

THE ROLE OF RURAL ORGANISATIONS IN RURAL DEVELOPMENT IN SRI LANKA

PART 11 INDEPTH STUDY

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was completed by early March 1977. The draft report and the findings were presented at a Seminar held at the Asian Centre for Development Administration in Kuala Lumpur in July 1977. The present report is the final version which is being published jointly by the Asian Centre for Development Administration for international circulation and by the Agrarian Research and Training Institute for restricted local circulation. *The contents and discussions in the report relate to the period before the new government took office and therefore, do not reflect the various changes that are being introduced to reorganise and revitalise the institutions in the rural sector.*

While the Institute was entrusted with the indepth study, a national survey on the role of rural organisations in rural development which was expected to analyse the role of rural organisations and their effectiveness over a period of twenty-five years commencing from 1950 in the broad national context was assigned to the then Secretary, Ministry of Agriculture and Lands, Mr.A.T.M. Silva. As both the National Survey and the indepth study complement each other, they are being published in two volumes. In order to make available to a larger audience the detailed data collected during the survey, the Institute proposes to publish separate case studies pertaining to the four different locations.

It is hoped that both Part I and Part II would serve as useful documents for both researchers and policy makers who wish to have an understanding of the characteristics, capabilities, functions and role of important rural organisations in Sri Lanka. In the light of efforts now being made to reorganise and re-activate these institutions it is hoped that the findings of the study would serve to highlight the major weaknesses and shortcomings in these institutions.

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Chapter One

BACKGROUND

1. The present study on *"The Role of Rural Organisations in Rural Development in Sri Lanka"*, is in two parts. The first part is a national survey of major rural organisations which have functioned in Sri Lanka during the period 1950 to 1975 and their relative contribution to the development of rural areas. The second part with which we are primarily interested here, is a composite report based on case studies carried out in four selected villages and presents a comparative analysis of the cases.

2. Nearly 80% of the population of Sri Lanka live in rural areas, where agriculture is the major economic activity. Agriculture accounts for 35% of the Gross Domestic Product and 50.4% of the employed population of the country. Sri Lankan agriculture falls into two clear sectors. The first is plantation or commercial agriculture. This sector is the chief source of the island's foreign exchange earnings. Until recently, however, these estates were privately owned and had little impact on the domestic agricultural sector. With the Land Reform Law No.1 of 1972, and the Amending Law No.2 of 1975, the major part of these plantations is now vested in the State. The second category is the domestic agricultural sector. Here techniques and levels of production have remained low. This has been the traditional and least productive sector of the Sri Lankan economy. It is in this field that the government expects to make a break-through in its development programmes.

3. Invariably the major efforts of the successive Governments since Independence have been in developing the rural areas. Various rural organisations which are mostly Government initiated and/or directed have been conceived of in this process. Unlike non-Governmental voluntary organisations like *Sarvodaya* and branches of political parties, the fate of these Government-sponsored institutions is linked in fact and in law with the politico-bureaucratic system.

4. The following is a brief description of the major rural organisations at village-level.

Rural Development Societies

5. The Rural Development Society has been traditionally recognised as a village-level multi-purpose agency. The major functions of a Rural Development Society at present may be identified as the following:

- (a) providing public utilities - at village-level giving priority to the "felt-needs" of the people;
- (b) *Shramadana* or man-power mobilisation for village developmental work;
- (c) Village-level planning; and
- (d) Co-ordination of village-level services.

6. The village Rural Development Society is linked with the bureaucracy through a Rural Development Officer who is responsible for rural development activity in about twenty villages. The 20,000 villages in the island are aggregated in terms of 240 Assistant Government Agents' Divisions which in turn are aggregated under twenty-two districts. There is a Rural Development Officer attached to each of the 240 Assistant Government Agents' Divisions.

Agricultural Productivity Committees and Cultivation Committees

7. The Cultivation Committee is the village dimension of the Agricultural Productivity Committee. Organisationally the country has been divided into 5,725 Cultivation Committee areas. They are in turn grouped under 496 Agricultural Productivity Committees.

8. The main functions of the Agricultural Productivity Committees are:

- to promote and develop agriculture and allied activities in the area;
- to plan, set targets, implement and co-ordinate such developmental activity;
- to arrange for the timely supply of such inputs as fertiliser, agro-chemicals, machine power, credit, etc.;
- to supervise and co-ordinate the work of the Cultivation Committees,

9. The Agricultural Productivity Committee consists of ten members appointed by the Minister of Agriculture and Lands, one of whom is designated by him as its Chairman and another as its Vice Chairman. The term of office of these members is three years. Today it has become a dominant regional organisation.

10. In the performance of its duties the Cultivation Committee is subject to the control and direction of the Agricultural Productivity Committee which is the apex organisation of several Cultivation Committees. One of the main tasks of the Cultivation Committee is to assist the Agricultural Productivity Committee in the preparation and maintenance of a register of agricultural lands under the supervision of the Agricultural Productivity Committee and to collect the taxes in its area of authority on behalf of the Agricultural Productivity Committee.

Multi-Purpose Co-operative Societies

11. The Co-operative Society which is a rural dimension of the National Co-operative movement, is one of the major institutions in the villages. It has been looked upon as a form of organisation which is particularly suitable for the rural sector of the economy and it was the intention of the Government that the responsibilities of the Co-operative Society should encompass the total area of village economic, social and cultural development. For this purpose the granting of rural credit, production and purchase of produce (principally paddy)

under a guaranteed price scheme, investment in agro-industrial ventures and similar developmental activities were entrusted to Co-operatives.

12. With the decision to distribute items of food on ration through the Co-operative system the village Co-operative assumed a major role in rural areas. All villages in the country are served by 5,818 branch Co-operatives which run retail outlets. These in turn are grouped under 341 Multi-Purpose Co-operative Society Unions.

13. The latest reorganisation made in 1976 attempts to divest the consumer servicing functions of the Co-operative from development aspects. In future major developmental inputs such as provision of rural credit, fertiliser, seed paddy and the organisation and management of small scale industrial activities will be handed over to specialised organisations such as Agricultural Productivity Committees and the Divisional Development Councils.

14. Prior to this reorganisation, the primary Co-operative was managed by a Board of Directors comprising fifteen members of whom nine were nominated, five elected and one nominated by the employees of that institution. This Board undertook the responsibility of supervising the activities of a series of village-level retail stores that were affiliated to the primary Society. In 1976, however, with the reorganisation, a Government Official nominated by the Commissioner of Co-operative Development (the Assistant Government Agent or Headquarters Inspector of Co-operatives) was appointed the Chairman of the Board. He was given over-riding powers to look into the management of all village-level Co-operatives which fell within the area of authority of the Union.

Village Councils

15. Like most countries which came under British Colonial rule, Sri Lanka has had a strong tradition of Local Government. Local authorities are classified into one of the following categories: (i) Municipal Councils; (ii) Urban Councils; (iii) Town Councils; and (iv) Village Councils. The distribution of Local Government authorities is as follows:

| | | | |
|--------------------|----|------------------|-----|
| Municipal Councils | 12 | Town Councils | 83 |
| Urban Councils | 37 | Village Councils | 548 |

16. The Village Council is mainly responsible for establishing and maintaining public utilities and services which are essential for the welfare and comfort of the public and for the promotion of general developmental activities in the area. Each Village Council has several Wards. Usually there are about ten Wards to a Council. Elections are held every four years and once elected, Village Councillors meet regularly, their conduct being determined by the standing orders of the Council.

Other Institutions

17. Besides the Agricultural Productivity Committee, Cultivation Committees and the Multi-Purpose Co-operative Society, the other important

Table 1
Neervely Village - Organisations at Village-Level - Basic Functions

4

| I. Multi-Village | Agricultural/General Economic Development (Production Service) | Community Development | Bargaining/ Claim making | Law maintenance/ litigation | Local Government | Management/Advisory Bodies and Institutions |
|---------------------------------------|---|--|--|--|----------------------|---|
| (a) Statutory | 1.Vali-East MPC ¹ (Union) 2.Kopay DDC ² 3.Puttur APC ³ | | | | | |
| (b) Non- Statutory (registered) | 4.Vali-East Co-op. Plantain Sales Society | | 1.Tamil United Front 2.SLFP ⁴ 3.Communist Party 4.Minority Tamil Front 5.Vali-East Teachers Union 6.Vali-East Bus Travellers Union | | | |
| II. Village-Level | | | | | | |
| (a) Statutory | 5.MPCS (9 branches) 6.Cultivation Com- mittee | | | 1.Conciliation Board 2.People's Committee | 1.Village Council | |
| (b) Non- Statutory | 7.Co-op.Black- smiths Industrial Centre 8.Co-op.Women's Credit Society 9.Young Farmers Club | 1.Rural Development 2.Women's " 3.Community Centres (6 centres) 4.Community Welfare League 5.Karanthan Welfare Society | 7.Washermen's Society 8.Cigar-wrappers Society | | | 1.Board of Trustees of Temples 2.Old Students Association 3.Parent-Teacher Association |

¹ MPCS - Multi-Purpose Co-operative Society

² DDC - Divisional Development Council

³ APC - Agricultural Productivity Committee

⁴ SLFP - Sri Lanka Freedom Party

Table 2
Welliya Village - Organisation at Village-Level - Basic Functions

| I. Multi-Village | Agricultural/General Economic Development (Production Service) | Community Development | Bargaining Claim making | Law maintenance/ litigation | Local Government | Management/Advisory Bodies and Institutions |
|-----------------------|---|--|--|--------------------------------------|-----------------------|---|
| (a) Statutory | 1. Minuwangoda Multi- Purpose Co-operative Society 2. Minuwangoda Agricultural Productivity Committee | | | | 1. Village Council | |
| (b) Non- Statutory | | | | | | |
| II. Village-level | | | | | | |
| (a) Statutory | 3. Multi-Purpose Co-operative Society (Branch) 4. Cultivation Committee | 1. Sarvodaya movement | | 1. People's Committee | | |
| (b) Non- Statutory | | 2. Rural Develop- ment Society 3. Women's Society 4. Community De- velopment Centre | Political Parties 1. Sri Lanka Freedom Party 2. United National Party 3. Lanka Samasama- jist Party 4. Communist Party | 2. Village Vigilance Committee | | 1. Temple Com- mittee 2. Death Donation Society |

statutory institution at local level is the Divisional Development Council which was set up at the beginning of 1971. The Five Year Plan (1972-1976) EXPLAINS THE ROLE OF THE Divisional Development Councils in the following terms: "The Divisional Development Councils will be the main link between the network of youth agencies on the one hand and the local community and its representative institutions on the other. The Councils consist of Government Officials and representatives of institutions such as Co-operative Societies, Cultivation Committees, People's Committees and the Village Councils. The functions of these Councils include the formulation of development projects and the preparation of development programmes for their areas. They will also assist in the co-ordination of development activity and the review of plan implementation in the Development Council areas".

18. Two other statutory institutions generally found in the village are the "People's Committees" and the "Conciliation Board". The first performs a "watch dog" function while the second is the village-level litigation body.

19. Besides these statutory organisations, the Sri Lankan village is rich with numerous non-statutory organisations engaged in various developmental and other activities. All organisations found in two of the study villages classified on the basis of their functions are presented in Tables 1 and 2.

Chapter Two

METHODOLOGY AND THE SETTING

Methodology

20. The study was prompted by the understanding that:

- (a) Rural organisations serve as the most crucial intervening variable in the process of implementing Government rural development policies;
- (b) During the past two decades, structures of mobilisation and rural administration in most Asian countries lacked the ability to provide an effective vehicle through which the interests of the rural poor could be articulated and protected and poverty could be eliminated.

Purpose and Objectives

21. Within the above context the study attempts to explore the usefulness of rural organisations both as a means of delivering services from the centre and as a mechanism for mobilisation of the rural people to overcome poverty and become self-reliant. More specifically the objectives of the study are:

- (a) A description of characteristics of rural organisations in Sri Lanka;
- (b) The examination of their present capabilities;
- (c) The analysis of functions performed by rural organisations in the process of rural development and the impact of this performance;
- (d) An evaluation of the impact of the internal and external environment of rural organisations on their characteristics, capabilities and functions;
- (e) Identification of the strategies through which policy-makers in Asia can improve the capabilities of rural organisations.

22. For the purpose of this study, rural development is taken to mean, "a process which leads to a rise in the capacity of the rural people to control their environment, accompanied by their wider distribution of benefits resulting from such control". (Inayathullah: 1975).

23. While all the organisations in the village which are performing functions which contribute to the process of rural development were taken into account, certain selected organisations were subjected to closer analysis. The selected organisations were the Multi-Purpose Co-operative Society, the Agricultural Productivity Committee-Cultivation Committee and the Rural Development Society. These organisations were selected in view of their presence in all the four study villages and for their greater role in the community.

Selection of Villages

24. In the selection of study villages the following criteria were taken into account:

- (a) State of development of the area;
- (b) Improvement of the state of development over time;
- (c) Ecological representativeness;
- (d) Co-ordination with existing Agrarian Research and Training Institute experience/Commitments;
- (e) Possible "re-visit" to one or more of the four sites studied in "Rural Co-operatives as Agents of Planned Change", by the United Nations Research Institute for Social Development (UNRISC);
- (f) Presence of different types of organisations with varying levels of performance.

Data Collection

25. Data collection was carried out during a period of eleven weeks beginning from the first week of September to mid-November 1976, by two trained investigators stationed at each site throughout the period and a Research Officer who visited the site at regular intervals. The technique of data collection included structured interview schedules with open-ended questions, survey of available records, observations and in-depth interviews. The investigators were given a two week intensive training and all the interview schedules were pre-tested near one of the study villages. The field work was carried out in four phases beginning with a phase of exploratory work followed by a household survey in the second phase where a structured interview schedule seeking information on the socio-economic background of the community was administered on a stratified random sample of households. The size of the sample was fixed at sixty except in the case of Neervely where 100 households were interviewed to make up for the large number of households in the village. The third phase of the study included a survey of selected organisations in the village where three different groups - members, office bearers and non-members - of the organisations were interviewed on three different interview schedules together with the interview schedule on the socio-economic background. The minimum number interviewed in each organisation was five office bearers, ten members and five non-members. In addition, sponsors (both field level and regional level) of organisations were also interviewed with either interview schedules or interview guides. The

final phase of the study included in-depth interviews with selected informants on specific topics.

Table 3
Household Survey

| Study Site | Total Households | Sample Households | Population |
|------------------------|------------------|-------------------|------------|
| Handaganawa | 143 | 98 | 1,153 |
| Heenatipone-Warakapone | 144 | 60 | 834 |
| Neervely | 1,184 | 100 | 6,500 |
| Weliya | 156 | 60 | 879 |

Table 4
The Number of Organisations Studied

| | Multi-Purpose Co-operative Society | Agri- cultural Produc- tivity | Culti- vation Com- mittee | Rural Develop- ment Society | Vill- lage Council |
|----------------------------|--|--|------------------------------------|--------------------------------------|--------------------------|
| Handaganawa | 1 | 1 | 1 | 1 | Nil |
| Heenatipone- Warakapone | 1 | 1 | 1 | Nil | 1 |
| Neervely | 1 | 1 | 1 | 1 | Nil |
| Weliya | 1 | 1 | 1 | 1 | 1 |

(For each organisation ten members, five non-members five office bearers and all the field-level officers were interviewed)

Limitations of the Study

26. Evaluating the impact of the rural organisations on various dimensions of rural development presents certain problems. One is the lack of sufficient data relating to the past and the other is that it is not possible to pinpoint specifically the part played by each rural organisation on each of the dimensions, because there have been many forces at play (e.g. technology) independent of these organisations. This study therefore highlights some broad areas where the impact of the rural organisations have been directly felt.

The Setting

27. This section gives a summary of the socio-economic and political setting of the four communities studied, which it is hoped would serve as a background to understanding the village organisations that will be discussed in later chapters.

Handaganawa
(In the Minipe Agricultural Productivity Committee Area)

28. Handaganawa is located on the left bank of the Mahaweli river in the district of Kandy, coming under the Assistant Government Agent's division of Udumbara. The planned scheme consists of four stages which would cover a total area of 14,669 acres to be settled by 6,400 families. Of the four stages, two have so far been completed. Stage 1 of the scheme extends from distributory channels 1 to 48 in which the study area is located. The study area covers three distributory channels, 19 to 21.

29. The population of the study area consists of 1,153 persons in 143 households. All the people of the area are Sinhalese Buddhists and 83% of the population belong to the Govigama caste and the remaining are of Panna, Padu and Durawe, castes.

30. Under the scheme, the unit of land alienation was generally 5 acres of lowland and 3 acres of highland per family. However, our study population owned on the average 4 acres of lowland and 3 acres of highland per family. The total lowland extent of 356 acres owned by the study households comprised of 108 parcels.

31. Of the 233 acres of highland, 90% is singly owned allotted land. Two per cent (2%) were jointly owned and 8% was encroached land.

32. Rice is the most important lowland crop accounting for 94% of the total lowland acreage. The average yield per acre for a cultivation season was 52 bushels in 1975/76. Drumsticks is the most important vegetable crop in the area accounting for 57% of the total highland extent. Livestock is not maintained on a commercial scale but many families own some cattle which help them greatly in their cultivation. Thirty seven per cent (37%) of the families own a total of 169 buffaloes.

33. Seventy-four per cent (74%) of the households heads interviewed were paddy farmers. The number engaged in non-agricultural pursuits however, was minimal.

34. There were clearly identifiable income groups within the community as depicted below:

| Net Income Group Rupees | Percentage of households |
|----------------------------|-----------------------------|
| 0-1,000 | 44.8 |
| 1,001-3,000 | 28.6 |
| More than 3,001 | 27.6 |

35. The community is well linked to outside places and has easy access to mass media. About 55% of the households have radios and about 32% of household heads said that they read newspapers regularly.

36. The political affiliations of the settlers are split between two major parties of the island. Among the study population the supporters of the United National Party are in a majority. However, the supporters of the Sri Lanka Freedom Party are in a privileged position within the rural organisations. However, party politics do not play a major role in the immediate affairs of the Handaganawa community.

