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Contributors

SUSANTHA GOONATILAKE B.Sc. (Eng), B.A. (Soc.), M.A., Ph.D.	Director, Research Dept., People's Bank in Sri Lanka
BRADMAN WEERAKOON B. A. (Cey.), M. A. (Michigan)	Government Agent, Galle District, Sri Lanka
W. J. REDDIN, B.A., M.B.A.	President, W. J. Reddin & Associates Ltd., London. Among several books he has written are MANAGERIAL EFFECTIVENESS, which has been translated into ten languages and EFEFCTIVE MANAGEMENT BY OBJECTIVES currently a very popular MBO book
V. C. B. UNANTENNE, B.A., Fellow E.D.I., of the I.B.R.D. (Washington, D.C.)	Addl. Secretary, Ministry of Public Administration & Home Affairs and Director, Sri Lanka Academy of Administrative Studies
D. VAMADEVAN B.A. (Cey.)	Asst. Commissioner, Local Govt., Batticaloa Region, Sri Lanka
G. B. WIKRAMANAYAKE, F. C. A., F. C. M. A., M. B. A. (Ontario)	Chairman, Bank of Ceylon (Former Secretary, Ministry of Pub. Adm. Local Govt. & Home Affairs, Sri Lanka

EDITORIAL

THIS issue more-or-less coincides with the enactment of the Land Reform Amendment Act (No. 39 of 1975) by the National State Assembly. The Act which was certified on the 17th of October 1975 provided for the vesting in the State of nearly half a million acres of plantation land owned mainly by British Sterling Company interests, thereby completing a process initiated by law in 1972 of limiting land ownership to a ceiling of 50 acres per individual, providing for maximum productivity through the proper use and management of agricultural lands and giving legal sanction to the concept of land as a social asset while recognizing the right of private ownership subject to the limit on the size of individual holdings.

There is no doubt that the take-over by the State of the lands hitherto owned by foreign Company interests is the most important historical step taken since the grant of Political Independence, signifying the climax of the struggle for economic emancipation from the neo-colonalist fetters of an exploitative global economic system which has institutionalised the tyranny of a market economy developed over the years as a funnel for the transfer of resources from the poor to the rich, widening the gap between the haves and the have-nots and making a mirage of the Promised Land which Political Independence seemed to usher in.

While Land Reform signals the nearing end of economic neo-colonialism within, the struggle has just began for liberating the ex-colonial countries from the strangle-hold of the multi-nationals and the international pricing system. The resolutions of the 7th Special Session of the United Nations General Assembly as well as the outcome of UNCTAD IV to be held in Nairobi and the 6th Non Aligned Conference to be held nearer home in Colombo would no doubt be the inexorable pointers to the result of the struggle without inasmuch as socio-economic Programmes like Land Reforms are equally inexorable indicators of the outcome of the struggle within.

Basic socio-economic Programmes like Land Reform are also indicators of a further irreversible trend viz : the growing expansion of State activities and the establishment of Public Sector Organisations to run enterprises which traditionally had been left to the Private Sector. The objective of this process which is the establishment of a Socialist Democracy has being written into the Constitution of Sri Lanka as a principle of State Policy :—

"The development of collective forms of property such as State property or Co-operative property, in the means of production, distribution and exchange as a means of ending exploitation of man by man".

The realisation of the goals and objectives of Government casts a heavy responsibility on political leaders, policy makers and administrators at all levels. Two key questions arise—Can these persons who have hitherto being shaped in their habits of thinking, values and attitudes by a system of Government and Administrative Structures which are still essentially of the colonial mould, develop the capacity to break out of this system and effect the fundamental structural overhaul which is the sine-qua-non of Economic Independence? Has "Development Administration" which has been the response of this class to the pressing social demands effected a change of role which is only of degree and not of kind from the "revenue collection and maintenance of law and order" role played out during colonial times?

Although some may dismiss Goonatilake's attempt to adduce by inference the influence of the Comparative Administration Group to Sri Lanka, as an external irrelevancy picked up apparently from the ASEAN landscape and applied out of context, his article sensitively analyses the distortions which the historical evolution of Development Administration reveals. Weerakoon in his spirited reply observes the failure on the part of Goonatilake to bring the story up-to-date and adapt the analysis to the Sri Lanka situation, relating it especially to the structural changes from 1956 onwards necessitated by the development activities which followed the increasing shift in emphasis towards socialism, with the State taking on the major responsibility for development. Reddin's emphasis on the output orientation of the manager with performance being considered as the only true measure of effectiveness brings us back to the fundamental questions posed earlier—Can a fundamental overhaul of Governmental structures be posited (taking into account the present state of Development Administration) as likely to be effected in such a manner as to enable appropriate institutions to be set up, where necessary, which can carry out the major developmental tasks which lie ahead? Reddin's emphasis on performance and out-put as the only true measures of managerial effectiveness is salutary and takes on a particular significance in the context of the rapid socio-economic changes which have been carried out in Sri Lanka during the past 5 years.

Lastly, while Wikramanayaka cogently relates Management and Administrative structures to the processes of Urban and Regional Development, Vamadevan analyses the historical growth of Local Government Finance in the context of central local relationships, relating the dwindling sources of Local Government Finance to the take-over of Public Utilities by State Corporations and Boards. He makes the important point that Local Government Finance should therefore be viewed in the much broader perspective of reforms in the structure and powers of local authorities in Sri Lanka.

V. C. B. UNANTENNE.

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COLONIAL ADMINISTRATION TO "DEVELOPMENT ADMINISTRATION" A TRANSITION FROM A COLONIAL TO A NEO-COLONIAL THEME

SUSANTHA GOONATILAKE

IN the 1960's the traditional role of administration in ex-colonial countries began to be perceived as being something separate from its earlier role of law and order and revenue collection. As a response to this, many of these countries including the South Asian ones purported to change " administration " to one that was described as " development administration ".* The purpose of this article is to trace the growth of the body of knowledge known as " development administration ", the structure of administration that existed prior to " development administration " and the changes subsequent to its introduction.

Pre-Independence Administrative Structures

The advent of the colonial powers beginning with the Portugese in the 16th century, then the Dutch and finally the British changed the societies in the South Asian region and gave rise also to particular administrative and management systems deemed to serve the colonial presence. The colonial presence required that the local population be controlled for the main mission of the colonisation process, namely that of extraction of a surplus from the colonised countries and transporting it to the mother country. It also meant often the necessary adjunct of a military presence that would quell revolts arising from the subjugated people. But it was also necessary to maintain a more stable blanket of repression so that the extraction process would be relatively unchallenged by the establishment of an efficient law and order and revenue collecting bureaucracy.

The maintenance of law and order was sometimes done by the use of traditional leaders who acted as intermediaries for the colonisers. However with the gradual penetration of the economy of these countries by the European presence a formalised administration system arose that maintained " law and order ".†

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*"Development administration " will always be referred to in this article within quotes as the discipline has many ideological and historical connections which transcend its purely scientific aspects which the discipline claims to represent. In this we would like to draw a parallel with the so called " scientific management " movement in the early decades of this country which laid claims to scientific rigour and which today is also referred to within quotes because of the subsequent realization of its non-scientific and ideological bases.

†Compare this with the need for " stability " under the *Pax Americana* and the new extractive order.

Originally large sections of the formalised bureaucracy specially the more important posts in say the Indian Civil Service or the Ceylon Civil Service, were manned physically by Europeans. Because of the unwelcome and hence repressive nature of the colonial presence the need often arose to maintain a tight control of the Non-European element in the bureaucracy by the Europeans. This meant the growth of highly codified regulations in the form of administrative and financial regulations which restricted tremendously local initiative and which led to a tight centralisation in this sense of the bureaucracy.

The rigid bureaucratic structures that arose during the time were functional in that the main purpose of these were the maintenance of law and order and revenue extraction, activities which remained relatively unchanged. Such tight bureaucracies are what Burns and Stalker have called " mechanical structures "; and, as the latter have pointed out, they are efficient in environments and situations that do not change rapidly. The administrative organs under colonial rule dealt with relatively placid environments that did not also change very much with respect to the goals of the organisations. Wherever changes in the environment occured that could be termed turbulent and were inimical to law and order and to revenue extraction, the army was used to quell any such disturbances and law and order was reintroduced.

As these bureaucracies functioned in a relatively stable environment from the point of view of the organisation, the tight codified regulations in these bureaucracies were functional in another sense in that it was necessary to control the lower ranks of non Europeans, who could not be trusted. The decisions the bureaucracy had to take were also the relatively technically unsophisticated and simple ones relating to law and order and extracting revenue, and hence no deep knowledge was required by incumbents of the bureaucracy. What was required in such situations were rule obeying functionaries with only a general awareness of the environment and no particular in-depth knowledge.

The principal organisations in the colony was the law and order bureaucracy but there were other organisations which were created to run the new industries and other economic activities that grew up with the colonial presence. Thus plantations were run by rigid bureaucracies that had similarities to the administrative bureaucracy.

Industrial activities in the sub-continent were poineered largely by the " managing agency " system. The latter arose as a result of a division between the financing sources which were in the mother country and the managerial activities in factories and plantations which had to be carried out in the sub-continent. Later when money was being raised in India the system of management agency continued. The agencies were often either family units or small private companies dominated by members of one

family who occupied key positions of the companies. The typical organisation of a management agency has been described as " highly centralised and personal, with a rigid social structure " (Chowdhury 1966, page 133).

It is thus seen that the historical roots of pre-colonial organisations in the sub-continent lay fundamentally in the colonial presence and in the growth of industries that grew up in association with the colonial presence. In the next section we shall look at how with the removal of the colonial presence changes were made in both the administration system as well as in some organisations or productive enterprises. An attempt will be made to put these changes in historical and societal perspective and to see how far these organisations meet their goals.

" Development Administration "

" Development Administration " is a sub-discipline that grew up within the general body of knowledge related to " development " during the late 50's and 60's, as a result of the exposure after World War II of a large number of Western Scholars and administrative practitioners to experience in administration in the Third World.

The discipline of what was hitherto known as public administration consequently became enlarged to extend beyond the earlier Western systems and to include developing countries (Heady 1966, page 6). In America the establishment of the Comparative Administrative Group affiliated with the American Society of Public Administration gave professional recognition to the subject. The field saw the growth of a considerable literature and many theoretical frameworks to explain organisational behaviour in developing countries, were formulated. Principle names in this school were Heady, Diamant, Riggs, Presthus, Waldo, Siffin and La Palombara. America has largely influenced the development of the theoretical insights and directions of " development administration " whilst the British and other Europeans have taken a largely passive role being content in looking at micro problems and technocratic exercises in administration.

The experience of the Europeans, the British and the other former colonial Herren was earlier limited to the development of administrative systems to fit their colonial missions. The interests of the British and the other colonial powers in administration during the colonial rule did not extend very much into theoretical discussions (although for instance arguments on the nature of the Indians Civil Service crept into reforms of the British Civil Service itself in the 19th century), but was dictated largely by the pragmatic needs of administering a colony for the benefit of its mother country.

With the growth of the *Pax Americana* replacing the *Pax Britanica* after the end of World War II new definitions of what public administration in the developing countries was and what it stood for arose. The experiences

of field administrators and aid personnel attached to the new American thrust in foreign policy resulted in a formidable growth of formalised knowledge on administration as well as an attempt to codify its application. We can identify three social sources for the growth of the body of knowledge that became "development administration" as :—

(*a*) the growth of America as a world power with its own interests and its own view of the world separate from the earlier British (and other colonial) ones.

(*b*) the growth of a body of knowledge associated with 'development' in the 50's and 60's in America.

(*c*) the response of largely American social scientists to develop a coherent body of knowledge identified as "development administration" by combining these two aspects. That is, this body of knowledge grew up out of the particular reaction of American social scientists exposed to the problems in the Third World, specially the experience of such personnel in American dominated economies.

One sees this clearly in the work of principal figures of the "development administration" school. It is not necessary to look at all the major figures in this school but a look at Riggs' work (Riggs being the main *guru* of this school) amply illustrates this. Riggs' main work is based on his experience in Thailand, Korea, Taiwan and Pakistan (1964. Page 241), all, countries that were either still under feudal hold or under authoritarian local rule but having the common feature of being under strong American domination. Classes of problems that were identified as relevant by Riggs and the theoretical models he drew and the remedial suggestions he made are all based on these particular circumstances of the countries he studied.

Riggs' most developed analysis of administration in developing countries is his theory of "prismatic society" (1964) which replaced his earlier model based on a typology of agrarian and industrial societies. This earlier theory of Riggs was based on his actual perception of the conditions he found in the societies he studied, and gave rise to an inductively drawn model. In contrast to this earlier model which he rejected, his theory of prismatic society is deductively drawn from the *assumed* characteristics of how developing countries differ from developed ones.

Riggs sees the developing countries as subject to a process of change as they move from a traditional society to a more modern one. The changing developing society is thus a transitional one which Riggs suggests has certain characteristics which influence the functioning of its organisations. To describe these organisations he constructed a model of transitional society as well as a model of the organisations in it. His model of transitional society is within the main trend of models of development that

appeared in the late 50's and 60's and which were associated with such names as Parsons, Hoselitz, Rostow, Hagen, McClelland etc. His approach to development is basically what Kindleberger has called the gap approach meaning that there exists a sociologically definable gap between the developed and developing countries which could be stated formally.

