministries. In actual operation, this meant that the MPs first canvassed the departmental officers in the districts for accommodation of a project within the year and then obtained the necessary funds from Colombo through the functional ministry.⁴³ The position of the GA was, thus, reduced to that of a mere spectator, the Decentralised Budget acting as a facade for what was, in effect, the earlier budgetary practice of allocating funds to the central departments.

A substantial change in the attitude of Government towards the Decentralised Budget took place in January 1978 when it was brought under the purview of the Ministry of Plan Implementation, which functioned directly under the President. With a view to resuscitating the novel budgetary system — a system that had proved to contain a very effective budgetary style - a series of discussions were initiated with various parties involved in its operation; the first of them being the Government Agents Seminar of August 1978 to which reference has already been made. The most important outcome of this seminar was the reversion to the practice of allocating funds directly to the districts as was envisaged when the Decentralised Budget was first mooted. Another decision of importance was, and on this there was a divergence of opinion, the ratification of a Government decision already taken to institutionalise the parliamentary electorate as the basis for the provision of funds. Observing the trend that had been developing over the years of institutionalising the parliamentary electorate as a unit of administration, this has to be considered as something inevitable. The second important landmark in the series of discussions was the appointment of a Committee of District Ministers "to study the constraints to speedy implementation of works approved under the

^{43.} The Decentralised Budget in Sri Lanka op. cit. p. 11.

Decentralised Budget."44 They co-opted into their Committee the technical heads of central departments involved in the execution of works under the Decentralised Budget; for instance, Directors of Irrigation, Buildings, Highways, etc. Thus, in contrast to the earlier group this Committee comprised the political and specialist elements engaged in the operatior of the Decentralised Budget. Naturally, their chief concern was the facilities for implementation; machinery and equipment, vehicles, technical staff, building anp construction materials that are prerequisites to translating programmes into reality. In their view, "much of the blame must be laid on the absence of required machinery, equipment, vehicles and staff" and, hence, one of the major recommendations was the immediate transfer of Rs. 65 million from the Decentralised Budget for the purchase of machinery and equipment for the use of the Departments of Irrigation, Highways, Education and the Kachcheries.46

Also, an important development in the field of financial control took place around this time. Government Agents were appointed as Chief Accounting Officers (CAOs) for the purpose of the Decentralised Budget (also termed District Budget) with effect from January 1980.⁴⁶ It would be recalled that CAOs are normally Secretaries of Ministries and, hence, through such appointment the Government was substantially conferring a full-ministry status to the district administration and the district ministries. As a measure of decentralising financial control this could be regarded as an important landmark.

For some time the establishment of priorities in the selection of items of work under the Decentralised Budget was a matter that had engaged the attention of Government Agents, planners

^{44.} Report of the Special Committee of District Ministers Appointed to Study and Report on the Constraints Affecting the Successful Implementation of the Decentralised Budget Ministry of Plan Implementation mimeograph 4 June 1979.

^{45.} Ibid. p. 5.

^{46.} Circular letter No. PA25/1024F/1706CB of 4 January 1980 issued by Secretary, Ministry of Finance and Planning.

and the Government. In fact, at the GAs Seminar quoted above the manner of selecting items and deciding priorities on an ad hoc basis came in for serious criticism. It was felt that Members of Parliament made proposals that had been put forward by their political supporters without regard for the comparative advantages as assessed, say, on economic cost-benefit criteria. In response to this situation the Government directed the Development Secretaries Committee to examine the existing guidelines and to make proposals for a better use of Decentralised Budget funds. The Committee, in turn, delegated the task to a sub-committee headed by the Secretary to the Prime Minister. In examining the expenditure pattern for the years 1978 and 1979 they noted a heavy investment (about 68%) through the agencies of the Departments of Irrigation, Education, Highways and Local Government. Their main recommendations were, 49

- (a) a strict adherence to the expenditure guidelines spelt out in Treasury Circular No. Finance 203 of 11 February 1980, i.e.,
 - (i) each work should not exceed Rs. 500,000 in value,
 - (ii) item of work should be capable of completion within one year,
 - (iii) funds should not be used to enhance provisions made elsewhere it the Government Expenditure estimates, and
- (b) the identification of the following areas of expenditure as priority areas: minor irrigation, small industries, fisheries,

^{47.} The Development Secretaries Committee functioning under the chairmanship of the Secretary to the Cabinet and consisting of Secretaries of important ministries evolved under the UNP Government of 1977 into the premier-"think tank." Most matters requiring Government decision or attention were first vetted by this informal body.

^{48.} Report from the Development Secretaries on the Establishment of Priorities in the Utilisation of Decentralised Budget Funds Ministry of Plan Implementation, mimeograph, September 1980.

^{49.} Ibid. pp. 4-5.

rural roads, school buildings, rural health and family planning centres, strengthening of marketing facilities rural water supply schemes, forestry development.

Instructions on these lines were issued towards the tail-end of 1980. Unconfirmed reports, however, point to a utilisation pattern that still reflects very strongly the political pressures on the respective Members of Parliament; the need to utilise the funds before the close of the year acting as the overwhelming consideration. As the executive agencies are traditional government departments there may also be the tendency to dovetail the funds into familiar expenditure slots without seeking more enterprising avenues for such expenditure.

Whilst district patterns of expenditure are interesting and useful matters for study, the overall expenditure under the Decentralised Budget for a given year is of greater significance for an evaluation of its importance as a strategy and a tool in the hands of Government. It should not be forgotten that any meaningful decentralisation, whether through Development Councils or as a matter of internal re-organisation of the central government, has to be linked to a ready supply of resources from the central government. Thus, the quantum of funds apportioned to the Decentralised Budget in a given year is a measure of the importance that is attached to it by Government and a good indicator of "real" decentralisation.⁵¹

It would be recalled that during the first four years of its operation the provision under the Decentralised Budget was subjected to a fair degree of fluctuation but stabilised around the figure of thirteen per cent of the total capital expenditure of Government (refer Table 7). It would also be recalled that this was indicative of an attitude of rigidity on the part of functional ministers towards the innovation; an attitude that was brought about by the political factors operating at that time. In the subsequent years, although the quantum of funds spent each year under the Decentralised Budget was higher, its percentage in relation to the total

^{50.} Personal interviews with some GAs.

^{51.} See supra p. 116.

capital expenditure of government nevertheless decreased. Even the increase in the quantum of funds to around Rs. 400 million per year has to be discounted for inflation.⁵² Thus, the volume of work that can be executed under the Decentralised Budget has diminished considerably; implying a reduction in real terms. Of greater interest, however, is the fact that this devaluation of the Decentralised Budget has taken place against a background of unprecedented increase in the total capital expenditure of government. Table 11 brings this out very clearly.⁵³

TABLE 11. — EXPENDITURE UNDER THE DECENTRALISED BUDGET (DCB) 1978 — 81

Year	Expenditure under the DCB (Rs. million)	Total Capital Expenditure (Rs. million)	DCB Expenditure as a Percentage of the Total
1978	426	5449	7.8
1979	400	7809	5.1
1980	420	12191	3.4
1981	420	12465	3.3

Sources: Government Financial Estimates (1978, 1979, 1980, 1981), Annual Reports (1978, 1979, 1980), Central Bank.

A number of contributory factors have to be taken into reckoning when attempting to interpret the above results. Firstly, the original concept of a Decentralised Budget envisaged a situation whereby the Government established its priorities in the context of decentralisation as an administrative strategy and decided very consciously what portion of the capital budget of a year was to be earmarked for small works of a district nature. In fact, it would be recalled (Chapter V) that the original dispute was whether this proportion should be as high as fifty per cent or the low figure of ten per cent suggested by the Ministry of Finance at that time. In its original formulation, it was to be a deliberate decision of a

^{52.} The rate of inflation has been variously estimated. The official Central Bank figures were 15, 20 and 30 per cent for 1978, 1979 and 1980, respectively. Mallory E. Wijesinghe quotes a figure of 32 per cent from a World Bank Report (1980) Sri Lanka's Development Thrust (Aitken Spence & Co, Colombo, 1981) p. 33. The years 1981, 1982 saw reduction in the rate of inflation.

^{53.} The figures of expenditure under the Decentralised Budget have been obtained from the Division of Regional Development Ministry of Plan Implementation. See also Decentralised Budget Expenditure Patterns, mimeograph, Ministry of Plan Implementation, April 1980.

government which regarded decentralised capital investment on small local works as a viable strategy for economic development. Over the years, this important concept behind the Decentralised Budget lost its meaning and succumbed to the more mundane objective of providing sufficient funds to keep the individual Members of Parliament contented. This change of emphasis was institutionalised when, in 1978, the Government adopted an allocation of Rupees one million per electorate as the determinant. Thereafter, the question was how much each MP was to be given, and not what proportion of the capital expenditure was to be apportioned to the Decentralised Budget.

Secondly, the Decentralised Budget reflected a deliberate shift from the conventional style of allocating funds to economic sectors and functional ministries. However, at the operational level, the executing agencies in the implementation of the Decentralised Budget were the very appendages of the functional ministries the district offices of government departments. Hence, there was an in-built conflict of interests operating at the district level between the work programmes of functional ministries and those of the Decentralised Budget. Given the limitations, of technical staff, equipment and machinery, under which most executing agencies were functioning there was a definite limit to the work load that could be carried through successfully in a given year. If this limited work capacity was taxed too much by the Decentralised Budget, functional ministries would have suffered.55 Conversely, to the extent that the funds under the Decentralised Budget were kept low, not only were the funds available to functional ministries the greater but also there was a greater opportunity for using the limited administrative capacities at the district level on programmes that brought credit directly to the functional ministries and the ministers concerned. Thus, whatever be the public protestations of governments of their concern for the Decentralised Budget, the

^{54.} The Decentralised Budget in Sri Lanka op. cit. 13. This figure was later increased to Rs. 2.5 million per electorate.

^{55.} In fact, in 1979 the Buildings Department refused to undertake any construction work for the Decentralised Budget on the grounds that their own work-load was too heavy, Report of the Committee of District Ministers op. cit. p. 7.

interests of central Ministries operated to keep such expenditure from becoming too serious a threat to their own "empires."

Thirdly, a significant part of the capital expenditure of government, in recent times, has been financed from external aid sources, These finances were generally tied to specific projects⁵⁶ and, hence, were not availabe for disbursement on other programmes like the Decentralised Budget. Also, once the donors had agreed to a sum of money for a project it would have been only prudent to accommodate such expenditure in the Government's programme of work as early as possible, lest inflation or changed circumstances in the donor countries alter the commitment. Of special relevance in this regard were expenditures on the Accelerated Mahaweli Development Project and the Housing and Urban Development Programme which were heavily financed from foreign sources.⁵⁷ In fact, the Mahaweli Project and the Housing and Urban Development Programme together accounted for a very large slice of the capital budget and were the chief contributors to the massive increase in capital expenditure in the late seventies. Table 12 offers a clear picture of the emergence of the two ministries responsible for these programmes as the "big spenders" since 1978.

TABLE 12. — CAPITAL EXPENDITURE UNDER FIVE SELECTED MINISTRIES, 1978 — 80

Ministry	Percentage	of Total Co	apital
We will don't have been blind	1978	1979	1980
Finance and Planning	31	8	6
Industries and Scientific Affairs	18	9	4
Mahaweli Development	9	19	28
Plan Implementation /	. 8	6	6
Local Government Housing and Constru	ction 5	16	17
Total Capital Expenditure (Rs. million)	5440	7808	12403
Sources: Annual Reports and Review Central Bank.	of Economy	(1978, 1979	, 1980)

Fourthly, the emergence of the Integrated Rural Development Programme in 1979 tended to downgrade the importance of the

^{56.} Wijesinghe Development Thrust op. cit. p. 32.

