

## **Redefining Regional Development in Sri Lanka : Realities and Challenges**

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### **INTRODUCTION**

*The on-going debate on devolution and power sharing in Sri Lanka has also brought into focus the need to overcome regional imbalances in development. While regional development has been of central importance in the agenda of post-independence governments there has not been an overall vision for the purpose. As a consequence while significant gains have been achieved in the quality of life and income level of the Sri Lankan population (per capita GNP rose from US\$ 273 in 1980 to 841 in 2000 poverty continues to assail large numbers of the urban and rural population. Marked regional inequalities exist between the 'core' and the 'periphery'. There are also inter and intra regional differences within the periphery itself.*

*It is also evident that the approach to regional development has been largely reactive (responding to specific issues and problems) and not proactive (planning to realize the potential of regions).*

*The shift in government policy to make the private sector the engine of growth has also implications for regional development. This shift in policy is exemplified by the recently instituted Regional Economic Advancement Programme (REAP) that has replaced the District Integrated Rural Development Programmes (Karunanayake and Abhayaratna, 2002). The IRDPs had a commitment to target the poorer groups as well as the poorer areas. This may not be so with the private sector that is propelled by the profit motive. Hence a basic issue would be the manner in which REAP could respond to alleviate human and income poverty of the poorest segments of the rural population. It is also evident that the direct involvement of the private sector in promoting regional economic growth also envisages the government taking up the role of facilitator from that of implementor.*

*There are also other issues that have a bearing on regional development. Consequent to the open economic policy pursued by the Government of Sri Lanka (GOSL) since the late 1970s there has been increasing exposure to the forces of globalization leading also to the glocalization of regional 'space' and 'place'. Further complexities have been added by the move towards trade associations within the South Asian Association for Regional Cooperation (SAARC). Hence, the resilience of regions in the face of these developments has to be taken note of regional development.*

*Another vital issue of concern to regional development is that of reconciling political devolution with a national strategy for regional development. This would necessarily bring into focus the issue of superimposing planning regions on administrative regions.*

*In view of the foregoing there is a clear need for redefining regional development in Sri Lanka and this paper is a step in that direction. The authors first look at the regional development process in Sri Lanka and proceeds to assess the status of national and regional planning. In regard to the last attention is focussed on regional development as implemented under both decentralized and devolved system of governance. The point is made that there has not been much engagement between the political and the development process. The paper then goes on to discuss issues in regional development that makes its redefinition of such vital importance. The final section proposes guidelines for redefinition with reference to (a) planning principles (b) political principles (c) spatial principles and (d) strategic principles.*

### REGIONAL DEVELOPMENT PROCESS IN SRI LANKA

Regional development in Sri Lanka has seen the operation of concurrent processes, namely, a political process and a developmental process. The development process involved initiatives in the form of infrastructure development, land settlement and irrigation development, village settlement expansion, river basin development, Accelerated Mahaweli Development, District Integrated Rural Development and similar programmes. Most of these programmes and projects focussed on 'area development' rather than on regional development.

The political process initially involved the decentralization of the functions of the Centre that then gave way to devolution aimed at greater power sharing by the regions. However, the significant drawback of the two processes has been that they have, by and large, operated as independent processes without many interfaces in promoting regional development. In effect there has been a failure to integrate the two processes.

As shown below there were also other problems relating to the political process. The initial attempts at decentralization of central government functions in Sri Lanka started with the District Coordinating Committees setup in 1953. The Government Agent (GA) in each district headed this committee which coordinated the functions of all government departments at district level. Incorporation of the political leadership into the district level development process was initiated with the institution of the District Political Authority system in 1973. This was followed by the Decentralized Capital Budget in 1974 under which the Members of Parliament (MPs) were given the responsibility for the disbursement of funds allocated to each district, on a priority basis. A further development was the establishment of District Development Councils (DDCs). They were formed under the District Development Councils Act No.35 of 1980 with responsibility for planning and plan implementation. Therefore in the decentralization process the district was in essence the unit of operation where the administrative and planning boundaries were coincidental.

A clear shift in policy relating to sub-national level administration and planning was evident during late 80s. This was marked by the 13<sup>th</sup> Amendment to the Constitution that was introduced in 1987 paving the way for the Provincial Councils Act No. 42 of 1987. This Act enabled the devolution of power to a system of Provincial Councils (Leitan, 1997). The *Pradeshiya Sabha* Act No. 15 of 1987 followed soon after leading to the establishment of

*Pradeshiya Sabhas*. They were to function as the development agent of the Provincial Council (Ministry of Public Administration, Provincial Councils and Home Affairs, 1991).