Heenatipone-Warakapone
(In the Beminiwatte Agricultural Productivity Committee Area)

37. These are two small hamlets in the hilly region of the wet zone. The hamlets are about two miles away from the main Kandy-Colombo road and were taken up together for the purpose of the present study due to the great degree of links with each other, particularly, in the economic (Land holdings) sphere. The two villages are contiguous to each other.

38. The population of Warakapone is 478 persons in the 81 households and that of Heenatipone is 356 persons in the 63 households. All the inhabitants are Sinhalese Buddhists and the majority are of *Govigama* caste. The village has considerable external influence and has easy access to the main road connecting the two major cities of the island.

39. Of the 108 individuals in the labour force of whom 55 are gainfully employed, the majority of them (38%) are in agriculture, either as owner-operators, tenants or labourers. Another 29% are non-agricultural labourers. In Heenatipone there are 80 individuals in the labour force of whom 42 are gainfully employed. Forty five per cent (45%) of them are employed in agriculture, with 4.7% of them as agricultural labourers.

40. The land ownership pattern shows great variation between the two hamlets. In Warakapone, of the 20 acres of paddy land, 7 acres are owned by outsiders. Sixty-five per cent (65%) of the households do not own any paddy land. Of those who own land, 85% of the households owned only 18% of the land and the other 15% of the households owned 82% of the total paddy land available to the village. The average size of holding¹ is 1.24 acres and the average size of parcel is 0.46. In Heenatipone there are about 60 acres of paddy land. Twenty-seven per cent (27%) of the households owned 63% of the land and 73% of the households owned only 37% of the available land. The average size of holding is 1.25 acres and the average size of parcel is 0.61.

41. The average size of highland holding is larger than that of paddy. Of the highland crops the major income earners are rubber, coconut and tea. The other crops grown in the highland are arecanut, cloves, cardamom, pepper and coffee.

¹A 'holding' means the extent owned by one owner. This may include several parcels spatially distributed.

42. Incomewise the households of the two villages fall into three groups as follows:

Table 6
Income Distribution among Households
(per year)

| Net Income Group Rupees | Percentage of Households | |
|----------------------------|--------------------------|------------|
| | Heenatipone | Warakapone |
| 0-2,500 | 76.4 | 24.0 |
| 2,501-4,000 | 18.4 | 41.5 |
| More than 4,001 | 5.2 | 34.0 |

As the table shows, there are more households in the lower income group in Heenatipone than in Warakapone.

43. Politically the two villages present two different situations. Before 1960 the picture was rather simple with about 90% of the population affiliated to the United National Party. This situation has now changed greatly, particularly in the Warakapone village. In Warakapone there are many landless people who sought the help of the Sri Lanka Freedom Party in their attempt to get land and the party has responded in recent times by distributing some estate lands acquired by the Government to a number of landless people. At present, thus, we find, a great majority of the Warakapone people supporting the government party including some of the big land owners who were earlier very strong supporters of the opposition party.

N e e r v e l y (in the Puttur Agricultural Productivity Committee Area)

44. Neervely is a village in the Jaffna peninsula, situated about seven miles from the town of Jaffna, on the main road to Point Pedro. The village is well linked with the provincial centre and the rest of the peninsula by a good transport system. The community has a high literacy rate of 95%.

45. Neervely has a population of about 6,500 persons in its 1,184 households. All the inhabitants are Tamil speaking and the majority are Hindus, (Roman Catholics are a minority accounting for about 2% of the population). There are several castes in the village: *Vellala* (cultivator caste, is the majority consisting of about 74% of the population); *Brahmins* (1%), *Chetty* (1 family).

Carpenters (7%), blacksmiths (4%), barbers (1%), washermen (3%) toddy tappers (7%), and drummers (1%).

46. Agriculture is the major economic activity of the community. Fifty-three per cent (53%) of the gainfully employed are full-time in agriculture, either as owner-operators or share-croppers. Another 3% work as agricultural labourers.

47. A major part of the agricultural lands in the village is highland, of which about two-thirds is under field crops like onions, chillies and potatoes. Eighty-four per cent (84%) of the households in the study sample owned highland extents ranging from 0.6 to 2.88 acres, though the majority (73%) owned extents of less than one acre. About 24% of the highland is cultivated by tenants, while the rest of the land is owner-cultivated.

48. Paddy lands comprising approximately 400 acres, occupy a secondary place in the economy of the village as paddy lands are in the less fertile area and there are no irrigation facilities. Among the study sample, only 29% of the households owned paddy lands, ranging from 0.42 to 6 acres in extent. About 65% of the land is owner-operated and the rest is worked under some share cropping arrangements.

49. The major highland crops are onions, chillies and potatoes and advanced techniques and crop practices are adopted uniformly by the farmers of this area.

50. Animal husbandry is not a commercial enterprise and does not have a good potential due to lack of grazing land. But 48% of the households had some cattle and a similar number also had goats. Forty-one per cent (41%) of the households also kept some poultry.

51. In Neervely, it was found that the white-collar workers and the farmer operators form the upper income group. The traders, artisans and blue-collar (permanent workers) form the middle income group and labourers (agricultural and non-agricultural) form the lower income groups. The estimated gross income per month of these groups is as follows:

Table 7
Income Distribution among Households of Neervely
(per year)

| Net Income Group Rupees | Percentage of households |
|----------------------------|-----------------------------|
| 0-2,500 | 26.0 |
| 2,501-5,000 | 23.0 |
| More than 5,001 | 51.0 |

52. The village forms part of the larger political system of the Tamil community in general and of the Jaffna peninsula in particular. Thus, the majority of the villagers are sympathisers of the parties that stand for the Tamil cause which at present is not pro-government. The other component of the political setting is the pro-government group which is a very small minority but occupies privileged positions. Political awareness of the village is very high and many - particularly the younger generation - show high political participation.

W e l i y a
(In the Minuwangoda Agricultural Productivity Committee Area)

53. Weliya is a small village covering about 188 acres in the Low-country wet zone coconut belt of the Island. The village is situated about twenty miles from the capital city and falls within the Minuwangoda Government Agent's Division in the Colombo Administrative District.

54. There are 156 households in the village consisting of 879 persons. Apart from the three Roman Catholic households, the rest are Sinhala Buddhists, who are of *Karawa* and *Wahumpura* castes. The village is administratively divided into two parts as Weliya South and Weliya North and the residential areas of the two castes are conterminous with the two divisions of the village.

55. Being on the city fringe it is open to much urban influence. This influence is further strengthened by the increasing number of villagers finding employment in the nearby cities and because of the improved transport services available to them to commute.

56. The literacy rate of the village is 80.2%. The total area of the village, 188 acres, comprises 162 acres of highland and 26 acres of lowland. Out of the 162 acres of highland, 134 acres are under coconut, while the remaining are under rubber, with the latter being the highest income yielding crop. Paddy is a secondary crop as far as this village is concerned and the yields are found to be relatively poor, averaging about 23 bushels per acre during the period under study due to adverse weather conditions. The paddy land holding pattern shows a high degree of fragmentation and absentee ownership.

57. The village shows a mix of agricultural and non-agricultural employment. Of those employed in agriculture, the majority are tenant-cultivators or hired labourers.

58. The income distribution of the village displays great variation as demonstrated by households below:

Table 8
Income Distribution among Households of Weliya
(per year)

| Net Income Group Rupees | Percentage of households |
|----------------------------|-----------------------------|
| 0-2,000 | 66.6 |
| 2,001-4,000 | 18.3 |
| More than 4,000 | 15.3 |

As the table shows, the large majority of the households are in the lowest income groups. The estimated average gross income is Rs.2,100.00 per household,

59. The village presents a complex political picture. The two sectors of this village, North and South, are clearly two entities in this respect. The two major national parties: The United National party, and The Sri Lanka Freedom Party, have their supporters in the Northern sector. In the Southern sector almost all national political parties have their adherents.

60. The supporters of the Sri Lanka Freedom Party occupy powerful positions in most of the local organisations.

Chapter Three

CHARACTERISTICS OF THE ORGANISATIONS

61. In this chapter the major characteristics of the organisations will be identified in terms of the following criteria:

- A. Scope of Functions
- B. Degree of autonomy
- C. Linkages (both internal and external)
- D. Bureaucratic responsiveness
- E. Politicisation
- F. Participation
- G. Leadership patterns

A. Scope of Functions

62. The traditional approach to village development in Sri Lanka envisaged the centrality of the Rural Development Society and the Co-operative Society. These two institutions were expected to act as multi-purpose agents of rural development. The Rural Development Society was expected to co-ordinate all the services at village-level, engage itself in construction works and also act as a catalyst in development. The Co-operative Society was given legal authority to engage itself in any group activity in the field of economic, social and cultural development.

63. However, with the growing need to provide specialist services and planning for rapid sectoral development a tendency is seen towards the demarcation of developmental functions into the areas of authority of different Ministries. Thus, especially with the setting-up of Agricultural Productivity Committees and Divisional Development Councils, there is fragmentation of responsibility in developmental tasks in the village. This reflects the emphasis placed on agricultural and regional development by planners. A parallel development has been the diminishing authority of traditional organisations such as the Rural Development Society. These organisations are left without a specific field of activity recognised by law.

64. As a consequence of such developments, bureaucrats, village leaders and the people themselves, perceive specific major areas as the area of authority of the specialised field level organisations.

65. In the four study villages, i.e. Handaganawa, Heenatipone-Warakapone, Neervely and Weliya, the provision of consumer items were

recognised as the most important area of activity of the Co-operative Society followed by the provision of agricultural inputs. The agricultural Productivity Committee was perceived as a farmer institution concerned with general agricultural development engaged in specific functions like solving disputes and providing agro-inputs and services. Activities tied up with rural work programmes, welfare and mobilisation of self-help labour were recognised by members of the Rural Development Society as important areas of activity. Infrastructural maintenance and development were perceived as the main activities of the Village Council.

66. The villages in the study viewed the rural institutions in different ways. For example, in Handaganawa, a major paddy growing area, many of the members of the Co-operative look upon the provision of infrastructural support to the agricultural sector as a major function of the Co-operative. A similar situation prevailed in Neervely where the emphasis was more on other field crops.

67. In Weliya the provision of infrastructural support to the agricultural sector was considered to be a less significant function of the Co-operative because of the limited extent of land under paddy and other field crops and the limited number of farmers who are engaged in agricultural activities.

68. In the study villages, the Agricultural Productivity Committee served as a competing organisation to the Co-operative in the provision of inputs and services to the agricultural sector. In Heenatipone-Warakapone villages the Agricultural Productivity Committee was perceived by members to be more involved with the agro-service function than the Multi-Purpose Co-operative Society. In Handaganawa and Neervely villages the levels of involvement of the Agricultural Productivity Committees and the Multi-Purpose Co-operative Societies, as perceived by members, were nearly equal. In the former case the Agricultural Productivity Committee was found to be more actively involved, as a result of support received from outside. The activities of the Agricultural Productivity Committee were influenced by the involvement of the Agrarian Research and Training Institute in the field laboratory experimentation in its area of authority. In the latter case the Co-operative had a longer history of successful involvement in agro-input supplies.

69. Though traditionally, rural credit had been channelled through the network of Co-operatives with the introduction of the Agricultural Productivity Committee farmers tended to look on both the Co-operative and the Agricultural Productivity Committee as agencies for loan disbursement.

70. The views of office bearers and the members of the study villages concerning the effectiveness of performance of functions by the organisations was examined. In the case of the Co-operatives, while the totality of office bearers expressed the view that the institution was effective to some extent in performing its statutory functions, the membership was not so enthusiastic. As much as 21% of the members stated that the Co-operative was not effective at all. Most of the members and office bearers were of the view that the Agricultural Productivity Committee performed quite effectively. A similar situation persisted in the case of the Rural Development Society.

B. Degree of Autonomy

71. The degree of autonomy of these organisations is analysed in this study under the following sub-heads:

- (a) *Control Over Finance*
- (b) *Control Over Personnel*
- (c) *Control Over Planning*

(a) *Control Over Finance*

72. The control of funds available to these organisations depends mostly on their links with the State. The Multi-Purpose Co-operative Society, The Agricultural Productivity Committee and The Village Council being Government-sponsored statutory organisations are under careful scrutiny by the State. The Rural Development Society has relatively more autonomy though part of its funds come from Government grants.

73. As these organisations are given different types of responsibilities, their sources of funding are also different. The Co-operatives obtain their funds from membership dues, commissions on retail operations and paddy purchases, profits on contract work, loans raised from the People's Bank and so on. Funds for The Agricultural Productivity Committees come from the acreage tax collected from farmers, money from sale of agro-chemicals, fertiliser and agro-implements, commissions for undertaking contract work, issue of agro-identity cards to farmers and Government grants. The Rural Development Societies obtain most of their funds from membership dues, commissions for undertaking contract work and Government grants, while The Village Councils are funded through monies from taxes and rates levied, by Government grants and Bank loans.

74. In the Co-operatives, decisions regarding the disbursement of funds are made by the Board of Directors. They are continuously subject to audit by The Department of Co-operative Development, and the People's Bank. Officers of the Department of Co-operative Development, termed Co-operative Inspectors, are expected to keep running audits of the activities of the Co-operatives. It will be seen that the village unit is not considered a self-accounting agency. It is only a branch of the regional organisation called the Multi-Purpose Co-operative Society Union. The Union takes upon itself the responsibility of ensuring that the funds collected from the members of the Co-operative are utilised properly.

75. The Co-operative is looked upon as a legal and financial entity. Members of the Board can sue and be sued in respect of its financial operations. This restricted financial autonomy is best expressed by the fact that the Board of Management is expected to present an annual statement of expenditure and income audited by an official of the Department of Co-operative Development. Money is withdrawn from the general account in a manner prescribed for Government Departments, viz: vouchers are prepared and certified by an officer empowered to authenticate payments.

76. The financial activities of the Agricultural Productivity Committee are monitored by the Assistant Director of Rural Institutions and Produc-

tivity Laws Division who is a District Level Administrative Officer. He is empowered to check the accounts of the Agricultural Productivity Committee and ensure that standard financial practices are followed. Within the authority granted to the Agricultural Productivity Committee, the Chairman has considerable discretion regarding financial matters. Though there is considerable financial autonomy granted to The Agricultural Productivity Committee by law, the study areas indicate that standards of financial management are generally low.

77. The Rural Development Society funds are small when compared to the funds at the disposal of the Multi-Purpose Co-operative Societies and the Agricultural Productivity Committees. However, the membership of the Rural Development Society has much greater control over the disbursement of funds. Usually a statement of accounts is submitted to the Committee at annual general meetings for the scrutiny and approval of the members. In the case of contracts, special agreements are signed between the Society and the agency which gets the work done.

78. The Village Council Chairman is authorised to spend money with the concurrence of the Council Members. This authority is given at Council meetings. He is in a position to sue or be sued in respect of the financial operations of the Council. Though the Chairman has been given the legal authority to incur expenditure investigating officers of the Department of Local Government are empowered to examine the accounts of Village Councils. In case of financial mismanagement, these officials are empowered to proceed to recover the funds misused. In regard to Government grants and loans given to Village Councils further financial safeguards are built into the system when loans are granted. It also involves agreement as regards the amount and the number of instalments to be paid back. In the case of Banks an examination of the feasibility of the project for which monies are advanced is also undertaken.

(b) *Control Over Personnel*

79. Control over personnel depends largely on the recruitment pattern of office bearers to these organisations. In the case of the Agricultural Productivity Committees and the Multi-Purpose Co-operative Societies a heavy political bias exists. In the case of Rural Development Societies the recruitment of office bearers is done on an elected basis. The Village Council is a mini-Parliament at village-level, with its Ward members being elected by secret ballot at local elections conducted generally on a political basis.

80. An analysis of the control over personnel by the Co-operative has to be done at two levels: the level of statutory and administrative powers, and the level of informal pressures. At the level of statutory and administrative powers the recruitment of employees is vested in the Board of Directors of the Multi-Purpose Co-operative Society. In terms of the schemes of recruitment the only criteria for selection is merit. This is done on the basis of a scheme of recruitment approved by the Board.

81. The internal structure of the Multi-Purpose Co-operative Society which provides for the Member of Parliament to nominate nine out

fifteen members of the Board of the Multi-Purpose Co-operative Society facilitates informal pressure group activity. In Weliya an exceptional situation exists, where a special Board comprising seven members is appointed to the Multi-Purpose Co-operative Society. The special Board comprises the assistant Government Agent as the President, headquarters Inspector as the Vice-President and five others nominated by the Commissioner of Co-operatives on the recommendations of the Member of Parliament. The political control is more felt in such a situation.

82. Since the entire Agricultural Productivity Committee is appointed by the Minister of Agriculture and Lands on recommendations made by the Member of Parliament for the area, there exists a strong element of political control over those chosen as employees of Agricultural Productivity Committees.

83. The Rural Development Society does not act as an employment agency. Generally speaking, members volunteer their services on a non-payment basis. However, in special instances as in the running of a pre-school institution, at Handaganawa, a teacher is paid from voluntary donations from the parents. It must be mentioned however, that the payment is much less than that of a teacher with comparable qualifications employed by the Department of Education.

84. The Multi-Purpose Co-operative Societies employ the largest number out of the study institutions. The following table illustrates this position.

Table 9
Cadre of Employees of the
Multi-Purpose Co-operative Society

| Name of the Multi-Purpose Co-operative Societies (Union) | Managerial Grade | Clerical Grade | Marketing & Development Grade | Minor Grade | Total |
|--|------------------|----------------|-------------------------------|-------------|-------|
| Handaganawa (Minipe) | 17 | 31 | 3 | 27 | 78 |
| Heenatipone-Warakapone (Mawanella) | 66 | 28 | 1 | 63 | 158 |
| Neervely (Vali-East) | 22 | 22 | 52 | 9 | 105 |
| Weliya (Minuwangoda) | 100 | 22 | 138 | 151 | 411 |

Source: Multi-Purpose Co-operative Society (Union) records

Table 10
Cadre of Employees of the
Agricultural Productivity Committee

| | Handaganawa (Minipe) | Heenatipone-Warakapone (Beminiwatte) | Meervely (Puttur) | Weliya (Minuwangoda) |
|-----------|----------------------|--------------------------------------|-------------------|----------------------|
| Permanent | 5 | 6 | 9 | 6 |
| Casual | 4 | 2 | 25 | 3 |

Source: Agricultural Productivity Committee records

Table 11
Cadre of Employees of the
Village Council

| | Handaganawa (Minipe) (Uda Dumbara) | Heenatipone- Warakapone (Mawanella) | Neervely (Veli-East) | Weliya (Minuwangoda) |
|---|--|---|-------------------------|-------------------------|
| Permanent Staff - (Local Government Service Commission) | 3 | 6 | 4 | 5 |
| Casual Staff | 4 | 7 | 5 | 5 |

Source: Village Council records

(c) Control Over Planning

85. The Agricultural Productivity Committee, The Multi-Purpose Co-operative Society and the Village Council, usually adhere to programmes of action prepared at the beginning of each cultivation season or year within the framework of the respective statutes governing them. The lack of funds and skills available to the Rural Development Society limits its scope and authority to exercise autonomy in planning.