^{57.} Ibid., p. 33.

Decentralised Budget as an instrument for district-based development. The new programme has the same basic ingredients that were to be found in the Decentralised Budget namely, districtoriented expenditure on works of a local character and the control of the disbursement of such expenditure by district-based officials. As in the case of the Decentralised Budget, funds are given to the districts directly and cannot be transferred to other districts. programme has certain distinct advantages over the Decentralised Budget. A major portion of the funds for Integrated Rural Development Projects are from foreign sources and they are granted after a careful formulation and scrutiny of project reports. Thus, not on'y are the funds assured on a continuing basis but the individual items of expenditure are selected well in advances as a cohesive package leaving very little room for adjustment or manipulation. The donor countries take a special interest in the projects financed by them and, hence, the tendency for meddling by local politicians, that is evident in the case of the Decentralised Budget, is minimised. The local politicians themselves are attracted to it because of the ready sources of finance and the sure results. This programme which began in 1979 in three districts has now been expanded to embrace nine districts.58 In comparison with the Decentralised Budget the Integrated Rural Development Programme presents a picture of increasing importance (Table 13)

TABLE 13. — EXPENDITURE UNDER THE DECENTRALISED BUDGET AND THE INTEGRATED RURAL DEVELOPMENT PROGRAMME 1978 — 82

Year	Decentralised Budget Provision in Rs. mill.	Integrated Rural Development Programme Provision in Rs. mill
1978	426	Nil
1979	306a	94
1980	420	167
1981	420	196
1982	420	315

Sources: Government Financial Estimates (1978 1979 1980 1981 1982).

a. In the year 1979 the provision under the Decentralised Budget was increased to Rs. 400 million by supplementary estimate.

^{58.} Government Financial Estimates 1978, 1979, 1980, 1981, 1982, Votes of Ministry of Plan Implementation.

This chapter traced the changes that occurred in respect of the two instruments of decentralisation — the DPA system and the Decentralised Budget — after the change of government in July 1977. Though modified in some respects, the basic feature of decentralising the decision-making process that was evident in them was retained. However, a more important development in the field of local government came to envelop the above changes. That was the creation of District Development Councils, which ultimately absorbed the concept of a District Minister. As such, in the next chapter this study will focus its attention on the District Development Councils.

CHAPTER VIII

DISTRICT DEVELOPMENT COUNCILS

One of the chief concerns of the new Government that came into office in 1977 was the desire to invest the DPA system, firstly, with a sound constitutional status and, secondly, with some form of local government participation. The developments outlined in the previous chapter were concerned with the first part of this objective and culminated in the amendment of the Constitution and the formal appointment of District Ministers. The second aspect of reform was based on the view that the DPA system was a scheme devised to ensure political mobilisation rather than genuine decentralisation. Certain sections of the inaugural speech delivered by the previous Prime Minister at the time of launching of the DPA system lent some credibility to this view, for instance the following excerpt:

We should go forward with deep resolve and hope discarding all political and other differences to mobilise the support of all sections. The food problem is a common problem which we all have to face......... It is due to this reason that all should be prepared to play our part in this struggle. It will be necessary to set up organisations at district level and on an electoral basis with the help of prominent people in the areas, government officials and voluntary organisations. Assistance of all should be sought and if they are prepared to give their co-operation, we should make use of it.¹

The Link-up with Local Government

The DPA system had also been faulted for too heavy a concentration of power and authority in a single individual.² It

^{1. &}quot;Speech made by the Prime Minister at the B.M.I.C.H. on 20 September 1973", mimeograph, Co-ordinating Secretariat of the Prime Minister p. 3.

^{2.} Vijaya Samaraweera "The Administration and the Judicial System" in Sri Lanka: A Survey op. cit. p. 360.

is in line with this thinking that the party manifesto of the new Government placed emphasis on a greater participation of the people in the processes of government and a re-vitalisation of the local government system,

- (a) by creating more responsible local government bodies with wider areas of operation,
- (b) by providing adequate finances for them from the central government, and
- (c) by providing for the election of heads of Local Bodies by direct voting.³

The District Ministers were to be linked to this process through District Development Councils. According to the original conception of Development Councils, they were to be headed by the District Ministers and consist of Members of Parliament of the district, elected heads of local bodies and government officials.4 The White Paper on District Ministers, issued on 22 June 1978, changed the composition of the Development Councils to provide for the inclusion of Members of Parliament of the district (as before) and not more than ten others, consisting of representatives of local authorities and nominees of the President; it being still the function of the District Ministers to preside over the respective Council.5 However, the understanding up to that time was that these Councils will not be local bodies themselves but appendages of the central government under the direction of a District Minister, who will be a part of the central executive. Whatever representation of a local nature that was to be in the Council, in the form of representatives from local bodies, etc., was thought of as a means of providing for a participation of the local people with the District Minister, in the discharge of what was to be essentially the latter's duties. On the local government front, there were to be three types of local Municipal Councils and Urban Councils were to continue bodies. as before with, of course, direct elections to the positions of mayor and chairman respectively under a proportional representation scheme of voting. Town Councils and Village Councils were to

^{3.} U.N.P. Manifesto op. cit. p. 10.

^{4.} Ibid.

^{5.} Appendix III.

be merged and consolidated into larger Rural Councils, corresponding roughly to an AGA's division, as proposed by the Moragoda Commission.⁶

In this setting, a Presidential Commission was constituted in August 1979 to inquire into and report on the setting up of Development Councils, one for each admin istrative district. The main terms of reference, were;

- (i) to examine and report on the manner in which economic development activity in a district could be planned and co-ordinated through District Ministers and Development Councils having regard to the existing structure of local government,
- (ii) to recommend the manner of the composition of such Councils including the manner by which representatives to such Councils could be selected,
- (ii.) to report on the manner in which such Councils shall direct and supervise the activities of local authorities, and
 - (10) to determine the subjects that shall devolve on such Councils having regard to the proposals contained in the Government's White Paper on District Ministers.

As is usual on such occasions, written representations were called for from the public and organisations on the matters under inquiry. The response was, quite unexpectedly, of a tangential nature. Many of those who made representations interpreted the matters under inquiry as those involving a devolution of power from the central government to other local bodies; or designed to usher in regional autonomy of some kind; or devised to provide solutions to the ethnic problem which had manifested itself in a demand for a separate state for the Northern and Eastern Provinces. And, they

^{6.} Report of the Commission on Rural Councils unpublished, Ministry of Local Government, Housing and Construction. See report in Ceylon Daily News city edition 15 June 1979 p. 1.

^{7.} Report of the Presidential Commission on Development Councils Sessional Paper V of 1980. (Government Printer Colombo).

argued either for or against such a view. Apparently, two members of the Commission were themselves inclined to this view. In view of this it would be pertinent at this stage to digress, somewhat, on to certain aspects of what is commonly called the problem of the Tamil minority. It would also be necessary to offer a few comments on local government developments in the country in order to bring the current issue into focus.

The Problem of the Tamil Minority

The social composition of Sri Lanka is mixed, embracing different communities or ethnic groups, each based on distinctive characteristics of language, religion or ancestry. The Sinhalese constitute the major community accounting for about seventy per cent of the population. The next most important group is the Tamil community (called Ceylon Tamils to distinguish them from the Indian Tamils in the plantation areas of the hill-country) consisting of about ten per cent of the population, concentrated mainly in the Northern and Eastern Provinces of the country. Owing to the numerical strength of the majority community, the Tamils have been rendered a permanent minority in their homeland and have been harbouring a sense of grievance on this count. Their response has been, for some time, a clamour for a degree of regional autonomy for the Northern and Eastern Provinces in which they form a majority. They have been associated in this agitation for regional autonomy, to varying degrees, with the Tamil-speaking Moor community, the largest concentration of which is to be found in the Eastern Province. Also an important societal feature of recent times has been the vertical integration of communities disregarding internal differences within them of class, caste and creed. This has resulted in a social cleavage as each group has tended to be insular and emphasise its own language, religion and culture.

The transition from colonial rule to self-government further aggravated this rift. In the constitutional debate that led to sovereign status, the Sinhalese community pressed for unencumbered majoritarian rule whilst the minorities, understandably, sought to temper the power derived from numbers by various constitutional devices such as communal balances, minority safeguards, etc.

^{8.} Ibid., pp. 85 and 113.

In the end, the argument was carried by the majority at d at Independence the dominant legislature reflected largely the communal composition of the cour try. The virtual disfranchisement of the Indian Tamils (about ten per cent of the population) through the enactment of the Indian and Pakistani Residents (Citizenship) Act of 1949 tilted the balance in favour of the Sinhalese, who thereafter obtained an excess representation at the expense of the disfranchised Indian Tamils.⁹

The overwhelming majority enjoyed by the Sinhalese in the legislature was also coupled to certain other social changes. Universal suffrage and the resulting spread of political consciousness led to the emergence of egalitarian and popular aspirations among the broad masses of the people, the majority of whom were of the Sinhalese community. The almost total isolation in which these communities existed contributed to a manifestation of these popular aspirations in communal terms. As has been explained elsewhere:

The Sinhalese-educated intelligentsia found that rewarding careers were closed to them by the pervasive dominance of English as the language of administration. Although they were not without influence in the villages, they had seldom in the past been able to exert any influence on a national scale and they felt that they had been unjustly excluded from a share of power commensurate with their numbers by the westerneducated elite............. By extension they also felt that the Tamil community had taken an unfair share of power by virtue of its superior educational opportunities (in the English language).

The cry for the replacement of English by Sinhala as the language of administration, which was more an attack on the anglicised elite and an opening of the gates to employment in the government service, was regarded as heralding the dominance of the minorities by the major community.¹¹ Thereafter, the estrangement of the two major communities was complete, with the Tamil community demanding to an increasing degree a measure of self-government

^{9.} Wilson, Electoral Politics op. cit. Table 4, Chapter 4.

^{10.} K. M. de Silva A History of Sri Lanka (Oxford University Press 1981) pp. 499-500.

^{11.} James Jupp, Third World Democracy, op. cit. p. 35.

in the Northern and Eastern Provinces. This, in turn, led to a feeling of insecurity on the part of the Sinhalese who feared a close link of the Tamil areas of Sri Lanka with the numerically powerful Tamil-speaking people of neighbouring South India; thus, leaving the country exposed to an eventual submersion in a tide of Tamil solidarity. This psychological barrier also prevented the breaking down of the feeling of mutual mistrust and antagonism between the Sinhalese and Tamil communities.

It is in this context that the medium of local government was looked upon as a useful means of accommodating Tamil interests. 13 In 1957, the then Government published certain proposals for decentralisation in the form of the Regional Councils Bill.14 This draft Bill provided for the establishment of Regional Councils which would cover the whole or part of an administrative district or an area consisting of the whole or part of two or more administrative districts. It envisaged elected councillors through a process of election to the Regional Councils and another category of exofficio councillors among whom would be Members of Parliament; one among them being elected by the councillors to function as Chairman. It further provided for the transfer or delegation of subjects and functions of central ministries to the Councils. addition, these Councils were empowered to establish public services; promote and develop agriculture and food production activities; and exercise certain supervisory powers over local bodies. More importantly, they had the right to appoint their own staff, create a fund, impose taxes and raise loans. This did not, however, satisfy the intentions of the Federal Party, which at that time represented in Parliament the interests of the Tamil community. As a result of their agitation the Federal Party was invited for negotiations by the then Prime Minister and an agreement called the B-C Pact (after the names of Prime Minister Bandaranaike and S. J. V. Chelvanayakam, the leader of the Federal Party) was

^{12.} K. M. de Silva A History of Sri Lanka op. cit. pp. 513-514.