More specifically, Riggs uses in his model the approach of Parsons to development, specially those variables which Parsons' called "Pattern Variables" and which help to differentiate the developed from the undeveloped. Now the development theories associated with this type of approach which Parsons and Riggs brought, have been under considerable criticism recently on both theoretical grounds and the grounds of the empirical fit of these theories to actual societies. Consequently there has been a new revisionist view of development which denies the easy categories of the 60's. Thus this general approach has been criticised by among others, Finnegen (1971) Levine (1968) Huizer (1970) Inkeles and Smith (1971) Benedix (1967) Bernstein (1971) Frank (1971) Rhodes (1968) Bodenheimer (1970) etc. and the easy categories of the 60's associated with Parsons are no longer considered seriously.

One can point out that the theoretical inadequacy and lack of empirical fit which models of administration such as Riggs' had were because of the fact that they were based on faulty views of development and were also in addition based on limited experience gathered in countries under American hegemony. Thus a continuous problem which surfaces in most of Riggs' writing are problems associated within a feudal or strongly authoritarian country and his remedies often border on the need to politicise the bureaucracy *a la Americain*. He consequently recommends the desirability of moving towards a spoils based political bureaucracy. As his work is based on these somewhat special societies he ignores problems such as for example which may arise from a collapse of legitimacy of bureaucrats that has been occurring in less American dominated countries like those of South Asia which have developed spoils based systems.

For instance he refers to the fact that officials in the countries he studied often adhere to conflicting norms (for example they often have two standards of recruitment, one an objective norm held for public consumption and a privately held one which depends on more subjective particularistic criteria). Though Riggs' bureaucracies are governed by this phenomenon which he calls polynormativism they are not apparently subject to different norms of what constitute legitimate authority figures. In fact most such organisations and also the countries Riggs studied are characterised by a high degree of authoritarianism where authority and definitions of what constitute legitimate authority are unchallenged ..... On the other hand many countries in the developing world (specially most ones in the South Asian context) have seen a very serious challenge to the

existing structures of authority in organisations and this has been identified by observers as one of the major factors to be considered in the organisations of this region. Clearly Riggs' model does not fit countries like this which have not been under authoritarian rule.

Although Riggs' approach has been the most influential in the "development administration" field, there have been others like Diamant and Heady who have also made significant contributions. Just like Riggs was a prisoner of his places (Thailand, Taiwan, Korea and Vietnam) and his times (the optimistic years of American development theory) and gave rise to inadequate models so was also the lesser figures victims of their particular situations. Thus Diamant (1964) and Heady (1966) both use as starting points of their study the particular view points that prevailed at the time of what constituted politics and political "development". Thus politics and political development was viewed (largely unconciously) as the growth of a system of government closely resembling the American pattern. (See also Ocampo and Johnson 1972 who place these views on political development in perspective).

The American pattern as the height of political development, is seen also in Diamant's and Heady's approaches which are based on looking at the political environment of administration. Their models are based on ephemeral categorisation of countries according to the particular political regime at the time (with of course the American pattern being unconsciously viewed as the highest). The analysis of the bureaucracy by both these authors start with the givens of the political environment. The aridity of their approach is seen vividly when one observes that often some countries change their "political environment" (quite often by American sponsored coups) from say, a democratic to an authoritative system without significant changes in their administrative organs and their functioning.

Heady for example ignores the fundamental societal changes occuring in these societies and classifies the societies purely on their existing political systems. These political 'systems' are ephemeral and change fast in developing countries and do not provide a sufficiently stable system of classification and do not sufficiently describe societal characteristics. Thus Nkrumah's Ghana which is classified under the Dominant Party mobilisation system is different from the Ghana of today. In fact Ghana could be put today under his second category of bureaucratic elite system in that it is run by a military government. Yet it is difficult to imagine that behaviour of a bureaucracy would change in any fundamental manner purely as a result of changing the national political regime. A more fruitful approach to organisations in developing countries would have been to isolate the fundamental changes underway in these countries and see what

effect these have on organisations. These fundamental changes incorporated in a suitable theory or model of development change would have presumably taken into account more significant factors than the sometimes purely accidental category of political regime, as defined by Heady.

By the early seventies a mood of despondency had crept in about the brave new theorizing that went on in the sixties, which we have briefly noted were based on false and/or partial perceptions of what constituted development and administration. Although the canvas of this theorizing was large, in that it attempted to situate administration to societal changes, its use was limited in that the theories did not base themselves on a sufficiently strong body of knowledge relating the developing society to administration. Further this grand theorizing did not deal often enough with the nitty gritty of technocratic administrative problems, only about which most "development administrators" were concerned with.

Thus La Palombara (1971) attacks strongly the conceptual models drawn up by workers like Riggs and Diamant in the 1960's. He attacked the concept that generalised frameworks and models are useful for the study of the organisations of developing countries. He felt that these generalisations and models obscure rather than clarify the basic issues. The solution La Palombara proposed was to treat each country as having a distinctive if not unique type of system into which one can fit particular solutions. In order to select from a vast array of possible variables available for such an individualized approach to a country, he suggested a checklist which will yield a profile of the country. La Palombara's essential point is an appeal for less time and resources to be devoted to theoretical frameworks and logical schemes and more to actual research in the countries concerned.

La Palombara's stress for the need for basic research is commendable but the abandoning of atttempts at generalisation is not. There are over one hundred and thirty five countries in the world today and to develop individual theoretical schemes for each is an extremely difficult, if not impossible task. Theoretical schemes that transcend national boundaries and are still valid, are needed. The invalidity and irrelevance of much of the work which La Palombara criticises lies not in the fact they make generalising assumption, but that they make the wrong assumptions. Thus the invalidity of, for example, Riggs' work lies in his model of developing society and societal change that he is using.

The work of "development adminitration" has found its criticism on the more technocratic and British-based pragmatic level in a review article by Schaffer (1971). Schaffer traces the importance of the Comparative Administration Group (and its outgrowth "development administration") and its influence on developing countries. The C. A. G. was a "much more thorough going academic establishment than its parent body the American Society for Public Administration" and was pervasive in its influence with

" its pamphlets, its newsletters, its rapidly expanding membership and publications ". The contact of the Group with over 300 members in America and over 100 overseas the notes were impressive, but the impact of the C. A. G. on administration as such in the countries concerned was minimal. " To put it in another and harsher way they (the C. A. G.) had their conferences and wrote their papers, but the practitioners did not seem to take much notice and changes in developing countries did not seem to be directly affected ". But is has had " its vast impact on one particular and very practical direction ; (on) people in developing countries (who) move in between academic, administrative and training careers ". Thus although " development administration " propagated by the C. A. D. did not have a direct impact on day-today decision making it continued to have an influence in the orientation of an important strata of persons and so consequently the slogan " development administration " became in many ways an ideological facade for careers of such personnel.

Although " development administration " aimed to take a total view point of developing society and of its administration most of these countries in the Third World were during the years of ascendancy of " development administration " of the C. A. G. variety under continuous bombardment by also modern management theories and practices (a la Harvard etc.). Thus large numbers of personnel in the administrative as well as management sectors of South Asian countries has been trained in modern management practices of the American type. And the area has its large quota of operations researchers, industrial engineers, linear programmers, systems analysts and the like.

The approach of this strata of management-trained personnel were asocietal in that it was assumed that unlike in the case of C. A. G. " development administration ", management problems in developing countries were basically similar to those of the Anglo-American region. A recent offshoot of modern management called " Comparative Management " although it attempts to question the universal validity of modern management has not done so in any significant manner. Thus two of the leaders in this field Prasad and Negandhi both Indian born naturalised Americans have attempted to study the functioning of organisations in South Asian settings and to see how far American management techniques can be transplanted with success to India. They explicitly have rejected the view that organisation in any significant way could vary according to societal factors in the manner in which Riggs and his colleagues have posed the problem (1968 and 1971).

To summarise one can discern in the thinking on " development administration " in Third World countries and specifically the South Asian region two broad strands. One is a societal view based on the " ecology of administration "—the view point of Riggs and his colleagues and which has now lost its earlier favour. Secondly there is a continuing

influx of largely American based management know-how as constituting a context-free science that can be accepted by the South Asian countries. As an additional overriding factor there is also the fact that these two tendencies occur within ex.colonial countries that had organisations which were historically shaped by the colonial encounter and were devised to fill the colonial missions.

But in both these trends there is the overiding factor that as Schaffer (1971) has already remarked on "development administration", comparative management and development administration have had no serious impact on the reality with which management practioners were engaged in. Further, specially in the South Asian case, the problems encountered "in the field" were very different (Aiyar 1971, Franda 1971, Goonatilake 1973, 1975, Maheswari 1972) from those dealt in the literature. The time seems ripe now for a dialogue-theoretical and practical-within Third World countries themselves about the origins and problems of management and administrative systems. With the collapse of the validity of Western analyses of our problems, both in the development and administration fields, such a dialogue must be initiated and led by Thrid World persons alone.

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COLONIAL ADMINISTRATION TO "DEVELOPMENT ADMINISTRATION": A COMMENT

BRADMAN WEERAKOON

In his now accepted iconoclastic manner Dr. Goonatilake proceeds to dissect the concept of Development Administration and lays bare the barrenness of some of the widely accepted theories of western scholars on organizational structures in the developing countries.

The purpose of his article, as he describes it is threefold :—

First to trace the growth of the body of knowledge known as Development Administration ;

Secondly to describe the structure of administration that existed prior to the coming of Development Administration ; and

Thirdly to examine the changes subsequent to the introduction of the new concept.

While the first two purposes have been adequately served, it is unfortunate that what could have been, to the practitioners of administration in the field, the most interesting part of the article, namely his third purpose of the changes subsequent to the introduction of Development Administration, appears to have been altogether omitted from his article.

Dr. Goonatilake leaves us right from the beginning in no doubt as to his opinoin of the term Development Administration both through his sub title 'transition from a colonial to a neo-colonial theme' and his practice of using the term only within quotes. As he explains it in a footnote he does so in view of the "many ideological and historical connections which transcend its purely scientific aspects which the discipline claims to represent."

Dr. Goonatilake's description of the administrative structures prior to Independence follow the accepted view that the colonial bureaucracy was chiefly concerned with maintenance of law and order and revenue collection. Perhaps scholars who have researched on the bureaucracy of our country prior to 1948, specially the functioning of the administration after 1931 when a certain measure of responsibility devolved on the Board of Ministers, may feel that the picture of a primarily law and order bureaucracy is somewhat overdrawn. It could presumably be argued that administration of development came to occupy an increasingly larger portion of the time of administrators during this period. But more fundamental than this is the omission to bring the story up at least to the 1960's,

when "Development Administration" came into vogue. While Dr. Goonatilake deals with the period up to 1948, it would have been logical to have expected him to at least touch on the changes in administrative structures that took place in the 1950's, specially with the major shifts in direction in several areas after 1956, since one of the specific purposes of his article is to describe the administration that existed prior to the coming of "Development Administration".

In his analysis he dissects the work of Riggs whose theory of "prismatic society" was widely acknowledged in the mid 1960's as being helpful in identifying the characteristics which would either favour or constrain development in societies transitionally placed between the traditional and the modern. Model building was the done thing not only in the field of social organisation but in economics as well during the decade of the 1960's. Dr. Goonatilake traces the growth of revisionist theories of development which found fault with the earlier models both on theoretical grounds and the fact that the theories did not seem to fit actual conditions in real societies. In fact, Dr. Goonatilake's own research into the power structures of Rajya Karmantha described in his 1971 study of an industrial organisation in a transitional setting, found that the theories of western scholars in this field did not take account of the several external environmental influences which affected the exercise of power and decision making within the organisation.

He finds Riggs' a prisoner of the places he worked in, namely Thailand, Taiwan, Korea and Pakistan. (Vietnam too is mentioned as being one of Riggs' workplaces but I wonder whether that is a slip of the pen).

There is also a hard look at the models of Diament and Heady who placed countries in categories depending on the structure of the political regime prevailing therein. He finds this approach not fruitful since adequate consideration has not been given to other fundamental societel changes. Dr. Goonatilake finds commendable La Palombara's view that generalized models are not very relevant for the study of organizations in developing countries and that one should treat each country on its own and ascertain the significant variables through research. But he is not for completely dropping theoretical models since models that transcend national boundaries would be still needed. The problem as he sees is that of formulating generalisations based on the correct assumptions. The error into which Riggs fell is therefore not the fact that he generalized, but that in generalizing he built on wrong assumptions.

Dr. Goonatilake does not attempt to define Development Administration or to tell us even what it is supposed to mean. He implies, quoting Schaffer that the work of the Comparative Administration Group who wrote about "Development Administration" had an impact on people in developing countries who "move in between academic, administrative and

training careers". In short, he may even be saying that Development Administration is peddled by those who work in Academies of Administrative Training and that the slogan of Development Administration has become "an ideological facade for the careers of such personnel". If this is what he means this is indeed a somewhat extreme position to take and it seems to call for an adequate reply from such personnel themselves.