86. Responsibility as regards planning in the Multi-Purpose Co-operative Society is vested in the Board of Directors. They are, however, constrained by guidelines and by-laws laid down by the Commissioner of Co-operative Development. Since they have very little money of their own by way of membership dues, the plans of the Multi-Purpose Co-operative Societies are dependent on the ability to borrow capital from outside agencies. These agencies impose conditions over the expenditure of monies lent.

87. A major factor in the field of planning has been the emphasis on consumer functions. In major agricultural areas where the provision of agro-inputs forms an integral part of the programme of work of the Co-operative, it entails the preparation of a forward plan. Such a plan is a collaborative effort with other rural organisations like the Agricultural Productivity Committee. For example, estimates of agro-chemicals, fertiliser and other related requirements for a cultivation season are intimated through letter or in person by the Agricultural Productivity Committee, to the Multi-Purpose Co-operative Society, where they are approved by the Director of the Board.

88. Though Co-operatives enter the field of investment they have little or no expertise or qualified officials to provide that expertise. Consequently, development work is undertaken at the initiative of Government officials like Co-operative Inspectors. The only exception to this was the Neervely area in Jaffna District where a large number of trained people and retired government servants had involved themselves in Co-operative activity. The following are a list of ventures undertaken by the Neervely Multi-Purpose Co-operative Society:

Table 12
Ventures Undertaken by the Neervely Multi-Purpose
Co-operative Society

| Venture | No. |
|------------------------------|-----|
| Rural Banks | 3 |
| Beedi-wrapping depots | 2 |
| Hardware shop | 1 |
| Textile-weaving centre | 1 |
| Cement shop | 1 |
| Petrol shed | 1 |
| Meat Shop | 1 |

The following ventures have been handed over to the Divisional Development Council in 1974:

| | |
|--|---|
| Children's garments manufacturing factory .. | 1 |
| Light Engineering Industry | 1 |

Source: Multi-Purpose Co-operative Society (Union) records

89. Each Cultivation Committee draws up its agricultural implementation programme for its own area of authority at the beginning of each cultivation season. The Agricultural Productivity Committee as the apex organisation then collates these individual Cultivation Committee programmes and prepares a composite one covering the entire area under its command.

90. The implementation of the plan is left entirely to the goodwill of the members of the Cultivation Committee. Once the cultivation season begins, it is rarely that there is progress control of agricultural activities. Members do not feel bound to achieve the targets set for them at the beginning of the season, nor are there any penalties or sanctions imposed on them in the event of their not being able to achieve the set targets. Thus, while the plan is a necessary and useful document for the purpose of itemising the basic inputs that are necessary for the Cultivation Committee area, it cannot be, as yet, looked upon as a mechanism for the monitoring of agricultural production on a continuous basis. Since a large part of the cultivable area falling into the study areas were in small holdings, the success or failure in the implementation of the village agricultural plan depended to a large extent on the initiative shown by small scale cultivators.

91. While a great degree of autonomy is granted to the Agricultural Productivity Committee in the planning process and the proclaimed objective is to take the planning function away from officials to farmers, the following conclusions emerge from the study:

(a) While there is much greater farmer participation in planning at Cultivation Committee and Agricultural Productivity Committee levels than before, the assistance of a Government Official at the Cultivation Committee level or at the Agricultural Productivity Committee level (Divisional Officer), is still indispensable for success. In the case of Neervely, however, the Administrative Secretary of the Cultivation Committee took the initiative though he received advice from the Divisional Officer. Here the farmers depended less on Officials.

(b) The Cultivation Committee and the Agricultural Productivity Committee have to rely on other servicing agencies such as the Agricultural Department, the Fertiliser Corporation, the Tractor Corporation to obtain the supplies necessary for the successful implementation of village and divisional plans.

(c) The autonomy of planning and implementation in respect of these institutions is restrained by the efficiency with which these supporting agencies provide the Agricultural Productivity Committee with the inputs requested by it. Thus, for instance while every plan is drawn up by the Agricultural Productivity Committee on the basis of reports obtained from Cultivation Committees, the Agricultural Productivity Committee is heavily dependent on the speed with which the Agriculture Department provides good quality seed paddy. In the present transitional phase most of the inputs which were delivered at village-level through the officials of the Agriculture Department are now being channelled through the Agricultural Productivity Committee. Several instances of divisional level officials not being able to adjust to this new organisation reality have been reported.

92. Every village Rural Development Society is expected to work out a village plan. However, in the implementation of this plan it can only provide the man-power component. The financial and technological services have to be provided by an outside agency. Since the Rural Development Society cannot command large sums of money or technical skills, it is not in a position to exercise autonomy in planning. However, office bearers of the Rural Development Societies try to maintain good relations with other village-level public officials. Statutorily, it has no powers to compel either the other supporting agencies or village-level public officials to perform services. In order to obtain services the Rural Development Society has to either mobilise public opinion and thereby influence the political machinery or appeal to the formal bureaucracy for intervention.

93. Each Village Council has an annual budget in which anticipated revenues are matched by a plan of work to be undertaken. A complaint regarding local authorities is that an undue proportion of its budget is spent on establishment and salary payments. To overcome this the Ministry of Local Government has stipulated certain guidelines whereby at least 30% of the revenue of local authority has to be invested in developmental activities. Subject to these constraints the Village Council has autonomy in planning.

94. A defect in the area of planning is that the Village Council is unaware of the programme of other Governmental agencies. There are very few institutional mechanisms whereby the Village Council is put into contact with other major institutions such as the Agricultural Productivity Committee and the Multi-Purpose Co-operative Society. A reason for this hiatus is that while the Governmental bureaucracy of the Government Agent, the assistant Government Agent and the *Grama Sevaka* is brought closer to The Agricultural Productivity Committee, the Multi-Purpose Co-operative Society and the Rural Development Society, the supervision of the local authority is left in the hands of an assistant Commissioner of Local Government who is not integrated fully with the district bureaucratic apparatus. Thus, while the Village Council is autonomous as regards its own area of activity, it does not encompass all the activities in the village.

C. Linkages (Both internal and external)

95. The linkages of the selected organisations will be analysed here at three levels: They are:

- i. Linkages with the Sponsoring Departments and other Governmental Agencies outside the village;
- ii. Linkages with other village-level institutions;
- iii. Internal informal linkages

- i. Linkages with the Sponsoring Departments and other Governmental Agencies outside the village

96. The Department of Co-operative Development has from the very inception of the Co-operative movement in Sri Lanka acted as its sponsoring agent. The Commissioner of Co-operative Development is also the Registrar of Co-operatives. It is a statutory requirement that all Co-operative Societies must be registered with the Registrar of Co-operatives. In this way all Co-operatives in the island are brought under the umbrella of the Department of Co-operative Development.

97. This Department not only registers all Co-operatives, but lays down the guidelines for their operation and provides supporting services such as training facilities for Co-operative personnel, publicity for the Co-operative movement and intervention with other State agencies on behalf of the Co-operatives at national level.

98. During the last five decades of Co-operative activity in the island, financial management has been a primary area of interest of the Department of Co-operatives. Officials of the Department have looked into the accounts of these Societies regularly and in the case of financial management, used their statutory powers to dismiss Boards of Management. In fact, in two of the villages under study - Heenatipone-Warakapone and Weliya - Boards have been removed by the Government Agent in his capacity as the Deputy Commissioner of Co-operative Development of the district. The Government Agent had appointed three Public Servants to constitute the Board of Management. In the case of Handaganawa Multi-Purpose Co-operative Society a Board member had been removed.

99. At the village-level the Co-operative acts as an agency for several other Government Departments and Public Corporations. In the past, as described earlier, it has been the main agency for the disbursement of rural credit. The Co-operative acted as the rural agency of the People's Bank. However, we are now witnessing a period when these banking functions are being taken over gradually by the Agricultural Productivity Committees.

100. The Co-operative is also serviced by other major trading and manufacturing organisations such as the Co-operative Wholesale Establishment, the Fertiliser Corporation, the Textile Corporation, and the Hardware Corporation, the Paddy Marketing Board, etc., which do not have their own village-level establishments. In reality the Co-operative store assumes the role of a retail outlet at village-level for several Government-sponsored Corporations.

101. The broad responsibility for overseeing the Agricultural Productivity Committees and the Cultivation Committees is vested with the Ministry of

Agriculture and Lands. The links of the Agricultural Productivity Committees with the Department of Agriculture and the Rural Institutions and Productivity Laws Division of the Ministry of Agriculture and Lands are therefore crucial. The Department of Agriculture has a senior official in every district called the District Agricultural Extension Officer. Under him at divisional level, he has field extension officers known as Agricultural Instructors and Agricultural Extension Workers (*Krushikarma Vyapthi Sevaka*). Broadly, each Agricultural Productivity Committee area has an Agricultural Instructor and several agricultural extension workers.

102. The District Agricultural Extension Officer is a key official responsible for servicing the district production plan. Once the seed paddy, fertiliser and agro-chemical requirements for the district are known, together with other infrastructural supporting services, it becomes the responsibility of the District Agricultural Extension Officer to liaise with other national agencies to ensure that these supplies are provided in time. Consequently, the Agricultural Productivity Committee has to be in constant contact with the District Agricultural Extension Officer. This is normally done through the Agricultural Instructor of that area.

103. The Rural Institutions and Productivity Laws Division facilitates the servicing of the newly established Cultivation Committee/Agricultural Productivity Committee organisation. This Division has a senior district level official known as the Assistant Director of Rural Institutions and Productivity Laws. His representative at Agricultural Productivity Committee level is a Divisional Officer who is in fact housed in the Agricultural Productivity Committee building. The primary responsibilities of this officer are the supervision of the administrative, financial and legal activities of the Agricultural Productivity Committee. The Minister of Agriculture and Lands has also appointed Agricultural Tribunals which are empowered to adjudicate on disputes pertaining to agricultural matters in the area. The Minister of Agriculture and Lands and its various agencies therefore act as an "umbrella organisation" servicing the Agricultural Productivity Committee/Cultivation Committee.

104. The Agricultural Productivity Committee is also linked with manufacturing Departments and Corporations serving the agricultural sector. Of these, the Fertiliser Corporation plays a dominant role. The Sri Lanka Fertiliser Corporation enjoys a monopoly in the import and distribution of fertilisers. This Corporation therefore is a vital outside link to the Agricultural Productivity Committee.

105. The Agricultural Productivity Committee has to liaise with other agencies like the Tractor Corporation, Petroleum Corporation, private sector manufacturers of agro-chemicals, weedicides, insecticides in order to obtain its requirements. Since the agricultural sector constitutes a significant and in some cases primary market for these Corporations, they have geared their sales to accommodate the rural demand.

106. A crucial external link exists with the Territorial Civil Engineering Organisation which is charged with the responsibility of maintaining both major and minor irrigation schemes. At the beginning of each cultivation season the cultivators meet to decide on the dates of cultivation, water issue, fencing and harvesting. At these cultivation meetings the engineers responsible for providing irrigational facilities play an important role.

107. Often the Agricultural Productivity Committee and its constituent units - the Cultivation Committees - are called upon by the Territorial Civil Engineering Organisation to undertake contracts for the maintenance and improvement of minor irrigation works at the village-level.

108. The Rural Development Society is closely linked with the District Administration of the Government. The Assistant Government Agent of the area has been designated as Assistant Director of Rural Development with powers to help the functioning of that organisation. An Extension Officer called the Rural Development Officer is attached to the Assistant Government Agents Office and he is responsible for co-ordinating the activities of the Rural Development Societies in the Assistant Government Agent's Division. The Rural Development Officer has a special responsibility to institute and assist in self-help projects, particularly in the construction of village roads, minor irrigation works and small buildings which have a large labour component. The Assistant Government Agent assists a village Rural Development Society by selecting items of work from the village development programme for funding either by the Director of Rural Development or through the decentralised budget. He is in a position also to provide basic technical advice through district level Technical Officers of the Rural Development Department (Inspectors of Development Works) or through the Technical Officers of the Territorial Civil Engineering Organisation. Office bearers of the Rural Development Societies also establish links with the other major Departments which provide services at the village-level in order to implement the development programme identified by them.

109. Recently the Department of Rural Development has attempted to organise the village Rural Development Societies into a Divisional Federation. Two office bearers of each village organisation represent their Rural Development Society in the Federation. The Federation itself has a President and Secretary who are expected to work closely with the Assistant Government Agent and his staff.

110. Unlike in the case of other rural organisations the Village Council has fewer contacts with outside bureaucratic organisations. The Chairman of the Village Council is a member of the Divisional Planning Council. The Divisional Planning Council which operates at the Assistant Government Agent's Division level is meant to co-ordinate the development activities of the whole division. The Chairman of the Planning Council is the Member of Parliament of the area. The development plan of the Village Council is, therefore, theoretically, at least integrated with the divisional plan.

111. However, since the concept of Local Government has been identified with that of local autonomy, links with outside agencies have been under-emphasised. The main external connections of the Village Councils are with the Assistant Commissioner of Local Government and his staff who co-ordinate the activities of Village Committees, liaise with the Central Government and supervise the financial management of local authorities.

11. Linkages with other village-level Institutions

112. The activities of the Co-operative intersect with the activities of other village-level institutions primarily in the fields of agriculture and trade. In the case of agriculture, the Co-operative is still con-

sidered an alternative to the Agricultural Productivity Committee as a lending Agency. The farmers in many agricultural areas still rely on the Multi-Purpose Co-operative Society for obtaining agricultural inputs.

113. A number of instances were noted in the study villages where in the sphere of agro-inputs distribution the Multi-Purpose Co-operative Society had acted as a distributing agent for inputs ordered by the Agricultural Productivity Committee, but the links of the Multi-Purpose Co-operative Society with the Agricultural Productivity Committee, in general, were few and far between.

114. The other important development is related to the recently inaugurated Divisional Development Councils. These Councils were set up in order to establish small scale agricultural and industrial development projects based on local village-level resources. The Co-operative has become the sales agency for their products as well. For instance, mammothies and knives were sold through the Co-operative. Consumer items produced by these Councils such as jams, jaggery, and confectionaries are also retailed through the Co-operative.

115. Except in the case of Neervely, the Agricultural Productivity Committees of other study villages did not have village-level sales outlets. Though most villagers are aware of the Agricultural Productivity Committee, they did not interact with it on a regular basis since it was located outside their village. Thus, when the Agricultural Productivity Committee wanted to help the Cultivation Committee in the distribution of agro-chemicals, sprayers and specially mammoth blades, they made use of the Co-operative sales outlet which were available at village-level.

116. While *ad hoc* informal contacts between the Cultivation Committee and the Rural Development Society and other non-formal organisations in the village such as vegetable growers organisations, plantain growers organisations, do exist, the Agricultural Productivity Committee is perceived at village level as a fairly independent institution set up to service the agricultural sector. Unlike the Co-operative and the Rural Development Society which intrude into all aspects of village life, the Cultivation Committees and Agricultural Productivity Committees have up to now confined their activities to the planning and servicing of the agricultural sector.

117. At present there are no formal links between the Chairman, Village Council or the Ward member and other village-level institutions. However, since the Ward member resides in a particular locality and also associates himself in other village-level institutions in other capacities, there are informal contacts. The Ward member is frequently well informed of the plans and programmes of the Agricultural Productivity Committee, the Multi-Purpose Co-operative Societies and other village-level institutions. Our studies show that Ward members were also either members or office bearers of other village-level organisations.

III. Internal Informal Linkage

118. The Multi-Purpose Co-operative Societies have several village-level retail outlets: Handaganawa (Minipe) had eight, Heenatipone-Warakapone (Mawanela) had fifty four, Neervely (Vall-East) twenty-four, Weliya (Minu-

wangoda) Multi-Purpose Co-operative Society eighty-eight outlets. Policy decisions regarding the management of these outlets are taken at the Multi-Purpose Co-operative Society Head Office which is located in the nearest town. The Managers' are employees of the Multi-purpose Co-operative Society and they draw their salaries from this apex agency. The daily sales operations of the outlets are monitored by this apex agency.

119. Internal communication between the Multi-Purpose Co-operative Society and the retail points is conducted at several levels. At the official level, circulars and letters embodying instructions are sent down. Also, regular conferences of these officials are held. In addition, there are informal contacts between the two sets of officials. There has to be constant liaison between these two groups to ensure the proper receipt and distribution of goods and the maintenance of proper accounts.

120. The Chairman of the Multi-Purpose Co-operative Society, has special powers and has direct access to all officials. Since both categories often share common political loyalties such contact is easily facilitated. The two key officials are the Chairman of the Multi-Purpose Co-operative Society and the Manager of the retail stores. The latter is often in a "client" status to the Chairman. Thus, the communication path is one of a patron-client relationship.

121. In addition to the supervision exercised by the Multi-Purpose Co-operative Society the Committee of nine in the village Co-operative Society also has supervisory responsibilities over the retail store. Complaints of members regarding the services of the retail store are usually directed first to this Committee. If redress is not found for these complaints the matter may be taken up with the Chairman, Multi-Purpose Co-operative Society. Since the Multi-Purpose Co-operative Society Chairman is a nominee of the Member of Parliament and the functioning of the Multi-Purpose Co-operative Societies is a matter of utmost importance to the Member of Parliament he would intervene at different points in the Co-operative structure in his electorate to both redress grievances and ensure a speedy performance of its functions.