^{13.} See W. Howard Wriggins, "Sri Lanka in 1980: The Year of Constraints" Asian Survey Vol. 21 No. 2, 1981 pp. 207-208.

^{14.} Published in Government Gazette No. 11, 118 of 17 May 1957.

signed in July 1957.15 The Pact envisaged the amendment of the draft Bill, among other matters, by providing for one Council for the Northern Province and two or more for the Eastern Province; the definition of the regional areas in the Bill ifself through a schedule thereto; the collaboration of two or more regions for specific purposes of common interest; the amalgamation of two or more regions subject to ratification by Parliament: the direct election of councillors; a clear delegation of powers to the Councils by Parliament in respect of subjects including agriculture, cooperatives, lands and land development, colonisation, education, health, industries, fisheries, housing, social services, electricity, water schemes and roads. These concessions were regarded by the Sinhalese nationalists as a total "sell-out" of the interests of the majority community and a step towards the federal partitioning of the country. Hence, the Pact was vehemently opposed by them and the UNP which was then in the Opposition. There was a delay in the implementation of the Pact. This made the Federal Party step up its agitational campaign, resulting in retaliatory action against Tamils in the Sinhalese-dominated areas and vice versa. Finally, in a situation of extreme tension the Prime Minister was pressurised into abrogating the Pact, plunging the country into a communal holocaust the like of which had not been experienced earlier.16 Thus, the first attempt at a communal reconciliation through the medium of local government proved futile.

The next attempt at meeting the Tamil demands came in the form of the District Councils Bill which was presented as a White Paper during the UNP Government of 1965-70. The Government was anxious to explain, right at the outset, that the envisaged 'Councils will not be local authorities but would be an extension of the Central Government."

These Councils were to have exofficio members in the form of Members of Parliament and chairmen of local authorities; and not more than three nominated members to represent special interests in the district. The Chairman

^{15.} Quoted in Proposals for the Establishment of District Councils under the Direction and Control of the Central Government (Government Printer June 1968), p. 5.

^{16.} For an account of the developments leading to the communal riots of May 1958 see Tarzie Vittachi Emergency 58: The Story of the Ceylon Race Riots (Andre Deutsch, London, 1958).

^{17.} Proposals for the Establishment of District Councils op. cit. p. 9.

was to be elected by the Council. They had certain subjects assigned to them covering agriculture and food, animal husbandry, industries and fisheries, rural development, housing, education, cultural affairs, ayurveda (indigenous system of medicine), social welfare and health services, it being understood that in the discharge of these functions they were to act under the airection of the respective central ministry. This measure also proved to be abortive, it being the turn now of the SLFP in the Opposition to whip up the communal fears of the Sinhalese nationalists. The Prime Minister, under pressure even from his own parliamentary group, had to abandon this proposal. Thus, the second attempt also proved to be futile.

Developments in Local Government

Quite apart from its utility as a means of assuaging the Tamils' sense of grievance, this method of decentralisation had other advocates who regarded it as an end in itself, to be pursued regardless of whether communal overtones were existent or not. To them the "ideology of self-government" implied the gradual devolution of central government into self-governing local authorities; the more autonomous and embracing the latter, the more democratic the country being. A major source of inspiration for this thinking was the pattern of local government in Britain.

The earliest of advocates of this line of thinking were the Donoughmore Commissioners. They summed up their views, somewhat cautiously, in the following passage:

As an ultimate aim of policy, there is obviously much to be said in favour of a future decentralisation of Government upon elected or partially elected local bodies created for the purpose. Any step towards further decentralisation will have to be taken, however, after striking a most careful balance between the admitted advantages of touching further administrative centres into life and the view of many experts in favour of the adoption in their organisation of the largest possible

^{18.} Ibid., p. 8.

areas of administration. What does immediately stand out is that the nicest discrimination and adjustment between the duties and powers of the central and local authority is a necessity.¹⁹

Thereafter, local government gained added momentum. The strategy employed in the attempts for the extension of local government was, generally, the carving out of functions and responsibilities of the district administration and vesting them in local bodies created for such purpose. This strategy was well articulated by S. W. R. D. Bandaranaike, Minister of Local Administration in the two State Councils created under the Donoughmore Constitution.²⁰ He outlined his grand design for democratic decentralisation in the following terms:

I think, Sir, that in moving the first reading of this Bill which is one of some importance, it is necessary for me.....to go into the whole question of local government in this country and the proposed changes. This Bill embodies certain important provisions which can only be properly understood if the ideas behind the entire remodelling of local government in this country — of which this, I may say, is by way of a foundation stone, are understood.......

The first thing I want is to hand over most of the functions, and a good many of them there are which are now considered to fall legitimately within the purview of local bodies, to local bodies, elected by the people on as wide a franchise as possible, that will look after the interests of the people of those areas. I mean to give these bodies enough funds or power to raise funds in order to carry out these functions and I want at the same time to create a body of experts in every branch whether it is sanitation, engineering, irrigation, agriculture or anything else, who will be functioning under the orders of the local bodies. If I do that I think most of the evils of this administrative system will be solved........

^{19.} Donoughmore Report op. cit. p. 86.

^{20.} See section on Local Government in Speeches and Writings (Department of Broadcasting and Information Colombo 1963) pp. 197-258.

I think, with the new forms of local government that will be introduced, it is extremely desirable to have Provincial Councils to co-ordinate the work and deal with problems that are of common interest to the local bodies constituted within the Province. If that is done, the present Kachcheries will disappear, and the Government Agents, I contemplate, will sink to the position of Land Officers and perhaps Provincial Commissioners of Local Government...........

Most of the present departments will shrink. The proportions that they have at the present moment will not be necessary because a good many of these functions can be taken over and will be taken over by local bodies.²¹

Thereafter, in keeping with the recommendation of the Donoughmore Commission the following motion of R. S. S. Gunawardene, Member of the State Council, was debated in the State Council in July 1940:

This Council is of opinion that immediate effect should be given to the recommendation of the Donoughmore Commissior with regard to the establishment of Provincial Councils.

This motion was favourably reported on by the Executive Committee for Local Administration (of which S. W. R. D. Bandaranaike was the Chairman) and accepted by the State Council on 10 July 1940.²² However, war broke out immediately afterwards and aborted further action in this regard. The matter was revived again soon after the cessation of war activities. Participating in a Budget Debate in the first Parliament under the Soulbury Constitution, the Minister of Health and Local Government (S. W. R. D. Bandaranaike) said:

I do not think I shall be able to introduce the Bill relating to Provincial Councils before January next year. I propose to establish these Provincial Councils with a view to coordinating, supervising and controlling the work of local

^{21.} Hansard 7 May 1937 columns 1062-1068 debate on the Amendment to the Village Communities Ordinance.

^{22.} Hansard, 10 July 1940, column 1356 et seq.

bodies in the district or province concerned. The Bill is ready, but it impinges on the functions of my colleagues in the Cabinet, I have to obtain their consent to all the implications of the Bill before I can introduce it in this House.²³

The consultations between ministries dragged on without anything substantial by way of results. By 1950, the original grand design, of dismantling the "anachronistic" kachcheri system and having the activities of central government farmed out to local bodies to be "carried out more efficiently and cheaply and more in accord with the wishes of the people," had been drastically emasculated. The rhetoric of democratic decentralisation had succumbed to the more compelling urge to retain in the hands of individual Ministers a high degree of control of governmental activity; no doubt, for purposes of "power, prestige and patronage." There would also have been the natural concern, on the part of other Ministers, about investing too large a slice of government activity in the local government sector, thereby, indirectly, enhancing the power of the Minister in charge of Local Government. Thus, by this time the proposed functions and powers of Provincial Councils had been whittled down to encompass only the following activities :24

- (i) The construction, maintenance, etc., of "District Road Committee" roads.
- (ii) The construction and maintenance of resthouses, "maddams" and "ambalams" (pilgrims' rests).
- (iii) The investigation and co-ordination of schemes for supply of water, gas, electricity, etc., to one or more constituent local bodies.
- (iv) The examination and standardisation of assessments of local bodies in the region." 124

The very large powers envisaged earlier, of exercising statutory supervision and control over Village Committees in particular, had been dropped.²⁵

^{23.} Hansard 12 December 1947 column 1367. Underlining introduced for emphasis.

^{24.} Report of the Commission on Local Government (Choksy Report) Sessional Paper 33 of 1955 (Government Printer, Colombo) p. 33.

^{25.} Ibid.

If the reluctance of central ministers to abdicate power can be identified, as explained above, as an important reason for the slow pace of democratic decentralisation of central government activities, then, an equally valid reason was brought out in the deliberations of the Choksy Commission on Local Government. This was the first comprehensive survey, after the Donoughmore Commission, of the functioning of local authorities in the country. They summed up their conclusions, thus:

We accept the proposition that the ideal would be that in an independent country, such as Ceylon is, the kachcheries, which are admittedly anachronistic, should cease to function and that most of their functions should be discharged by local authorities. But from our examination of the many problems that have come before us, the contacts we have had with those who are presently holding offices in various local authorities, from what we have ourselves seen of the manner in which many local authorities are handling their affairs and discharging their functions, and also giving heed to the many criticisms which have been levelled against various local authorities, or their i dividual members or officers, the conclusion we have reached is that the immediate transference of all the powers and functions of kachcheries to a new local government organisation in the shape of Regional Councils would not help to achieve the object in view......

One of the principal reasons why we do not think that the time is ripe for setting up fully-fledged Regional Councils, with all the powers and functions that have been claimed for them, is that most local authorities have not had the opportunity up to the present of reaching that level of efficiency in the administration and use of their present powers and functions and duties....., to take on and administer the wider functions, duties and responsibilities which would necessarily be involved, if Regional Councils with wider ranges of area and power are set up forthwith.²⁶

^{26.} Ibid. p. 39

Hence, they suggested reconstituting the existing District Coordinating Committees into Regional Committees so as to provide for an unofficial majority. In other respects, the central government machinery was to remain intact for the time being, in the distant hope of a gradual "transfer of the various powers and functions, at present exercised by kachcheries, to local authorities." The advocates of democratic decentralisation would no doubt have felt very unhappy at this turn of events. Then onwards, the question of democratic decentralisation developed the communal overtones described earlier and foundered in the face of communal dissension. The situation in the early seventies was summarised by a researcher in the following terms:

Thus, today, local government in Sri Lanka continues basically as it was in the Donoughmore era. Independence and the imperatives of planned development have had no effect on it; its functions have not increased appreciably, cramped and made impotent by (mainly) financial inadequacies.²⁷

Development Councils as Local Authorities

Against this background, it should come as no surprise if interpretations were given to the Presidential Commission on Development Councils as one deliberating the transfer of power from central government to local bodies, whether in a manner designed to meet Tamil demands or not. However, a majority of the members of the Commission held the view that their main task was to ascertain and report on "the manner in which economic development activity in a district could be planned and co-ordinated at the level of the district through District Ministers and Development Councils", it being explained that District Ministers whilst being part of the national executive "could not be required, in relation to any functions and subjects assigned to them, to act in any manner inconsistent with their responsibility and answerability to the central government." Perhaps, to obviate this difficulty the Government issued a directive to the Commission, in November 1979, informing the latter of the Government's decision to constitute Development Councils as local government authorities at the rate

^{27.} Leitan op. cit. p. 72.

of one for each district and to absorb the activities of the present Town Councils and Village Councils into them.²⁸ The stated objective of the Government was the elimination of a multitude of rural local authorities and their consolidation into a larger, hence financially viable body embracing the whole district. Of equal concern would have been the desire to bring about a merger of central and local government administrative structures in the rural areas. This directive of the Government created further difficulties for the Commission, a majority of whose members up to thattime regarded Development Councils as logically suited to be extensions and appendages of the national executive. Even afterdeliberation, they conformed to this view and made a strong recommendation to the Government to abandon the decision to constitute Development Councils as local authorities. They argued that:²⁹

- (i) the Development Council was a concomitant and adjunct of the District Minister and a part of the scheme of decentralisation of the central executive through District Ministers,
- (ii) since the members of Development Councils would not be directly elected but hold membership by virtue of office it would be inappropriate to convert them into local authorities,
- (iii) these Councils were not intended to be given powers to supply continuous public utility services, it being suggested that after each development project was completed the management thereof should pass into the hands of the appropriate government department or local authority,
- (iv) the Development Council as contemplated in the White Paper was to be something apart and different from the local authorities in the district; in fact, it was to supervise local authority activities, and
- (v) the composition of the Council as contemplated in the White Paper denied to people in rural areas the right of electing their representatives, which right had already been conceded to persons within Municipal and Urban Council

^{28.} Presidential directive of 13 November 1979 issued to the Commission. Reproduced as Appendix V.