There is no doubt that the capacity for an effective provincial (regional) administration was created with the establishment of these institutions. However, it is fairly evident that devolution and power sharing have not matched expectations. Alailima (1997) has observed that in the education and health sectors; policy formulation, monitoring and evaluation have been retained as the functions of the Centre together with the best schools, all-technical colleges, universities and teaching hospitals. In addition the Centre has retained a large proportion of the respective budgets (50 percent in education and 60 percent in health in 1993) thereby causing much difficulty to the Provincial Councils to maintain the quality and levels of service.

Despite the unit of administration being devolved to the divisional level (with the *Pradeshiya Sabha* acting as the development agent for the PC) the district continues to hold its position as the unit of regional development. In fact the government itself has continued to support district based programmes. The Regional Economic Advancement Programme (REAP) initiated by the Regional Development Division (RDD) of the Ministry of Plan Implementation replacing the IRDP is a case in point. As such there is a clear mismatch between the political process of devolution and the development process. However, it is a healthy sign that some PCs have developed Provincial Development Plans (e.g. North Western and the Central Provincial Councils). Others are in the process of doing so (e.g. North Central PC).

## **REGIONAL PLANNING IN SRI LANKA**

### ***Regional Planning under Decentralized Governance***

The initial attempts at decentralized planning and implementation at district level commenced in 1980 with the establishment of District Development Councils (DDCs) comprising elected members and the senior government officials of the district. The DDC was chaired by the District Minister (DM). Institutional machinery for implementation constituted the District Ministry, GA and the district administrative system and various district committees such as the District Agricultural Committee and the District Coordinating Committee. The political coordination and guidance for the decentralized administration were provided by the President's Office and the Cabinet while administrative coordination, guidance and control at the Centre were effected by the DSC together with the ministries in-charge of Finance and Planning, Plan Implementation, Public Administration and Home Affairs (Perera and Fernando, 1980). However, the DDCs failed to perform the expected roles in preparing development plans for the district.

### ***Regional Planning under Devolved Governance***

During the last decade there has been no significant change in the national planning procedures. Resource allocation is still done by the National Planning and Budget Divisions of the Ministry of Finance and the coordination is now handled through the monthly meetings of all secretaries to the ministries (formerly only secretaries of the development ministries met for this purpose). Nevertheless, at sub-national and local levels development

planning and implementation was subject to change with the establishment of PCs and *Pradeshiya Sabhas*. The 13<sup>th</sup> Amendment to the constitution specified, inter alia, the following planning functions for the PCs:

- formulation and appraisal of plan implementation strategies at the provincial level;
- programme control, and
- monitoring of public and private sector programmes.

In reality, devolution and power sharing have not taken place according to the provisions of the respective legislative enactments that relate to the PCs and *Pradeshiya Sabhas* thus constraining development planning at sub-national level. There is a vast difference between what is contemplated and what happens in reality. As indicated in the 1988 - 1992 Public Investment Plan,

With the establishment of Provincial Councils, the regional development mechanism could be further strengthened by integrating all resources earmarked for regional and rural development from various sources. .... Once these resources are pooled, a more meaningful programme could be implemented to develop the entire region. Under the Provincial Council system administrative responsibility for regional planning and development will be in the hands of the Provincial Council under the chairmanship of the Chief Minister while the planning staff drawn from the existing district planning offices would serve as the technical arm of the provincial council.

If one were to go by past experience decentralized governance has lagged behind in planning and implementation of development activity. Instead of a coordinated regional plan, a set of fragmented, un-coordinated projects conceived at different levels, depending on the availability of funds from different sources, have been introduced (Leitan, 1997). It is noted that PCs and *Pradeshiya Sabhas* have not been allocated with adequate funds to handle development tasks within the areas under their jurisdiction. As already indicated the bulk of funds come from the central government sources. The Finance Commission under the provisions of the 13<sup>th</sup> Amendment to the Constitution apportions such funds.

Despite the *de jure* devolution of power to the Provinces (at the sub-national) and the Divisions (at the local level) the *de facto* position is that the District still remains the dominant unit of administration. District Coordinating Committees (DCC) still exist and they play a pivotal role even within the devolved administrative structure. The DCC is now co-chaired by the Chief Minister of the Province and a minister or a senior politician from the District nominated by the President. GA (presently re-named as the Coordinating Secretary) is the secretary to the DCC.