122. Another noteworthy feature observed from the case studies was that the Chairmen of the Multi-Purpose Co-operative Societies were generally selected from the affluent group in the village which helped to strengthen the informal ties with the rural elite.

123. As the members of the Agricultural Productivity Committees and the Cultivation Committees are appointed by the Minister of Agriculture and Lands on the recommendations of the Member of Parliament, they are clearly positioned within the political power structure of the village. Communications between the Agricultural Productivity Committee and the Cultivation Committee is usually done through the Administrative Secretary of the Cultivation Committee. The administrative Secretary has access to the Chairman and office bearers of the Agricultural Productivity Committee. In certain instances the Administrative Secretary of the Cultivation Committee is paid an allowance by the Agricultural Productivity Committee.

124. While the village-level planning and a share of the acreage tax is sent upwards to the Agricultural Productivity Committee, instructions from the Agricultural Productivity Committee are sent down to the Admini-

strative Secretary who is obliged to bring them to the notice of the Cultivation Committee. A substantial amount of work has to be done by the Chairman of the Agricultural Productivity Committee and the Administrative Secretary of the Cultivation Committee because money allocation under the decentralised budget are made in terms of Agricultural Productivity Committees and Cultivation Committees. This is particularly so in the case of contracts for repair and maintenance of minor irrigation works.

125. An important area of internal communication is revealed by the action which follows complaints of farmers. First, the Cultivation Committee attempts to go into these complaints and settle them at its own level. However, certain issues can only be resolved at the Agricultural Productivity Committee level as statutory powers are available only to the Agricultural Productivity Committee. In such instances the Cultivation Committee forwards the complaints together with its statement to the Agricultural Productivity Committee. In our field study areas, the Chairman of the Agricultural Productivity Committee was found to decide on the nature of legal or administrative action that should be pursued in respect of such complaints.

126. Unlike the case of the Multi-Purpose Co-operative Societies and Cultivation Committees where members are compelled to associate themselves with the organisation, the Rural Development Society is essentially a voluntary organisation. Many village factions are represented within the Rural Development Society. At elections these factions compete with each other or attempt to come to some sort of working arrangement whereby different interest groups are accommodated in the Committee. There have been several instances where groups that have been alienated from the Multi-Purpose Co-operative Societies and Agricultural Productivity Committees have found their way into the Rural Development Societies. Thus, the Rural Development Society through its internal linkages can manifest itself as an alternate organisational centre to the more officially recognised Agricultural Productivity and Multi-Purpose Co-operative Societies.

127. The crucial communication patterns in the Village Council were those between the Chairman and the Ward members. The Chairman was elected on a majority vote from among the Ward members. The Ward members can at short notice pass a vote of no confidence on the Chairman. This formal relationship has resulted in the Chairman usually apportioning the funds of the Village Council on a Ward basis. Thus, the Chairman is constantly susceptible to the pressures of the Ward members who in turn are responsive to the needs of their Wards. There are formal meetings of the Village Council at which minutes are kept and work undertaken on the basis of resolutions passed by the Council.

D. Bureaucratic Responsiveness

128. Here bureaucratic responsiveness will be defined as:

- the extent to which administrative roles within rural organisations are politically directed;
- the extent to which bureaucracy at local levels is responsive to the demands of the people.

129. It was shown earlier that the approved recruitment procedure to key positions in most of the organisations reflected a marked political bias. The decision to allow the Member of Parliament to nominate the majority of Directors of the Multi-Purpose Co-operative Societies was taken as a deliberate measure to enable the Government to ensure co-operation and common orientation in activities of the Co-operatives. The previous arrangement for the election of all Directors was abandoned in 1971 as it was felt that such elected Directors were not adequately responsive to the needs of the area and of the local political organisations.

130. While in both sociological and management terms this arrangement may have defects from the point of view of encouraging local initiative, it has had an advantage in making the higher bureaucracy more responsive to the needs of the Co-operative sector. Thus, if there were delays in providing consumer commodities or agricultural credit, it was the experience in the areas studied that the Chairman or Directors of the Multi-Purpose Co-operative Societies would freely bring the matter to the notice of the Member of Parliament who would then proceed to intercede with the Government Agent, Food Commissioner or the Commissioner of Co-operative Development as the case may be. Both the political organisation and the Central Government were thus found to have clearly taken responsibility for the management of the Co-operative.

131. In the case of the Agricultural Productivity Committee there is greater political direction in the administration than the Multi-Purpose Co-operative Society, as all the Agricultural Productivity Committee and Cultivation Committee members are nominated by the Member of Parliament of the area, as explained earlier.

132. The key bureaucratic personnel are the Chairman and the Vice-Chairman of the Agricultural Productivity Committee and at village-level, the Chairman and Administrative Secretary of the Cultivation Committee. Of these only the Secretary of the Cultivation Committee has to go through a process of selection. In most Cultivation Committees applications are called for from eligible persons for the post of Secretary. In reality, however, preference seems to have been given to people of a similar political persuasion.

133. The Rural Development Society being a non-statutory organisation, political direction is less marked than the Agricultural Productivity Committee and the Multi-Purpose Co-operative Society. The following Table reveals that all the party affiliates are represented in the administrative roles of these organisations.

Table 13
Political Affiliations of Rural Development
Society Office Bearers

| | Handaganawa | *Heenatipone- Warakapone | Neervely | Weliya |
|----------------|-------------|-----------------------------|----------------|---------|
| President | /UNP | - | Tamil Congress | \$ SLFP |
| Vice-President | /UNP | - | Federal Party | \$ SLFP |
| Secretary | /UNP | - | \$ SLFP | / UNP |
| Treasurer | \$SLFP | - | Federal Party | \$ SLFP |

* Heenatipone-Warakapone Rural Development Society - no longer existing

/ UNP = United National Party

\$ SLFP = Sri Lanka Freedom Party

Source: Questionnaire Data

134. In Table 13, the distribution of political roles clearly signifies that competing political affiliations can be accommodated within the Rural Development Societies. Even Government party office bearers were not active politically as were their counterparts in the Multi-Purpose Co-operative Societies and the Agricultural Productivity Committees. However, as the Handaganawa example illustrated the fact that divergent political views can find their way into the Rural Development Society could lead to a conflict situation within the Society. Opposition groups utilised the Rural Development Society as a focal point of oppositional sentiment in the village, evicting the President who was a Government party man.

135. In the case of the Village Council the elected leadership has a direct influence in the administration, but a particular characteristic of Local Government activity during the last five years has been the substitution of direct bureaucratic administration for elected members. Two of the study areas (Neervely and Handaganawa) are administered by Special Commissioners appointed by the Minister of Local Government. Where the Department of Local Government was satisfied that the elected officials either mismanaged funds, abused the authority or did not invest funds in developmental activities, the elected authorities were removed and Government officials appointed to run these institutions. In such cases the local authority was run as a village-level department and the elected representatives had no say. In Handaganawa, however, the financial commitment of the previous regimes were so high that the Special Commissioner found it difficult to find the money even to pay the salaries of officers of the Village Council. In Neervely, the Special Commissioner has been able to repay part of the debt incurred by the previous Councils. This debt repayment, however, has acted as a constraint on development in that area. Being a Government official the Special Commissioner has placed priority on the repayment of the debt as against investment on development.

136. When both the office bearers and members of the Agricultural Productivity Committee and Multi-Purpose Co-operative Society were asked about the responsiveness of the organisation to complaints made by members, the responses were as follows:

Table 14
Responses of Organisations to Members Complaints

| | Multi-Purpose Co-operative Societies | | | | Agricultural Productivity Committees | |
|-----------------------------------|--------------------------------------|---------|----------------|---------|--------------------------------------|---------|
| | PRIMARY | | BRANCH | | Office bearers | Members |
| | Office bearers | Members | Office bearers | Members | | |
| Took action .. | 60 | 27 | 85 | - | 88.8 | 82.5 |
| Necessary action will be taken .. | 40 | 21 | - | 60 | - | - |
| Did not take action | - | 21 | - | 5 | 11.1 | 4.3 |
| No experience of such instance .. | - | 18 | - | - | - | - |
| No response .. | - | 10 | 15 | 35 | - | 13.0 |

Source: Questionnaire data

137. Several deductions could be made by analysing this with regard to bureaucratic responsiveness. The majority of the office bearers in both Multi-Purpose Co-operative Society and Agricultural Productivity Committee stated that action was taken or will be taken to remedy the situation, if such a complaint was made. Such a high percentage is understandable in the light of the fact that this question reflects their own performance and responsiveness. The lower percentage for the Multi-Purpose Co-operative Society is probably accounted for by the fact that these complaints are mostly directed to the village-level Society. However, what is more interesting here is the response of members regarding complaints. This clearly shows that as far as villagers are concerned they look on the village Co-operative Society and its office bearers as being primarily responsible for the efficiency of Co-operative service at village-level. Since the Multi-Purpose Co-operative Society is frequently located several miles away from the village, it is only a member with a very serious grievance who would bother to take it before the Board of Directors of the Multi-Purpose Co-operative Society. Another aspect that has to be borne in mind here is that the consumer ration distribution is now streamlined and works fairly well. The Manager of the Village Co-operative has clear-cut responsibilities and time-tested procedures to ensure the distribution of foodstuffs. Very often respondents perceive this consumer function as the main responsibility of the Co-operative. Since this area of activity works satisfactorily, minor grievances can always be set right at village-level.

138. It is interesting to note that in the case of the Agricultural Productivity Committee even the members perceive that "bureaucrats" were responsive to these demands. The explanation for the high percentage of favourable responses is that the responsibilities of the Agricultural Productivity Committee regarding the supply of inputs has now been streamlined. Since agriculture is the primary occupation of rural people, any delay in the provision of inputs is likely to create an immediate agitation which compels the Cultivation Committee and the Agricultural Productivity Committee to intervene quickly. For instance, in Neervely when the amount of seed potatoes supplied last season was inadequate, the Agricultural Productivity Committee had to introduce a rationing scheme to make certain that almost all the farmers got a share of the stock in hand. Also sufficient statutory authority has been granted to these institutions to intervene in farmers' disputes. At the village-level there is an incentive for the Administrative Secretary of the Cultivation Committee to implement many of the programmes of the Agricultural Productivity Committee as his income is linked to the success of collection of taxes and the spread of the crop insurance schemes.

139. Farmers perceived the Cultivation Committee as being less effective than the Agricultural Productivity Committee. The effectiveness of the Cultivation Committee frequently depends on the personality of its Secretary. In Heenatipone-Warakapone for instance, farmers were dissatisfied with the progress made by the Cultivation Committee. Their requests for the repair of minor irrigation works had not been taken up promptly. Also, the Secretary tended to ignore one of the villages which came under the purview of this Cultivation Committee. In Handaganawa, a complaint regarding the Cultivation Committee was that it was ineffective as regards finding solutions to many complaints. These complaints had to be passed on to the Agricultural Productivity Committee for a final decision. Consequently, farmers felt that the real locus of authority was the

Agricultural Productivity Committee and not the Cultivation Committee. The over-riding powers of the Agricultural Productivity Committee tended to weaken the powers of the Cultivation Committee.

140. The status of the Agricultural Productivity Committee Chairman enables him to exercise a decisive influence on the activities of his area. Almost all Agricultural Productivity Committee Chairmen are crucial even as far as the Member of Parliament is concerned. Being thus enmeshed in the political organisation, the Agricultural Productivity Committee is compelled to act promptly in the case of complaints. However, wealth and standing of the members are an important factor in the type of response that Agricultural Productivity Committee and Cultivation Committee office bearers make to requests of farmers. This is because the decision-making people in these agricultural organisations are those who own substantial land. While this finding seems to be generally valid in the case of villages which depict a wide variation in ownership patterns, in places like Handaganawa and Neervely where the majority of farmers had near equal parcels of land, other factors come into play. Even in these instances, however, the Agricultural Productivity Committee tended to emphasise the claims of land owners as against share croppers and agricultural labourers who also constitute a significant component in rural agriculture.

141. Another significant factor is that the area of authority of the Cultivation Committee and the Agricultural Productivity Committee is restricted by law. In order to have an effective agricultural programme, they have to rely on the goodwill of other village-level officials such as the agricultural extension worker and the *Grama Sevaka* (Village Vigilance Officer). For instance boundary disputes though taken up at the Cultivation Committee, may have to be finally resolved by the *Grama Sevaka*. Problems of cultivation may have to be referred to the village-level agricultural extension worker. At present the Cultivation Committee, which represents the farmer is not in a position to mobilise the services of village-level bureaucrats at will. The loyalties of these village-level officials are not focussed on the Cultivation Committee/Agricultural Productivity Committee.

142. Since the Rural Development Society demands the voluntary co-operation of its members, it has, perhaps more than other organisations, to be responsive to the "felt-needs" of the villagers. Self-help activities tend to be focussed on such "felt-needs". In such a situation the villagers not only donate their labour but also provide meals, soft drinks, etc., to the participants. However, there are instances where self-seeking individuals make use of *shramadana* to undertake village projects which are of immediate benefit to them. Village-level complaints abound regarding Rural Development Society officials constructing roadways which give access to houses of office bearers and leading figures in the village, *shramadana* in paddy fields which benefit only the large land holders and the like. Generally speaking, however, there must be a substantial degree of agreement on the value of the work undertaken if an effective response from the villagers is to be obtained.

E. Politicisation

143. The degree of politicisation in the rural organisations depends on the recruitment procedure as well as the extent to which the leadership of different organisations are politically motivated. Our study revealed that except in the case of the Rural Development Society in all the other organisations, the ruling party had a significant control over the working of rural organisations.

144. However, the degree of political control differs from organisation to organisation and also from place to place. The following details illustrate this point.

145. In the case of the Multi-Purpose Co-operative Society, under normal circumstances nine out of the fifteen Directors are nominated by the Member of Parliament of the area. Thus the party leadership has a considerable control over the organisation. However, this differs slightly in different places. For example, the Multi-Purpose Co-operative Society Minuwangoda to which Weliya is affiliated, is now under a special Board of Management appointed by the Commissioner of Co-operative Development. This decision of the Commissioner of Co-operative Development followed the discovery of large scale mismanagement of the finances of the Multi-Purpose Co-operative Society by the former Board which comprised of fifteen members. A Committee with the Assistant Government Agent as President and the Headquarter Inspector of Co-operative as Vice-President and five Directors appointed by the Member of Parliament are now charged with the responsibility of running the Multi-Purpose Co-operative Society. In the case of Heenatipone-Warakapone (Mawanella) though the Chairman of the Multi-Purpose Co-operative Society had been a nominee of the Member of Parliament he had been removed by the Commissioner of Co-operative Development and replaced by a Board of Government officials headed by the local Co-operative Inspector. However, this Committee too is under the control of the Member of Parliament. For example, the instructions given to the present Board was to examine the degree of mismanagement of the previous organisation and to bring the finances of the Multi-Purpose Co-operative Society to a sound footing. To do so the new Board attempted to retrench excess staff. However, this move did not meet with the approval of the Member of Parliament and at the time of the study no final decision had been taken regarding the future of these employees.

146. In the case of the Agricultural Productivity Committee and the Cultivation Committee the ruling political party had full control over the working of these organisations as appointment of members to these organisations is done on the recommendations of the Member of Parliament of the area. In electorates which are represented by members of the opposition, example Neervely, the Government party organiser acts as a *de facto* Member of Parliament as far as appointments to the rural institutions are concerned.

147. The following analysis depicts the party affiliation of office bearers:

Table 15
Political Affiliation of Office Bearers of Agricultural Productivity Committees and Cultivation Committees

| | Handaganawa (Minipe) | | Heenatipone- Warakapone (Beminiwatte) | | Neervely (Puttur) | | Weliya (Minuwangoda) | |
|---------------------------------------|-------------------------|------|---|------|----------------------|------|-------------------------|-----|
| | SLFP | UNP | SLFP | UNP | SLFP | F P | SLFP | UNP |
| Chairman APC | 100.0 | - | 100.0 | - | 100.0 | - | 100.0 | - |
| Other office bearers of the APC | 100.0 | - | 88.9 | 11.1 | 55.6 | 44.4 | 100.0 | - |
| Office bearers of CC | 80.0 | 20.0 | 75.0 | 25.0 | 44.4 | 55.6 | 100.0 | - |

Source: Questionnaire data

SLFP - Sri Lanka Freedom Party
UNP - United National Party
F P - Federal Party

APC - Agricultural Productivity
Committee
C C - Cultivation Committee

148. Though the selection process for the prestigious posts is linked with the political process, the Member of Parliament takes into account a series of criterion in deciding on his nominees. While the Member of Parliament emphasises political acceptability he also looks for other skills such as education, agricultural competence and prestige of his nominees. Many politicians use nominations to village-level institutions as a part of a larger strategy of rewarding their supporters and gaining the goodwill of significant castes, kinship groups and factions which have a bearing on their acceptability.

149. In Heenatipone-Warakapone for instance, the Member of Parliament had no hesitation in nominating an outstanding cultivator who had worked against him at the last elections as a Committee member of the Agricultural Productivity Committee. This Committee member had been under the previous Government, selected as the best paddy farmer of the whole island. In the Cultivation Committee, four committee members were affiliated to political parties opposed to the governing party. The Member of Parliament had taken up the position that in matters affecting village development he would not consider the political affiliations of office bearers. In Neervely, which was in an opposition constituency, a compromise arrangement had been reached. While the Government party organiser nominated six Agricultural Productivity Committee members, the Member of Parliament was allowed to nominate four. In Weliya all ten members were political supporters of the Member of Parliament.

150. The politicisation of the Agricultural Productivity Committee and the crucial role played by the Member of Parliament, while inhibiting independent decision-making by farmers had its advantages when it had

to deal with the formal bureaucracy. Obstacles in the way of implementing the agricultural programme are often brought to the notice of the Member of Parliament. He is in a position to activate the Government bureaucracy much more effectively than office bearers of the Agricultural Productivity Committee.

151. The Member of Parliament has the power to advise the Minister to remove Agricultural Productivity Committee Chairman and members, when they are not responsive to the interests of the majority of its members and also when there is financial mismanagement. There are also occasions when public officers after investigating the management of an Agricultural Productivity Committee have recommended the removal of the Chairman. Several such Chairmen have been removed by the Minister in spite of the attempts made by the Member of Parliament to retain them because of their political significance.