With several years of Development Planning and 10 and 5 year Plans behind them—whether in fact implemented partially, fully or not at all—those involved in administration might quite naturally recoil at the suggestion that what they have been imagining they have been doing is after all only a fiction. When Planning and National Planning Councils were instituted in the newly independent countries, the need to restructure the administration and to provide its personnel with the necessary skills and motivation to implement plans also received due recognition. Furthermore, with an increasing shift in emphasis towards socialism, with the State taking the major share of development ventures, the objectives of the bureaucracy shifted from an earlier position where State officials were concerned mainly with creating the necessary conditions for private enterprise to indulge in development activities, to one which found administrators pitchforked into managing commercial, industrial and agricultural enterprises. In this process, the roles and functions of administrative personnel could be said to have undergone a substantial change, with the subject matter of everyday decision making changing from the routinized matter of running an office, with strict adherence to rules, to the more flexible (vide the moratoria on financial regulations) approach which quick development demanded. The new skills which the new tasks called for saw the rise necessarily of training institutes, and perhaps a new vocabulary, in which concepts like Development Administration occurred. To imply, however, that Development Administration is a fiction which arose in the minds of those in Training Academies, or for that matter a term which administrators themselves used as a covering robe of professionalism would appear to be tantamount to throwing the baby out with the bath.

There is no gainsaying the fact that the entirety of this area of organisational forms to which Dr. Goonatilake has drawn attention in this thought provoking essay, and the revisions, distortions and dysfunctions which emerge when alien western forms are superimposed on the Third World setting, constitutes a field which cries out for a continuing dailogue between personnel of the countries concerned primarily. It is to be hoped that in such a dialogue the voices of those who deal, in Dr. Goonatilake's trenchant phrase with the 'nitty gritty of technocratic administrative problems' will also be heard.

EFFECTIVE MANAGEMENT JOB DESCRIPTIONS

W. J. REDDIN

THERE is only one realistic and unambiguous definition of managerial effectiveness : effectiveness is the extent to which a manager achieves the output requirements of his position. When it is seen this way, the concept of managerial effectiveness becomes the central issue in management. It is the manager's job to be effective. It is his only job. Once this definition is accepted and understood it can lead directly to changes in personnel policy and major changes in management development practices, and in the philosophy underlying management by objectives (MBO).

To understand what managerial effectiveness is, it is necessary to distinguish sharply the three terms **managerial effectiveness, apparent effectiveness,** and **personal effectiveness.**

Managerial effectiveness : It is not an aspect of personality. It is not something a manager has. To see it this way is nothing more or less than a return to the now discarded trait theory of leadership, which suggested that more effective leaders have special qualities not possessed by less effective leaders. Effectiveness is best seen as something a manager produces from a situation by managing it appropriately. In current terminology it represents output, not input. The manager must think in terms of performance, not personality. It is not so much what a manager does, but what he achieves. The following is an extreme example :

A manager's true worth to his company may sometimes be measured by the amount of time he could remain dead in his office without anyone noticing. The longer the time, the more likely it is that he makes long-run policy decisions rather than short-run administrative decisions. The key decisions in a company are long run and may refer to market entry, new-product introduction, new-plant location, or key man appointments. The person making these decisions should not get involved as can happen with short-run issues. If he does, he has not decided on the output measures of his job, nor has he the skill or opportunity to create conditions where only policy issues reach him.

Some managers have narrow views of their jobs. What they do they may do well, but they leave an enormous amount undone. Some managers let the in-basket define the nature of their potential contribution and the clock its limit. One manager might view his contribution as simply that of managing a going concern and keeping it on an even keel, while another might see the same job as having large components of subordinate

development and creative problem solving in it. Still another might see his position primarily as a linking pin connecting with other parts of the firm, and thus might take a wider view of his responsibility.

Apparent effectiveness : It is difficult, if not impossible, to judge managerial effectiveness by observation of behavior alone. The behavior must be evaluated in terms of whether or not it is appropriate to the output requirements of the job. For example, the following qualities, while important in some jobs, may in others be irrelevant to effectiveness : Usually is on time, answers promptly, makes quick decisions, is good at public relations, is good writer.

These qualities usually give an air of apparent effectiveness in whatever context they may appear. But apparent effectiveness may or may not lead to managerial effectiveness. For example, consider the case of Charles Smith, an independent consultant with four employees. He was the first one in and last one out each day. He virtually ran everything and ran everywhere. In a business which usually makes low demands for immediate decisions, he always made them on the spot. " Do it now " was his catch phrase. He was very intelligent, active, optimistic, aggressive, and his job input was enormous. His staff turnover, however, was 100 percent in one year, and he sometimes signed contracts which he had no possibility of meeting. If his business failed, the casual observer might well say, " It wasn't because of Charlie ", thus showing the confusion that exists over the important differences between apparent effectiveness and managerial effectiveness.

Conventional job descriptions often lead to an emphasis on what could be called *managerial efficiency* : the ratio of output to input. The problem is that if both input and output are low, efficiency could still be 100 percent. In fact, a manager or department could easily be 100 percent efficient and 0 percent effective. The efficient manager is easily identified. He prefers to :

do things right	rather than	do right things
solve problems	rather than	produce creative alternatives
safeguard resources	rather than	optimize resource utilization
and discharge duties	rather than	obtain results

Conventional job descriptions lead to the apparent effectiveness of the behavior as listed in the left column ; a job effectiveness description which emphasized managerial effectiveness would lead to performance as listed in the column on the right.

Conventional job descriptions and management audits usually focus on the internal efficiency of an organizational system rather than on its external effectiveness or its outputs. It would be a simple matter to increase internal efficiency sharply and to decrease external effectiveness just as sharply. Paper work usually is quite unrelated to effectiveness.

The distinction between managerial effectiveness and apparent effectiveness can be further illustrated by what really happens when a " steamroller " manager brings what appears to be chaos to an organization but the situation clearly begins to improve. Unless outputs are the focus of attention, the result can be serious distortion about what is really going on.

Personal effectiveness : Poorly defined job outputs can also lead to what might be called *personal effectiveness,* that is, the satisfying of personal objectives rather than the objectives of the organization. This is particularly likely to occur with ambitious men in an organization having only a few closely defined management output measures. Meetings with these men are riddled with hidden agendas, which operate below the surface and lead to poor decision making. To illustrate : in a three-day meeting to set corporate objectives for a Toronto consumer goods firm, one of the four vice-presidents in attendance initiated a series of proposals for reorganization and argued for them with great force.

While all had some merit, it became clear, as he described them, that most would not lead to greatly improved team effectiveness. Other team members saw quickly that all these proposals were aimed, to some extent unconsciously, at improving the vice-president's power and prestige. This issue was confronted for several hours and the team members, many of whom had previously had intentions similar to those of the vice-president, finally decided to turn their attention away from improving their personal effectiveness to improving their managerial effectiveness and, therefore, their total team effectiveness. The top management, structure was modified but in keeping with market, consumer, competitive, and organizational needs ; not with personal needs.

There is nothing wrong with either personal effectiveness or apparent effectiveness. We all like to make it in our own terms and we all like to appear effective. The problem arises only when either condition is confused with managerial effectiveness. In a well designed firm, all three kinds of effectiveness could occur simultaneously for a particular manager. This would mean th at a manager who is in fact effective looks as if he is (apparent effectiveness), and is rewarded for it (personal effectiveness).

The Deadly Sin of Inputs

The first step in helping managers to be more effective is to help them see their job in output terms. To keep the concept of effectiveness in mind, we can refer to these outputs as *effectiveness areas,* but they can have a variety of other names. The problem is that too many jobs are described in terms of inputs, not outputs: in terms of *input areas* and not in terms of *effectiveness areas.*

The source of much of the problem which surrounds effectiveness is found in the way job descriptions are written. Lengthy job descriptions or crash programs to write or update them usually have little actual usefulness. As C. Northcote Parkinson has pointed out, the last act of a dying organization is to issue a revised and greatly enlarged rule book. This observation may hold as well for crash programs to write job descriptions.

Many, if not most, managerial jobs are defined in terms of their input and behavior requirements by such phrases as: *he administers ..... he maintains ..... he organizes ..... he plans .....* and *he schedules.* Naturally enough, managers never refer to job descriptions like these; once made, they are not very useful as an operating guide. They are often proposed initially by those who want to use a seemingly scientific technique to justify a widespread change in salary differentials or a change in the organization structure. They are often a negative influence, as they focus on input and behavior, the less important aspect of the manager's job.

The most common error in writing effectiveness areas is in producing input areas instead. An input area is an incorrect statement of an effectiveness area which is based on activities or inputs rather than results or outputs.

One director of agricultural extension working with a staff of about forty initially established the following effectiveness areas: (1) filling of staff positions adequately, (2) competence of staff, (3) turnover of professional staff, (4) organizing and developing an extension program, (5) promoting activity in farm youth clubs, (6) conducting studies and preparing reports, (7) supervising loan grants to farmers. (These areas were covered in his first attempt.)

After becoming acquainted with the managerial effectiveness concept, and particularly with methods of establishing effectiveness areas, he decided that this first attempt needed improvements. In particular, he saw that he was taking no responsibility for change, and that he was focusing on inputs, not outputs. His proposed effectiveness areas indicated a low-level bureaucratic view of his job. Like many of those employed by

government, he greatly overemphasized staffing, programs, and report writing. All of these are important, of course, but they do not relate directly to the basic function of the position.

The director made a second attempt at setting his effectiveness areas, concentrating this time on the areas of: (8) net farm income, (9) percentage of commercial farmers, (10) high-value crop acreage, and (11) the average number of livestock.

This second attempt very clearly focuses on an end result on output, not input. In discussion, however, this director found that to some extent he had gone too far the other way. He could not make " net farm income " an effectiveness area because so many factors affected it over which he had no control, including such things as government policy and farm board decisions. His third attempt was somewhere between the first and second attempts.

In his third attempt he became involved with the areas of: (12) average farm acreage, (13) securing farm loans, (14) high-value crop acreage, (15) average number of livestock, and (16) farmer knowledge.

Areas 10 (high-value crop acreage) and 11 (average number of livestock) remain. Area 8 (net farm income) was removed. Two of the director's major resources used to help increase net farm income were loans to farmers and educational staff, programs, and facilities. The director decided to make these into effectiveness areas, largely to replace " net farm income ". His final areas were focused on ends, not means: on what he had to achieve, not what he did. The objectives associated with all of these effectiveness areas were easily measurable and all were clearly output, not input.

In a letter to the author, the director wrote: " Number 1 was my first attempt at setting these down. Number 2 presented my first change. Number 3 is what I thought was a refinement on the second. I am still not completely satisfied with these and I will now discuss these at some length with my superior in order to arrive at what we both feel is the best set of effectiveness areas for my position. The problem that I faced initially in preparing them was that I am in a position of directing a number of program areas, and a lot of the decisions I make are with reference to staffing, budgeting, personnel, and additions to programs. This led me to lose sight of what I was actually supposed to accomplish ".

Too many attempts to set effectiveness areas fall into one of the two traps illustrated by this manager's first and second attempts. Either they focus on inputs and turn managers into bureaucrats, or they deal with uncontrollable outputs and so become predictions, dreams, or simply part of another manager's job.

The Training Officer

While many initial attempts to set effectiveness areas turn out instead to be a list of activities, many attempts can go in the other direction : everyone then appears to think he is heading a profit center. Of any proposed effectiveness area the question should be asked, " Why is this being done ? " or " Why is his important ? ". For example, a training manager might go through this kind of process. He is first asked what his most important area is. To which he might reply : " To design a management development program ". When asked " Why ? " he replies, " To put on courses for managers ". When again asked " Why ", he replies, " To increase managerial skill in problem solving ". When again asked " Why ", he replies, " To improve the quality of managerial decisions ". To yet another " Why ", he replies, " To improve profit performance ". The correct area for this training manager would probably be " to increase managerial skill in problem solving ". It cannot be " to improve the quality of managerial decisions " or " to improve profit performance ", as these are both influenced by many factors over which the training manager has no control. He has no authority. On the other hand, the areas cannot be simply " program design " or " putting on courses ", which are clearly inputs. The sole objectives of industrial training is to change behavior. The effectiveness areas and the objectives of a training manager must reflect this.

Most inputs can be converted to outputs if the position is needed at all. Some examples of inputs converted to outputs are the following: *maintain machines* to *machine availability ; coach subordinates* to *subordinate effectiveness ; teach PERT* to *PERT usage ; church attendance* to *christian values ;* and *farmer education* to *high-value crop acreages.* One should beware of such areas as communication, relationships, liaison, co-ordination, and staffing : these areas usually suggest inputs.

From Inputs to Outputs

The following are actual examples of improved effectiveness areas, showing both first and second attempts at establishing them. The first attempt was most-often produced as private work without consultation. The second attempt shows how these first attempts were improved after a small group discussion. Such before-after changes as these are typical. They demonstrate what an imperfect view many, or even most, managers have of their jobs, and how easy it is to change this view, given the appropriate method and conditions. None of the second attempts is claimed to be perfect for the job in question, and in any case this would be impossible to determine without much more information. The point being made is that the second attempt clearly is better than the first.

Chairman of the Board

A full-time chairman of the board of a 6,000-employee company produced these two sets of effectiveness areas :

First attempt : (1) improve value of board, (2) assure good executive meetings, (3) provide useful counsel to company officers, (4) maintain effective remuneration and personnel policies for senior executives, (5) develop good high-level corporate image and public relations, and (6) initiate sound long-range planning.