Planning functions relating to the decentralized budget (a central fund under the Ministry of Finance) still remains with the Coordinating Secretary (CS). As a fixed quota from the central fund is given to each MP belonging to respective Districts, he claims the right to decide on the funds received (Leitan, 1997). It is pertinent to note that the decentralized budget allocations within the District are made by the DCC and coordinated by the GA and not directly by the provincial administration. Under the present set-up only progress review meetings are conducted at the provincial level while all other activities dealing with planning and implementation are undertaken at the district level.

Regional Development efforts of the RDD of the Ministry of Plan Implementation are also district based. This is evident from the implementation of the IRDPs and the newly constituted REAP which replaced the former. Programmes prepared for integrated rural development on the basis of priorities decided by the RDD are implemented through existing institutions including PCs and *Pradeshiya Sabhas*. The RDD performs only a coordinating role in this context. As some writers have pointed out absence of proper integration of individual projects within the programme (Ramanayake, 1991; Karunanayake and Abhayaratna, 2002) and failure to adopt a total regional development strategy with due emphasis on rural-urban linkages (Wanasinghe and Karunanayake, 1997) are among the major drawbacks of the IRDPs.

At the divisional level, funds received under different allocations are handled by the Divisional Secretariat mainly through the Divisional Coordinating Committee and Divisional Planning Committee. As Leitan (1997) has observed, although the Divisional Secretariat is considered to be the planning unit for the area under its administration, it is more a coordinating body than an agency for formulation and implementation of a development plan for the Division.

In reviewing the role that decentralized and devolved systems of government has played in regional development in Sri Lanka the point made by Kaji (1998) in a broader context is of immediate relevance. According to Kaji:

Decentralization is commonly associated with a wide range of political, economic, and social objectives in developing and transitional economies. Yet, it is not without its critics. In the rush to transfer power to local governments, many governments adopted decentralization laws without thinking through how regional development objectives could be reconciled with decentralized powers of decision making and planning. Even those in favour of decentralization are often critical of its working in practice. It can produce inefficiencies and diseconomies in some countries and their regions. It thus becomes important to distinguish decentralization as a policy instrument from its political, economic and ideological context.

The above statement effectively sums up the relationship between decentralized/devolved governance and regional development in Sri Lanka. In redefining regional development it is therefore necessary to relate the political and the development process to one another.

### **ISSUES IN REGIONAL DEVELOPMENT**

In order to overcome spatial imbalances in development it is imperative that there should be a national policy for regional development in Sri Lanka. Absence of such a policy in Sri Lanka, even after devolution of power to the provinces, has led to the introduction of many un-coordinated efforts at area development at sub-national and local levels. They have neither fulfilled the avowed objectives of regional development nor have they made a significant contribution to raise the economic standard of the poor segments of the Sri Lankan population.

The existing planning mechanism at national as well as at regional levels is pre-occupied with the allocation of available local funds and donor assistance on priorities established mainly by the politicians. It is found that numerous ministries, departments and

statutory bodies carry out the development programmes/projects. The issue is that generally these programmes do not conform to a broad regional policy framework. Nor is there an institution to determine national policies on regional development. It is equally evident that elected regional bodies have not developed a capacity to be autonomous planning units. In the circumstance, the regional planning efforts in Sri Lanka have become Centre dominated, thus preventing the emergence of 'people' and 'place' focussed concerns in regional development. Performance at the regional level is further retarded by financial constraints.

Individual programmes and projects both at national and regional levels have undoubtedly contributed to enhance the per capita income levels. Nevertheless, inequalities in the decile distribution of income remain largely unchanged. The poorest 20 percent of the population received less than 5 percent of the total income while the richest 20 percent received over 50 percent of the total throughout the last five decades (Colombage, 1998). Table 1 indicates that there is a considerable district-wise variation in the levels of poverty as indicated by the head count index. Even in districts such as Matale and Kandy, where IRDPs have been in operation for more than 15 years, incidence of poverty is as high as 31 percent and 28 percent respectively, thereby ranking 2<sup>nd</sup> and 3<sup>rd</sup> in the Island. In the Matale district the IRDP did not lead to a significant economic growth in the area while in the Kandy district economic activities were concentrated in and around the city with no substantial growth in the peripheral areas. Similarly, despite large public investments on irrigation and land settlement, both Anuradhapura and Polonnaruwa districts have failed to register a notable reduction in income poverty. A close scrutiny of the incidence of poverty at district level shows that even in the areas where development activities were undertaken on a continuing basis poverty is still both a disturbing and pervasive phenomenon.