152. The Village Council on the other hand is a highly politicised organisation as election of Ward members to a Village Council is done on a political basis. Candidates for election at Ward level are put forward by the respective party branches of major national parties. Unlike the Agricultural Productivity Committee and the Multi-Purpose Co-operative Society where the Chairman is selected by the Member of Parliament of the area or the Minister, in the case of the Village Council the Ward members of the majority party elect the Chairman from among them. In reality there is a lot of "give and take" at the point of selecting the Chairman. Attempts are made to influence Ward members and often individuals can be won over either by promising them office or on occasion even by hard cash. The Village Council members become very important members of the party machine at village-level.

153. Leaders of caste and family groups first emerge at Ward level. Thus, the politicisation of local authority personnel is a means of integrating this leadership with the regional political organisation.

154. At village-level the least politicised organisation is the Rural Development Society. The political process in respect of the party in power does not work strongly through the Rural Development Society which is more a real village based organisation. The elective nature of its Committee and greater popular participation probably accounts for this. Alienated groups, viz. the oppositional political parties and youth and women find it easier to enter the Rural Development Society. For example, in Weliya and Neervely the women have Rural Development Societies of their own.

155. Political organisations especially youth leagues of major political parties tend to operate in the same area of self-help and village development as the Rural Development Society. Moreover, they are in a better position to activate Government bureaucracy. This often subverts the role of the Rural Development Society. For example, in Heenatipone-Warakapone (Beminiwatte) the Sri Lanka Freedom Party Youth League has displaced the Rural Development Society development activities with the result that the Rural Development Society is in a derelict form. Rapid politicisation outside the formal organs of village development tends to reduce the stature of organisations such as the Rural Development Society.

F. Participation

156. The proclaimed objectives of all village-level organisations studied have given pride of place to the participation of members in the activities of that organisation. One of the major problems in the field of development has been to ensure the continuous interest of members of rural organisations in these institutions.

157. The participation of rural people in the working of these organisations depends mostly on their motivation and also on the extent of responsibility given to members and office bearers. In organisations like Agricultural Productivity Committee, Multi-Purpose Co-operative Societies and the Village Council the participation of the members on the work of the organisations is marginal, while in the case of the Rural Development Society participation of members in its activities are very much more than in the other organisations. Members were requested to give reasons for joining these organisations. (Table 16)

Table 16
Reasons for Joining Village Organisations

| Reasons | Responses of Members of the Study Villages | | |
|---------------------------|--|---|---------------------------------|
| | Multi-Purpose Co-operative Society | Agricultural Productivity Committee | Rural Development Society |
| | % | % | % |
| To get benefits .. | 78 | 71 | 14 |
| Public pressures .. | 12 | 2 | 10 |
| To serve the community | 2 | - | 73 |
| To serve the organisation | 7 | - | 2 |
| No response .. | - | 26 | - |

Source: Questionnaire Data

158. The above figures show that unlike in the case of the Rural Development Society, the motivation of members for joining the Agricultural Productivity Committee and the Multi-Purpose Co-operative Society was the desire to obtain immediate benefits. While in the case of the Multi-Purpose Co-operative, the members desired to obtain immediate consumer supplies, the Agricultural Productivity Committee was looked upon as a convenient organisation for the channelling of agricultural inputs.

159. A substantial proportion of members also referred to public pressures. What is meant here by "public pressures", are requests made by friends and office bearers to join the Co-operative Society. In the case of the large paddy producing areas a further incentive was the need to obtain membership for gaining eligibility for agricultural loans. In the case of Neervely some respondents stated that they were joining the Society in order to serve the community and the organisation. This is a reflection of the higher levels of education in this study area and the motivation of a minority group which was determined to maximise the advantages available to it.

160. A significant number of negative responses from the Agricultural Productivity Committee is due to the fact that no special conditions except political affiliations are attached to the selection process. All the farmers are considered to be members of the Agricultural Productivity Committee. Seventy-six per cent (76%) of the office bearers stated that they were serving the organisation either as a way of helping the community or the Government, and only 5% said that they joined the organisation to get benefits. The same is shown in the Village Council where 63% of the Ward members have joined the Village Council to serve the community.

Table 17
Reasons for Joining the Organisations

| | Responses of office bearers of the Study Villages | | | |
|--------------------------------------|---|--|--------------------------------------|-------------------------|
| | Multi-Purpose Co-operative Society % | Agricultural Productivity Committee % | Rural Development Society % | Village Council % |
| To get benefits | - | 5 | 8 | - |
| Public Pressures | 12 | - | - | 25 |
| To serve the community | 12 | 76 | 92 | 63 |
| To serve the organisation | 37 | 5 | - | - |
| Appointed by Member of Parliament | 32 | - | - | - |
| Loyalty to the Government | 6 | 14 | - | - |

Source: Questionnaire Data

161. The major motivation of office bearers for joining the Rural Development Society was to serve the community. The Rural Development Society is a longstanding institution in the village.

162. The extent of voluntary involvement in local activities of the organisation depends on performance of duties allocated to its members. When both office bearers and members were posed with the question of whether they performed the tasks allotted to them their responses were as follows:

Table 18
Response of Office Bearers and Members on the
performance of tasks allotted to them

| Views | M P C S | | A C P | | R D S | | V C | |
|-----------------|-----------------------------|-------------------|-----------------------------|-------------------|-----------------------------|-------------------|-----------------------------|-------------------|
| | Office bear- ers % | Mem- bers % | Office bear- ers % | Mem- bers % | Office bear- ers % | Mem- bers % | Office bear- ers % | Mem- bers % |
| All of them did | 50 | 17 | 41 | 13 | 100 | 80 | - | 12 |
| Most " " " | 50 | 36 | 59 | 42 | - | 20 | - | 75 |
| Few " " " | - | 40 | - | 29 | - | - | - | 13 |
| None " " " | - | 7 | - | 16 | - | - | - | - |

Source: Questionnaire Data

MPCS - Multi-Purpose Co-operative Society, RDS - Rural Development Society
APC - Agricultural Productivity Committee, VC - Village Council

163. It should be noted that unlike in the case of the Rural Development Society, the other organisations had no definite tasks allocated to its members. A significant number of respondents stated that a few members would carry out the tasks allotted to them by the Multi-Purpose Co-operative Society and the Agricultural Productivity Committee. Most members look on the Co-operative and the Agricultural Productivity Committee as organisations which are not totally dependent on the loyalty of their members.

164. In both cases the office bearers said all or most of them performed the tasks allotted to them. This is obvious as office bearers would have a more favourable impression of the activities of their organisations than the degree of loyalty and interest manifested by members in the activities of the organisation

165. Being a voluntary organisation the Rural Development Society scored a much higher percentage of members and office bearers responses, that all members or most of them performed the tasks allotted to them. These responses flow from the fact that in the case of the Rural Development Society, the members have clearly recognisable and definite tasks. Also, these tasks which are usually the supply of manual labour or facilities, can be expected of all members. Members had no difficulty in recognising their share and level of participation in the activities of the Society.

166. Respondents were asked what they would do in the case of a conflict between the interests of the organisation and their personal and family interests. Their responses are as follows:

Table 19
Responses of Persons on conflicts of Interests

| Interests | MPCS | | A P C | | R D S | | V C | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Office | | Office | | Office | | Office | |
| | bear- ers % | Mem- bers % | bear- ers % | Mem- bers % | bear- ers % | Mem- bers % | bear- ers % | Mem- bers % |
| Primarily personal/ family interest | 52 | 89 | 16 | 92 | - | 23 | 25 | - |
| Primarily interest of the organisation | 48 | 11 | 84 | 8 | - | 77 | 75 | - |

Source: Questionnaire Data

167. A large percentage of members of the Multi-Purpose Co-operative Society stated that they would put their personal interests first. The Co-operative is an institution in which a villager's link with the management provides him with immediate benefits. In villages constant reference is made about better treatment accorded by the Co-operative management to people who are closer to them—especially in the distribution of scarce commodities. The above response closely depicts a public perception of the Co-operative as an institution which favours special groups. These responses have to be compared with the perception of office bearers of Co-operatives on the same issue.

168. Obviously the officials tended to emphasise their public spiritedness. It was also quite possible that since many officials have been selected on the basis of their political and ideological commitments they would in fact emphasise the public service aspect.

169. Responses indicate that the majority of members look on the management of the Agricultural Productivity Committee as somewhat alienated from their own interests. The selection process of the management does not involve the members. In such a situation it is conceivable that the membership of whom office bearers are not responsible through election, tend to look with a certain degree of disenchantment at the activities of the office bearers. The office bearers who on the other hand having been selected on the basis of a political choice, look on their role as one entailing loyalty to their sponsor and his party. The emphasis on self-interest by the members and public interest by the office bearers is a striking contrast in the case of the Agricultural Productivity Committee.

170. In the case of the Rural Development Society, while a few respondents stated that their personal and family interests would be important, more responded that they would put the interest of the organisation first. A possible reason for this is the degree of "distance" between the office bearers and the membership. The office bearers have to depend on the goodwill of the members. Consequently, their identity of interests is of a higher degree.

171. The degree of interest shown by members at general meetings and elections is also another index of participation. The experience in the study areas was that village influentials tended to nominate members to the village Co-operative Society. Such a process becomes possible largely due to the fact that most members do not attend general meetings. Also, the tendency has been for a meeting to be summoned only when some grievance or a special problem has to be examined. At the village-level several important factors could be recognised. In particular, caste and political links are emphasised. For example, Weliya village has two caste hamlets from which the Multi-Purpose Co-operative Society Committee members are selected on the basis of three from each hamlet. This ensures a fairly even balance of representatives on a caste basis. In Heenatipone-Warakapone, since the Village Council member could exercise influence over the Multi-Purpose Co-operative Society, he was in a position to get his nominee appointed as members of the Co-operative Society. In Handaganawa, since there was a numerically dominant Govigama caste, they were able to ensure that all nine members of the Society were representatives of that caste. In Neervely, only seven eligible applicants presented themselves at the general meeting. They were elected and two others acceptable to the membership were also elected though they had not sought appointment earlier. Generally speaking, there are no specific functions or privileges which accrue to members of the village Co-operative Societies. Compared to other village-level posts these positions are not considered to be highly prestigious.

172. At the Multi-Purpose Co-operative Society level the degree of participation of the general membership in electing office bearers is very marginal. Out of the fifteen Directors of the Multi-Purpose Co-operative Society, six are supposed to be from the village Co-operative Societies. In the case of the Agricultural Productivity Committee, villagers do not participate in elections. However, the farmers are in a position to voice their views at "cultivation meetings" (*Kanna Sabha*). Yet, it is seen that in the study village Cultivation Committees do not summon these meetings, and even if summoned, the participation of members is minimal.

173. As regards attendance at general meetings and elections, the Rural Development Society is at an advantage in that it has a freely elected Committee. Recent Government regulations also demand that at least 50% of the households in the villages should be represented in the Society. It is also less bureaucratic than the other institutions. These features combine to heighten the degree of interest shown by members of the Rural Development Society. However, as mentioned earlier, the intensity of this interest depends on the tasks identified by the Society. As long as members perceive that the "felt-needs" of the villagers were being attended to, a high degree of participation can be expected. In cases where the tasks undertaken obviously favour or benefit a special group or class in the village, the degree of participation was less.

174. The special area of interest regarding the participation of members at village-level is the degree to which special "alienated" groups such as the poor, women and youth, are allowed a part in decision-making. The experience of all four study areas is that no special attempts have been made to recognise the claims of these categories. In fact the tendency has been to exclude these categories in the actual selection of office bearers. Our study findings are that there are no women Committee members in either village-level Co-operatives or at the level of the Multi-Purpose Co-operative Society Directorate. There is a higher proportion of people over 40 years in the Multi-Purpose Co-operative Society Directorate and in the Village Co-operative Society.

175. As in the case of the Multi-Purpose Co-operative Societies, "under-privileged" groups such as women, the poor and the young, are not adequately represented in the Agricultural Productivity Committee. In all four Agricultural Productivity Committees studied, there were no women Committee members. The same was true of the Cultivation Committees. In Table 20 (page 43), it shows that there was a dominance of the landlord, rich and middle peasant categories, in the higher echelons of the Agricultural Productivity Committee.

176. The youth were under represented. The under representation of women and youth reflect in a sense the main patterns of agricultural employment. Except for seasonal activities such as weeding and harvesting, paddy production is looked upon essentially as a man's job. Except in a few rural areas, youth show a marked disinclination to take to paddy production. Political and other social factors seem to militate against adequate representation of the rural poor in agricultural institutions. Thus, the picture that emerges of the Agricultural Productivity Committee in operation is of a structure that has improved considerably on the Cultivation Committee's set-up under the Paddy Lands Act, but nevertheless still not a true reflection of the socio-economic interests of the village.

177. A noteworthy feature regarding the Rural Development Society is that it provides for the participation of generally "alienated groups". This is particularly so in respect of women and youth. The Rural Development Society movement has a women's organisation known as the *Kantha Samithi*. There are village-level female extension officials known as *Kantha Sevikas*, who are paid by the Department of Rural Development. It is their responsibility to organise the women in rural areas. Thus, the Rural De-

velopment Society is the only study institution which sets out to pay special heed to women. Training courses in domestic science, family planning and family care are provided by employees of the Rural Development Society.

G. Leadership Patterns

178. This section analyses the socio-economic background, the source of power and recruitment pattern of village leaders. By "leaders" are meant the Chairman and Directorate of the Multi-Purpose Co-operative Society, the President and Committee of the village-level Co-operative Society, office bearers of the Agricultural Productivity Committee and the Cultivation Committee and of the Rural Development Society.

179. The income levels of rural folk were used in the study as one of the criteria in differentiating the rich, middle and poor peasant categories. A net income of Rs.200.00 per month was considered as a reasonable demarcation of the poor peasantry from higher categories.

180. It will be seen that while a preponderant number of villagers in all four areas fell into the "poor" category, the Multi-Purpose Co-operative Society and the Agricultural Productivity Committee showed a disproportionate number of office bearers coming from the middle and rich peasant categories. Several reasons may be attributed to this feature. In the first place, villagers themselves tend to emphasise educational and financial resources when they select office bearers. They consider traditionalistic criteria such as conspicuous consumption, ability to organise or hold key positions in "factions", interceding with Government Officials and Politicians as desirable attributes of a leader. Consequently, the richer people in the village have a better chance of being selected office bearers while those living close or below the poverty lines find it difficult to devote the time and energy considered necessary for participation in public affairs. Their poverty also places them in a client relationship to a large number of "patrons" who have access to land or capital. At times of election for village-level institutions, they feel obliged to vote for their "patron" or to a nominee of the patron.

181. For instance, in the Handaganawa colonisation scheme area the Chairman of the Multi-Purpose Co-operative Society is a leading trader in the vicinity. Many of the members of the Co-operatives were indebted to him either on the basis of credit granted, consumer goods purchased from his store and hotel, or share cropping arrangements on paddy fields which were either owned or in the *de facto* possessions of the Chairman. Thus, the Chairman is the focal point of a whole network of social and economic obligations. These obligations also make him a leader of a powerful faction which in turn makes him a strong personality in the regional political organisation.

182. Even in the poor and middle categories, recruitment to leadership is dependent on political and other power affiliations. Poor farmers who are articulate and enthusiastic supporters of the dominant political party are often selected to these Committees.

Table 20
Distribution of Office Bearers of Selected Organisations
in the Study Villages under Income Categories

(Percentage of persons falling under income categories)

| Organisations | Handaganawa (Minipe) | | | Heenatipone- Warakapone (Mawanella) | | | Neervely (Veli-East) | | | Weliya (Minuwangoda) | | |
|--|-------------------------|-------------|------------|---|-------------|------------|-------------------------|-------------|------------|-------------------------|-------------|------------|
| | Upper % | Middle % | Lower % | Upper % | Middle % | Lower % | Upper % | Middle % | Lower % | Upper % | Middle % | Lower % |
| Multi-Purpose Co-operative Societies (Union) | 60.0 | 40.0 | - | - | - | - | 33.3 | 66.6 | - | 100.0 | - | - |
| Multi-Purpose Co-operative Societies (Branch) | 40.0 | 40.0 | 20.0 | 55.6 | 33.3 | 11.1 | - | - | - | - | - | - |
| Agricultural Productivity Committees | 70.0 | 20.0 | 10.0 | 40.0 | 20.0 | 40.0 | 75.0 | 25.0 | - | 30.0 | 70.0 | - |
| Average for each Village | 27.6 | 28.6 | 44.8 | 23.3 | 26.7 | 50.0 | 51.0 | 23.0 | 26.0 | 10.0 | 23.3 | 66.7 |

Source: Questionnaire Data

Note: For Villages and Income Categories, please refer Chapter Two,

Instances of occurrence of this aspect were observed in the composition of the Agricultural Productivity Committees of Handaganawa and Heenatipone-Warakapone. In the Agricultural Productivity Committee of Handaganawa ten per cent (10%) of the office bearers were from the poor farmer group. At Heenatipone-Warakapone the proportion was as high as 20%. Political leaders consciously attempt to recruit office bearers from the poor sections of the community as well. The leadership of the Rural Development Society still comes from groups which are above average incomewise. However, its leader group also includes persons who are not interested purely in sectoral activities and who are of the rural poor.

183. In the case of the Rural Development Society a greater part of the leadership are drawn from the youthful groups. Usually posts of advisor/patron of the Societies are the preserves of the older group who bring to bear their years of experience in working in the villages. The youthful groups are especially important in mobilising support for *shramadana* (self-help) activities.