Second attempt : (7) board decision quality, (8) national corporate image, and (9) corporate strategy.

The realization that the second set of areas was really his job led this chairman of the board to make many changes, particularly in his time allocation. He saw that number 1 (improve value of board) and number 2 (assure good executive meetings) could be replaced by number 7 (board decision quality), that 3 (provide useful counsel to company officers) was meddling, and that 4 (maintain effective remuneration and personnel policies for senior executives) should be given to the president, to whom 5 (develop good high-level corporate image and public relations) was his job, but on a national scale, as expressed in 8 (national corporate image), and that 6 (initiate sound long-range planning) was best replaced by 9 (corporate strategy).

University Director of Physical Education

A newly appointed university director of physical education with a staff of about ten produced the following as his first and second attempts.

First attempt : (1) character building, (2) health, (3) sports activity, (4) maintenance, (5) staffing, and (6) future programs.

Second attempt : (7) utilization of facilities, (8) readiness of facilities, (9) quality of facilities, (10) program innovation rate, and (11) growth of facilities.

This man came to see that he could only partially influence areas 1 (character building) and 2 (health) and that he had no practical measuring device for the former (character buliding) that 3 (sports activity) and 4 (maintenance) were best expressed as 7 (utilization of facilities) and 8 (readiness of facilities), and that 5 (staffing) was an input and that 6 (future programs) could be more clearly worded as 10 (program innovation rate). Unlike some such managers, he did have some control over the growth of his facilities and thought it appropriate to include 11 (growth of facilities).

President of Food Processing Company

The president of a 5,000-employee food processing company initially produced a set of thirteen effectiveness areas. They included :

First attempt : (1) profitability, (2) planning, (3) top team quality, (4) profit growth, (5) reputation growth, (6) growth momentum, (7) trade relations, (8) industry relations, (9) government relations, (10) board and employee relations, (11) capital employment, (12) return on investment, and (13) management succession plan.

Second attempt : (14) profitability, (15) planning, (16) reputation in industry, (17) company climate, and (18) customer-top management relations.

This company president decided to retain number 1 (profitability) and number 2 (planning) as numbers 14 (profitability) and 15 (planning). Area 3 (top team quality) he identified as a common area ; 4 (profit growth) could be included as a sub-objective of 14 (profitability) by using a longer time span ; 5 (reputation growth) was changed to 16 (reputation in industry)—he kept this as he was a marketing-oriented president who spent much of his time on customer and industry visits ; 6 (growth momentum) moved to 14 (profitability) ; 7 (trade relations) moved to part of 16 (reputation in industry) ; and 8 (industry relations) became more specific as 18 (customer-top management relations). Number 9 (government relations) was identified as the executive vice-president's area exclusively ; 10 (board and employee relations) he changed to 17 (company climate) ; 11 (capital employment) and 12 return on investment) were given to the vice-president of finance ; and 13 (management succession plan) was seen as an area belonging to the vice-president of personnel.

Job Outputs are Always Measurable

If a so-called effectiveness area or objective is not measurable, we can forget it, because no one will know anyway. The most stern but necessary test of effectiveness areas and objectives is measurability. The rule is "if you cannot measure it, forget it".

In the left hand column of the following discussion is a list of qualitative objectives which are used as an illustration in one popular MBO book to suggest that such qualitative objectives must sometimes be used. This is incorrect. To illustrate, in the right hand column are this author's conversions to show that such qualitative objectives are usually unnecessary.

Actual Suggested Qualitative Objectives in standard MBO book	Conversion to illustrate the qualitative objectives are usually found to be activities. By asking the purpose of the activities, the quantitative objectives are derived.
Conduct monthly management development sessions for superintendents in techniques of standard cost program.	Have 50 percent of superintendents using standard cost programming techniques on at least two projects EO JUL 1974.
Prepare a program for patent productions.	Have no patent loopholes in our patents discovered by our own staff, independent agents, or competitors during 1974.
Prepare and distribute an internal public relations manual.	Obtain an average of 75 percent unaided recall by all non-managerial employees of 50 percent of the key corporate activities or accomplishments of the prior month for each month during 1975.
Improve statistical reports to reduce time lag between production and publication dates.	Without decreasing usable content, reduce by an average of four days, the time to distribute the following reports by the end of SEPT. 1974.
Prepare quality control manual for supervisors.	Eighty-five percent of first-line supervisors to know eight of the ten key points in company quality control practice by the end of DEC. 1974.
Improve appearance, packaging and design of products.	For each item in product line, design a package which will receive more consumer jury votes than any competing product by the end of NOV. 1974.
Undertake to ally research efforts more closely with production needs.	Have at least 80 percent of proposals to production manager accepted during 1974.

It is true that most of these conversions from inputs to outputs involve a broader view of one's job, a greater responsibility for the staff function, and a higher cost of measurement.

Effectiveness Areas—Knowledge Workers

It is a popular myth that the effectiveness of many knowledge workers cannot be measured. But look at this set of effectiveness area, disarmingly simple, all of which are capable of measurement if the associated objectives are worded correctly :

Consulted in area of competence

Advice accepted

Advice acceptance leads to improvement

The first area, *consulted in area of competence,* obliges the knowledge worker, not the manager, to see that the knowledge worker is consulted. Too many knowledge workers, like some university professors, see themselves as information reservoirs with no responsibility to provide a " tapping " facility ; and usually this is sorely needed. Knowledge workers, more than managers, have the opportunity to develop a relationship so that their advice is sought when appropriate. Industry has no place for the knowledge worker who does not himself create consultative conditions.

The second area, *advice accepted,* reflects that it is too easy to give advice that is not accepted. The knowledge worker must be evaluated on his effectiveness in giving advice a line manager sees he can use. The final area is *advice acceptance leads to improvement.* As it is too easy to give advice not accepted, it is also too easy to give advice that leads to " a poorer situation developing ". The knowledge worker has a responsibility for the success of his advice. Personal competence is not listed as an effectiveness area. It is an input. In any case, if the knowledge worker was not competent, his advice would not lead to improvement.

While the measurement problem usually can be solved with imagination, the *cost of measurement* problem may remain. To measure the impact of a training course on behavior necessitates at least many telephone calls or questionnaires, and preferably a field survey. The outputs of a public relations position are hard to measure without a formal survey of some kind. In these cases one has to ask whether the function is important enough to have even a rough measurement of its effectiveness. If not, then eliminate the function. If so, then allocate 10 percent of the total appropriate budget to measurement. There is too much conventional wisdom that a particular activity is a " good thing ". Measurement is the only way to test it.

It is difficult for some managers to accept the philosophy that " if you cannot measure it, forget it, because no one will know anyway ". Accurate measurement is central to good management. Some managers initially see their job as having vague, pervasive, and very long-term effects and

claim that it is impossible to measure their performance by normal methods. If such a manager also says that he understands what managerial effectiveness really means then he: is in a position that is not needed, or he has no authority to do his job, or he is avoiding responsibility.

As a simple example, a good relationship is often proposed as an effectiveness area. This is not measurable except by highly subjective methods. A sales manager who once proposed this area said later that it was not only nonmeasurable but it was an input as well; he saw that his effectiveness in this area could be equally well measured by short and long-term sales.

Is there a Job at All?

If two people are responsible for the same things, one of them is not needed. Major problems occur in such areas as delegation and planning when a manager sees his effectiveness areas as being simply the sum of all the subordinates' effectiveness areas.

Some superiors who misunderstand their jobs believe that, in essence, it is to make sure their subordinates do what they are supposed to do. This view, if taken to its natural conclusion, means that the sole function of all levels of management is to make sure that the workers get on with it. This clearly is incorrect and it would mean that all levels of management existed to see that the workers at the very lowest level worked. While it may be true in some technologies it is not true in many. We simply cannot say that a superior's job is always well represented simply by a collection of his subordinates' effectiveness areas, or their objectives.

A Canadian vice-president supervised four managers of profit centers. (See Exhibit 1). He knew he had difficulty in determining his own effectiveness areas; one area could not be profit, because this was an area of each of his subordinates. He had no resources such as capital to allocate among them; in fact, he did not have a job. At a meeting held for this unit it became clear he had no job. The team recommended that, as a unit, it be dissolved. The four profit centers became attached to other parts of the organization and the vice-president fully assumed another role which he had previously filled only nominally.

It is clear that for every position, effectiveness areas must be identifiable. What typically happens is that in his first attempt, the manager accepts the fact that all his effectiveness areas are really those of his subordinates. While apparently left with nothing to do, he knows he is filling a useful role. With further thought he comes to see his unique contribution only dimly perceived before. With his real job identified, he gets on with it rather than with the jobs of his subordinates.

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Personnel Manager

One personnel manager listed his effectiveness areas as : training, wage and salary administration, employment (staffing), safety and security, and industrial relations (see Exhibit 2). He was then asked to draw himself and his subordinates as an organization chart and to identify all the effectiveness areas, starting with those of subordinates, and not to duplicate any. The result is shown in Exhibit 3. He ran out of effectiveness areas before he got to his own position. This meant that he saw his position as having no unique responsibilities. His job, as he had defined it, was either doing his subordinates' work or making sure they did it. This was a narrow definition of his responsibility. He could see his job in broader terms than that and, surely, he has more to contribute.

He was asked these questions : What is your unique contribution ? What is the biggest thing which could go wrong ? What do you or could you do that the managers do not because : (1) they do not have the ability or experience ? (2) they do not have the time ? or (3) they do not have the information ? Why was your position created ?

This personnel manager came to see that his unique contribution was in the areas of : personnel policy, working conditions, organizational development, and managerial effectiveness. He could not accept full responsibility for all of these areas but was responsible, as any staff person, for giving acceptable advice which would prove correct. When we compare his first set of effectiveness areas to his revised set, they show a greatly enlarged view of the job, and a preparedness to allow subordinates to get on with it.

As he had fairly experienced subordinates, he could allow them to work with full authority in their respective positions. If he lost a position in his structure or a key subordinate, he might have to take the effectiveness areas of the position concerned and add them to his own for a while.

Common Effectiveness Areas

All management positions, no matter how different, do have some common effectiveness areas. Common effectiveness areas are those which may be, and usually are, associated with every management position. The other areas which are specific to particular management positions are called specific areas—all that have been referred to so far have been of this type. The common effectiveness areas are called : subordinate, innovative, project, development, systems, and coworker.

Not all of the common effectiveness areas meet the stern tests of output and completely objective measurement suggested for the specific effectiveness areas. This is because effectiveness areas are, by their very nature, designed simply to ensure organizational continuity rather than to achieve the outputs of particular positions.

Subordinate Effectiveness Areas

Every management position having positions subordinate to it needs to have subordinate effectiveness as an effectiveness area. This effectiveness area serves to focus sharply on the true relationship needed between the supervisor and his subordinate.

An associated objective could be worded like this : " Each subordinate is to establish by 15 August 1974 measurable objectives which are agreed to by those concerned, and which align horizontally and vertically ". Such an objective substitutes for customary objectives concerning motivation, control, relationships, and delegation, which do not get to the heart of the matter : effectiveness.

Unnecessary emphasis is sometimes used in the wording of objectives concerning subordinates. " To ensure that subordinate will achieve ..... " " To motivate subordinates to achieve..... " These phrases sound powerful and dynamic but add nothing.

Innovative Effectiveness Area

The innovative effectiveness area refers to doing something new on one's own initiative. It does not refer to doing things better or to implementing innovations which others propose. The mere existence of this as a common effectiveness area results in annual questioning of " the way we are doing things now ". Associated objectives might concern proposals or implementation : " Propose X new " : " Introduce X New ". If proposing new products is not normally part of one's job, the following objective might apply : " During 1974 propose five new products to the product committee, each with a four-year sales potential of $X and have one accepted for trial testing ". This objective may be somewhat grand for a manager who does not have inovation as his full-time job. More realistic objectives may relate to innovations in methods or procedure.

Project Effectiveness Area

Another common effectiveness area is project effectiveness. Projects concern activities which are not a normal part of the job and are not innovations to the existing job. They most usually arise from an assignment from the manager's superior. Its associated objectives refer to projects which are usually of a "one-shot " nature. They may refer to such things as : project committee membership, conversion of paper files to microfilm, appraisal of any system, redesign of any system, initiation of any system, conducting special investigations, and temporary assignment to other departments.

Such objectives usually refer to such things as feasibility studies and trial applications—untested, new systems. The objectives may form the basis of project team problem solving and are usually self-cancelling once the objective is achieved. Project objectives can have a lower priority than others, and of course they may vary widely from year to year.

Development Effectiveness Area

The term *development effectiveness area* refers to that area involved with preparing to meet the objectives of the position. This may includes human skills acquisition, technical skill acquisition, conceptual skill acquisition, and work habit modification. There may be only one single objective in a particular year which could be worded. " Prepare myself during 1974 to be able to meet my objectives now established and those which will probably be established during the next X years ".

The associated activities could include : making a time budget, reading specific management books, obtaining practice in the use of PERT diagrams for objectives, participating in seminars, visiting and attending conferences.

All managers would wish to set at least one objective in this area each year. If they do not, it is unlikely that they are improving their overall capacity at the rate they are capable of doing. On the other hand, over-emphasis on this kind of thing simply indicates a man who hasn't got a job. He develops himself and not the business.