^{29.} Report on Development Councils op. cit. pp. 30-31.

areas. (At the time of making the report there was no decision to have direct elections to Development Councils,)

It would appear that much of the problems encountered by the Commission in this regard would have been avoided if they had not read too much meaning into the provisions of the White Paper. The White Paper was, after all, something tentative to be changed and modified in the light of subsequent developments. Also, logical consistency in a series of actions or decisions is not something that governments are noted for in their pursuit of the most expedient public policy. As it turned out, the majority report of the Commission was rejected by the Government and the recommendation of the single member of the Commission, who complied with the policy directive of Government in a separate report was accepted almost in toto.30 Citing a communication that had been sent by the President to the Commissioners, the separate report argued that it was necessary for the Commission "to devise a system of devolution and democratic decentralisation" and to recommend "political and administrative structures which provide space for the expression of the collective creativity and cultural diversity of the people of different districts." It reiterated the decisions of Government, already made known, in regard to the need to.

- (a) constitute Development Councils as local authorities,
- (b) invest in them the power to pass subsidiary legislation,
- (c) empower them to raise loans, impose taxes, etc., and
- (d) have under their jurisdiction, subject to central government policy, the fifteen activities listed ir the White Paper.

On the matter of composition of the membership of the Councils, it deviated from the proposals in the White Paper and recommended that in addition to the Members of Parliament (ex-officio members) a prescribed number of members should be elected by direct voting. It also deviated from the White Paper in recommending that the Chairman should not be the District Minister but an elected member and that the District Minister should not be in the Council unless

^{30.} Ibid. "Report by Dr. Neelan Tiruchelvam" pp. 113-120.

as a Member of Parliament of the district. Its main thesis was the proposal for the constitution of an Executive Committee, presided over by the District Minister and including the Chairman of the Council and a few other members. The Executive Committee was to be the implementative and executive arm of the Council, in a clear demarcation of functions and responsibilities between the Council on the one hand and the Executive Committee on the other. These proposals, among others, were embodied in the Development Councils Act No. 35 of 1980 which became Law on 22 September 1980.³¹ Thereafter, direct elections to Development Councils were held on 4 June 1981 after the passage in Parliament of the Election Law necessary for such purpose.

The Development Councils Law

The main functions of a Development Council have been defined as the approval of an annual development plan for the district and the supervision of its implementation (Section 17). The annual plan embraces fifteen governmental activities such as agriculture, animal husbandry, co-operative development, fisheries, health services, housing, minor irrigation, land use and small industries (First Schedule). The preparation of the annual plan, in consultation with the respective central ministries, and its implementation thereafter are the responsibilities of the Executive Committee headed by the District Minister (Section 35). In the implementation of the annual programme, the Executive Committee will be operating through the normal central government administrative machinery available at the district level.

There were many novel features in the Development Councils Act of 1980. Firstly, the Councils, unlike other elected bodies in Sri Lanka, were composed of members who were selected by two different elective processes. In terms of Section 3 there were "ex-officio members," consisting of the Members of Parliament of the respective district and who are persons elected through a national elective process, and there were "elected members" who are elected by an elective process that is limited to the election of

³¹ Development Councils Act No. 35 of 1980 (Government Printer Colombo)

Development Council members. Thus, there is a marriage of two streams of elective processes, one operating at a national level and the other at a district level at a different time. riding influence political parties have on elections, whether national or local, may be expected to ensure a smooth fusion of these two streams. But, since the elections to the two streams will, invariably, be held at two different times one could expect an in-built diversity in the two categories of members constituting these Councils. Secondly, according to Section 17, the Council was very much dependent on its Executive Committee for the most important task of preparing and implementing an annual programme of work, for which funds will be provided by the central government. Since the Executive Committee was headed by the District Minister, who was part of the national executive, this provision has to be considered as a very bold attempt to merge the central government administrative machinery with that of a local authority, an experiment that had no precedent in Sri Lanka. It was a complete reversal of the early experiments in local government of the colonial era whereby central government officials presided over the working of local bodies. The final outcome of this arrangement was very uch open to conjecture. Some predicted the possibility of an eventual take-over of all functions of Development Councils by the central government.32

Although there were many official pronouncements that Development Councils were attempts at democratic decentralisation of government, certain other authoritative statements as also certain provisions in the Act tended to create the opposite impression. In the inaugural address to the newly-elected members of Development Councils, the President, J. R. Jayewardene, is reported to have narrated an anecdote which clarified the issues. A newspaper reported that, according to the President, at the time the Development Councils Bill was being debated in Parliament a delegation of eminent Buddhist monks had seen him about its provisions and raised certain questions. The newspaper reported:

^{32. &}quot;Five Issues Concerning District Development Councils" a note preparéd by the Marga Institute, Colombo, for a seminar held in May 1981, mimeograph p. 1.

He (the President) had answered them and explained the Bill. After some time the Venerable Chief Priest had said that he could now understand that through the District Minister System they were trying to extend the executive power of the President to the various districts. The President had replied that he was quite correct and that he had understood the purport of the Bill. The District Minister was the representative of the President. The District Minister worked on the directions of the President and the Cabinet. The District Ministers were appointed and worked even before the Development Councils. It was the stretching out of the hand of executive power to the districts. 33

Apparently, the executive authority was to be retained by the central government through the office of the District Minister and the Council was to have only legislative power to levy taxes, rates and other charges. However, in terms of Section 25 of the Act these by-laws themselves had to be first passed by the Council, then approved by the central ministers in charge of the subjects of Local Government and Finance, respectively, and finally confirmed by Parliament before they became effective. This provision was in response to a Supreme Court decision which held that an unfettered power of taxation would be an infringement of the legislative power of Parliament. More importantly, Sections 44, 35(a) and 17(1)(e) made it obligatory for both the Council and its Executive Committee to conform to the programmes and policies of central government ministries in the all important task of the selection of items of expenditure. All this presupposed a healthy relationship between central government and Development Councils. Should the opposite be the case and a Council adopt a position of defiance there was ample provision in Part XII of the Act for the District Minister to take over the running of such Council. On the crucial question of finances, the Councils were very much dependent on Parliament both for direct transfers from central government and the approval of by-laws to raise taxes and other charges. Also,

^{33.} Report of the President's speech delivered at the Seminar on Developmen Councils held at the Sri Lanka Foundation, Colombo, on 15 and 16 June 1981, Ceylon Daily News city edition, 17 June 1981.

in terms of Section 27, borrowings and loans from banks and lending institutions had to receive the prior approval of the Ministers of Local Government and Finance, respectively.

Decentralisation — the Basic Issue

The Development Councils have been subjected to a wide range of criticism, especially by the political parties in Opposition. The Tamil United Liberation Front (TULF) argued, that the proposals did not go far enough in decentralising power from the centre to the periphery in relation to the problems of the Tamil community and that the Councils were virtually beholden to the respective District Ministers.34 At the other extreme, the SLFP even refused to participate in the parliamentary debate or the Bill claiming that it would lead to a total subjugation to the demands for a "division of the country." There was also concern expressed regarding the decision to abolish Village Councils and Town Councils and to incorporate their functions into the Development Councils. This move, it was argued, would stifle the release of creative potential at the local level and hinder democratic participation.36 To this, the Government responded by setting-up "Gramodaya Mandala" ("Village Awakening" Courcils) in place of Village Councils.37 Unlike the latter, they were constituted on the basis of indirect representation drawing its composition from existing village level organisations such as Rural Development Societies, Community Centres, etc. 38

The arguments adduced above on either side, however, missed the real point. The cardinal issue in decentralisation is not whether

^{34.} Point of view presented by Mr. M. Sivasithamparam M. P., President of the TULF at a Seminar on Development Councils held at the Marga Institute, Colombo in May 1981. The TULF, however, supported the Bill in Parliament.

^{35.} Hansard 21 August 1980 column 509.

^{36. &}quot;Five Issues Concerning Development Councils op. cit. p. 3.

^{37.} Ceylon Daily News, city edition 16 June 1981 p. 5. Development Councils (Amendment) Act No. 45 of 1981 makes provision for the constitution of such village level organisations.

^{38.} Gramodaya Mandala (Ministry of Local Government, Housing and Construction, Colombo, 1981) p. 54.

the problems of the Tamil minority can be resolved or whether it would lead to a bifurcation of the country or whether grassroots level participation can be realised through the encouragement of village organisations. Though politically important they are necessarily side issues. The real issue is whether the present concentration of decision-making power in Colombo - in the Cabinet and in the ministries - is conducive to development and the expeditious discharge of government activity. Decentralisation begs the answer that such concentration is not conducive to development and expeditious work. Hence, any effective decentralisation should be directed towards reducing this concentration of power at the centre, meaning the power of the Cabinet and the Ministers. Unfortunately, the very decisions that could give effect to such change have to be taken by the Cabinet and the Ministers themselves. And, holders of power are notoriously lethargic on reforms that require voluntary abdication of power. When presented in this form, it is evident that the real obstacle to decentralisation lies not in communal conflicts or the lack of grassroots participation but in the natural reluctance of central ministers to give up their reins.

The record of futile attempts at local government decentralisation in this country bears ample testimony to this argument. The proposals for decentralisation of government activity to local bodies, put forward during the second State Council, did not materialise because in the words of the then Minister for Local Administration he was "meeting with hindrances in carrying that through." He, of course, never identified the sources of obstruction but they eventually proved to be too powerful for him, because nothing came of these proposals. In the first Parliament under the Soulbury Constitution the matter was revived once again. On this occasion, the Minister for Local Government was more to the point when he confessed that he had to obtain the consent of his colleagues because the proposals for decentralisation impinged on their functions. It is a matter of history, now, that this consent

^{39.} Hansard, 7 May 1937 column 1068.