184. The following table depicts the class stratum - based on economic criteria of the President, Vice-President and Secretary of the Rural Development Societies in the study villages:

Table 21
Class Stratum of the Office Bearers of
Rural Development Societies

| Office Bearers | Handaganawa | * Heenatipone- Warakapone | Neervely | Weliya |
|----------------|-------------|------------------------------|--------------|-------------|
| President | Upper Class | - | Middle Class | Upper Class |
| Vice President | Upper Class | - | Poor Class | Upper Class |
| Secretary | Upper Class | - | Middle Class | Upper Class |

*Rural Development Society - no longer existing

Source: Questionnaire Data

185. Another significant feature relating to rural leadership is the age distribution of the leaders. The following table depicts the age distribution pattern of the four study areas:

Table 22
Average age (years) of Office Bearers of
Selected Organisations

| | Handaganawa | Heenatipone- Warakapone | Neervely | Weliya |
|--|-------------|----------------------------|-----------------|-----------------|
| Multi-Purpose Co-operative Societies | | | | |
| (Union) | 46 | (not available) | 54 | 50 |
| (Branch) | 35 | 38 | (not available) | (not available) |
| Agricultural Productivity Committee | 43 | 47 | 49 | 52 |

Source: Questionnaire Data

186. While the village Co-operative Society, which has only a supervisory function represents a closer approximation to the general village and national age distribution (75% of the national population is under 35 years of age), the Multi-Purpose Co-operative Society and the Agricultural Productivity Committee which are crucial governing bodies are still the preserve of an age group which is older than the average. This is understandable in the light of the premium placed on experience. Another possible explanation is that since these office bearers are close associates of the leading political authorities in the area, they would prefer to appoint office bearers who are closely related or linked to them. Generally speaking, Members of Parliament come from an age group much higher than the national average. It is therefore, possible that higher posts in rural organisations which are used to reward political associates go to those who have been helpful to a politician over the long span of his political career.

187. Educationwise, office bearers tend to have higher educational qualifications than the villagers. Educational skills were found to be consciously sought in the selection of leaders. This is understandable because of the necessity to maintain regular correspondence and filing systems, interviewing of higher officials and presentation of reports, etc., demand verbal, literary and management skills from office bearers of rural organisations. Special mention must be made of Neervely where a large number of well-educated persons, some of whom had been Public Servants earlier, were available for appointment as office bearers. The fact that they were a minority group who had to make special claims to the bureaucracy necessitated the selection of the best-suited as leaders.

188. The following table depicts the member's own perception of the qualities they expect of a leader:

Table 23
Qualities of a Good Office Bearer as perceived
by Members

| Qualities: | Handaganawa (Minipe) | Heenatipone- Warakapone (Mawanella) | Neervely (Veli-East) | Weliya (Minuwangoda) |
|---|-------------------------|---|-------------------------|-------------------------|
| | % | % | % | % |
| Kind and unselfish social worker .. | 40 | 60 | 60 | 63 |
| Honesty and justice .. | 100 | 90 | 50 | 100 |
| Knowledge and experi- ence in the field .. | 30 | - | 50 | 40 |
| Patience .. | - | 50 | - | - |
| Personality and manage- ment ability .. | 90 | - | - | - |
| Good economic means .. | - | - | - | - |
| Efficiency .. | - | - | 25 | - |

Source: Questionnaire Data

189. The general picture that emerges is that of a more disinterested leader who has greater acceptability among members. Honesty, impartiality and selfless dedication to activities were considered important qualities of an ideal leader.

190. The source of power of village-level leaders can be identified under — i) traditionalistic criteria and ii) particularistic criteria.

191. Under traditionalistic criteria, factors such as caste, kinship, place of residence and place of birth are decisive. In all study areas the dominant caste, which also has the highest ranking in the traditional caste hierarchy, controlled a majority of positions in the rural institutions. In the colony village of Handaganawa most are from traditional Kandyan villages. Many of them tended to carry over the sociological terms of reference they were accustomed to in their native villages. Thus, a bias in favour of the "Up-country" people as against "Low-country" people developed. Though there were a few outstanding entrepreneurs among the "Low-country" people (including the Chairman of the Multi-Purpose Co-operative Society), the majority of the "Low-country" people took to providing ancillary services to the colonists. The exclusion of the Low-country people from paddy holdings forced them in to entrepreneurial activities which in the long run has proved to be highly profitable. They now control large tracts of paddy land which they have leased-in and bought from colonists. They also are leaders in village organisations like the Multi-Purpose Co-operative Society and the Agricultural Productivity Committee. Even among the "Up-country" *Govigama* dominant caste, special preference has been given to the more prestigious lineages. This is probably due to the fact that sponsors of these colonisation schemes and the early officials were linked kinshipwise with the representatives of these lineages. In this area, even the regional bureaucrats who themselves are linked through marriage with members of these prestigious lineages tend to take advice and defer to the idea of these power figures.

192. In Neervely, about 90% of the office bearers came from the dominant *Vellala* caste. In the case of Heenatipone-Warakapone, where the dominant *Govigama* caste is surrounded by a numerically-substantial service caste, a more complex leadership pattern is seen. While the majority of the office bearers come from the *Govigama* caste, about a third of the positions are held by the members of the service caste. Because of traditional alliances between the dominant caste and these other service castes integration at the level of leadership is easy. There is no sense of competition at the point of decision-making. In Weliya, the two hamlets which comprise the village Co-operative Society area have a working arrangement in which each hamlet nominates an equal number of representatives of its own caste. What is significant about these traditionalistic criteria is not so much that they still prevail but that they have, up to now, been assimilated into the contemporary power structure. Thus, in keeping with the processes of democratisation and politicisation other castes have been provided an opportunity of participation, albeit in minority fashion, in the decision-making process of rural institutions.

193. Among the achievement-oriented particularistic criteria, wealth and political affiliation take pride of place. Due to the

enmeshing of the political, traditional and economic systems it is found that the leaders who emerge tend to dominate most village-level institutions. Thus, in Handaganawa, the Chairman of the Multi-Purpose Co-operative Society is also one of the richest persons in the area, an influential party organiser, President of the *Janatha* Committee (People's Committee), and President of the Death Donation Society. Each of these roles tend to reinforce each other. Thus his requests are acceded to even by public officials. We have such an example in the hospital administration of the area giving preference to requests made by the Chairman, Multi-Purpose Co-operative Society regarding hospital admission. Another case of this reinforcing of roles is the Chairman of the Cultivation Committee at Handaganawa, who is also the President and Vice-President of six other organisations and Secretary of two other organisations.

Chapter Four

CAPABILITIES AND THE PERFORMANCE OF THE ORGANISATIONS

194. Characteristics of the organisations discussed in the preceding chapter determine to a great extent their capabilities. In this chapter we attempt a closer analysis of specific capabilities and performance which are of direct relevance to rural development.

195. The selected capabilities are identified here as:

- (a) Capabilities of the organisation to mobilise support:
 - i. within the community;
 - ii. from above;
 - iii. from among the local rural organisations;
- (b) Financial capability;
- (d) Administrative capability;

These capabilities have been evaluated through a study of the day-to-day activities of these organisations as they attempt to perform certain tasks. In the present study these tasks may be identified as:

- 1. the involvement of the masses in decision-making;
- 2. Creating socio-economic and political awareness;
- 3. Articulating and processing local needs;
- 4. Mobilising local resources;
- 5. Developing two-way communication;
- 6. Providing services from above;
- 7. Developing local leadership capabilities.

Multi-Purpose Co-operative Society

196. The supply of consumer items and credit for cultivation were the most important functions of all the four Societies surveyed. Therefore, an analysis of the performance of the Co-operative Societies in this area would reveal some of their capabilities.

197. According to the members and office bearers of the Co-operative Society, there were complaints against the Society regarding the distribution of consumer items, the supply of agricultural inputs and the administration. Out of these, complaints regarding the distribution of consumer items were cited more often in all the four cases. It may be expected that in an area such as the distribution of consumer items, in a time of shortage, there will be shortcomings. Most of the consumer items distributed by the Co-operative Society are brought from outside and, in the event of a shortage, complaints are likely to be

directed at the Co-operative. Nevertheless, within these limitations, the Co-operatives studied by us showed varying degrees of effectiveness in the manner in which they handled this task.

198. In Handaganawa, for example, it was found that distribution of consumer commodities was not done properly. In the distribution of synthetic textiles, a lottery system was adopted in order to give an equal chance to all the members. But in the actual operation of this scheme, in the two branches studied, it was found that the manager's friends got priority. Such irregularities were observed also in the sale of empty gunny bags.

199. In the two Co-operative branches of the Heenatipone-Warakapone, again, there were numerous complaints against the management regarding the manner in which the distribution of consumer items were carried out. Members complained about the activities of the manager and the way he transferred goods which were in high demand to private boutiques through the "back door".

200. The Neeverly Co-operative Society also had complaints regarding the distribution of textiles. But by and large, the Society was carrying out this function satisfactorily. The villagers were very watchful of what was going on in the Co-operative. The management was therefore left with less freedom to mismanage or engage in mal-practices.

201. In Weliya, though there were some instances of malpractices in the distribution of consumer items like textiles, they have been reduced to a great extent by proper action taken by the President and the management.

202. In the performance of the function of distributing consumer goods though all the four cases provided instances of irregularities, the Neervely Society and the Weliya Society were doing better than the Co-operative organisations in the other two villages. Mis-management was usually the result of the dearth of administrative capabilities.

203. Another important function performed by the Co-operative Society is the channelling of rural credit. The co-operative Society has been the main channel through which the Government and the Banks have channelled credit to the rural sector. The main objective of the credit scheme is to provide the farmer with working capital, required for his agricultural operations, which it is hoped would help him to increase his production. The other objective was to protect the farmer from the private money lenders who lend money at usurious rates.

204. All four Societies had rural banks and were providing cultivation credit. In Handaganawa and Neervely these functions assumed major proportions because of their pattern of cultivation which necessitated the wide use of credit.

205. Eligibility for obtaining loans was reported as follows: A person had to (a) be a member of the Society for at least the past one year; (b) not be in default of previous loans; (c) own land as collateral. A member is eligible to get a loan twenty times the share capital he holds in the Society, subject to the requirement that

the total sum does not exceed Rs.5,000.00. The borrower also had to produce two sureties, who are members of the Society and not in default of previous loans. The period of loan covers the cultivation season of the crop. An interest of 12% is charged on the loan.

206. Records of the Multi-Purpose Co-operative Society branch meetings during the survey period show that the agro-loan system adopted by the Multi-Purpose Co-operative Society came in for heavy criticism. The Multi-Purpose Co-operative Society system was considered too inflexible when compared with the Bank of Ceylon loan system. These criticisms were directed to the Multi-Purpose Co-operative Society where it was discussed but no concrete action has been taken by the parent body to remedy the situation.

207. The field level branches of the Multi-Purpose Co-operative Societies are thus seen to act as a forum for discussing farmers problems and as a channel of communication of such problems to higher levels, but the response of the higher management to such demands do not appear to be very satisfactory. A primary cause of such non-responsiveness of the Multi-Purpose Co-operative Society to pressures from below is that the Chairman of the Board completely dominates decision-making. In Handaganawa, the Chairman is an influential businessman in the area who is politically powerful and frequently exhibits a contempt for the passivity of the colonists. He maintains his position in the Society not because he is popularly elected by colonists, but because of his relationship with the political authority of the area. He is not looked upon by the villagers as a person who would bring out the spirit of co-operation and participation of the people in the affairs of the Co-operative Society.

208. In Neervely the Co-operative provides credit for the production of paddy as well as the major field crops of the region. There are above 6,000 household units coming under the purview of the Neervely (Vali-East) Multi-Purpose Co-operative Society. Of these, about 80% depend on agriculture as a livelihood. For this purpose they relied on credit provided by the Co-operative Society.

209. The repayment rate in the past was said to be satisfactory but the records of the Society show a poor recovery rate of about 1/3rd of the loans issued. According to the audit report for the year 1975/76, the persons in default of previous loans were 1,708.

210. In the case of the Co-operative Society of Weliya (Minuwangoda), the provision of cultivation loans is not a major function. This is probably due to the fact that it falls within the major coconut producing area and paddy production assumed relatively less importance. There are other forms of institutional and non-institutional credit available to the coconut cultivators. The Society has issued credit of Rs.2,000.00 for paddy cultivation in Maha 1973/74 and Rs.8,700.00 in Maha 1975/76. The repayment rate for 1975/76 is only about 30% of the total amount given.

211. In Heenatipone-Warakapone (Mawanella), the main source of farmer credit was non-institutional (Khan and Gunadasa, February 1974, p.14): (Agrarian Research and Training Institute, December 1975, Study No.13, p.51). Therefore, the Co-operative, plays a less important role in this field.

The farmers of the study villages in the region did not get any credit from the Multi-Purpose Co-operative Society during the last cultivation season or in the previous one.

212. The credit operations of the Neervely Co-operative Society illustrates some aspect of capability and performance of Co-operative Societies. This Society shows significant financial capability in that it was able to mobilise a large sum of money and was able to meet a major part of the credit needs of the farmers of the area. The manner in which the Society was able to get this money is also an indication of its capacity to mobilise support from higher levels. It has to be kept in mind of course, that major policy decisions regarding credit facilities are made at higher levels quite independent of the Co-operative Society concerned. But within these limitations the Co-operative Society was able to make use of the facilities and serve the farmers. The manner in which the operation was carried out and the various checks and controls the Society had over the system of distribution of credit helps to explain its administrative capability. At first there was the close scrutiny of applications by the Society employees and then by the employees of the Department, to ensure eligibility of applicant. Then there were the requirements of sureties and collateral to ensure repayment. Supervision was carried out by the Rural Bank personnel to ensure proper use of credit. However, in the actual operations shortfalls were noticed. The audit report refers to eligible credit limits being exceeded and instances of credit being utilised for non-cultivation purposes. Also, the repayment rate was not very satisfactory.

213. Though the decision to provide credit was made by the leaders or higher levels, the participation of the people is implicit in the decision in that the needs of the farmers were taken into account, but there were limitations in this respect. For example, the eligibility conditions were such that the richer farmers with more capital, land and ability to mobilise sureties were able to benefit more from this facility. The poorer group which had no capital to buy shares in the Society or were in arrears of previous loans were left out. Another group that was totally left out was the landless group.

214. Looked at from a different angle, the decision to provide credit follows a policy decision made by Government. The organisation was only facilitating the provision of services thus made available. The credit input could also be seen as a factor included in the mobilisation of resources — land and labour — which would otherwise have been under-utilised.

215. A good index of the financial capability of the organisation is the Society's Bank balance and its credit worthiness. In this respect except in the case of Heenatipone-Warakapone (Mawanelia) Co-operative Society, all the other Societies show a good financial status. This is due to the fact that the Co-operative Reforms of 1972 have made Co-operative Societies financially viable by amalgamating smaller Multi-Purpose Co-operative Society Units. The annual turn over of the Co-operative Society of Neervely runs into several millions of rupees and the Society earned a record net profit of Rs.280,000/- for the financial year 1974/75 though the profit declined to Rs.39,000/- in the following year. The Weliya (Minuwangoda) Society earned a profit of Rs.280,000/- for the first eight months of the year 1976, and the profit of the Handaganawa (Minipe) Society for the same period was Rs.46,000/-.

216. The capability of the organisation to mobilise support from higher levels depends on its vertical linkages. The Co-operative movement being the older and the more established of the organisations has several linkages with the Government and therefore exhibits a higher degree of capability in this respect. (This aspect of the linkages has been discussed in the previous chapter).

217. The capability of the Co-operative Societies to mobilise support within the community and from parallel organisations is closely related to the aspect of popular participation — participation in decision-making and plan implementation. The Co-operative Society is a village organisation that is close to the villagers because it provides some of the essential items needed by the villagers. For this reason most of the villagers have an interest in what goes on in the Co-operative Society. This is one aspect of participation. As for decision-making, participation of the people is rather indirect, in that the decisions are made by the governing board which is only partly elected by members. Even so, elected Directors can ensure that the views of the members are taken into account when decisions are made. The politically nominated Directors serve a function in that they have better links with the political and bureaucratic cadres making it easier for them to get things done for the Society.

218. As for mobilising local resources the role of the Co-operative is rather marginal in that it is not directly involved in such projects as those undertaken by the Divisional Development Council or the Rural Development Society. But all the four Co-operative Societies studied had some involvement in projects which were meant to create employment and to increase production in the community. The Neervely Society for example had invested in several projects, like light engineering, children's garments production, etc. Broadly speaking the main function of the Co-operative Society has been in the field of consumer servicing.

219. The poor, the youth and the women of a community merit attention as special groups. In all four cases studied the office bearers as well as members of the Co-operative had some awareness of the needs of these groups. They also had some suggestions for improving their conditions. For the poor, financial assistance (as credit) by the Co-operative was suggested by the majority (38%). Another suggestion, was that the Co-operative should either provide employment through development projects or provide training for them for jobs requiring special skills. These suggestions tended to confine "felt-needs" of villagers. However, in terms of actual performance, the Societies leave much to be desired.

220. As regards the improvement of the conditions of the youth, Co-operative Societies did not have any specific plans or programmes, but, when asked, "What the Co-operative has done to improve the conditions of the youth?", the majority of respondents referred to employment provided by the Society in its cadre and in development projects. This fact was more emphasised in the Neervely and Weliya Societies which had provided employment for a large number of people.

221. Women were not identified by the Co-operative as a special group. None of the Societies had any plans or programmes geared for the promotion of the welfare of women.

Agricultural Productivity Committees and Cultivation Committees

222. The performance of the Agricultural Productivity Committees in respect of popular involvement in decision-making and creating socio-political awareness among farmers has not been entirely satisfactory. This has to be understood in the light of the fact that it is a relatively new organisation conceived by the Central Government. Nevertheless, it serves the village in an area - agricultural development - in which all farmers have an important stake.

The Cultivation Committee - the village-level arm of the Agricultural Productivity Committee - is closer to the farmers in matters of decision-making. This is evident in the cultivation season meeting (*Kanna Sabha*) where all the farmers get together, discuss and agree upon a common calendar of cultivation activities. This is more clearly seen in places where the source of irrigation is a small tank and the management of water distribution lies with the farmers, e.g. traditional villages (*purana* villages) of the north central province (Krause, Lebbe, and Wickremasinghe, Unpublished ARTI 'People's Participation and the Role of Groups in Rural Development'). But in places where water distribution is externally controlled, like in the colonisation schemes or where there is no common irrigation as in the dry farming areas and rainfed paddy cultivation, the Cultivation Committees have not been able to get the involvement of the farmers to an appreciable extent. Therefore an important factor in participation appears to be that the farmers should feel an immediate need to get together for decision-making. All four of our study areas fall into the later category where such an over-riding need is not presently felt.