**Table 1.** Poverty Indices and Ranks by District - 1990/91

Province	District	Head Count Index	Rank	Poverty Gap Index	Rank	Squared Poverty Gap Index	Rank
Central	Kandy	27.76	3	6.45	3	2.24	3
	Matale	31.39	2	8.17	2	2.89	2
	Nuwara Eliya	11.69	17	2.29	17	0.81	17
North	Anuradhapura	25.98	5	5.09	6	1.48	10
Central	Polonnaruwa	24.76	6	5.58	4	1.71	5
North	Kurunegala	20.11	13	4.72	10	1.67	6
Western	Puttalam	22.80	10	4.89	9	1.62	7
Sabara-Gamuwa	Ratnapura	22.05	11	3.93	13	1.06	13
	Kegalla	33.15	1	9.36	1	3.85	1
Southern	Galle	23.70	9	5.08	7	1.75	4
	Matara	24.64	7	5.00	8	1.62	7
	Hambantota	24.56	8	4.54	11	1.33	12
Uva	Badulla	20.94	12	3.61	14	0.97	15
	Moneragala	17.19	15	3.26	15	1.02	14
Western	Colombo	18.45	14	4.20	12	1.42	11
	Gampaha	15.50	16	2.96	16	0.94	16
	Kalutara	27.64	4	5.17	5	1.56	9
All Island		22.36		4.82		1.62	

**Source:** Calculated from Household Income and Expenditure Survey, 1990/91  
Harsha Aturupana - Mimeo, 1997 as quoted in Ratnayake (1998)

Districts with high incidence of poverty also show similarly high poverty gap indices indicating the depth of poverty as well. Severity of poverty as shown by the Squared Poverty Gap Index, which shows the severity of poverty, is high in districts such as Kegalla, Matale and Kandy owing to intra-district income differentials.

A measurement to analyze deprivation relating to well-being – Human Poverty Index (HPI) - has been recently developed by the UNDP (1998). This is an aggregate of several aspects of deprivation viz., population dying before 40 years, adult illiteracy, households without access to safe drinking water, children not fully immunized, births not in institutions, population without electricity and population lacking safe sanitation.

Despite the fact that many development programmes / projects have addressed the issues of social infrastructure development, 18 percent of the population in a survey of 17 districts have experienced deprivations in different aspects of human poverty. As the National Human Development Report of the UNDP (1998) indicates the regional disparities are not significant with reference to life expectancy and literacy. Nevertheless, there are marked district-wise variations in other variables such as access to safe drinking water, immunization of children, births ‘not in institutions’, access to electricity and availability of proper sanitation facilities.

As noted previously numerous programmes/projects to promote economic and human development in the regional context of Sri Lanka are mainly conceived and planned at the Centre despite the fact that the Provincial Councils as well as the *Pradeshiya Sabhas* have substantial scope to promote regional development. Section 4.3 of the PC Act states that PCs shall “promote, establish and engage in agricultural industrial and trading enterprises and other income generation projects within the province”.

Despite the move towards devolution and power sharing with sub-national and local level authorities the district still continues to occupy the position that it held under the Centre dominant system of administration. The GA continues to coordinate the functions of the line departments in the district in his capacity as the secretary to the DCC. Some key programmes of the government (former IRDP and present REAP) are planned and implemented at district level. In the circumstance, the province has failed to assume its importance as an effective sub-national unit for planning. The *Pradeshiya Sabha* that is co-terminus with the division in territorial terms performs no planning function, despite the fact that *Pradeshiya Sabha* Act No.15 of 1987 provides space for the involvement of *Pradeshiya Sabhas* in economic development activities albeit within narrow limits. There is an on-going debate as to what should be the appropriate planning unit for the country.

The role of the above sub-national and local bodies in development activities is largely constrained by inadequate funds at their disposal. The major criteria adopted by the Finance Commission (comprising the Governor of the Central Bank, Secretary to the Treasury and three other members) in allocating funds to the PCs have been the size of population, per capita income and social and economic as well as inter-provincial disparities. Since 1999 land area and development needs of the provinces have been added to this list (Abeywickrama, 2000). The bulk of the finances received by the PCs were from the central government while the revenue collection through taxes, licenses, rents, charges for services and fines

constituted only a meagre proportion of the annual revenue. During 1999 only 6.5 percent and 11.2 percent of the total receipts of the North Central PC and the Central PC respectively were derived as the revenue from within the provinces. All remaining funds had been allocated as block grants, matching grants, special development grants etc. by the central government.