^{40.} Hansard, 12 December 1947 column 1367.

was not given; although it is also accepted that the personal ambitions of the Minister of Local Government concerned, in building a power base for himself through local bodies, contributed much to this reluctance. The next efforts were the attempts to establish Regional Councils (1957) and District Councils (1968). By then, communal cleavages had set in and the proposals floundered and finally foundered on the rocks of communal extremism. Although communal tension was the immediate cause for the abandonment of these proposals, a careful examination of the proposed Bills would show that in them there was very little conceded by the central executive towards decentralisation. Sections 74 and 75 of the draft District Councils Bill empowered the functional ministers of the central government to give general or special directions on matters falling within the purview of District Councils, and to withdraw from the ambit of such councils any subject that had been assigned to their supervision.41 Thus, at the later stages, communal distrust proved to be a useful alibi for keeping as much power as possible in the hands of central ministries.

In this context, the institution of District Political Authority, created in 1973, was a major "break-through." It avoided the communal overtones of decentralisation and made it a solely internal re-arrangement of central government administrative machinery. It aimed its blows directly at the centre by usurping some of the responsibilities and functions of central ministries. The "presidential" style adopted by the Co-ordinating Secretariat of the Prime Minister encouraged policy inputs directly from the districts ignoring more conventional procedures that were heavily "centre-biased." Most importantly, the DPA system invested the districts with a fair amount of executive authority, to decide and guide the manner in which government work should be conducted. As has been observed by another researcher, 42 it was the first real exercise in administrative decentralisation since Independence.

^{41.} Draft Bill, Proposals for District Councils op. cit. p. 24.

^{42.} Hiran D. Dias "Information for Development Decision-Making: A Sri Lanka Case Study" in *Information for Development Planning* (Asian and Pacific Development Institute, Bangkok, 1979) p. 166.

Defects there were, no doubt, in the DPA system; the politically-partisan excesses, the sudden investiture of almost ministerial authority in persons of less political and administrative maturity and the lacuna in government instructions and guidelines which led to a multiplicity of interpretations and adaptations. The involvement of the Co-ordinating Secretariat in the "Jana Vegaya' politics and the accusations of dictatorial intentions brought about by it did much to discredit the system. But its chief fault, and this was the factor that ultimately led to its demise, was that it attacked the centre of power, the central ministries, a little too openly and hard. It succumbed to the retaliatory fire emanating from these fortresses of power.

In contrast, the Development Councils presented a picture of staid conventionality. The omnipresence of the central ministries was evident in almost all sections of the Law; in the need for consultation with central ministries in the matter of preparing the annual programme of work (Section 35, (1)), in the final approval of such programme by the central Minister of Local Government (Section 44), in the procedure laid out for raising funds (Section 25 and 27) and in the provisions for general control by central government (Pert XII). It could be argued that this conformity with accepted conventions of government was the very substance on which a meaningful decentralisation was to be built. Whilst this could be true, this argument avoids the more incisive question of some of these accepted conventions being themselves counterproductive to decentralisation. Of special relevance in this regard is the concept of ministerial responsibility and the manner in which it is being invoked to pare off potentially dangerous displays of decentralised authority. Finally, the Development Councils were made out to be a positive step in the direction of appeasing the demands of the Tamil minority, which is concentrated in the Northern and Eastern Provinces. In fact, this was the basis on which the proposals won support in Parliament from the leading Tamil party, the TULF. Thus, the Development Councils shifted the focus once again from decentralisation on to the communal question. In doing so, it led to the neglect of an equally fundamental question, of an over-concentration of power in Colombo, in the ministries.

The Development Councils were really not the result of a political need felt nation-wide. In only six of the twenty four districts could it be said that there was a clamour for political devolution. The tragedy of Sri Lanka is that political devolution is so emotionally charged with ethnic antagonisms, that no Government is prepared to deal with it as a localised issue affecting only those districts in which the national minorities are in a majority. The upshot of this was that the Development Councils fell between two stools. They fell far short of the aspirations of the Tamil community and soon became inoperative in those areas. In other areas, it was a forced superimposition that neither brought the people closer to government decision-making nor rendered the conduct of government business more efficient and smooth. greater harm was the unfortunate involvement of the District Minister in the Executive Committee of the Council. As head of the Executive Committee he became the representative of the Central Government in a local body. Thus, the District Minister's role changed dramatically with the introduction of Development Councils: what was earlier a decentralising role was transformed unwittingly to a centralising role, defeating the very purpose for which it had originally emerged.

Certain events that were associated with the inauguration of Development Councils bore ill omen. The SLFP and the Marxist parties did not participate in the elections to the Councils⁴³ and this led to a poor voter turnout which vitiated the legitimacy of the elections. In the Tamil areas where a keen contest took place, violence by the Tamil terrorist organisations on the one hand and government security forces on the other marred the conduct of the elections.⁴⁴ However, the Development Councils eventually became a dead letter for one reason alone – the reluctance of the central ministries to transfer meaningful functions and adequate unds to the periphery.

44. Godfrey Gunatilleke, Neelan Tiruchelvam and Radhika Coomaraswamy
"Violence and Development in Sri Lanka" in Ethical Dilemmas of

Development in Asia (Lexington Books 1983) pp. 155-56.

^{43.} Neelan Tiruchelvam "The Politics of Decentralisation and Devolution: Competing Conceptions of District Development Councils in Sri Lanka" in Robert B. Goldmann and A. Jeyaratnam Wilson (ed).

From Independence to Statehood (Frances Pinter 1984) p. 206.

CHAPTER IX

WHI AND

DECENTRALISATION AND ITS CONSTRAINTS: THE EPILOGUE

The issue of decentralisation looms large in this study. The Peoples Committee, the District Political Authority, the District Minister and, finally, the District Development Council have, in turn, been projected as attempts at decentralising the administration and also bringing it closer to the people. It is therefore appropriate to conclude this study by highlighting the main techniques of decentralisation and by offering some critical comments on them in relation to the experience of Sri Lanka. As observed by Brian C. Smith, "decentralisation is a complex subject with many dimensions," and it is not proposed to attempt a wide coverage of this vast theme here. Rather, the intention is to describe the important modes of decentralisation adopted by central governments, their principal features and advantages.

The motivations for the origins of decentralisation are varied, but today it has assumed a universal character in debate and in academic literature. Decentralisation has also come to mean involving the individual and the community in the processes of government. For developing countries, there is a greater significance of generating multiple levels of creativity that can supplement the efforts of central government.³

^{1. &}quot;The Measurement of Decentralisation" International Review of Administrative Sciences Vol. 45 No. 3 1979 p. 222.

^{2.} For a comprehensive theoretical framework see David K. Hart "Theories of Government Related to Decentralisation and Citizen Participation" Public Administrative Review Vol. 32 No. 4, 1972; also B. C. Smith, Decentralisation (Allen and Unwin 1985.)

^{3.} Henry Maddick, Democracy, Decentralisation and Development (Asia Publishing House 1975; p. 71.)

Decentralisation — Its Meaning and Some Misconceptions

Literally, decentralisation means a movement away from a given centre. Unfortunately, in some literature decentralisation has come to mean what is, really, a very special type of decentralisation; the devolution of specific or multiple functions of central government to elected local government bodies. In fact, Maddick quite explicitly defined decentralisation as a process embracing both devolution and deconcentration; 4 the term deconcentration being used in the conventional sense of a delegation of authority by central government ministries to their field officers at the periphery. In this chapter, the stance adopted will be that suggested by Rondinelli, of treating devolution and deconcentration as independent means of decentralisation varying only in respect of the degree of decentralisation either can achieve.5 The latter stance is adopted because of the intrinsic value judgement that is evident in the former. Decentralisation, in the former definition, must include the element of local representation, of locally elected councils, without which it is hollow; a meaning, no doubt, borrowed from practices prevailing in countries in which healthy decentralised administration has evolved.⁶ In a developing context, the effectiveness of the means of decentralisation, in terms of the functions delegated to the periphery, financial adequacy for their proper discharge, etc., is more relevant than the formal institutions that are devised to ensure local participation.7 In the extreme, local elective processes could institutionalise tradition and traditional elites, or invest too much power in one segment of rural society (in traders and landowners for instance) to the exclusion of a broader consensus. Then, far from contributing to development, these very devices could become counter-productive,

^{4.} Ibid. p. 23.

^{5.} Dennis A. Rondinelli "Government Decentralisation in Comparative Perspective: Theory and Practice in Developing Countries" International Review of Administrative Sciences Vol. 47. No. 2, 1981 p. 137. This same approach is adopted by Brian C. Smith, op. cit. and by Dennis A. Rondinelli et al in Decentralisation in Developing Countries, (World Bank, 1984).

^{6.} See Brian Chapman The Profession of Government (Allen and Unwin 1963) pp. 61-73.

^{7.} See Norman Uphoff and Milton J. Esman, Local Organisation for Rural Development in Asia (Cornell University, 1974).

by offering resistance to changes that may be conceived of as inimical to the interests of the groups entrenched in power.8

Of course, it could be argued that parochial, self-centred pressures of this type could be offset by a greater penetration of national political parties into the affairs of local institutions (Development Council elections are fought in Sri Lanka on the basis of party lists). Whilst this, no doubt, is true, it could precipitate the danger of institutionalising adversary politics. The oppositional spirit can supercede all developmental considerations to such all extent that success in the political combat may appear to be an that matters; the common good being forgotten in the struggle for power. Also, in such a contest, the exercise of opposing can spill over to the very negation of development; meaning that a programme is considered good only when one's side can take credit for it. Further, if national politics enter the local government arena pervasively there is the danger of vitiating the very process of decentralisation, which local government is intended to promote. Local government can become a mere extension of central government, another arm of the national executive.9 Conversely, if the local government leadership that emerges is of a political complexion that is different from that of the central government, funds can be denied to it and various obstructive and dilatory tactics employed to render local government ineffective; as has been the experience in Sri Lanka.

Some pains have been taken to pinpoint the limitations of local government not in any way to detract from its importance. It remains the best way for decentralisation, the ideal. But, it would not serve the advocacy of decentralisation any better to regard local government either as a panacea for all that is evil in central government or, for that matter, as an instant recipe for development.

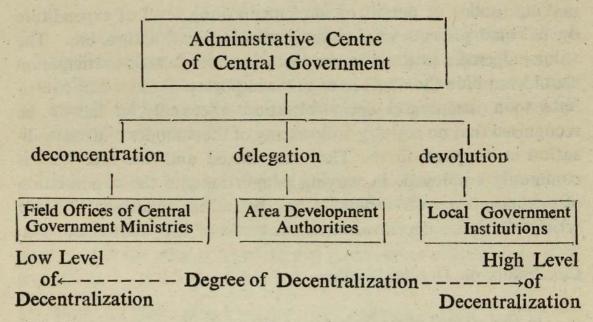
Taking decentralisation in its liberal sense, any shift of authority and decision-making power from the administrative centre to the

^{8.} Rondinelli op. cit., p. 140.

^{9.} Ibid.

periphery can be included under the definition of decentralisation. In terms of this approach, there are three conventional modes that can be classified under the rubric decentralisation; deconcentration. delegation and devolution.10 Deconcentration and devolution have been explained earlier. By delegation is meant the creation of statutory bodies or corporations with a responsibility towards a defined area, in respect of a specific function or a multiplicity of functions of the central government. Examples of delegation are the area development authorities which have been set up in many countries, outside the traditional central government departments. As statutory bodies they are under the direction of the central government only on matters of policy and, in other respects, enjoy a wide degree of autonomy and discretion in the performance of the tasks vested in them. This mode of decentralisation has been used extensively in East Africa as a means of circumventing the cumbersome and lethargic government machinery. 11

These methods of decentralisation may be represented diagramatically as follows:



This diagram assumes an ideal situation and, hence, two important points have to be borne in mind in interpreting it. Firstly, deconcentration and devolution have been placed at either end of the decentra-

^{10.} Recently Rondinelli. et al in Decentralisation in Developing Countries have added a fourth mode: demi-privatisation. See Ch. III.