Many of these developmental objectives have a strong flavour of input rather than output, but should be made output-oriented when possible. For instance, concerning training, don't say " attend a five-day PERT network seminar ", but " be able to use PERT for at least two of my objectives ", or better, " use PERT for at least two of my objectives ".

Systems Effectiveness Area

A manager is part of the system. If the system does not work, the achievement or lack of achievement of his objectives is inconsequential. Clearly, all managers have a responsibility to respond to the superstructure of the system in which their prosition is embedded. Some managers carry it too far and believe that an ideal manager in all circumtsances is the bureaucrat who is interested first in maintaining the system. On the other hand, the single-minded pursuit of an objective while not also considering the firm as a system means only that a manager has learned the name of the game, not the spirit of it.

Systems effectiveness is needed as a common effectiveness area. It relates to a manager's responsibility to see that his position and unit fits well into the broader scheme of budgets and procedures. A budget is a

device for making an organization work as designed ; in the same way, so are standard operating procedures. An associated objective might be worded : " to maintain the company budget, procedural, and administrative control systems ".

Budget should not be included, of course, if the manager has no budget responsibility, nor if he is also a revenue center when a " margin " or " cost per dollar received " objective can be used instead, nor if the budget is so constructed as to have only one to three key items, in which case it is often a good idea to express the objectives in terms of these instead of as a common effectiveness area.

Co-worker Effectiveness Area

Co-worker effectiveness is a comon effectiveness area only for those who have co-workers. The common area exists to emphasize the role of the manager as an external representative of his department. It gives recognition to the essential linking needed for a firm's subparts if organizational effectiveness is to be achieved.

An associated objective might be worded " in the opinion of each co-worker, to have done nothing to inhibit his managerial effectiveness ". Some managers prefer to word this positively as : " in the opinion of each co-worker, to have aided him to achieving his managerial effectiveness ". While the measurement method is a trifle subjective, the method itself is clear—you ask them.

Some managers shy away from this common effectiveness area with a variety of excuses. It is sometimes because they have been trained too well to look upward and downward in the organization, and not across.

Do all Apply ?

Do all the common effectiveness areas apply to all management positions ? The rule is " when in doubt try to make them apply ". One MBO adviser with a firm which had a low rate of new-product launches and low creativity suggested initially that the innovative effectiveness area could not generally apply. He was trapped by the firm he was in. The very reason it appeared to be difficult naturally suggested its use there. If a common area is seen not to apply, it is best to take a close look at the reasons given. They may be obvious and correct. On the other hand, they may be neither. When possible, then, all managers should attempt to apply all the common areas to their positions.

Do Effectiveness areas Cover the Whole Job ?

One of the more interesting differences of approach of writers of MBO books is in the percentage of the job that they believe should be covered by effectiveness areas. I believe that effectiveness areas, and therefore, objectives must cover 100 per cent of the job. To some extent this is facilitated by the " common areas " concept.

How to Select Effectiveness Areas

Here is a list of simple questions for a manager to ask himself, and then be able to develop an initial list of effectiveness areas for his position to test on his superior and his co-workers. There is much overlap in the list. All that the questions really ask is : " What is the job ? " But they ask it in different ways. Some managers find that ideas are triggered when the question is asked in one way and some when it is given another way. What is the position's unique contribution ? Why is the position needed at all ? What would change if the position were eliminated ? What will change if I am highly effective in the position ? How would I know, with no one telling me, when I am performing effectively ? What authority does the position really have ? What do the job description and the organizational manual say ? How do I spend my time ? How should I like to spend my time ? What would I be most likely to concentrate on over-two or three years if I wanted to make the greatest improvement in my unit ? In my superior's unit ? In the organization as a whole ?

Guides for Testing Effectiveness Areas

When effectiveness areas are identified, they should satisfy six tests which check on the adequacy of the effectiveness areas both individually and collectively. Each effectiveness area should : (1) represent output, not input ; (2) lead to associated objectives which are measurable ; (3) be an important part of the position ; and (4) be within the actual limits of authority and responsibility.

Effectiveness areas as a whole should : (5) represent 100 percent of the outputs of the position, and (6) not be so numerous as to avoid dealing with the essence of the job or so few as to make planning difficult.

Flexibility of Effectiveness Areas

The manager at the top of any organizational unit usually has some flexibility in the choice of the effectiveness areas he decides to associate with his own position. This freedom is very marked when he has the ability to create a subordinate and can assign part of his own work to the

subordinate. Under these conditions the top man's areas are fully flexible : he can make them what he wants them to be. He could, for instance, become an " outside " man with an emphasis on liaison with other organizational units or customers. His newly created subordinate could be the " inside " man concerned with managing the unit. The reverse situation is equally feasible. This demonstrates clearly that, within broad limits, a manager who can create a subordinate and can design his subordinate's effectiveness areas has a very wide range of different areas which he can associate with his own job.

It is impossible to look at the effectiveness areas for a particular position in isolation. Such areas are best seen as sets of areas which link several positions together. It is quite possible, then, that if the set of areas for one position changes a great deal, sets of areas for other positions may change as well ; and they should. When setting areas, then, the question is not " What are they ? " but " What could they best be ? " Clearly MBO is intimately related to organizational design and organizational flexibility.

A plant manager after three years on the job may well decide to change the effectiveness areas he established three years earlier. He may have trained one or more subordinates to assume some of them.

The important thing is that effectiveness areas should not simply be applied to an existing organizational design and then considered to be relatively permanent : instead, the assigning of effectiveness areas should be used as a basis for inducing organizational flexibility and seeing that it is maintained.

Effectiveness areas usually are subject to change when : a new manager is appointed, co-workers change, a manager grows in skill, power and decision levels move, MBO is implemented, or any major organizational change occurs.

Making Managerial Effectiveness Operational

To make the concept of managerial effectiveness operational for a manager it must be linked with objectives. This is easily done by using these four linked ideas :

MANAGERIAL EFFECTIVENESS : the extent to which a manager achieves the output requirements of his position.

EFFECTIVENESS AREAS : general output requirements of a managerial position.

EFFECTIVENESS STANDARDS : specific output requirements and measurements criteria of a managerial position.

OBJECTIVES: effectiveness standards which are as specific, as time bounded, and as measurable as possible.

While the ideas of objectives is central in MBO, the other three ideas (managerial effectiveness, effectiveness areas, and effectiveness standards) are the foundations of any objectives that are set. Only with an understanding of these foundations will the objectives be sound.

Managerial Effectiveness

A sound implementation of MBO must be preceded by the acceptance of managerial effectiveness as the central value or philosophy in management. Unless this is given primary importance, MBO will be no more than a highly sophisticated managerial-level work study. A small, or even large, firm can have values built in which counter the idea of managerial effectiveness. Such values may seriously interfere with or completely prevent the implementation of MBO.

Effectiveness Areas

The second idea, effectiveness areas, is based on the view that all managerial positions are best seen in terms of the outputs associated with them. Surprisingly few managers see their positions this way. Effectiveness areas spring primarily from the startegy of the firm as made operational by the organization structure. To a lesser but significant extent they depend on top management's views on the best locus for decision making.

Effectiveness Standards

Effectiveness Standards are subdivisions of effectiveness areas, which incorporate measurement criteria explicitly or implicitly. An effectiveness area of "sales" might be conveniently broken down into one or more of these sets of effectiveness standards:

Existing products—existing markets; existing products—new markets; new products—existing markets; and new products—new markets.

Or—unit sales by area, product, customer.

Or—dollar sales of product A, product B, product C.

Or—sales of product A, gross margin of product A, profitability of product A.

One of these four sets of standards or some combination of them would suit most situations. The set of effectiveness standards chosen is that which best covers the total job in output terms.

Objectives

Objectives are essentially specific effectiveness standards with time limits and numerical values attached to them. Thus, for the effectiveness area "sales", we have seen that one effectiveness standard might be "dollar sales of product A". The associated objective might then be "increase sales of product: A by $15,000 for the period January 1 to December 31, 1974".

The concepts are related in this way:

Effectiveness Area

Product A

Effectiveness Standards

(1) Sales increase in dollars on product A.

(2) Gross margin increase in percent on product A.

(3) Profitability increase per unit in dollars on product A.

Objectives

(1) Increase sales of product A to $ 400,000 during .....

(2) Increase gross margin of product A to 22 percent by decreasing distribution cost to $ 1.10 per unit during .....

(3) Increase profitability of product A to $ 0.22 during .....

For each effectiveness standard there is usually one objective, as shown in the example above.

All this is relatively straightforward but it is almost worthless if the effectiveness areas do not represent outputs from the beginning.

The Job Effectiveness Description

A job effectiveness description is needed which describes a managerial position almost exclusively in output terms. It contains first a list of the effectiveness areas of the position. Together with each of the effectiveness standards the manager develops a specific objective (usually annually), and he measures his degree of attainment of the objective by the established measurement method also contained in the job effectiveness description. For most managers, all this can be put down on one side of one piece of paper. The only additional content of the job effectiveness descriptions are specific statements of the authority vested in the position. These statements may refer to authority to enlarge or decrease staff, use overtime, change the product or service, rearrange work flow, or modify a production program. In constructing these job effectiveness descriptions,

great care is needed to ensure that the authority is sufficient for the specified effectiveness standards and the objectives derived from them. Either the authority is found, or made sufficient, or the effectiveness areas and effectiveness standards are passed upwards.

Job effectiveness descriptions are prepared for each managerial position and also for each unit, which includs a manager and all of his subordinates. Managerial objectives are thus formally linked to team objectives.

Making Managerial Effectiveness Operational

Managerial effectiveness may be made operational in the firm as a whole by linking these four concepts to personnel and other policies. Such linking amounts to imposing the value of managerial effectiveness on the operation of the firm.

Managerial effectiveness should be linked directly to organization philosophy, induction training and organization development. In this way it becomes the firm's central value induced by training and OD. Effectiveness areas should be the basis of describing job and of linking one job to another, that is system design. Effectiveness standards form a basis for job specifications, what kind of manager is required, manager selection, is this the man we want ; training plans, how do we obtain desired behaviour ; and job evaluation, how much should we pay. Objectives form the basis of the link between corporate strategy, and managerial appraisal. These four concepts then can provide the central theme for philosophy of management.

A Program to Achieve Managerial Effectiveness

A program to introduce managerial effectiveness as a central concept into a firm's life needs to be well planned and well executed. The casting up of a new personnel policy or corporate strategy statement, while useful, will not alone spread the ideas. All or most of these elements are needed :

- A formal organizational policy statement should be produced on the centrality to be given to the concept of managerial effectiveness.
- A clear public statement should be given by the top man on why he supports the policy statement and what it means to him and what it means to the lowest level of supervision.
- A clear statement should be made of implications of the policy which would cover management training, management trainee trainee training, management by objectives, management appraisal, and organizational development.

- A two day course for all managers should be conducted by the line, to teach the new concept.

An integration of the concept into all operating policies should be undertaken by a managerial effectiveness committee composed of both staff and line.

EXHIBIT ONE

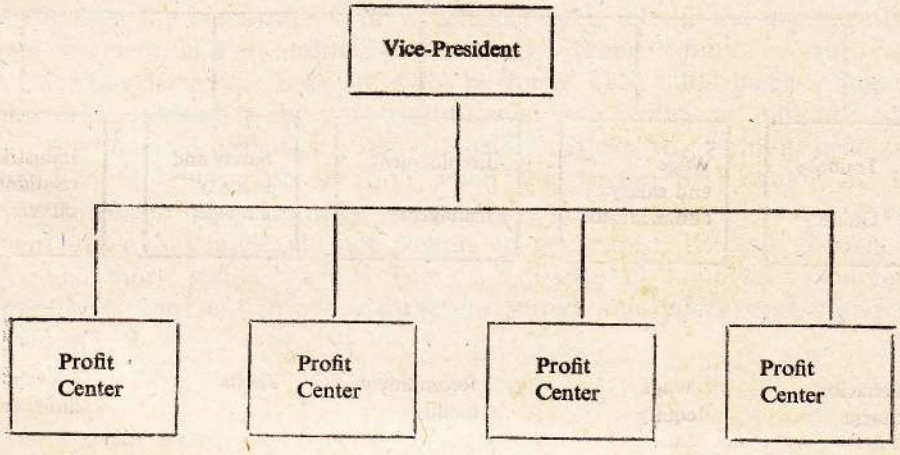


EXHIBIT ONE THE TEAM THAT WASN'T NEEDED
(This looks very important but was not needed.)