Nevertheless, PCs have not been able to promote regional economic development to a significant degree. A large proportion of the limited funds is spent mainly on the provision of social infrastructure. Thus in 1997 the North Central PC spent 47 percent of its budget on social infrastructure while agriculture, irrigation and industries received only 4.6 percent (Abeywickrama, 2000). However, 21.6 percent of the expenditure had been on economic infrastructure that will, in the long run, contribute to economic advancement. Wanasinghe and Karunanayake (1997) have noted that the capacity of PCs to facilitate and support rural-urban area development has not been perceived, let alone utilized to any extent.

As previously mentioned, in the absence of proper planning regions the attempts at area development had been confined to ad hoc, mostly unrelated programmes. One glaring drawback had been the failure to integrate rural and urban areas within one planning unit. This has not only retarded the complementary development of both sectors through effective linkages but has also hindered the realization of the potential of a region in its totality. Furthermore, the absence of a region focussed urban system with strong rural/urban linkages on one hand and technology and high quality human resources based regional development on the other has also been noted (Gooneratne, 2000b).

As pointed out in a recent study (Wanasinghe and Karunanayake, 1997) the small and medium towns help to achieve social equity through a more equitable distribution of basic services. Furthermore, they do contribute to the development of a region by providing institutions for collection, exchange and marketing of local produce; for the sale of agricultural inputs; provision of other services to an agricultural hinterland and in providing a locality for non-farm enterprises.

Absence of an overall rural development strategy and launching of projects without proper integration has led to unintended negative impacts. For example, the benefits reached by the Mahaweli settlers are not enjoyed by the resource-poor farmers in the bordering areas of the Mahaweli Systems. What is really needed in the context of regional development is the demarcation of a region which encompasses not only the Mahaweli systems but also the adjacent territories whose economic and social activities could impinge on the elements within these Systems (Silva, 1982). As recently pointed out by Gooneratne (2000a) the enclave nature did not allow the Mahaweli settlements to realize the importance of existing productive linkages with surrounding areas thus preventing the establishment of new linkages with the hinterland regions to promote and expand local economic growth by way of strengthening complementarities.

Despite the emphasis on regional development, noteworthy regional inequalities exist between the core and the periphery. The Colombo Metropolitan Region (CMR) dominates the peripheral areas both in terms of population and level of urbanization. Even at the 1981 census of population, Western Province (WP) which coincides with the CMR and contains



5.6 percent of the country's land area recorded 26.4 percent of the country's population while the North Central Province (NCP), the largest province with 16 percent of the land area had only 5.7 percent of the population. The latest census of population (2001) shows that there has been only a marginal change in the pattern of distribution i.e. the share of population of the NCP (out of the total of 18 districts excluding Northern and Eastern Provinces) has been 6.5 percent as against 29.8 percent of the WP.

The economic indicators also point to the dominance of the CMR vis-à-vis the other regions. According to the UNDP, Sri Lanka (1998) in 1995, the CMR accounted for 43 percent of the total GDP of the country. With the exception of the Central and North Western Provinces, all other provinces contributed less than 10 percent to the country's GDP. Between 1990 and 1995, the share of the provincial GDP has shown a noteworthy increase in the Western and the North Central Provinces while reductions are recorded in all other provinces. The significant decline in the GDP of the Northern and Eastern Provinces can be attributed to the civil war situation. The increasing gap between the CMR and other regions is evident from the GDP per capita ratio as well. This ratio stood at 1:0.62 in 1990 and 1:0.59 in 1995 (Gooneratne, 2000b).

Disparities within the peripheral regions should also be highlighted. Inter-district variation on a number of counts relating to human poverty and considerable district-wise variation in the distribution of industries have already been noted. The observed disparities are mainly due to the accessibility and the level of infrastructure development of the respective regions.

Constraints imposed by the out flow of financial resources should also be given due emphasis. Attractions offered during recent years have enabled banks to mobilize rural savings on a large scale. It is noted that these savings are not re-invested in the areas where they are generated. As Siriwardena (2000) has observed that local lending as compared to deposits was below 50 percent in the case of the state banks with a wide network of rural branches. The net result of this situation is the out flow of financial resources from rural to urban areas, especially to the metropolitan core thus draining the resources available to finance the small enterprises and promote agricultural development. Similar outflows of financial resources that act counter to the development interests of the rural areas have been observed in the Central Province (Chandraratne, 2000) as well, thus indicating its wide prevalence as a counter process to regional development.