^{11.} Martin J. Boodhoo "The Organisation and Management of Development Agencies: A Comparative Perspective" International Review of Administrative Sciences Vol. 42, 1976, pp. 221-236.

lisation continuum, implying that the latter presents a higher degree of decentralisation than the former. Though at face value this may be justified, there are important operative factors that can disturb this simplistic generalisation. In the measurement of real decentralisation, the power wielded by a local government institution can be cramped by lack of finance, limitation on the number of functions assigned to it by law, availability of qualified personnel and technical skills, limitation on taxation, etc. 2 On the other hand, a system that is deconcentrated may have in it a high degree of discretionary authority located at the periphery, as has been claimed in respect of certain periods of British and French colonial administration.13 Thus, the error of claiming on face value a greater degree of decentralisation for the former in comparison with the latter should be scruplously avoided; though under ideal conditions the diagramatic representation is valid. What matters, in the final analysis, is not the mode of decentralisation but the degree of authority that is transferred from the centre to the periphery, as can be empirically measured by such criteria as sharing of functions between central and local government, levels of decisionmaking (policy or details of implementation), level of expenditure on national projects vis-a-vis projects of a local nature, etc. The value judgement instired by the rhetoric of democratic participation should not hide the absence of other important factors that contribute to a meaningful decentralisation. Secondly, it has to be recognised that no country follows any of these modes of decentralisation in its pure form. They are mixed and the mix that is commonly employed, in varying proportions, is the combination of deconcentration and devolution; hence, the tendency for some writers to defire decentralisation in terms of this particular mix.

Constraints on Decentralisation

In the eternal struggle between the centralising tendencies and decentralisation efforts, administrative decentralisation encounters broadly four types of obstacles. First, there is the opposition arising from the very nature of this contest; the reluctance of a

^{12.} See Brian C. Smith op. cit.

^{13.} Maddick op. cit. p. 26 See also supra pp. 64-66.

superior central government to devolve too far lest it undermine its own authority, or, having devolved sufficiently, the need to keep a check on the implementation of policy both for purposes of consistency and uniformity of application. Reviewing the period following the Balvantray Mehta reforms in local government in India, Maddick summarises the former trend thus:

Looking back over eighteen years, it is clear that in those states where politicians wished to foster democratic decentralisation, the system of panchayati raj has been reasonably successful. In other states politicians, ministers and chief ministers, party leaders, viewed the "pradhan" and especially the "pramukh" as competing political powers and were determined to reduce the competition.¹⁴

It has to be added that the latter category of states was in the majority. Of the second trend Rondinelli notes that,

the multiple levels of review and approval, through which local plans must pass, create bureaucratic delays that discourage enthusiastic participation in development planning by rural people and reinforce the power of the bureaucracy to modify or veto proposals.¹⁵

The second type of obstacle is the product of the modern world. It arises from the very nature of the technological advances that are becoming commonplace in modern society and from the need to plan the allocation of limited resources in a fiercely competitive world. It is argued that technology promotes centralisation

15. "Government Decentralisation in Comparative Perspective" op. cit. p. 140.

^{14.} Henry Maddick "Can Panchayati Raj Become the Agency for Integrated Rural Development?" Indian Journal of Public Administration Vo. 24 No. 3, 1978 p. 577. India operates a three-tier hierarchical structure of local government; village, divisional and district. The designations "Pradhan" and "Pramukh" refer to the elected heads of the local councils operating at the divisional and district level respectively. See Henry Maddick Panchayati Raj (Longmans 1970).

^{16.} V. Subramanium "The Rhetoric of Decentralisation and the Reality of Centralisation" Indian Journal of Public Administration Vol. 24 No. 3 1978, pp. 763-769.

in three ways; by making communication and transport quicker; by making execution more mechanised; and by making the processing of a mass of data manageable, through the use of cybernetics and computers.¹⁷ In addition, the imperatives brought about by the sharpening of the disparities between the North and the South in the world community, the constant swim of the latter against the flow of international capital has brought to the forefront, once again, centralised economic planning.¹⁸ The Willy Brandt Report underscored this compelling need to bring about a rationalisation of resource utilisation. "The importance of efficient planning and economic management can hardly be overemphasised" it reiterated, though it also went on to stress the importance of "genuine and full participation of the people" in achieving the main objectives of developmer t.¹⁹

The third type of obstacle is institutional. The concept of a welfare state and its positive relationship to the economy have led to an immense growth in the size of government. Whether it be as a measure of public expenditure within the GDP, the rate of increase in government expenditure per annum compared with the rate of population increase, the number in public sector employment in relation to the working population, or, for that matter, the number of statutes regulating commerce, industry, finance and conceivably almost every activity of the citizen, the scope of government has increased appreciably. So much so that today the State is expected to "at one and the same time increase real incomes, achieve price stability, sustain full employment, and constantly expand the social services"; the successful pursuit of which has proved to be beyond its capacity.20 The increasing emphasis on social welfare has projected a provider tial view of government which successive rulers have found difficult to escape from. Given this, centralising pressures on governmental power arise from the closely related constitutional concepts of accountability to Parliament and its corollary ministerial responsibility.21 One

^{17.} Ibid. p. 764.

^{18.} Ibid. pp. 768-769.

^{19.} North-South: A Programme For Survival (Pan Books, 1980) pp. 132-133.

^{20.} Geoffrey K. Fry The Growth of Government (Frank Cass, 1979), p. 5.

^{21.} Nevil Johnson In Search of the Constitution (Methuen 1980) p. 81.

prescribes that, no matter how trivial or insignificant, all executive action should fall within the compass of parliamentary scrutiny which in effect means the authority of the executive. The other has provided the mechanism, at least in theory, of putting this into practice. Far from providing the necessary impetus for a delegation or devolution of government responsibility, which rational considerations may dictate, these doctrines have provided the driving force for the centralisation of governmental power. Thus, even when delegation or devolution takes place it does so in a manner which, whilst recognising some kind of autonomy, corfers on ministers sufficient supervisory and controlling powers that enable them to answer the call of accountability to Parliament. The centralising effect of these constitutional provisions can be gauged from the following excerpt:

Nominally autonomous in virtue of their representative quality, in practice local authorities have become little more than the agents of central government, confined within the policies determined by ministers and the resources allowed to them. In the case of many other administrative agencies—the public corporations administering nationalised industries, for example—there cannot even be the protection (such as it is) afforded by the possession of some degree of democratic legitimation: they must accommodate themselves as best as they can to the demands which flow from the controlling rights of ministers. The advantage of all such arrangements from the point of view of the central government is that its power is safeguarded, whilst the responsibility for action is blurred.²²

The fourth type of obstacle stems from the need to maintain national integrity, especially in countries that are subject to fissile pressures of an ethnic, religious or tribal nature. The desire on the part of rulers to preserve a national identity can place severe constraints of decentralisation, because of a fear that decentralisation can lead to a weakening of national unity and eventual disintegration. It is arguable whether such fears are really grounded on the

^{22.} Ibid. p. 88.

realisation of having to share power with others. Whichever view is correct, the fact is that this state of affairs acts as a constraint on decentralisation.

Conclusion

Thus, it would appear that developing countries and even those among them which have the political will to decentralise are caught up in an inexorable law that gravitates their system of administration towards a more centralised position. The colonial structure of administration and the pre-independence developments of putting together a strong political elite to take over the government have acted to reinforce this centralising trend. And, against this are ranged the arguments for decentralisation, in an unequal match between its rhetoric and the hard reality of centralisation.

The experience of Sri Lanka in this field is typical. All the constraints discussed above have been encountered at some stage or other. The early attempts at building up local government structures met with resistance from a superior central government. The Regional Councils Bill and the District Councils Bill withered in the face of communal mistrust and fears of national disintegration. The imperatives of centralised economic planning had their toll of the Decentralised Budget. And, lastly, the institutional constraints have held sway throughout, the latest manifestation being the central government checks and controls on District Development Councils.

Against this background, the District Minister thrust appears to be the one that has the highest potential for an effective decentralisation. It does not project the spectre of a growing threat to the central government from the local government sector. Its position in relation to the vexed issue of communal mistrust and regional separatism is clear, because it is a part of the national executive. In regard to the problems and constraints flowing from constitutional law, especially the concept of ministerial responsibility, its position is not altogether hopeless. For, District Ministers with full Cabinet rank and spatially defined responsibilities may provide the answer to such problems. In such a context, the concept of

ministerial responsibility, far from acting as a centralising force that Nevil Johnson commented on,²³ will, on the contrary, have the opposite effect of constituting every increased power conceded to a District Minister as a positive step in the direction of wresting away from the administrative centre a measure of decentralisation.

Of course, in such a build-up of the District Minister, local government decentralisation will fade into the background and local government administration will become dependent on him to make its views prevail at the national level. But, the stark reality is that local government has failed to take root in Sri Lanka and, given the constraints discussed earlier, there is little hope of it faring any better in the future. This study is reconciled to the view that it would be better to have some measure of real decentralisation through whatever means available than no decentralisation through feeble local government.

^{3.} Ibid., pp. 83-85.

ADMINISTRATION REPORT OF THE GOVERNMENT AGENT, BADULLA, FOR THE YEAR 1969 – 70

At the end of the third year of my stewardship as the Government Agent of Badulla, I think it is time to take a critical look at the most important institution from the point of view of economic development, namely, the government administrative and executive machinery and its operation especially at the provincial levels. In doing so I have to discard, for lack of space and time, the usual format of presenting Administration Reports with commentaries on important events, District Co-ordinating Committee Meetings and even the customary thanks. For such omissions I crave the indulgence of everyone concerned.

Regional Development

In terms of the note issued by the Ministry of Planning on Divisional Development Councils these councils will, in the future, be "the main instrument for serving the active participation of the local community in the development programme in the area." The main function of these councils will be the preparation and execution of a co-ordinated development programme for that area embracing a broad spectrum of activities such as agriculture, small industry, roads, minor irrigation, housing and water supply—The significant feature of this is that, for the first time since Independence, an emphasis is being given to regional development, or more correctly national development is being regarded as a process of integration of well-formulated regional programmes. Hitherto, the practice had been to consider the entire Island as the basic unit and to provide for the development of the various sectors of the economy such as agriculture, industry, fisheries, etc., almost

independently. The fact that large schemes and projects will still have to be considered against a national background and will fall outside the scope of regional development is beyond question but what is important is the realisation that certain development activities can be handled much better at a regional level by enlisting the active participation of the people most concerned.

Giving an emphasis to regional development is one thing, but making it meaningful whilst working within an institutional framework that does not recognise its necessity and whose origin lies on factors that are not too sympathetic towards regional development is another. An amplification of this statement is due but, in brief, what is suggested is a critical examination of the government administrative machinery in relation to regional development and a considered opinion on whether regional development could be made a success whilst made to operate within the present institutional framework. Such an assessment should be the first task if regional development is to be meaningful.