EXHIBIT TWO

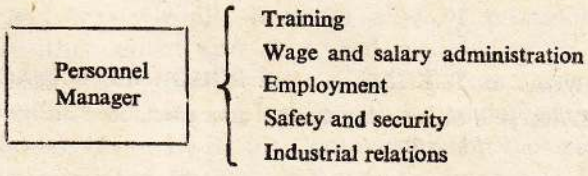
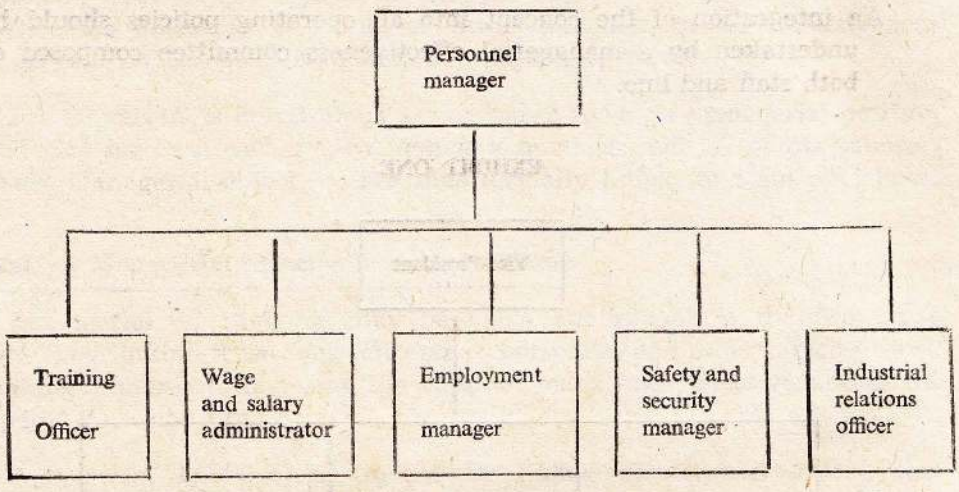


EXHIBIT TWO A PERSONNEL MANAGER'S VIEW OF HIS EFFECTIVENESS AREAS

(At first glance this appears to be an accurate description, but it is not.)

EXHIBIT THREE



Behavior change	Wage equity	Recruitment quality	Thefts	Grievance administration
Performance improvement	Salary equity	Retention rate	Accident	Contract terms
Facilities	Reward system	Career planning	Health	Negotiation
Advice		Organization		Union relationships

EXHIBIT THREE WHAT IS THE JOB OF THE PERSONNEL MANAGER ?

(When your subordinates share all your effectiveness areas with you, what are you left with ?)

LOCAL GOVERNMENT FINANCE IN SRI LANKA

D. VAMADEVAN

THE subject of Local Government Finance in Sri Lanka has been the concern of economists and of a number of Royal Commissions and official Committees for the past five decades. The need to focus so much attention to Local Government Finance has arisen from the fact that Local Authorities in Sri Lanka have always been afflicted by the inadequacy of finances the consequence of which has been felt in the comparatively poor services and amenities provided by them. Many of the Local Authorities have not been able to perform even the basic obligatory functions assigned to them by statute even at a minimum standard owing to their financial difficulties. Lady Urusla K. Hicks, the eminent economist, made the following observation when she visited Sri Lanka in 1957. "While the primary limiting factor in the development of Local Government in Ceylon is clearly not powers in general, inadequate finance was a much more serious factor. The inadequancy of financial resources in practice is apparent in every direction, autonomus taxes, grants and loan finance."

The main sources of income of local authorities can be grouped under three main categories: (1) Local Taxation; (2) Central Government Grants; and (3) Loans. The realization of such income depends on the extent of exploitation of local revenue potentialities and the efficient manner in which the local authorities utilise their powers for collecting rates and taxes; and the willingness and largesse on the part of the Central Government to bestow liberally from loan funds and provide grants for specific items of capital expenditure. This inevitably leads us to the question of the relationship between the central government and the local authorities. The key factor in local government finance is the kind of reciprocal relationship that is established between the central government and the local authorities. However, it is not possible to lay down in a rigid way for all time the kind of relationship that should exist between the centre and the local authorities in financial affairs. This aspect was highlighted by the CHOKSY Commission when they remarked that "This important subject has to be reviewed periodically and can be undertaken, if not by a full Commission, by a departmental committee of officials appointed from the Ministries concerned." It simply means that no general principles regarding financial relations between the Centre & the Local Authorities cannot be laid down for all times.

Finance being the central problem in Local Government in Sri Lanka let us take a look at the work of the various Commissions and Committees in this vital sphere.

The Financial Relations Commission of 1924:

The Financial Relations Commission appointed in 1923 made the first major attempt to define Central—Local Relations on a rational basis. The terms of reference of the Commission were "to consider and report on the financial relations between the central government and the local government bodies generally and to advise inter alia which public services were partly of a local character, and partly of a national character, and to make recommendations concerning the maintenance of such public services". At the time of this Commission during the Colonial period the functions of government were weighted heavily in favour of the central government as against local government. Important functions like police, education and curative health services were the functions of the Colonial Government. The Commission made recommendations for the continuance of these functions in the hands of the central government. In its report the Commission made certain general observations regarding the attitude of the government towards the local authorities in matters of finance as follows. "If local self—government is to be a success in Ceylon it is necessary that Government should have due regard in its financial relation with local authorities..... and should not expect of institutions which have not yet outgrown the weakness of infancy the same capacity for imposed burdens as may reasonably be expected of them when they reach maturity. Equally on the other hand, it must be recognized that local self-government will be a mere sham unless it includes responsibility for raising the revenue required to meet the expenditure of the self—governing authorities. A prevalent idea that the financial needs of local authorities should be met by the grant from the Colonial Exchequer of liberal subsidies proportionate to their needs, or by the assignment of Colonial revenue to local authorities (which would be a subsidy under another name), is one that cannot be accepted. It means in plain words that the Government is to be saddled with responsibility for collecting revenue which the local authorities will spend—a situation which no Government in the world could accept. Our view is that the local authorities in Ceylon wishing to increase their expenditure must be prepared to rate themselves adequately, and, where necessary, must be given legal power to do so. The imposition of adequate rates should therefore, be a condition precedent to any financial assistance from Government in the way of grants. We also realise, however, that a popular elected local body is faced in its nascent stages with very great difficulties, and we do not think they can be expected to impose on themselves a large and sudden increase of rates".

The report of this Commission was published in 1924 and the Government's decisions on its recommendation were published in 1926. These final decisions served as the broad basis of the Financial Relation between the local authorities and the central government till 1946, when the Board of Ministers made further changes in the context of the times.

Report of the Select Committee of the Legislative Council

The Select Committee of the Legislative Council appointed in 1926 made a review of the existing sources of revenue of the local Authorities. The significance of this Committee report on the financial affairs of Local Authorities was that they made the first comprehensive account of the sources of Local Government Revenue in Sri Lanka. The Final Report of the Select Committee on local government was published as Sessional Paper XXXVI of 1928.

The Financial Relations Settlement of 1946:

The next major change in financial relations came in 1946 when the Board of Ministers decided to pay the Local Authorities what is known as the Block Grant. The decisions taken by the Board of Ministers were as follows:—

(1) Additional sources of revenue were approved to be made available to the local authorities namely the Municipal Councils, Urban Councils, Town Councils by (*a*) a levy of a tax on Pawn Broken and Money Lenders. (b) a levy of a tax on Traders & Professions: The tax to be fixed on an all island basis.

(2) Annual Block Grant as set out to be paid immediately. The basis of this grant was a combination of population and revenue, in the case of Municipal, Urban and Town Councils. In the case of Village Committees, only the revenue factor was taken into account.

(3) The Central Government undertook the responsibility for water supplies to the extent that approved extensions to existing schemes would be subsidized up to 50% of the cost. In regard to new schemes which was approved, the cost of construction would be borne by the central government, but the cost of distribution system would have to be met by the local authority.

(4) Rural and Urban Housing outside the Municipal areas should primarily be a concern of the central government. In the case of Municipal areas, assistance if any, for such scheme, was to be considered on the special merits of each case.

(5) As regards the capitation tax in Village Committee areas, it was agreed that this tax should be abolished as from 1947 and, in its place the central government would make a grant equivalent to the average recovered in capitation tax for the years 1944, 1945 and 1946.

It should be noted that effect was not given to the decisions regarding taxes on Pawn Brokers and Money Lenders and on Trades & Professions.

Dr. V. Kanesalingam has commented that "the review by the Board of Ministers of the Centro-Local Financial Relations and the implementation of the recommendation did not constitute an overall reform for a long term solution to the problems arising from the inadequacy of local government finances. The agitation for an overall review of the Centro-Local Financial relations persisted".

Report on Local Government Finance 1949 :

The Minister of Health and Local Government appointed an official Committee under the Chairmanship of Mr. V. C. Jayasuriya, the Commissioner of Local Government to "Report on the present methods of taxation of local authorities, their sources of revenue, the need, if any, for a reformulation of the system of taxation and for further sources of revenue to enable local authorities to discharge their duties satisfactorily". This Committee was appointed because local authorities thought that the decisions reached in 1946 did not provide an adequate solution for their financial problems. Implicit in the appointment was the recognition of the insufficiency of the funds available to local authorities for the efficient discharge of their duties and functions. This official Committee presented its report to the Minister in 1949. It was considered by the government but no final decisions were taken. It was most unfortunate as the then Minister of Health and Local Government Mr. S. W. R. D. Bandaranaike has resigned from the government. Although improvements in the finances of local authorities were long overdue it was indefinitely postponed owing to the political situation. The Official Committee on Local Government Finance 1949 remarked, "the last financial Relation Commission report in 1924 and since that date no real attempt was made to tackle the problems involved in local government finance in all aspects. In 1946, certain 'ad hoc' decisions were reached on the proposals submitted to the Board of Ministers".

Choksy Commission Report, 1955 :

The next important comprehensive undertaking to inquire into local government in general and its finances in particular was the appointment of the Choksy Commission in 1953. This Commission published its report in 1955. The Commissioners made an exhaustive study of local government

matters in Sri Lanka. The terms of reference of this commission pertaining to local government finance was "the ways and means of providing the revenue required by local authorities for the proper discharge of their functions". On the need for more finance to local authorities the Commissioners concluded as follows:—"we feel satisfied, both by personal observation made over different parts of the country and on the examination of the evidence and material placed before us, that the complaint of local authorities that without more money they cannot even discharge such of their powers, functions and duties as they are presently endeavouring to discharge as intensively and at as satisfactory a level or standard as they should and would desire to do, is well founded, to say nothing of the impossibility of their entering into new fields of activity. Nor can they on their existing resources even merely enlarge and intensify the field and scope of their present environmental activities, as the community expects them, and which expectations the local authorities were keen to fulfil if they are given the funds."

The Commission also recommended the implementation of the official Committee's report on finance of 1949 for increasing the finances of local authorities. But, neither the report of the official committee on finance of 1949 nor the main recommendations of the Choksy Commission seem to have been implemented: Dr. V. Kanesalingam observes that "only some of the less important recommendations (referring to the Choksy Commission Report), were implemented, e.g., Revision of the basic date relating to the formula for payment of block grants, increase in the rate of acreage tax, etc."

Even visiting economists who analysed the problem of local government finance were disappointed with the condition prevalent in Sri Lanka. Mr. U. K. Hicks observed that "the failure so far to develop a robust system of local government and finance implies that Ceylon is not making the fullest use of her resources for economic and social development. Many of the quick maturing improvements which are so important in the early stages of implementing a development plan can best be carried out at the local level. It is here, too, that experience in responsible citizenship can best be gained by the general population. Finally, at the local level it is often possible to tap tax potential which escapes the net of larger and more remote authorities."

The Official Committee Report on Local Government Finance, 1962:

In 1962 the Minister of Finance appointed an official Committee under the Commissioner of Local Government to examine and report on—

(a) the extent to which existing sources of local revenue remain untapped and whether any steps should be taken to ensure that the local authorities make full use of the existing sources of revenue.

(b) the feasibility of assigning to local authorities any sources of revenue presently tapped by the central government and what basis such assignment could be considered.

(c) what new sources of local revenue can be made available to the local authorities in order to enable them to carry out their functions more efficiently.

This Committee did not find any new sources of local revenue that was satisfactory or worthwhile, but generally recommended updating and streamlining the existing sources of revenue and those recommended by the earlier committees. The recommendations of this official Committee too were not implemented.

Report of the Committee of Inquiry on Local Government, 1970 :

The next committee of inquiry on local government was in 1969 under the Chairmanship of Mr. V. C. Jayasuriya. Among other matters, this committee was required to inquire and report on " the adequacy of the present sources of revenue of local authorities, and what new sources of revenue should be made available to local authorities to enable them to perform their functions more efficiently ". This Committee submitted its report in 1970, in which year too there was a change of government.

It would be seen that although commissions and committees have examined the malaise afflicting local authorities owing to the paucity of finance and made recommendations from time to time no substantial attempt was made to solve the problem of local government finance. As Mrs. U. M. Hicks has observed " it is very quickly clear to the outside observer that local government in Ceylon is in the doldrums. That something is wrong indeed might be deduced from the larger number of commissions and committees which have made a clinical examination of local government and finance over the last 20 years, and have advised remedial treatment " Political viscissitudes have apparently stood in the way of improvements to local authority finance is most unfortunate "The financial resources of the local authorities is by and large the result of the arrangement made by the Financial Relations Commission of 1924 and the subsequent Financial Relations Settlement of 1946 and tinkering with some of the recommendations of the Choksy Commission Report. This is hardly sufficient to meet the needs and aspirations of independent Sri Lanka and to satisfy the increasing and evergrowing demands for providing amenities and services in a social welfare state. Dr. V. Kanesalingam makes a caustic comment that " the Donoughmore Commission's diagnosis in 1928, of the malaise of local government as that of a lack of drive at the centre and demand at the circumstance, is probably more true today ".

The parlous state of the finances of the local authoritise can be gauged if one compares the pace of growth of the revenue of the central government with that of the local authorities over a period of years.