There is also an issue of fundamental importance. The IRDPs are being restructured as a Programme for Rural Economic Advancement (REAP). The REAP envisage the private sector to play the dominant role in regional development. This necessarily involves the State sector changing its accustomed role of implementor to that of facilitator. It would also require an attitudinal change on the part of the State bureaucracy. Similarly the private sector too will have to attune itself to the challenge of being part of a dedicated rural development process. An issue here is the manner in which the REAP strategy relates to the poorest segments of rural society who have hitherto been supported by social welfare oriented programmes of the IRDP. As pointed out by Karunanayake and Abhayaratna (1999),

...the IRDPs led to a reduction in the levels of human poverty in the peripheral areas. Yet it is clear that human poverty still manifests itself in Sri Lanka, even in districts, where there had been highly visible IRDP involvement. At the same time the IRDP had not been able to make a significant dent in alleviating income poverty in the rural sector. Clearly the attempt in REAP is to bring about a change in the situation of the poor through the generalization of economic advancement. Hence alternative means have to be found to alleviate human and income poverty of the poorest segments of rural society through appropriate interventions of the public sector, including the *Samurdhi* Programme.

## **REDEFINING REGIONAL DEVELOPMENT IN SRI LANKA**

This section aims to provide guidelines for redefining regional development in Sri Lanka with reference to (a) planning principles (b) political principles (c) spatial principles and (d) strategic principles.

### ***Planning Principles***

It is necessary to formulate a national policy on regional development as a matter of priority. Sub-national plans for regional development have to conform to the aims and objectives of national policy. A greater role has to be carved out for elected sub-national and local authorities in regional planning. The formulation of regional development plans by some Provincial Councils is a step in the right direction. It is also necessary to develop a close link between national level sectoral planning and regional planning. It may be noted that at present the planning role of the National Planning Department has been largely restricted to the allocation of resources to the ministries at national level.

Another important planning consideration is to decide on the appropriate unit for regional planning. While it would be tempting to work on existing sub-national units of governance, the real challenge lies in identifying appropriate planning regions. It is well known that existing administrative boundaries are artificial and form part of a colonial legacy. Hence a system of planning regions has to be superimposed on the existing administrative regions. A planning region (depending on demarcation criteria that will have to be worked out) may encompass one or several administrative regions.

It is interesting to note that already there has been thinking on these lines and a Southern Area Development Authority has been created by Act No. 18 of 1996 encompassing parts of the Southern Province, Moneragala District (Uva Province), Ratnapura District (Sabaragamuwa Province) and Ampara District (Eastern Province).

The most recent development after the establishment of a new government subsequent to the general election held in 2001 has been the carving out of five economic regions which were placed under different newly created ministries. Creation of these economic regions cutting across the provincial boundaries is an innovative step towards regional development in Sri Lanka.

In order give effect to planning regions it will be necessary to set-up National and Sub-national Planning Authorities. The present National Planning Department and the Regional Development Division of the Ministry of Plan Implementation may form the National Planning Authority with wider planning functions and responsibilities. However

the planning and governing authorities should not function as separate entities. In fact it is vital that the political and the development processes are brought together. Two considerations are of the essence here. First, Sub-national administration has to be closely linked to the planning process through representation in the Sub-national Planning Authorities. Secondly, a conscious attempt needs to be made to involve Sub-national and local authorities in plan formulation and administration. The failure to involve sub-national and local governments to any significant degree was one of the main drawbacks of the IRDPs.

However for planning to be effective at the Sub-national (regional level) capacity building (implying creation of databases, upgrading of technical skills of planning personnel and setting-up of suitable monitoring and evaluation mechanisms) will also be necessary. In this regard there are significant drawbacks at present at the level of both sub-national and local governments. The Regional Development Programme Framework of the Regional Development Division (RDD) of the Ministry of Plan Implementation states that:

Mechanisms will be evolved for the greater involvement of elected institutions and leadership at the Provincial, District and Divisional levels in the inception, implementation and monitoring of rural development projects...To be sustainable the projects should also contribute to the strengthening of the participatory functioning of elected political bodies such as the *Pradeshiya Sabhas* and Provincial Councils.

However, we are as yet far from achieving these objectives.