The only worthwhile attempt, so far, in regional development has been the establishment of a Commission for the Rehabilitation of the Kandyan Peasantry. After so many years in operation none would say that its task has been completed or that its efforts have met with reasonable success in relation to the moneys that have been spent. From its inception, it was tied down to the organisational framework of government departments working along vertical lines of authority extending from Colombo right down to the villages. Any attempt at a co-ordination at the regional levels by the Commissioner for the Rehabilitation of the Kandyan Peasantry met with only a very limited success. experience pinpoints a first principle in regional development, namely, that regional development cannot be really effective if it is tied down to the existing framework of government departments working along vertical lines of authority and whereby funds are allocated to the heads of department in Colombo.

The degree of co-ordination that is required at the regional level has been the subject of much discussion. The Huxham

Committee defined co-ordination as "holding a watching brief in order to ensure that each department carried out its due share of the programme." One need not examine in detail the lack of integration of governmental activity at the regional levels to realise how ineffective this "watching brief" has been. In contrast to this, some form of regional development on a limited scale was attempted in the field of agriculture a few years ago. This was preceded by the appointment of Government Agents as deputies of departments engaged in agricultural activity. These appointments made co-ordination procedural and formal and as a result, for the first time in recent history, the activities of even a few departments were harnessed at the regional levels to a common purpose and objective. The moral of this is that co-ordination or integration at the regional levels has to be formal and should have the stamp of authority and should not be left to the goodwill and good sense of the individuals concerned. It is this same thinking that one finds behind the formation of the Territorial Engineering Service that has been undertaken by the Ministry of Irrigation, Power and Highways.

The existing network of the government administrative machnery can trace its origin to constitutional history. If the involvement of the elected representatives in the administration of the country (i.e., as distinct from their legislative functions) is regarded as a measure of democracy, then, in Ceylon democracy was introduced right at the top through the Donoughmore Reforms. Colonial Secretariat gave way to a Board of Ministers seven of whom were elected. The Soulbury Reforms carried this to its logical conclusion by making the Cabinet of Ministers fully responsible for the administration of the country. This concentration of executive authority at the centre precipitated the growth of departments with their bases in Colombo and branches in the districts thereby ensuring adequate ministerial control and supervision of such activities. The outlook too became functional, each department and ministry tending to concentrate on the subjects assigned to it and to supervise execution through a departmental organisation extending from Colombo to the villages. centre of gravity of executive power resides in Colombo to the detriment of regional development. One way of shifting this centre of gravity from Colombo is to appoint elected representatives as executive heads of the provincial administration. Then, the democracy which was introduced at the top can be said to have flowed down to the next tier.

Reorganisation of the Provincial Administration

When considering the re-organisation of the Provincial Administration, the following problem areas could be isolated as deserving of immediate reform:

- (1) Lack of executive authority at the divisional levels.
- (2) Lack of executive authority at the district levels.
- (3) Lack of integration of government departments at all levels of the provincial administration.

The steps taken by the Ministry of Public Administration, Local Government and Home Affairs to decentralise the kachcheri administration and the steps taken by the Ministry of Irrigation, Power and Highways to form the Territorial Engineering Service are those attempting to rectify the ills of the first problem area. In them an attempt has been made not only to decentralise the executive authority from the district levels to the divisional levels, but also to provide for a smaller unit of operation at the divisional levels, by increasing the number of divisions. If additional responsibilities and powers are to be given to the divisional levels, then it is nothing but natural that the present divisions should be reduced in size. However, an increase in the number of divisions is by and large the most expensive solution to this problem and as such has its limitations. Decentralisation of authority from the district level together with an increase in the number of divisions to have at least one per parliamentary electorate should be a fair compromise.

Decentralisation from the Centre to the District

All the arguments for a decentralisation from the district to a divisional level apply, perhaps with greater force, to the necessity of decentralisation from the centre to the district. Decentralisation here does not mean the mere delegation of authority whereby the primary authority is still retained at the centre. Executive authority has to be decentralised procedurally, irrevocably.

The person in whom the financial resources are vested becomes the Accounting Officer in terms of the Financial Regulations and also becomes the officer who is responsible to the Public Accounts Committee for the proper utilisation of moneys. When such responsibility is cast on him it is not unnatural that he should devise a system of rules and regulations to ensure a proper utilisation of funds and above all to satisfy himself that they are correctly utilised. This set of rules cramps execution right down the line by removing from the person on the spot the discretion necessary for a proper discharge of his work. It is not uncommon for a project engineer who is executing a programme costing millions of rupees to seek authority from the head of department to purchase Rs. 50 worth of sundry items. Examples of this nature are legion. In an instance like this no blame could be attached to the head of department, for, ultimately he is made accountable for every cent utilised under the particular project. Nor could any blame be attached to the project manager on the spot, because, he too is circumscribed by the regulations and rules within which he has to The fault really lies in the system or the procedure that is followed. If a remedy is to be found it is to be found in an overall change of the system of operation.

From the above it is clear that what is called for is not merely the working out of a regional budget, but really the allocation of such funds to the authorities at the district level. This calls for a breakaway from the tradition of allocating moneys to heads of department and thereby making public officers in the provinces, "financially accountable for expenditure through normal lines of authority to their respective heads of department."

Ministries and departmental heads should be responsible for the authorisation of plans and programmes and for the provision of adequate funds for their execution. Once the programme has been approved and funds have been allocated by Parliament, then such programme together with the funds should be handed over to the provincial officers for execution and the provincial officers should be held responsible to the Public Accounts Committee for the proper utilisation and expenditure of these funds.

Today, with ingenuity, a head of department is in a position to transfer funds from one district to another from one project in a particular area to another if there is ar anticipation of a shortfall of expenditure. This happens because ultimately what will be called in question will be the capacity of the department (with its islandwide network) to utilise the funds. There is no focusing of attention on the provincial needs and their disparities. On the other hand when the funds are allocated to a particular district for execution, if there is any shortfall in execution those who will be answerable will be the provincial heads and thereby deficiencies such as lack of personnel in unpopular areas, disparity in the deployment of machinery will be brought to a focus with remedial action being taken even gradually.

Decentralisation of authority from the centre to the district by the procedural method of allocating funds to the districts in the Financial Estimates cannot be substituted by a mere delegation of authority from the centre to the district. The residual authority at the centre will be sufficient to bring to naught all good intentions. This is best illustrated by giving an example in the field of expenditure on minor irrigation works.

Prior to June 1968, A.C.A.Ss. were permitted to approve minor irrigation works up to the value of Rs. 7,500. This practice had been there since 1959. However, around June 1968, as a result of some fraud, this authority granted to the A.C A.Ss was limited to minor irrigation works costing less than Rs. 5,000. As such, it will be clear that the delegation of powers is not something permanent and could very well be rescinded at a subsequent stage. As such, what is called for is a complete recasting of the format of the Financial Estimates with a view to vesting funds, at least in respect of development programmes, in the provincial heads.

Lack of Integration of Government Activities

The lack of integration within government departments is almost fatal when one considers factors hampering the efficiency of the provincial administration. This lack of integration exists at all levels — in the districts, in the divisions and in the villages. For the present, only the district level is examined because it it felt that a remedy would be most effective if it is introduced as this point. The other levels will take their lead from the districts.

Buildings constructed for a post-office and a dispensary in a major colonisation scheme were idling for a long time because the respective departments were unable to provide personnel in the form of a sub-postmaster and an apothecary. This is just one example. Each department is answerable along a vertical line of authority to Colombo. The District Co-ordinating Committees bring about some sort of co-ordination and integration, but due to the existence of independent lines of authority even the decisions of District Co-ordinating Committees have no teeth. A decision taken by a D.C.C. even on representations made by the people of the area can be set aside by a head of department. Very rarely does one find a sense of unity among the different agencies of government attending to the needs of the people. Each agency tends to work in isolation regardless of the other activities that are going on around it.

This situation is inevitable if one maintains the vertical lines of authority within departments as constituted today. As such what is called for is a detachment of the divisional and the district offices from their head offices and their incorporation into a District Secretariat. For instance, the Land Branch of a kachcheri will cease to be a sub-division of the Land Commissioner's Department, and become the division of land administration of the District Secretariat. Similarly, the sub-divisions of the Irrigation Department should cease to be branches of the Irrigation Department and become the divisions of irrigation of the District Secretariats. It is not necessary that this change should be introduced in respect of all departments. However, in respect of departments whose activities have a direct bearing on regional development, there is no question that this is a change that is due.

As a corollary to this, there should be an amalgamation of the Colombo departments involved in this change with their respective ministries. It is to be noted that this amalgamation was introduced in certain ministries and has proved to be workable. What is suggested is that key development departments be picked out and amalgamated with their respective ministries in Colombo as divisions of such ministries. The net result will be a set of ministries in Colombo, comprising senior officials who were hitherto heads of departments and who will now function as divisional heads of ministries and as deputy permanent secretaries. The local branches of such departments would then be integrated with the District Secretariats forming divisions of such secretariats and not branches of the Colombo departments. It is to be noted that this suggestion is consistent with the earlier recommendation that funds for development activities should be allocated to the districts. The District Secretariats under this system would become ideal institutions for the allocation of such moneys.

Observations under this sub-heading will not be complete without a reference to the biggest difficulty in executing these suggestions, i.e., the problem of re-allocating staff. As far as the members of the C.A.S., the clerical service and such general services are concerned, there is no immediate problem. These officers do not belong to a particular department, and as such, could be attached to the District Secretariat. In the case of technical officers who are now serving in various departments, their services are particular to such department. Perhaps, the formation of a Ceylon Engineering Service and a Ceylon Medical Service whereby officers belong to a service and not a particular department is a long-term solution to this problem. If this is done, the other categories such as technical assistants, draughtsmen, apothecaries, etc., could be amalgamated into these services at appropriate levels or if necessary separate services formed for them. In the meantime, as an interim arrangement, these officers could be considered as departmental by retaining heads of departments nominally although they are working in ministries. A similar improvisation was made in respect of the officers of the Local Government Department when the department was amalgamated with the ministry.

Leadership of the District Secretariat

In considering the role of the exceutive head of the District Secretariat, one has to decide between —

- (a) a public servant
- (b) an elected representative, or
- (c) a council as contemplated in the proposals for the establishment of District Councils.

A public servant as head vested with the additional powers and almost an empire-like structure that has been proposed will result in a resuscitation of the colonial Resident. In the context of modern thought this is neither desirable nor feasible. As such, one has to decide between an elected representative or an elected council, both of which have the element of people's participation in the administration. This is of course a matter for government policy; however, a few observations are given below.

When one thinks of people's participation in the administration one must not lose sight of the necessity for effective execution. A heterogeneous group of representatives as the one that has been proposed for the District Councils cannot function effectively. There is also the question of conformity with the policies of the central government. A non-homogeneous group whose members may have come into office on the basis of different political programmes can very well make ineffective central government policies. As such, between these two alternatives of democratic forms of leadership a single individual appointed by the central government seems to be the better proposition.

In searching for a suitable elected representative, the first answer that comes to mind is the office of Junior Minister. The present Constitution provides for the appointment of Junior Ministers to assist the Ministers in the discharge of their executive responsibilities. Although the constitution does not specifically say that Junior Ministers should be appointed Ministry-wise, the convention that has been followed is such. It is proposed that ministries should retain Junior Ministers only in instances where it is essential and that they should be appointed district-wise to give the necessary leadership to the District Secretariats, so that in a Junior Minister or a District Mirister (whatever name that may be assigned) there will be a person who will satisfy the democratic concept of elected representation and who also being some one appointed by the Prime Minister, will be fully consonant with the policies and principles of the central government. Under this setup he will cease to be a deputy to a particular minister but for all intents and purposes be a common deputy to all ministers taking instructions from each of them in respect of matters falling within their purview. This position is somewhat analogous to the role of a Government Agent today.