Years	*Central Government Revenue*	*Percentage Increase*	*Local Government Revenue*	*Percentage Increase*
1938	113.2 Million	—	9.6 Million	—
1953	871.4 Million	659%	41.1 Million	340%
1968	2,202.1 Million	1843%	90.6 Million	844%

Erosion of Functions :

In recent times there has been a tendency to encroach on the traditional sphere of activities of local authorities by the central government agencies. The passing of the Electricity Bill has caused much misgiving in the minds of local authorities, as the installation and distribution of electricity was regarded as one of the legitimate functions of Municipal and Urban Councils on the same footing as any other public utility, such as water supply. When local authorities were producers and distributors of electricity they had a substantial profit margin, but today their income from this source has begun to decline rapidly owing to the small margin of profit they are allowed to make as retail distributors of electrical energy purchased in bulk from the Electricity Board at rates over which they have no control. To make matters worse, local bodies are deprived of income from most of the larger consumers such as the industrial concerns and factories as these are supplied direct by the Electricity Board. Under existing legislation no local body will, in future, be able to undertake the distribution of electricity. Thus, it will be seen that on account of government policy a once substantial source of income will be denied to the local authorities. The Local Authorities may face the same fate in the matter of water supply as the central government has already encroached on this vital public utility service with the passage of the Water Supply and Drainage Act. The local authorities are also to be blamed for this. Because the water rate structure now in force has no bearing either on the liabilities of the council or on the true cost of services provided to the consumer. In effect the service provided has been undercharged. It is not an uncommon fact that many of the electricity schemes and water supply schemes undertaken and managed by the local authorities are not viable.

Local Taxation :

Let us now discuss some of the important sources of revenue of local authorities from local taxation. The most important local tax is derived from rating. The property tax or assessment tax as it is called is the main source of local government revenue in Municipal, Urban and Town

Council limits and also in "built up localities" in village areas. In rural areas village councils levy an acreage tax on agricultural lands other than lands under paddy and chena cultivation. The Royal Commission on local government in England in 1969 noted that "although local government needs new sources of income, the rate modernised from time to time will remain the chief local tax. It is reasonably productive, well established simple to operate and is, in fact, the principal local government tax in many countries". This tax is assessed in our country on the annual rental value on land and buildings. "Neither its base nor the volume of revenue derived from it has expanded sufficiently" was the observation made by Dr. V. Kanesalingam on the operation of this tax. Certain experts on local government have advocated a change in the rating from annual rental value to capital value of lands and buildings. Mrs. U. K. Hicks while recommending this change added that "if the selling price-capital value base were to be used instead, it would automatically include the market's valuation of development expectation, at accepted prices. Capital value thus provides a much more expanding base for local tax than annual value Since unused and underdeveloped property clearly has a market value, even if there is no tenant, a capital base automatically disposes of this difficulty". Hence, assessment of property on its capital value, regular and periodic valuation on a scientific basis, non interference with the assessments and collections of revenue without extensions of time, these alone will ensure that the estimated revenue will be raised by way of assessment tax for the local authorities.

Apart from the Property Tax the Income of Local Authorities under licence duty is collected from licenceable trade which can be broadly classified under the following categories :—

(a) Dangerous and Offensive Trades

(b) Hotels and Restaurants and

(c) Miscellaneous Trades.

The inadequacy of these licence duties in the context of the present development is due to the fact that the original intention of licensing these trades was a means of regulating of their activity as a public health measure and not as a source of revenue. However, with the passage of time, the licence duty has come to be recognised as in independent and important source of revenue for the local authorities.

In this connection it is not uncommon for local authorities to have large amounts of arrears as uncollected revenue from the rate payers. The Commissioner of Local Government has observed "a weakness on the part of every council to which the Auditor-General has drawn attention every year is the failure to insist on the due payment of rate and taxes. While exemption on the ground of poverty is permissible under the ordinances,

the Chairman and members of the council seem to succumb to the inportunities of rate payers to be afraid to incur the unpopularity of strict adherence to the rules governing the collection of rates and taxes". To overcome this problem the report on the committee of inquiry on local government in 1970 recommended the vesting of responsibility for the recovery of the rates and taxes on the paid executive. This recommendation has been implemented and the results seem to be favourable.

Central Government Grants :

A remarkable feature of local authorities finance in Sri Lanka is the excessive dependence on central government grants for the execution of capital works. Mrs. U. K. Hicks has observed that "properly geared specific grants can most fruitfully be employed to stimulate local activity both on current and on capital works, while at the same time conditions concerning the standards of performance necessary in order to earn the grant can be laid down". As the central government grants increase there is also the tendency for an increase of central control of local authorities. Professor W. A. Robson has observed that "the very large increase both in the absolute amount of grants and in the proportion which they bear to rate revenue is a cause and a consequence of an increase of central control. The diminished independnce of local authorities is a reflection of, and in turn reflected by the diminished role of local sources of revenue".

But Dr. V. Kanesalingam makes the point that "it is however important that in order to preserve local initiative the total amount of these grants should constitute a smaller magnitude than autonomous local revenue But in Ceylon this has not been the position generally until now". He adds further that "we do not imply that the quantum of grants ought not to increase over time. What we do underline is that while these grants increase in amount, the proportion should be lower than the proportion of their autonomous revenue".

The Minister of Finance has recently done away with the General Purpose Grant and the Grant for Payment of Allowances to Employees and Pensioners in Local Bodies with a view to increasing the awareness of local authorities about autonomous revenue, though he will continue to provide the salaries of staff of village councils as there bodies would not as yet be in a position to receive subtantial direct revenue.

Loan Finance :

There is provision for local authorities to obtain loans from the Local Loan and Development Fund for capital works. The Local Loan and Development Fund was set up in 1916 under the provisions of the Local Loan and Development Ordinance. The National Planning Council has

observed that "while it is legitimate for local authorities to finance a certain amount of capital works out of revenue it must be expected that large works will require loan finance. Here the difficulty has not been so much the contsitutional obstacles to raising loans but the unwillingness of the central government to allow them to be raised". Besides there is the problem of cumbersome formalities to be followed in obtaining loans and also securing the repayment of these loans. The Choksy Commissioners had recommended the liberalisation of loan facilities to local authorities. The V. C. Jayasuriya report of 1970 has recommended the reconstitution of the Local Loan and Development Fund.

It would be relevant to note the specific recommendation of the Choksy Commissioner's Report pertaining to loan facilities for Local Authorities which are as follows:—

(a) That the loan policy of the Government be liberalized and that there be made available, for local authorities through the Local Loans and development Fund about Rs. 15 Million to Rs. 20 Million at least per year, for the next ten years.

(b) That the activities of a capital nature which a local authority wishes to undertake, whether it be revenue-earning or not, should be sympathetically considered for loan facilities, if application is made.

(c) That the period for the repayment of these loans be extended. At the moment a loan has to be repaid in 20 to 25 years. Loan repayments should be spread out over longer periods, depending on the life of the asset. For most of the local authority activities for which loans are required, it seems to us that periods of repayment extending from 40 to 60 years should be permitted.

(d) That the rate of interest on loans (which is now four per cent) be reduced and that the maximum rate of interest be two per cent. It must not be forgotten that the Central Government's National policy of development is carried out through local authorities. Money should be lent to them on terms which do not make it difficult for them to act in furtherance of such policy. Every encouragement and facility should be given to them in their permitted fields of activity. This can be most effectively done by providing them with money at a cheap rate of interest, with repayment spread over a long period of time so that the future generations may also have to share a part of the cost of long-term projects which benefit them too.

Present Changes:

The Minister of Finance in his budget speech of 1974, while enunciating certain broad principles regarding local government finance. says "I

propose as a first step, that 1 per cent of the turnover tax on non-manufacturing business collected by the Inland Revenue Department be refunded to local Authorities through the Commissioner of Local Government. These refunds would be made on the basis of the returns furnished to the department of Inland Revenue by tax payers. This would induce Local Authorities to provide information on the location of tax payers and the extent of their turnover. This would also be an interim measure till the local authorities themselves are in a position to compile their own registers and levy this 1 per cent direct; at which stage I would reduce the turnover tax to 3/4 per cent and the local authorities could make arrangements through licence fees or otherwise to levy an equivalent amount".

New Sources of Revenue:

There is a relation between local government finance and local government functions. Therefore, before I conclude, I wish to deal with one other possible source of revenue to local authorities in relation to its function, i.e. revenue from road users. Roads constitutes one of the main items of expenditure of local authorities is one roads, the arteries of communication and the infra-structure for development activity, Local authorities controlled nearly 2/3 of the road mileage in the island. But on a rough average the Highway Department spends about Rs. 10,000 on a mile of road while the local authority can spent only about 10 per cent of this amount resulting in the lower standard of the majority of the roads constructed and maintained by local authorities. It is clear from this that local authorities should be provided with increased funds if the large road mileage under their control is to be maintained at a standard adequate to meet the growing needs of a developing economy. The road users, meaning the persons who own vehicles and operate them contribute to government a fee for the registration and licensing of vehicles by the payment of an annual licence duty. These used to be collected and appropriated in full by the local authorities namely the Municipal Councils, Urabn Councils and Town Councils in respect of motor vehicles garaged in their area prior to the passage of the Motor Traffic Act, No. 14 of 1951. These local authorities were then the Licensing Authorities for their areas. Village Councils did not enjoy this previllage and the licence duties in respect of motor vehicles garaged in village council areas were collected by the respective Government Agents and credited to government revenue. As a result of the passage of the Motor Traffic Act the local authorities which had the licencing powers, lost these powers along with the revenue derived from them. In order to compensate these local authorities for the loss of revenue from this source, the central government decided to pay them a fixed grant on the basis of the amount that had derived in the year prior to the passage of the Act. This basis continues though the revenue from this source has considerably increased in the intervening period. The Choksy Commission which examined this matter

recommended that 50 per cent of the entire revenue derived from this source should be paid to the local authority. The Jayasuriya Committee recommended that 75 per cent derived from this revenue should be paid to the local authority. There is a very strong case for local authorities to receive this revenue as road maintenance and improvement is one of their main functions. If local government finance is a weak link in the structure of local government it has to be strengthened by additional sources of revenue.

Conclusion :

During the pre-independence era the colonial power that was Great Britain for very understandable reasons, did not confer the traditional functions and powers assigned to local government institutions in Sri Lanka, however elaborate the structure and pattern of local government machinery prevalent at that time. In post independence times, as already mentioned, even the existing functions were encroached upon by the erection of central government Boards and Corporations, e.g. The National Water Supply and Drainage Board, The Ceylon Electricity Board, etc. However, the setting up of these boards were necessitated by the advantages to be gained by the economies of large scale and the need to apply and benefit from modern technology. The application of modern technology on a large scale renders the boundaries of local authorities somewhat obsolescent. In the future conurbation of Greater Colombo there will be the imperative need for large scale planning of highways, water supply, sewerage, drainage schemes, and urban renewal and re-development at the expense of the existing boundaries of local authorities in and around the city of Colombo. This is inevitable and is in the very logic of the future development process. The problem of local government finance in this context has to be tackled from a much broader perspective and not merely finding additional source of revenue. Therefore, the reform of local government finance is very closely linked with the reform in the structure and powers of local authorities in Sri Lanka.

The Problem of Local Government Finance is not something peculiar to Sri Lanka alone. In fact many local government institutions both in the developed and the developing nations are faced with this problem. In recent times the financial crisis of the metropolitan city of New York was spotlighted and attracted the attention of many students of local government. It was found that New York city was unable to pay for the welfare schemes and services undertaken by them over a period of time. Many writers have focussed attention on the crisis of local government and it has become somewhat fashionable to speak of a crisis of local government in Sri Lanka too. But, if there is a crisis there is also the need for reforms. This is the Challenge of our time.

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POPULATION PROBLEMS, URBAN AND REGIONAL DEVELOPMENT AND ADMINISTRATIVE STRUCTURES IN SRI LANKA

G. B. WIKRAMANAYAKE

IT will be quite evident to many that population, urbanization and development of regions are interconnected—the experience in Sri Lanka is no different in this respect. However in this paper, I wish to highlight the relationships among these socio-economic processes to yet another perhaps more pressing factor—that of management and administrative structures and their change in Sri Lanka. It is rather clear in regard to my country, that apart from any academic or scholastic analysis on population, urbanization and regions, the solution to many of the problems in these areas will have to be in terms of policy formulation and its implementation specially within the field of public administration and the effective management of public sector programmes in the country. The broad examination of these three socio-economic processes in terms of public sector administration and management structures in my country will therefore constitute the focus of my paper.

Urbanisation & Population Growth

The distribution of urban and rural population in Sri Lanka according to censuses held from 1901 to 1971 indicate a general and steady increase in the proportion of urban population. In 1901 the total population in the country was 3.5 millions of which 418 thousand or 12% lived in towns, whereas 3.1 millions or 88% lived in rural areas. The corresponding figures after seven decades (in 1971) are that in a total population of 12.7 millions, 2.8 million or 22% live in towns, whereas 9.8 millions or 78% still populate the rural areas.

The growth of the capital city of Colombo has been another significant feature in the urbanization process. For the purpose of the analysis of migration and urbanization patterns, the metropolitan area of Colombo has to include not only the Colombo Municipal area but also the Colombo Revenue Officers' Division and the adjacent suburbs. The population of this area is over one million (i.e., about one-tenth of Sri Lanka's population). The next largest city, Jaffna, is about one-tenth of the size of Colombo by population.