223. As for articulating and processing local needs, mobilising local resources, provision of services and developing two-way communication, the different Committees show varying degrees of capability.

224. In the case of Neervely, an examination of the seed potato distribution last year shows that the Agricultural Productivity Committee had performed its function as an agricultural planning unit satisfactorily. It has also acted as an organisation which articulated the needs of farmers. But it appears to have drawbacks in its performance in respect of providing services from above and developing effective two-way communication. Firstly, there was a breakdown in communication/co-ordination of activities between the Department of Agriculture and the Agricultural Productivity Committee. According to the Agricultural Productivity Committee members, officials of the Department of Agriculture resented the idea of a new farmers' organisation entering an area of activity hitherto left in the hands of public officials.

225. It is likely that officials of the Department of Agriculture who were earlier entrusted with the responsibility of village-level planning and servicing did not like the progressive whittling down of their activities through a farmer organisation. The officials on the other hand complained about the shortcomings of the Agricultural Productivity Committee which ranged from the lack of motivation of politically appointed members to their ignorance and incompetence in the field of agricultural development,

226. A similar examination of certain activities in the Handaganawa (Minipe) case, illustrates several aspects of performance of the Agricultural Productivity Committee. With a view to establishing a co-operative farm to provide land and employment to the unemployed in the colony the Agricultural Productivity Committee endeavoured to obtain idle land on permit from the Regional authorities. It however, was unable to do so since the Multi-Purpose Co-operative Society had also made a bid to obtain rights to the same land for the setting up of a paddy demonstration farm.

227. The "group production" scheme started in the Heenatipone-Warakapone (Beminiwatte) area illustrates the potential of the Agricultural Productivity Committee as an organisation of the farmers. Under the "group production" scheme a group of farmers agree upon a common programme of agricultural operations and a common calendar of work. The initiative for the "group production" scheme came from the Agrarian Research and Training Institute, which is experimenting with this technique with the hope of replicating it in other parts of the island. Under this scheme the Agricultural Productivity Committee gets the group going and helps farmers in getting credit and other inputs like agro-chemicals and fertiliser for cultivation. In certain parts of the Agricultural Productivity Committee area this scheme has produced satisfactory results. Consequently most of the farmers expressed a desire to join the scheme. In the two study villages (Heenatipone-Warakapone) many farmers expressed a favourable opinion towards "group production" and about twenty farmers have already joined such groups. Even here farmers made complaints regarding management. One point of discontent was that the eligibility conditions to join a group were too strict: (i) a farmer had to hold an agro-identity card; (ii) insure his crop; (iii) hold an account at the bank. Provision was made for those who had no bank accounts and insurance to be given credit facilities, but the conditions of membership, were resented by many farmers who considered "form filling" and red tape bothersome. What is more, tenant-cultivators had special difficulties in becoming members of production groups. Many of them have not been registered as tenants in this area due to pressure exerted by the landlords. Some farmers in the study area complained that they have not been adequately informed of the scheme and that they have been left out of the production group.

228. Complaints from the villagers give some indication of the performance of the Agricultural Productivity Committees. The majority of the office bearers (79%) said that there were no complaints from farmers' but, this response has to be interpreted in the light of the fact that many office bearers tended to defend the activities of their organisations. Those who admitted that there were complaints said that these complaints were mainly about inefficiency in administration and the resultant delay in providing services. The Neervely (Puttur) Agricultural Productivity Committee received the most number of complaints while the Handaganawa (Minipe) Agricultural Productivity Committee received none.

229. As for performance in regard to the improvement of the conditions of special groups - poor, youth and women - there was little attention paid by the organisations studied. The suggestions made by office bearers of the Agricultural Productivity Committee for the improvement of the poor reflect local socio-economic positions. Employment and financial

assistance were given priority. In Heenatipone-Warakapone and Weliya, two places where absentee ownership and share cropping were dominant - tenancy rights were emphasised as important.

230. In reality however, little was done to improve the fortunes of these alienated groups. Activities pointed out by members as necessary for the improvement of the poor were often applicable to the whole clientele. Thus, members mentioned the following activities of the Agricultural Productivity Committee as significant ameliorative measures:

Table 24
Activities of the Agricultural Productivity Committee to improve the conditions of the Poor

| Activities | (Percentage of responses of Office Bearers and members) | | | |
|---------------------------------|---|----------------------------|---------------|--------------------|
| | Handaganawa | Heenatipone- Warakapone | Neervely | Weliya |
| | (Minipe) % | (Beminiwatte) % | (Puttur) % | (Minuwangoda) % |
| Provide credit .. | - | 14 | 80 | 22 |
| Provides employment .. | - | 14 | 20 | 33 |
| Making attempts to provide land | 60 | - | - | - |
| Has done nothing .. | 40 | 71 | - | 44 |

Source: Questionnaire Data

231. The performance of the Agricultural Productivity Committee with regard to the improvement of the "youth" was no different from that of the "poor". The members and office bearers mentioned activities like providing credit and employment by the Agricultural Productivity Committee. But the fact is that the Agricultural Productivity Committee does not identify specific groups in the community for special attention.

Rural Development Society

232 The Rural Development Society, as was shown earlier, differs from the other organisations in several respects. It is not an organisation constituted by an Act of Parliament and unlike other organisations it has no specific statutory tasks allotted to it. Also the Rural Development Society usually covers a smaller area, often a single village as its area of activity. These differences have several implications for its activities. Its activities are more flexible and can be geared for the immediate "felt-needs" of the village. It is also true however, that since it has no statutory functions the Rural Development Society becomes active only when there is a particular task to be performed. Once the task is accomplished/the Rural Development Society tends to decline. However, where a particular Society is backed by enthusiastic leaders and patrons, its performance has been impressive. Since the Rural Development Society covers a smaller area the direct involvement of the villagers in its activities becomes feasible.

233. Except in Heenatipone-Warakapone where a Rural Development Society has never been actively functional, all the other three study areas have had active Rural Development Societies at various times. The performance of Rural Development Societies of Neervely and Weliya is impressive.

234. In Weliya village, there are two Rural Development Societies - one catering to the northern hamlet and the other to the southern hamlet. There is also a Women's Rural Development Society. The Rural Development Society of the northern hamlet is currently very active. The efficiency with which it accomplished the task of cutting a road through the village reveals some of its capabilities. The efficiency of this Rural Development Society in the task is due to several factors: it involved the villagers in decision making to launch the project; and it was articulating a "felt-need" of the villager. In the attempt to meet this requirement the Society was able to mobilise local resources. It also managed to communicate with the respective Government Agencies and obtain their assistance. The example also illustrates the potentialities of the organisations; it has mobilised support from the village, from the local organisations and from higher administrative levels.

235. In Neervely, there is a Rural Development Society and a Women's Rural Development Society. The Rural Development Society has a long list of achievements to its credit including road and culvert construction, and various maintenance activities. The Society's office bearers now seem to think that its tasks have been completed, but the Women's Society with its enthusiastic President is indefatigable. The Women's Society was started to manage the village creche. Later a community centre was set up and it was very active for sometime in various cultural pursuits like drama, music, dancing and other recreational activities. The Girls' Young Farmers Club, is another facet of this Society. Through this Club the Society was engaged in the promotion of home garden cultivation and training of girls in home science. It also started a beedi-wrapping industry and found employment for about fifteen village girls, but, when the industry grew beyond the Society's capacity to manage, it handed it over to a private entrepreneur. He still runs the beedi industry in which about fifty girls are employed. Jaggery making, is another industry in which the Women's Rural Development Society tried its hand, but, this venture could not get off the ground and the idea was dropped. A Co-operative Credit Society for women was also set up by the Women's Rural Development Society. It has serviced the women of the village who needed capital to start small scale agricultural or industrial production or buy household equipment like sewing machines. All in all, they have been able to generate not only enthusiasm but substantial economic growth in the village.

236. The handloom centre started by the Women's Rural Development Society, however, takes pride of place. The setting-up of this industry was prompted by the desire of the Rural Development Society to generate employment opportunities at village-level for women. In this task the Society was able to mobilise considerable support from the villagers, from parallel organisations and from higher levels.

237. As for performance of the Rural Development Society, few attempts have been made towards the improvement of the conditions of the "poor", the "youth" and "women" groups. When the office bearers

were asked, "What could be done to improve the conditions of the poor"? most of them identified measures such as providing employment, financial assistance and land.

238. In terms of achievement in this respect the Women's Society of Neervely merits attention. In recent times, the Society has taken up industrial projects like basket weaving and jaggery-making, which are specifically designed to provide employment for the poor girls of the village. In Handaganawa and Weliya the Rural Development Society engaged in attempts to obtain Crown land to be distributed to the landless, but they have not been very successful.

239. The Rural Development Societies of Handaganawa and Weliya provide a platform for young people, but it is only in Neervely that one encounters a conscious attempt to solve the problem of youth unemployment in the village.

240. In the improvement of the conditions of the women, the Women's Societies merit special mention. In Neervely and Weliya, Women's Societies are very active and have many enthusiastic supporters.

Chapter Five

THE IMPACT OF THE RURAL ORGANISATIONS ON RURAL DEVELOPMENT

241. In this chapter an attempt will be made to evaluate the impact of the Rural organisations described earlier on rural development. The following dimensions of rural development will be used here as indicators of performance of rural organisations:

- A. Agricultural Production
- B. Employment
- C. Distribution of Income and Wealth
- D. Distribution of Power and Influence and Participation in Local decision-making
- E. Mobility
- F. Welfare Standards
- G. Attitudes and Values

A. Agricultural Production

242. Increases in agricultural growth and productivity are key indicators of rural development in Sri Lanka in view of the fact that the agricultural sector is the largest sector of the country's economy.

243. Since 1958, the Government has attempted to introduce a series of "package" agricultural practices nationwide in order to increase output. The use of high yielding varieties of seed, weeding and transplanting, better use of fertiliser and water management, the provision of rural credit, better harvesting, storage and marketing facilities are some of the important elements of this "new package". While the initiative in introducing these "package" of practices were taken by the Central Government, the actual distribution of these facilities were made through the local institutions.

i. Seed Paddy

244. There has been a dramatic increase in the use of new high yielding varieties of seed paddy. This could be attributed to the dynamic role played by the Central Government agencies particularly the Department of Agriculture, in disseminating information relating to new high yielding varieties and the provision of necessary supporting services by related departments. It is, however, significant that the rural organisations served as viable channels for the distribution of farm inputs at village-level, in addition to assisting the Central

Government agencies in the formulation and implementation of village-level development programmes,

ii. Fertiliser

245. Records of the Department of Agrarian Services (now known as the Rural Institutions and Productivity Laws Division), show vast improvement in the use of artificial fertiliser, in the study areas as well as in the country as a whole.

246. The distribution of fertiliser was carried out almost exclusively through the rural institutions, principally the Multi-Purpose Co-operative Societies and the Cultivation Committees. Indeed the widespread use of fertilisers in the agricultural sector is very largely due to the intervention of these institutions. In the plantation sector, which frequently abuts the village paddy land in the hill country, the purchase, distribution and application of fertiliser is done exclusively by the estate management.

iii. Rural Credit

247. The following table depicts the expansion of rural credit provided for paddy cultivation in the districts in which our study areas are located:

Table 25
Distribution of Paddy Loans in Selected Districts

| District | (Rupees in thousands) | | | | | | | | | |
|----------|-----------------------|------|---------|------|---------|------|---------|-------|---------|------|
| | 1970/71 | 1971 | 1971/72 | 1972 | 1972/73 | 1973 | 1973/74 | 1974 | 1974/75 | 1975 |
| | * Maha | Yala | Maha | Yala | Maha | Yala | Maha | Yala | Maha | Yala |
| Colombo | 81 | 36 | 9 | 3 | 4 | 17 | 163 | 194 | 157 | 142 |
| Kandy | 607 | 120 | 352 | - | 217 | 88 | 851 | 1,345 | 683 | 83 |
| Kegalle | 55 | 12 | 52 | 54 | 67 | 76 | 330 | 284 | 2,979 | |
| Jaffna | 1,857 | 120 | 1,215 | 104 | 1,561 | 81 | 5,149 | 433 | 253 | 150 |

Source: Central Bank Annual Reports 1970-1975

248. Here again rural institutions mediated between the central agencies and farmers in the distribution of credit. Previously the main source of credit to the farmer had been private traders and other agents such as kinsmen. A significant portion of the total credit requirement of the poor farmer is now met by the Government credit scheme.

249. While in the expansion of package practices there was the tendency for the richer farmers to be in a better position to receive and utilise these services, the middle and poor farmers were also, though to a lesser extent, provided the facilities offered largely due to the intervention of rural institutions. Indeed the dramatic increase in paddy production in recent times has to be attributed to the capability of rural institutions to extend their services to sectors of the village which were traditionally neglected. In this sense rural institutions have played a crucial role in agricultural development.

* *Maha/Yala* = the two main seasons during which paddy is grown, *Maha* season extends from July-August to February-March and coincides with the North East Monsoon. *Yala* sowing is confined to April-May and harvesting is completed by August and coincides with the South West Monsoon.

iv. Marketing

250. Though it was envisaged that farmers would sell a large part of their crop to Governmental agencies through the rural institutions in fact, paddy sales have been unevenly distributed between State and private agencies. The Government has attempted to enter a highly competitive market by raising the guaranteed price for paddy from Rs.18.00 in 1973 to Rs.33.00 in 1974. Notwithstanding this, the Departmental figures relating to sales to Government and private agencies show a marked bias in favour of the private sector.

251. It appears that in the marketing of this produce the farmer prefers to keep his options open. Rural institutions are compelled to be strict in terms of the quality and quantity of paddy purchased by them. Their payments for purchases made are not as prompt. On the other hand, the private trader often obtains a lien on the crop of the farmer against money advanced to him earlier. He is also in a position to make his purchases at a point convenient to the farmer such as, the threshing floor. For all these reasons while there is a marked improvement in the performance of rural organisations, the farmer still cannot be described as a person who has accepted his rural institutions as satisfactory purchasing and marketing organisations.

v. Subsidiary Food Crops

252. While rural organisations have made a significant contribution to the paddy programme, they have also been markedly successful in certain districts in introducing innovations in respect of other field crops. In Neervely, for instance, the farmers have adopted potato, chilli and onion cultivation, in a big way. In Neervely the cultivation of other field crops takes precedence over paddy. Here again, the mediation of village institutions may be regarded as crucial though Governmental policy and the operation of the market mechanism provided a strong incentive to the farmer. Our field study clearly emphasises the fact that notwithstanding their current shortcomings the Multi-Purpose Co-operative Societies and the Agricultural Productivity Committees/Cultivation Committees have been crucial institutions in the expansion of "other field crops" programmes.

B. Employment

253. The employment data elicited in our study has to be taken in the context of a national "explosion" of the population. The study villages were no exception to this general phenomenon. This rapid expansion of population imposes a tremendous strain on the village economy. While fragmentation of land, development of new land, more intensive cultivation and opening up of other avenues of employment such as, growing subsidiary food crops, employment in village-level institutions, etc., are strategies that have been adopted by villagers, the sheer increase in the volume of the population still leaves a large number of village people unemployed or underemployed. The attempts of village-level institutions to expand their activities in order to absorb a part of this growing population have not been very successful. The failure of such ventures may be attributed to several reasons, firstly, these institutions prefer to expand their clerical and management cadres rather

than invest on long range developmental programmes. Secondly, the cadres of most village-level institutions are "padded" with extra employees. This is particularly so in respect of the Co-operative sector.

254. The increase in levels of education creates a group of educated unemployed, whose aspirations are directed towards white-collar job opportunities. This has acted as a further constraint on matching employment opportunities with the resources of village areas. Secondly, even cadres so recruited do not have technical or management training. Their formal education does not equip them for the immediate tasks at hand in respect of village development. Thirdly, the influence of the political machine frequently results in even the few trained village-level people being overlooked in favour of applicants more acceptable to the political organisation. Consequently, there is a crisis of employment in the country side. Traditional linkages such as the kinship network and village solidarity have been able to absorb part of the tensions created by this widespread unemployment. Many of the village unemployed are able to find seasonal or *ad hoc* employment and are also in a position to draw on the resources of their parents, kinsmen and fellow villagers in times of adversity. Thus, the picture that emerges in respect of the contribution of village-level institutions in solving unemployment is not a favourable one. They are unable to undertake local ventures which can provide a realistic solution to the problems of rural unemployment. Their efforts so far have been unfocussed and meagre when compared with the dimensions of the problem to be confronted.

C. Distribution of Income and Wealth

255. The areas studied are essentially agricultural villages. A change in the income of the respondents come primarily from: a) changes in the agricultural production; (b) changes in the pattern of employment.

256. In all these areas there has been an increase in agricultural production. The widespread use of improved agricultural practices described earlier has resulted in an increase in productivity. Also, greater emphasis has been placed on other field crops such as, onions, chillies, and potatoes. Consequent to the banning of imports the prices of crops like onions, chillies and potatoes, have also shown an upward rise during this period. On the other hand, the costs of production – the selling price of fertilisers and the insecticides as well as costs of tractor hire and transportation – have increased. Thus, while on one hand the gross income of villages has increased, the costs of production and the costs of consumer commodities required by farmers have also increased.

257. An effort was made in this study to evaluate the impact of this increase in production on the distribution of incomes. It was shown in the Handaganawa case that while there is an all round increase in incomes, the incomes of the richer farmers increased more substantially than those of the poorer farmers. The richer farmers were in a better position to afford the prescribed fertilisers, weedicides, insecticides,

etc. Thus, their yields were generally higher than those of the poorer farmers. They were also in a better position to obtain credit facilities and technical advice. Perhaps, even more than this advantage, the significant point in respect of this group was that they were in a better position to invest on agriculture all the credit advanced to them by Government. The poorer farmers were not only less efficiently serviced but were also compelled to use part of the credit advanced for consumption purposes at the cost of long-term investment in agriculture. Instances of fertilisers being sold by the poorer farmers to surrounding tea estates are a good example of this differential use of extension facilities.