### ***Political Principles***

The point has been made that the GOSL has opted for a policy of devolution in enacting the 13<sup>th</sup> Amendment to the Constitution and thereby paving way for the creation of the PCs and the *Pradeshiya Sabhas*. In reality there has been 'de-concentration' of administration rather than devolution in the proper sense of the word. As a consequence the system of governance has been very much Centre dominant. However proposals have been canvassed by the government to carry forward the commitment to devolved governance by providing greater autonomy to the regions than provided for under the present system. This is to be achieved through a system of regional councils.

It is important that these initiatives for a devolved and autonomous system of governance be reflected in regional planning. The regions should be in a position to plan and implement regional development plans within an overall national policy framework. The need for new institutional mechanisms for the purpose has been raised in the previous section.

In regard to regional/local level planning attention needs to be focussed on two broad areas. First, is the commitment to participatory processes. Despite the rhetoric of participatory development there has been little genuine commitment to realize the same through 'empowerment' and 'sharing of responsibility' with grassroots communities. It is of utmost importance to enthrone a system that is 'caring of the people', a system of government that works as if 'people mattered'. The concept of 'human governance' enunciated by Mahmud Ul Haq is of the essence here. According to Haq (quoted in Khan, 1999),

Every governing institution, every policy action should be judged by one critical test. How does it meet the genuine aspirations of the people.

A related issue is that of quality of growth. A World Bank report (2000) on the subject points out that development should be measured not only by its 'pace' but also by its 'quality'. It is suggested that four crucial areas determine the quality of growth, viz. improving access to education, protecting the environment, managing global risks and improving the quality of governance- making institutions less corrupt, more transparent, and accountable to the ordinary people.

An essential ingredient of ensuring good governance is that of monitoring and evaluation. Until recently there had been little systematic effort to build evaluation in the implementation process of programmes and projects. This is not to deny that there have indeed been State sponsored projects that had made use of evaluation as a corrective mechanism in programme/project implementation. Yet a general weakness had been that there has been no compulsion to bring the substance of evaluation reports to public scrutiny to ensure transparency. It has also been observed that in Sri Lanka the Performance Evaluation Unit of the Ministry of Plan Implementation is not institutionally linked to the planning process (Khan, 1999).

There is now a growing concern in the State sector to institutionalize monitoring and evaluation. Since 1995 the Ministry of Plan Implementation and Parliamentary Affairs has facilitated systematic monitoring of activities of line departments. There is also a shift away from activity based monitoring to results based monitoring and evaluation. It is also evident that efforts are underway to establish a Results Based Monitoring System for the entire government with technical assistance from the UNDP. At the same time the Social Services Ministry is working on the establishment of a National Social Development Management Information System (SOMIS) with several objectives in view. These are namely, (a) identifying marginalized sections of the population (b) monitoring and assessing the impact of social programmes, and (c) assisting through timely, relevant and accurate data to better reorient social development programmes and social policy actions, to achieve intended social and economic objectives. These developments have to be sustained and made applicable to regional development.

The second issue that has a bearing on the political principles is one that has already been referred to in the previous section, namely, the strengthening of the institutional framework for local level planning. The point made here is more on the legal aspect of operation of these authorities. It is necessary to provide a legal framework that would enable the sub-national and local authorities to take up the functions of a 'development agency' rather than persist with the functions of a routine administrative agency. At present the development functions of sub-national and local authorities are rather narrowly conceived.

### ***Spatial Principles***

In redefining regional development one has also to be concerned with the spatial principles of regional development. The dominance of the Colombo Metropolitan Region has already been referred to. This development has resulted in the primacy of the Colombo City being superseded by regional primacy. An inevitable impact has been the growing

imbalance between the 'core' and the 'periphery'. At the same time there are also imbalances within the 'core' itself. Hence action has to be taken on the one hand to reduce or eliminate disparities within the CMR itself. On the other hand action has to be taken to reduce disparities in the periphery through the promotion of economic activity. However in view of 'agglomeration economies' it would be unrealistic to assume that adopting a policy of containment for the CMR would reduce disparities.

A second point that needs consideration from the point of view of regional development is that of redefining urban areas. This is made necessary by such developments as 'overbounded' and 'underbounded' urban areas. The problem has also been compounded by the 13<sup>th</sup> Amendment to the Constitution by which town council areas have been reclassified as rural areas. It is likely that in addition to the 51 officially accepted urban settlements there are at least another 251 that have escaped official definition (Wanasinghe and Karunanayake, 1997). As could be expected this has led to underestimating the urban population in Sri Lanka.