The Colombo metropolitan area controls nearly 75 percent of all the industrial and commercial establishments of Sri Lanka in addition to being its political and administrative capital. There is a wide disparity

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between the standard of amenities provided in the outstation towns of Sri Lanka as against the primate city of Colombo. This position has been aggravated due to the limited sources of revenue of local authorities which are responsible for the provision of amenities in these towns. As a result of the superior urban milieu of the capital when compared with small towns, it has been observed that many are lured to the capital city which is the hub of social, educational and cultural activities in the country and which provides attractions and opportunities of any big city.

Although the Colombo District continues to exert an attraction due to its primate position of the capital city, an analysis of internal migration within the country shows that all the other districts that have gained population are those which are least populated and least urbanized. The migration rate has been highest for Polonnaruwa district, followed by Monaragala District, both in the Dry Zone and predominantly rural in character. This is a very salutory feature and is no doubt due to the expansion of agricultural activity in these districts.

Further, the fact that urban unemployment rates are not appreciably higher than those of the rural sector would indicate that the expansion of the urban population was more or less in balance with the expansion of economic activity in the urban sector. Hence, it could be said that the worst feature of the normal rural to urban drift in developing countries have been avoided in Sri Lanka. Those who have done comparative studies have established that the rate of urbanization in Sri Lanka has been comparatively slow and that the rural-urban dichotomy is less sharp in Sri Lanka than in many countries of Asia. They have also pointed out that our shanties and substandard houses nowhere approach the squalor and misery of some other Asian cities.

Intensive research would be required to analyse how and why the pattern of urbanization in Sri Lanka came to be in many respects different from that of many other Asian countries. Any research in this area would be more than of Academic interest as it could directly influence policy formulators and planners by warning them against disfunctional tendencies and identifying the favourable ones to be strengthened thereby giving guide lines for suitable strategies for development.

A number of factors which have contributed to the present position in Sri Lanka may be enumerated, but the true significance and the degree of contribution of each requires detailed research studies.

(1) The predominant role of the agricultural sector yet remains unchanged, e.g., agriculture's share in the national output which was

39.1% in 1959 was still 35% in 1970. Corresponding figures for manufacturing industries are 11.6% in 1959 and 13.8% in 1970. Even the composition of the work force reflects the same position:

	1946	1970
Agriculture	53·8%	51·6%
Manufacture	10·1%	10·6%

(2) In an agriculture based economy people remain tied to their land. This is very true of tea, rubber and rice. Only coconut allows some degree of absentee landlordism.

(3) The " push factor " has been relatively weak in Sri Lanka due to a number of reasons among which the degree of agricultural mechanization, the uniformly satisfactory climatic conditions and soil composition almost all over the country and the progressive action to open up new agricultural land simultaneously in many districts are contributory factors.

(4) The social pattern of Sri Lanka with an integrated family structure which was subject to only slow structural changes too, would have acted as a deterrent to urban migration.

(5) The social welfare orientation of the government which has continued to spend a major part of its revenue for measures such as free rice rations, free health services, free education and extensive subsidy schemes for housing, agricultural services, etc., has reduced the stress on the unemployed and poor income earners and invalidated the " push factor " to a great extent.

(6) The many direct and indirect efforts of the government at agricultural and rural development through the mobilisation of local resources would have played a principal role in retaining the peasant in his rural environment. The government has launched a multi-pronged effort towards increasing agricultural production and generally spreading the benefits of development to under-developed areas. Some of the important elements of the Government productivity " war " are—

(*a*) The Divisional Development Councils under the Ministry of Planning for generating employment through rural projects utilising local resources ;

(*b*) Land settlement and colonisation schemes ;

(*c*) Large multi-purpose river valley development schemes such as the Gal oya, Walawe and Mahaveli Development Schemes ;

(*d*) Services under the Ministry of Agriculture such as the agricultural extension and advisory services, agrarian services, agricultural loans and insurance schemes, etc. ;

(*e*) Network of co-operative organisations under government supervision ;

(*f*) Marketing services and guaranteed price schemes ;

(*g*) A government sponsored rural development movement ; and

(*h*) A rural banking service.

(7) The Administrative structure of the country with 22 districts has also contributed to a balanced development of all districts. District Budgeting too has contributed to this process. The districts are sub-divided into Divisions under Assistant Government Agents or Divisional Revenue Officers and these in turn into smaller divisions under Grama Sevakas—thus dispersing the centres of development throughout the country.

(8) Sri Lanka has a long history of efficient local government with strong central supervision and financial support which buttressed and fostered development at local level. The central-local financial and power relationships and participatory patterns are now being re-organised with a view to maintaining their efficiency.

(9) Sri Lanka had also made an early start in physical planning for local and regional development as discussed in the section following.

Regional Planning

The setting-up of a Town Planning Division in the Department of Local Government in 1938 was the beginning of urban and regional planning in Sri Lanka. The objective of setting-up this Division was to advise local authorities in the planned development of their towns and to assist them with the preparation of plans for slum clearance and housing schemes. There was an increasing demand for the services of the Government Town Planner so that in 1947 a separate Department of Town and Country Planning was established. The main functions and subjects assigned to the Department were incorporated in two legal enactments:

1. The Housing and Town Improvement Ordinance No. 19 of 1915, and
2. The Town and Country Planning Ordinance No. 13 of 1946.

The administration of the Housing and Town Improvement Ordinance involves the following:—

(*a*) The preparation of town planning schemes and regional planning schemes for local authority areas ;

(*b*) Planning and development of new towns ; and

(*c*) Development of state lands for agricultural settlements and for industrial development.

By virtue of the Town and Country Planning Ordinance No. 13 of 1946 local authorities became planning authorities and all aspects of urban and regional planning in this country were handled by them jointly with the Department of Town and Country Planning. There are 4 types of local authorities in Sri Lanka. The Village Councils in rural areas, Town Councils in built-up areas, Urban Councils in developed urban areas and Municipal Council in highly developed urban areas. There are at present 548 Village Councils, 83 Town Councils, 38 Urban Councils and 12 Municipal Councils. Every Municipal Council and every Urban Council may become a planning authority and regional committees may be formed by adjoining authorities. Planning authorities generally regulate the use of land, the erection and demolition of structures, the making and arrangement of roads, the provision of open spaces and the extension of amenities within the scope of planning schemes prepared by them. However all local planning authorities generally act on the advice of the Town and Country Planning Department.

In addition to this relationship between local authorities and the Department of Town and Country Planning, the Town and Country Planning Ordinance of 1946 provides a statutory body called the Central Planning Commission, whose functions are to centralize planning activities, provide additional machinery, stronger powers and more comprehensive and effective action than can be provided by local, district, regional or national planning authorities. The purpose of such a Commission is to ensure the fullest possible co-operation in relation to the utilization of land between all agencies of development and Local Authorities. The Commission also has the power to formulate as a basis for their advisory activities and as a basic background for urban and regional planning, a national physical plan or policy on broad and flexible lines of development and make appropriate representations to the government on the legislation and administrative development of urban and regional planning in this country.

The importance of assuring proper co-ordination between economic and physical planning has been brought to light by the experience in regard to the working of economic and physical planning organisations during the past. Economic planning authorities and implementing agencies have to work in very close co-ordination with local planning authorities if the important spatial implications of economic development plans are to be considered. However experience indicates that a relationship based on mutual respect for each others' functions does not exist between the Central Government Agencies and local authorities in the implementation of development plans.

Also, the national economic plan in its aggregate form cannot provide a framework to local authority plans. It has to be disaggregated at an intermediate regional or district level to provide a geographical and physical interpretation to the development proposals contained in the plan. Such a disaggregation will enable the linking of the two planning processes into one comprehensive and integrated development planning process based on a regional development approach. Local authorities could thereby be given a role of active participation in the development planning and implementation process.

Ideally, the national economic plan needs to be supplemented by a national spatial plan (based on a national resource survey) identifying issues of national importance such as the demarcation of industrial locations, tourist development areas, new town development, housing locations and large-scale agricultural development areas. It would be necessary for this purpose to develop research units in all development oriented ministries for undertaking specialized surveys and research studies. These programmes could be supported and supplemented by national and international research and training institutions which also could broadly co-ordinate the activities being undertaken by specialized units in order to avoid wastage of scarce resources through duplication and over-lapping while at the same time giving them the specialised know how of research methodology.

Administrative & Management Structures.

At the top tier of public administration is the Cabinet and the 22 Ministries. The Cabinet and the Ministries should mainly co-ordinate, appraise and plan goals and policies and allocate resources for programmes and projects for :

(*a*) Departmental divisions under Ministries discharging national projects and programmes,

(*b*) Regional and district organizations implementing regional and district programmes and projects, and

(*c*) Field service organizations of the central government and local government bodies at the local level in regard to works of a local nature.

Like the general office of a multinational corporation, this central level of public administration should plan, co-ordinate and appraise the operational schemes for development and allocate resources along lines of optimum social costs and benefits. If only these activities are principally located in Colombo, the other levels of public administration could benefit from devolution and deconcentration. Both these latter processes which

are pivoted to any system of decentralised government will in turn have beneficial effects on population distribution, urbanization and a more balanced form of regional development.

The second level at the region will comprise two or more districts (for each region) based on resource affinity & viability (problem affinity, plan viability or other such factors. The deconcentrated central government structure at this level will be similar to the central or divisional office of a multinational corporation which carries out the activities of the corporation within such geographical area of a region. In Sri Lanka before 1948, in the field of public administration in the country there were 9 provinces comprising 9 regions. Today we have 22 districts or regions for public administration. These territorial divisions may be too numerous for regional planning and development. A viable number of planning—implementation regions need to be set up, to which level, adequate responsibility and accountability for programme control and implementation could be developed along a Regional Plan and Budget.

The third level will then consist of the present machinery under the Government Agent and District level officers of the regional structures. This level will in effect function as the departmental level responsible for the execution of the major functions of central government. The departmental head quarters in the district in turn will co-ordinate, appraise and plan out the work of central government units at field level. The plan and budget for this district level could be a disaggregation of the Regional Plan and Budget.

At the lowest level of central government each of the field units would operate the projects of the central government in different functional areas within local geographical units. At this same level, works of a local nature need to be devolved to local government authorities. Such authorities should comprise an amalgamation not only of existing local government bodies but also of representatives of other local level agencies based on an elective or participative principle, functioning under different functional ministries and departments (such as A. P. C's Co-operative Societies, Cultivation Committees, D. D. C's, R. D. S', Janatha Committees etc.) The Local Government body could co-ordinate the work of all these local level elected agencies and would thus function in a multi-purpose and integrative manner.

If population migration is to be stabilized with dispersed urban growth and balanced regional development, then, the field agencies at this level of development should be facilitated to :

(*a*) involve themselves in meaningful development activities ;

(*b*) have sufficient powers and authority to carry out such functions, and

(c) be funded adequately to perform such activities either on their own right or as agents acting on behalf of the central government.

Research Priorities

I would urge that administrative reforms to set up a structure as outlined above, be examined in greater detail before its implementation. This to my mind will also constitute the main research proposal in this subject which research institutions specially within the Ministry of Public Administration, Local Government & Home Affairs should examine. At present an investigation on these lines is being performed by a Research Committee working under my direction in the Development Division of my Ministry.

Other topics in the field of population problems and urban and regional development which should merit attention in the present Sri Lanka context are listed below :

1. Administrative structuring of metropolitan areas as well as rural local authorities for close study, evaluation and documentation are :

(a) Nature of Ministry supervision over the Colombo Municipal Council,

(b) Operation to remove pavement hawkers and squatters from the city limits,

(c) Control of water-supply administration,

(d) Administration of dissolved Councils by Special Commissioners appointed by the Minister,

(e) the re-organisation of local government financial management systems, introduction of programmed budgetting to local authorities, re-organisation of local government service personnel management structure, the process of local government reform etc.

2. Types of settlement—colonization schemes and the recent operation of Land Reform Law has led to considerable experimentation on different patterns of settlement. Research studies with particular emphasis on attitude surveys could help to determine the best type of settlement for ensuring maximum productivity and maximum satisfaction.

3. The squatter problem—research studies including surveys of educational levels, income sources and behaviour patterns could help to determine the exact nature of the operation of the "pull factor" in cities of Sri Lanka as a means of devising effective strategies for controlling this problem.

4. Patterns of internal migration—patterns and incidence of migration between urban and rural areas and between agricultural and non-agricultural areas could help in devising measures to promote the positive aspects of internal migration to new agricultural areas such as Polonnaruwa and Moneragala.

5. Size and nature of towns—to try to determine the optimum size of town for different types of area.

6. Development regions and local government areas—to determine the optimum size of area for Local Authorities, National State Assembly, electorates, primary Co-operatives. Divisional Development Council, Grama Sevaka Divisions, Rural Development Societies etc.

7. Identification of growth centres and growth poles to devise strategies for reducing regional imbalance and establishing an integrated *hierachy* of urban and rural areas.

While assisting relevant research programmes of member institutions and encouraging joint research programmes, it is suggested that the Asian Association of development Research and Training Institutes expedite action for the formulation of standard definitions and formats for a regional international urban data system to facilitate information retrieval for comparative studies in the field of urban and regional development and population problems.

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