258. Though the above situation was observed in the other three areas as well, the polarisation between the two groups was less marked. In Neervely for instance, where 70% of the households have some operational highland the benefits of improved agricultural production were distributed over a larger segment of the population.

259. In situations of income polarisation, in addition to the rich farmers, there were many village-level officials and small traders who were in a position to deploy substantial sums of money which they received as salaries and Government loans and also make use of the prestige attached to their posts to further their agricultural and entrepreneurial activities. With greater facilities being made available in rural areas due to the intervention of the State, these entrepreneurs and rich farmers were in a better position to increase their yields. The "Green Revolution" mainly benefited these classes though no doubt the small farmers too registered an increase in production and income. The net result however was to accentuate the polarisation of groupings within the village rather than eliminate disparities. These elements were better suited to co-ordinate their activities with the political and bureaucratic elite. As noticed earlier, the Chairmen of the Agricultural Productivity Committees, Multi-Purpose Co-operative Societies and Rural Development Societies were largely drawn from the more affluent groups in the village. They were important not only because of their superior wealth but also because of the organisational skills they put at the disposal of the political and bureaucratic organisations.

260. We may then analyse the twin contribution of village-level organisations to income distribution. On the one hand these organisations have provided the means whereby Governmental objectives regarding the development of rural areas were mediated. Working within a dominant egalitarian ideology these organisations have attempted to expand their services to the more alienated groups in the village such as, the poor, the young, and the "lower" castes. On the other hand however, in certain instances it is the rich farmer who has been able to maximise the benefits of this developmental approach. His position in the power structure enables him to dominate village-level institutions. Thus, these institutions have been used to articulate the interests of the middle and upper segments of the village population. Over all therefore, while rural institutions have been able to disseminate an egalitarian and developmental ideology they have also tended to favour the village elite and thereby contribute to a sharpening of the disparities in income and wealth at village-level.

D. Distribution of Power and Influence and Participation in Local Decision-making

261. Three important factors affecting the distribution of power and village-level participation have emerged from this study. They are: i) traditionalistic criteria, such as, caste and kinship; ii) particularistic criteria, such as, wealth, charisma and skills; and iii) links with the politico-bureaucratic authority.

262. In most of our study areas traditionalistic criteria, such as, caste and kinship were still significant indicators of power and prestige. Being primarily agricultural areas there was a preponderance of respondents from the *Govigama* caste in the South and *Vellala* caste in the North. Traditionally, a high caste ranking was ascribed to them. They comprised, in anthropological terms, the dominant castes of these villages. Even within these castes there were elite kinship groups. They tended to exercise a certain amount of authority in their villages.

263. The study revealed also that villages operated in a highly politicised context. Many of the village-level institutions analysed had office bearers nominated by the relevant Minister on the recommendation of the local Member of Parliament or chief organiser of the dominant political party. Consequently the traditional prestige hierarchy had to operate within the realities of politicised village organisations. Some members of the traditional hierarchy who had lent their patronage to the dominant party became obvious choices to hold office in the new village organisations. They incorporated both a traditional and political legitimisation of office. Those members of the traditional hierarchy who were not assimilated into the political organisation were frequently left out of the organisation and kept in an "adversary" relationship to the new institutions. In such instances while the traditional elite invoked their prestige they were challenged in terms of the legal powers that were vested in the office bearers of the new institutions. Thus, for instance office bearers of the Agricultural Productivity Committees, Cultivation Committees and the Multi-Purpose Co-operative Societies were in a position to use the legal powers vested in them by Acts of Parliament to acquire the land of traditional elite groups or compel them to acquiesce in the new legal reality. Such alienated traditional groups tended to vie for posts in the informal sector such as Parent Teacher Association, *Sarvodaya* (a voluntary organisation involved in community development activities), and Death Donation Societies.

264. An even more important centre of power was seen in the emergence of new wealthy groupings in the village. They were able to deploy capital not only to maximise returns from their agricultural operations but also use the surplus for investment in agricultural machinery and equipment which could in turn be hired out to the villages. They also financed other ancillary services such as boutiques, food stores, purchasing centres, etc. Given the fact that many such entrepreneurial activities have to be supported by the politico-bureaucratic organisation, it is clear that these groupings have established links with that elite. For instance licences, rations, fuel and Crown land, can be obtained only with the assistance of the politico-bureaucratic elite. Thus, there appears to be a symbiotic relationship between the new village elite and the regional politico-bureaucratic elite. Such patronage is best typified by the fact that

this new rich have been the dominant grouping in the new village institutions. They have been the first choice of regional politicians and bureaucrats.

265. Since the various political parties contend with each other for popularity, one also discerns an attempt to utilise the powers given to those institutions to promote development tasks. They operate within a "populist" ideology. But when the proclaimed objectives come into conflict with the socio-economic interests of the village elite it is usually the will of the elite that prevails.

E. Mobility

266. Mobility of persons within a village society is an indication of modernisation. In agrarian societies a change of status of individuals within a social structure can arise only as a consequence of social change.

267. The role of rural institutions as catalysts of social mobility has to be viewed in the context of direct Government intervention in village affairs. For instance education, health and communication have been regarded as responsibilities of the Central Government. Rural organisations have little to do with developments in these areas. But factors such as education, health and communication facilities have been the primary agents of transformation.

268. As a consequence of the Government's huge investment in these social welfare measures there has been a considerable change. For instance when respondents were asked to enumerate reasons for achieved leadership in their areas, the responses were as follows:

Table 26
Reasons for achieved Leadership

| Village | (Percentage of responses) | | | |
|------------------------|---------------------------|----------------|---------------|-----------------------------------|
| | Wealth % | Education % | Politics % | Involvement in Social Services |
| Handaganawa | 81 | 15 | 28 | - |
| Heenatipone-Warakapone | 27 | 60 | 12 | - |
| Neervely | 15 | 32 | 43 | 8 |
| Welilya | 33 | 96 | 7 | 4 |

Source: Questionnaire Data

Education, wealth and political affiliations were highlighted as the main indicators of achieved leadership.

269. Clearly, instances of mobility in rural areas have to be linked with education, wealth and political affiliations. Widespread educational facilities have created a large number of rural youth with high educational attainments. Many of them compete for employment. Those who obtain employment on the basis of their educational skills are in a position to accumulate wealth, invest in status symbols and are incorporated into the rural elite. Many such educated youth have sought "white-collar" employment such as teaching, clerical appointments and administrative posts in Government Corporations. Some who have remained

in the village have been absorbed into the management grades of local rural institutions. In this sense rural institutions have helped in the recruitment of the local elite and thereby facilitated social mobility.

270. Wealth however is the chief criterion of upward mobility. There were several instances of village entrepreneurs who started at the bottom but became wealthy by investing in ancillary services. With their wealth they have been able to command prestige and are even sought after by the political elite. Many of these entrepreneurs have entered leadership positions in rural organisations. Their wealth, status symbols and power are respected by villages. Many of these leaders are also faction leaders who are able to deploy villagers on the basis of personal loyalties and obligations.

271. The third avenue of mobility is political participation. We have referred earlier to the politicisation of the village. The party organisation cuts across many regional, caste and kinship cleavages which exist at village-level. All such "pressure groups" are accommodated within the party organisation. Thus, all potential village leaders who represent sectional interests and "pressure groups" are absorbed into the party organisation and given a leadership role in the local rural institutions.

F. Welfare Standards

272. Since the advent of adult universal franchise in the 1930s to Sri Lanka, successive Governments have attempted to extend social welfare measures to rural areas. Very impressive health, education, communication and nutrition programmes were undertaken at village-level by the centre.

273. The means chosen for the development of the countryside was direct intervention. While "lip service" was paid to the notion of people's organisations and people's management, in reality these attempts were centrally directed. In a previous chapter we have seen how statutory organisations established with the objective of ensuring people's participation have in practice been converted into agencies of the Central Government. Given the role assigned to rural development as the core element of its development strategy and the prevailing dominance of political organisations, rural institutions could not evolve as genuine people's organisations.

274. Nevertheless, the social welfare measures seen in the four villages studied are impressive. In the health field the opening of rural hospitals and dispensaries and the provision of para-medical cadres had led to a significant improvement of the health conditions of the rural people. For instance the infant mortality rates declined conspicuously in all our four study areas. In Neervely, the infant mortality rate of 12.5% in 1950, was reduced to 8% in 1971. Even within a short period of four years the infant mortality rate for Weliya dropped from 5.6% (1971), to 4.9% (1975). The number of doctors per 100,000 of population, was increased from 8.8 in 1950 to 16.2 in 1974 (Statistical Pocket Book of Sri Lanka, 1975, p.32).

All school children in the study areas were subject to medical surveillance provided by their schools. In malaria infested areas such as Handaganawa, special spraying units and anti-malaria campaign personnel were deployed. Respondents were switching from traditional forms of medicine which predominated in the past to western medicine.

275. Developments in the field of education are perhaps even more impressive. All study areas had schools with modern buildings. Weliya school for instance, which had only 25 students in 1952, now (1976) has an enrollment of 314. There is at present a graduate on its staff and the staff cadre which remained at 6 in 1952 has been expanded now to 12. In Handaganawa, the primary school which was established in 1940 is now a central school. In the 1950s, this school had three teachers. Today it has eighteen. Almost all children of school going age have had some type of formal instruction. In Neervely, while educational services have expanded all round there has been a marked improvement in women's education.

276. Other public facilities such as bus routes, post offices, rural electricity schemes and extension services have been provided in all these places. All in all, the Central Government has made a substantial commitment to the improvement of living standards of rural people.

277. Rural institutions play a rather peripheral role in social welfare activities. As we have noticed earlier the Multi-Purpose Co-operative Societies and Agricultural Productivity Committees are looked upon as organisations which perform specialised functions.

278. The "felt-needs" of the villagers are articulated through alternate agencies. The Rural Development Society is in a position to evaluate the needs of the community, prepare a village plan and seek the assistance of Government agencies which can help in the implementation of that plan. The Rural Development Department undertakes an extensive training programme for village leaders to help them in village-level planning. But increasingly, the welfare needs of villagers are articulated through the village branches and the regional branches of political parties. Once these needs are identified, the Member of Parliament takes it upon himself to mediate with the relevant agencies of Government to ensure the provision of necessary services. The Member of Parliament is in a much better position to activate the bureaucracy than village leaders. With the setting up of the Decentralised Budget in which a "block grant" is given to an electorate for welfare activities, this role of the Member of Parliament has become institutionalised. As the head of the electorate planning body he is in a position to consider proposals emanating both from rural institutions and his party organisations and work out a plan of investment for his electorate. He does not have to rely exclusively on the formal agencies.

G. Attitudes and Values

279. The major influence on attitudes and values of the areas studied were: (a) education; (b) improved economic conditions.

280. The widespread impact of education has resulted in the loosening of many traditional values. Principally, this has meant that a more individualistic approach predominates. For instance, a large number of

respondents stated that office bearers of village-level institutions tended to look after their own interests when decisions were made. There is a demand for land ownership on an individual basis and food subsidies and agricultural inputs are also provided on a similar footing. Crown land in the four study areas were given out as individual allotments.

281. This modernising trend was confirmed when respondents were asked about their attitudes towards sorcery. In Weliya 65% maintained that persons do not fall ill from sorcery. Eighty one per cent (81%) in Handaganawa had a negative response towards sorcery.

282. Another indicator of the change of attitudes was the approach to birth control. There was a very high favourable response to birth control.

Table 27
Favourable Response to Birth Control

| Village | Percentage of Responses | |
|---------------------------|-------------------------|-----|
| Handaganawa .. | .. | 70% |
| Heenatipone-Warakapone .. | .. | 70% |
| Neervely .. | .. | 81% |
| Weliya .. | .. | 67% |

Source: Questionnaire Data

283. While there is no doubt that attitudinal changes following the expansion of education and income have taken place, it is difficult to assess the role played by rural institutions in this transformation. Even the most remote villages in Sri Lanka are easily reached by mass media. The educational system has spread its network to the villages. The Central Government has employed a large cadre of extension officers. Due to the impact of all these factors the perceptions of rural people are changing. Rural institutions can be looked upon more as agencies which reinforce this attitudinal and value change. They cannot be identified as agents of innovation in this field.

Chapter Six

SUMMARY AND CONCLUSIONS

284. The study focussed attention on the following rural organisations:

- Multi-Purpose Co-operative Societies
- Agricultural Productivity Committees
and Cultivation Committees
- Rural Development Societies
- Village Councils

285. The major organisations at the village-level serve as agents of Government policy. The spectrum of functions carried out by these organisations are controlled by legislative enactments. The villager often looks upon these organisations as Government Agencies, rather than as People's Organisations. This image is not conducive to popular participation or voluntary efforts at development.

286. The larger organisations operating at divisional level have greater financial and administrative capabilities as compared to the village based organisations. Most of these organisations have both development and welfare as their objectives which often cannot be reconciled with each other. The welfare objectives invariably become constricted whenever such an organisation strives to attain financial viability by operating on commercial lines.

287. The growing need to provide specialised services and planning for rapid sectoral development resulted in a new trend of fragmentation of responsibility in development tasks in the village. This trend has resulted in creating a functional specificity in village organisations.

288. Though institutions like the Agricultural Productivity Committees were charged with the promotion, co-ordination and development of agriculture, and Co-operatives with agricultural and general socio-economic development, in the study areas, they served more as organisations concerned mainly with the provision of consumer items and agro-inputs.

289. The dynamism with which rural organisations function depended to a considerable extent on the managerial capabilities and the leadership qualities existing in these organisations. Lack of marginal skills, ineffective leadership and inadequate understanding of their role and functions have been the principal deficiencies of these organisations. The need for a continuous programme of training in a variety of spheres including management, accounting and technical functions was keenly felt in the areas selected for this study.

290. The village based organisations are very much closer to the people and are able to interact with them with greater flexibility than the larger organisations operating at divisional level such as the Multi-Purpose Co-operative Societies and the Agricultural Productivity Committees. This could be due to a sense of togetherness that is present in the village society which ultimately permeates the village-level organisations themselves.

291. The office bearers of organisations at the divisional level can be alienated from the very people that they are expected to serve due to changes in position and status that usually go with such appointments. This is due also to the fact that the head of the organisation ordinarily usurps the statutory powers vested in the organisation without sharing the duties and functions with other office bearers. Collective responsibility over time, becomes concentrated in the hands of one or two who are more articulate thereby depriving the majority of members and office bearers from participating in decision-making. This accounts for the poor participation of the majority of the people in their own development.

292. A great proportion of members of the Board of Directors of the Multi-Purpose Co-operative Societies and all of the members of the Agricultural Productivity Committees and Cultivation Committees are nominees of the area's political representative. While political nominations to these village organisations may be argued as defective from the point of view of mobilising local initiative it was found to have an advantage in making the higher bureaucracy more responsive to the needs of these villagers. Office bearers of the Rural Development Society, on the other hand, are popularly elected. Unlike in the case of the Co-operatives, the Agricultural Productivity Committees and the Cultivation Committees, no immediate benefits accrue to the members of the Rural Development Society. Yet, divergent political views were found to have infiltrated into the Rural Development Society. "Alienated" groups (political factions, low caste and low income groups, youth, etc.,) in the study villages were found to have achieved a medium of self-expression in the Rural Development Society.

293. The Village Council on the other hand, served as a form of shadow Parliament with national political parties vying with each other to obtain a foothold on Village Council Wards and the reins of administration of rural areas.

294. National parties have branches in villages linked to the centre through a complex hierarchy of organisational networks. These branches are activated during elections. Village influentials and social climbers attach themselves to these village-level political branches to further their interests. The decisions of the Government to make direct appointments to the Multi-Purpose Co-operative Societies, the Agricultural Productivity Committees and the Cultivation Committees are interpreted as a reaction of the Government to the growing pressure from these branches to have better representation of their interests in the village organisations. Rapid politicisation of village organisations was found to be the order of the day in the villages.

295. The principle of political nominations did not bar those families that were traditionally dominating the rural power structure from finding

their way into these organisations. Members of the traditional hierarchy who lent patronage to the dominant party are obvious choices for posts of responsibility in the politicised village organisations. Examples of the under-privileged or the poorer segments of the village being elevated to official positions in local organisations are not very appreciable despite the high degree of politicisation of these organisations in these areas. The power structure in the village society still clearly favours the affluent and the more articulate people in the villages. Consequently, the services and supplies and other related functions of these organisations seem to percolate more easily to this group of population as compared to the vast majority of the landless labour, the tenants and the unemployed. Those who were left out formed an "adversary" relationship with the organisations. However, these were seen to vie for posts in the non-statutory organisations in the villages like the Rural Development Society.

296. New wealthy groupings, were seen to emerge in village organisations. These groups deploy capital more effectively than others to maximise returns in agricultural operations. They also finance ancillary services such as boutiques, food stores and purchasing centres. In their entrepreneurial activities they are supported by the politico-bureaucratic organisations which have formed a symbiotic relationship with them. The "new-rich" were found to exert influence on the performance of all the village-level organisations through the strength of their links with politico-bureaucratic organisations and their relatively higher economic standing in the villages.

297. There is inadequate representation of the youth in these organisations. The case is not dissimilar in the case of women too. The youth and the women, therefore, play a more dominant role in informal organisations than in the case of Government sponsored organisations.

298. Recruitment to rural organisations whether on the principle of nomination or election, will not prevent the emergence of factions within social groupings in the villages. What is important however, is to ensure that the people have greater freedom in selecting their own leaders who will be socially acceptable to a wider segment of the village. Viewed in this light the elective principle may bring about greater participation and a sense of commitment to the development of their own areas. Lack of participation and lack of motivation and a sense of commitment that are observable among the rural population, could be attributed to the poor representation of some of the social groupings in the rural organisations. Participation does exist to a high degree wherever the rural organisations fulfil a "felt-need" of the people, but it is not broad-based to result in the initiation of development programmes that could afford opportunities for generating employment and improving income levels.

299. In agricultural production and consequently in the distribution of income and wealth, the rural organisations have played an active and important role, but, success with which this role is played varies from organisation to organisation and from place to place and is largely determined by the external and internal environment. In welfare services the role has been secondary. In social mobility, attitudes and values, the contribution of rural organisations is indirect and not clearly identifiable. In employment the direct contribution is negligible.

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