In brief what has been suggested is a political leadership for the district organisation, an institution which has had official heads for the past 150 years or more. It is admittedly a startling suggestion, but certainly no more than a natural development on the recommendation of the Donoughmore Commission to replace the Colonial Secretariat by a Board of Ministers seven of whom would be elected, and the recommendation made at a later date by the Soulbury Commission to abolish the offices of the three Secretaries of State and to transfer their functions to the Cabinet of Ministers.

Summary of Recommendations

- (1) Decentralisation of authority from the district level to the divisional level together with an increase in the number of D.R.O. Divisions to have at least one per parliamentary electorate.
- (2) Recasting the format of the Financial Estimates with a view to vesting funds, in respect of development programmes, in the provincial heads.
- (3) The detachment of regional officers of departments whose activities have a bearing on regional development from their head offices and their incorporation into a District Secretariat.

- (4) The amalgamation of head offices of departments involved in the change above with their respective ministries.
- (5) The appointment of Junior Ministers as heads of the District Secretariats.

Acting Government Agent, Badulla District.

The Kachcheri, Badulla, 23rd February, 1971.

LIST OF DISTRICT POLITICAL AUTHORITIES

	District		o. of PP.
1.	Vavuniya	K. B. Ratnayake Esqr., M.P., Minister of Parliamentary Affairs . and Sport.	8
2.	Matale .	. T. B. Tennakoon Esqr., M.P., Minister of Social Service.	4
3.	Hambantota .	. George Rajapakse Esqr., MP. Minister of Fisheries.	3
4.	Polonnaruwa .	. Ratna Deshapriya Senanayake Esqr., M.P., Deputy Minister of Planning and Economic Affairs.	2
5.	Amparai .	. Somaratne Senarath Esqr., M.P., Deputy Minister of Irrigation, Power and Highways.	4
6.	Kegalle .	. P. R. Ratnayake Esqr., M.P., Deputy Minister of Foreign and Internal Trade.	8
7.	Matara .	. B. Y. Tudawe Esqr., M.P., Deputy Minister of Education	7
8.	Kurunegala	D. P. Wickremasinghe Esqr., M.P., Deputy Minister of Shipping and Tourism.	12
9.	Galle .	. Neale de Alwis Esqr., M.P., Deputy Minister of Public Administration, Local Government, and Home Affairs.	9

10.	Colombo	S. K. K. Suriarachchi Esqr., M.P., Deputy Minister of Industries and Scientific Affairs.	27
11.	Kalutara	Ratnasiri Wickramanayake Esqr., M.P., Deputy Minister of Justice	8
12.	Kandy	H. M. Navaratne Esqr., M.P., Deputy Minister of Agriculture and Lands.	15
13.	Puttalam	S. D R. Jayaratne Esqr., M.P., Deputy Minister of Fisheries.	4
14.	Ratnapura	V. T. G. Karunaratne Esqr., M.P., Deputy Minister of Posts and Telecommunication.	8
15.	Trincomalee	A. L. Abdul Majeed Esqr., M.P., Deputy Minister of Information and Broadcasting.	3
16.	Nuwara Eliya	J. D. Weerasekera Esqr M.P. for Kotmale.	4
17.	Badulla	K. Y. M. Wijeratne Banda Esqr., M.P. for Soranatota.	8
18.	Batticaloa	P. R. Selvanayagam Esqr., M.P. for Batticaloa.	4
19.	Moneragala	Raja Welegama Esqr., M.P. for Moneragala.	2
20.	Jaffna	C. Arulampalam Esqr., M.P. for Nallur.	11

In addition to above, Lakshman Jayakody Esqr., M.P., Deputy Minister of Defence and Foreign Affairs is appointed as Co-ordinating Head of Armed Services and the Police.

PROPOSAL FOR THE APPOINTMENT OF DISTRICT MINISTERS TABLED IN THE NATIONAL STATE ASSEMBLY BY THE HON. PRIME MINISTER ON 22nd JUNE, 1978

1. This proposal recognises the policy commitment of the Government to institute a scheme of District Ministers.

This proposal will strengthen the representative character of the democratic system by grafting on to it a scheme for selff management by the people of the district.

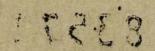
The objectives of the Proposals are-

- (a) to enable the people to participate in the administration at the district level through their elected representatives and effected through institutions established in the district;
- (b) to enhance the accountability of District Ministers to the President, the Cabinet of Ministers and the National State Assembly;
- (c) to facilitate control and co-ordination and secure the expeditious functioning of the administrative functions at the district level.
- 2. District Ministers will be appointed by the President and will be among Members of Parliament of the Government Parliamentary Group.
- 3. There shall be a Development Council for each District presided over by the District Minister.
- 4. The Council shall consist of the Member of Parliament of the District and not more than 10 others, consisting of representatives of local authorities and nominees of the President.

- 5. One or more Sub-Committees may be appointed by the Council for specialised functions. These Sub-Committees may meet as often as necessary.
- 6. The Secretary of the District Minister shall be the Secretary of the Council.
- 7. The District Minister should be one who enjoys the confidence of the members of the Development Council of the District.
- 8. A District Minister will be appointed from outside the District in which his electorate lies, wherever possible.
- 9. Every District Minister will have a Secretary who will be the Executive Head of the District subject to the control of the District Minister. He will be of the same status as an Additional Secretary to a Cabinet Minister and will be appointed by the President.
- 10. All activity within the District coming under the purview of the District Minister shall be through the Secretary to the District Minister

There shall be Additional Secretaries who will be responsible through the Secretary to the District Minister and the Development Council for the implementation of technical and other programmes.

- 11. Development Councils will be entrusted with the following functions:—
 - (a) Planning of district activities;
 - (b) Co-ordinating of district activities;
 - (c) Implementation of district programme of work;
 - (d) Evaluation of performance of district programmes;
 - (e) Expenditure of Decentralised Budget funds and other money voted by the National State Assembly.



- 12. Development Councils will deal with the following subjects:
 - (a) Agriculture and Food;
 - (b) Land use and settlement;
 - (c) Animal husbandry;
 - (d) Co-operatives;
 - (e) Small and medium-scale industries;
 - (f) Fisheries;
 - (g) Rural development;
 - (h) Housing;
 - (i) Education;
 - (j) Health services;
 - (k) Cultural affairs;
 - (1) Minor irrigation;
 - (m) Agricultural marketing;
 - (n) Social services;
 - (o) Agrarian services; and

other delegated and agency services that may be assigned to them from time to time.

(A detailed breakdown of functions and subjects will be worked out)

- 13. The District Ministers will serve as a link between the District and the Centre.
- 14. The District Minister will co-ordinate all development activities within the region by (a) formulating the district development plan; (b) monitoring and evaluating the implementation of the plan; (c) identifying bottlenecks in the implementation of governmental programmes and advising corrective action; (d) directly supervising inter-departmental activities within the region.

- 15. The District Minister will exercise direct control over resources specifically allocated to the District by the Central Government or the Development Council.
- 16. The Council's powers will be exercised in the following ways administrative directions issuing of circulars, resolutions, etc.
- 17. The President will determine which functions are to be assigned to a District Minister and which functions are to be retained at the centre. Once these functions have been determined they will be performed by the District Minister and executed by him and the Council through the Secretary.
- 18. Local Government functions will also come under the supervision of the District Minister. It will be necessary to determine whether there should be any increase in the powers of local bodies.
- 19. As far as Local Authorities are concerned, Budget formation is done by the Local Authority itself. Similar budget formation should be done by District Ministers in respect of those functions that are delegated to the District Minister. These budgets should have Cabinet and Parliamentary approval.
- 20. Local Heads of Departments, e.g.: A.C.L.G., Director of Education, etc., should be designated Assistant Secretary in the Office of the District Minister in respect of those functions of the relevant Ministries that are executed through the District Minister.

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LIST OF DISTRICT MINISTERS

	Name	District
1.	Mr. Weerasinghe Mallimarachchi, M.P. for Kolonnawa	Colombo
2.	Mr. Indradasa Hettiarachchi, M.P. for Horana	Kalutara
3.	Mr. Keerthi Abeywickrema, M.P. for Deniyaya	Matara
4.	Mr. Rupa Karunatilleke, M.P. for Bentara- Elpitiya	Galle
5.	Mr. P. M. B. Cyril, M.P. for Tissamaharama	Hambantota
6.	Mr. P. Dayaratna, M.P. for Amparai	Amparai
7.	Mr. M. Canagaratnam, M.P. for Pottuvil	Batticaloa
8.	Mr. Merril de Silva, M.P. for Minneriya	Polonnaruwa
9.	Mr. N. A. Senaviratne, M.P. for Kegalle	Kegalle
10.	Mr. Jayawickrema Perera, M.P. for Katugampola	Kurunegala
11.	Miss Renuka Herath, M.P. for Walapane	Nuwara Eliya
12.	Mr. Tudor Gunasekara, M.P. for Mahara	Gampaha
13.	Mr. M. L. M. Aboosally, M.P. for Balangoda	Ratnapura
14.	Mr. R. M. Appuhamy, M.P. for Bandara-wela	Badulla
15.	Mr. R. M. Abeykoon, M.P. for Hali-Ela	Moneragala

16.	Mr. H. B. Wanninayake, M.P. for Nika-	
	weratiya	Puttalam
17.	Mr. H. B. Abeyratne, M.P. for Yapahuwa	Anuradhapura
18.	Mr. M. E. H. Maharoof, M.P. for Mutur	Mannar
19.	Mr. W. P. B. Dissanayake, M.P. for Gampola	Kandy
20.	Mr. K. W. R. M. Ekanayake, M.P. for Dambulla	Matale
21.	Mr. H. G. P. Nelson, M.P. for Polonnaruwa	Trincomalee
22.	Mr. G. D. Mahindasoma, M.P. for Kekirawa	Vavuniya
23.	Mr. U. B. Wijekoon, M.P. for Dambadeniya	Jaffna
24.	Mr. A. M. Mansoor, M.P. for Kalmunai	Mullaitivu

PRESIDENTIAL SECRETARIAT

My No. N. 152/79 Republic Square, Colombo 1. 13th November, 1979.

Victor Tennekoon Esqr., Q.C., Chairman, Presidential Commission on Development Councils, Colombo.

Dear Sir.

I am directed by His Excellency the President to inform you of the following decisions of the Government:—

- (1) It was decided to have the following local government authorities in the Island:
 - (a) Municipal Councils;
 - (b) Urban Councils;
 - (c) Development Councils.

It had been decided earlier to abolish Town Councils and Village Councils and create in their places Rural Councils. Subsequent to this decision a Presidential Commission was appointed to report on the setting up of Development Councils.

Since a plethora of councils would not be conducive to development, especially in the rural areas, it was decided to have Development Councils at the rate of one for each district instead of a large number of Rural Councils as envisaged earlier. The Development Councils will also replace the existing Town Councils and Village Councils.

- (2) It was decided that the Development Councils would be empowered to pass subsidiary legislation approved by Parliament.
- (3) The collection of taxes and revenue would be streamlined and distribution of funds among a large number of local bodies would be avoided. This would ensure more funds for development of the rural areas through one single body rather than a larger number of bodies spending money on different unrelated programmes.
- (4) The creation of Development Councils would expedite the present integrated development plans for districts with the assistance of World Bank and other international organisations.
- (5) With regard to elections, composition and functions it was decided to await the recommendations of the Presidential Commission on Development Councils.

Yours faithfully, Sgd. W. M. P. B. Menikdiwela, Secretary to the President.

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