Another matter that would be relevant from the spatial perspective is the uneven spread of small and intermediate towns in the peripheral areas. It has been observed that there are 'unserved interstices' in the periphery in Sri Lanka owing to the dearth and the unequal spread of service centres and rural towns. This problem is now being partly addressed by the Urban Sector Development Project for Medium and Small Urban Centres. It is important that the scope of the project be expanded to serve the needs of regional development.

The failure to integrate urban and rural areas also appears to be a drawback in regard to regional development in Sri Lanka. This drawback was clearly evident in the IRDPs where no attempt was made to strengthen urban-rural linkages. The same weakness is evident in the spatial planning of the Accelerated Mahaweli Scheme. In redefining regional development it is of crucial importance to have a National Urban Spatial Strategy with commitment to the integrated development of urban and rural regions.

In regard to spatial considerations there has to be better integration of regional development activities within the periphery itself. The lack of integration of the Mahaweli Systems with one another has been mentioned. Similarly the absence of integration between the Mahaweli regions and those proximate to them has also been noted. It is equally evident that the plantation regions in hill country Sri Lanka continue to exist, as economic, social and cultural isolates though there are some initiatives for better integration.

### ***Strategic Principles***

Finally it is necessary to take cognizance of the strategic principles that would have a bearing on redefining regional development in Sri Lanka. By strategic principles we mean those principles that are of vital significance to give meaning to the regional development strategy. Attention is focussed on the following strategic principles:

- People and place focussed development
- Mainstreaming poverty alleviation
- Tapping the potential of local resources to the fullest
- Developing effective monitoring indicators

- Effecting guided involvement of the private sector including NGOs
- Developing local resilience
- Sustaining the environment

#### People and Place focussed development

The importance of people and place-focussed development has been mentioned in the context of political principles. It is repeated here in view of its importance. The planners and policy makers should have a commitment to make people and place-focussed development happen. As Gooneratne (2000b) aptly points out diversity of regions,

..calls for region specific solutions to numerous local problems. Further it is also possible to use this diversity as a positive factor that can be harnessed for development across national space in more specialized, competitive and innovative ways.

#### Mainstreaming poverty alleviation.

It is necessary that poverty alleviation be built in the regional development process. A basic problem relating to poverty alleviation in Sri Lanka is that projects are conceived and implemented in isolation from the mainstream development process. This weakness has to be overcome. Poorest people have to be afforded 'choices' and 'options' within the development process to lead them in the direction of livelihood generation and assets creation. The strategies should also be such as to season proof households. Identifying indicators of household stress has to be part and parcel of the development strategy.

#### Tapping the potential of local resources

The potential of the regional resource base has to be identified and assessed. This has to be followed by efforts to derive the maximum benefits of such resources by the application of the principles of comparative and competitive advantage. This means that the planning regions would have to look across planning or administrative boundaries.

#### Developing effective monitoring indicators

The pace, quality and the direction in which a project moves have to be monitored on a regular basis for best results. The development of appropriate monitoring indicators for the purpose is of utmost importance. It is necessary that the monitoring indicators are those that are comprehensible and meaningful to the local communities themselves. The system should ultimately evolve in the direction of Beneficiary Contact Monitoring (Khan, 1999).

#### Effecting guided involvement of the private sector including NGOs

It is the declared policy of the government to enlist the support of the private sector for economic and regional development. The danger is that there will not be value congruence between the government and the private sector in regard to the wider concerns of regional and social development. This may be true of NGOs as well who may be driven by their own agendas. Hence it would be appropriate to lay down precise guidelines within which they have to operate.

### Developing local resilience

This is another crucial area that has to receive attention in redefining regional development. In the context of globalization, glocalization is proceeding apace. These developments are made even more complex by regional associations for trade. Sri Lanka is a member of SAARC. It is also a party to SAFTA. Being a small country Sri Lanka would be disadvantageously placed in some ways unless resilience is built in the regional development process. Developing resilience would necessarily involve product development and raising productivity, developing human resources, finding new markets and becoming competitive in traditional markets.

### Sustaining the environment

A concomitant of development is the demands placed on the natural environment. Adequate safeguards are necessary for the sustainable use of the environment. While EIA legislation is in place in Sri Lanka, there are deficiencies in its implementation. Often EIAs are executed as a matter of expediency to meet the requirements of the law. Although there is provision to permit public representations on EIAs, civil society in Sri Lanka is not organized as yet to effectively participate in the process. Often there is no follow-up action on EIA recommendations. Therefore strengthening of institutional and legal mechanisms of environmental management has to be undertaken as a matter of priority to ensure sustainable development. At the same time participatory processes for environmental management and conservation have to be built in regional development.

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