

GRASSROOT INSTITUTIONS FOR REGIONAL DEVELOPMENT: SRI LANKAN EXPERIENCE

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Abstract

Regional development has become a matter of great interest to all stakeholders interested in development, because of growing regional disparities and the fact that poverty levels have remained very high, despite the various strategies adopted by successive governments since independence in Sri Lanka. Therefore, in regional development rural institutions have been regarded as vitally important mechanisms to achieve regional development. The Divisional Secretariat System and the Pradeshiya Sabhas are the two main rural institutions operating at the divisional level in Sri Lanka. This paper analyses people's participation in decision-making and their involvement in and contribution to regional development at the grassroot levels with special reference to Palagala Division of the Anuradhapura District in the North Central Province in Sri Lanka. Analysis of data revealed that the achievement and the progress in People's participation is poor and very limited despite the various attempts made over the two decades or more. The conclusion of the study is that the mere establishment of rural institutions is not the answer to the problems of peripheral development. It is equally important to identify the needs and the priorities of the people to have opportunities for them to play a stakeholder role in decision making.

Introduction

As in many other developing countries, regional development has become a matter of great interest for policy makers, administrators, academics, students as well as for the international development agencies. This is because, more than 70% of the people live in rural areas where the social and economic problems have become more acute compared¹ to urban areas in Sri Lanka.

¹ The study was carried out under the auspices of the Sida- SAREC Research Cooperation Project of the Department of Geography, University Sri Jayewardenepura.

More than 75% of the rural people are involved in farm work where agriculture is the dominant occupation (Gunasena, 2003). The gap between the centre and the periphery is also widening due to lack of facilities and development opportunities.

Analysing the persistence of poverty, Atapattu (2006) points out:

This modest decline underlines sharply unequal poverty trends across regions and sectors. Uva and Sabaragamuwa provinces have relatively higher incidence of poverty (37.2 and 33.6 percent, respectively), while the Western province records the lowest incidence of poverty (10.8 percent) in 2002. Moreover, the poverty incidence is highest in the estate sector (30 percent) followed by the rural sector (24.7 percent) and urban sector (7.9 percent).

People earning high incomes and the more educated people who live in the peripheral regions have been migrating to urban areas. As a result of the lack of the skilled labour and infrastructure it is difficult to implement the development projects and programmes effectively in the periphery. In the peripheral areas in Sri Lanka, poverty, hunger, disease etc. have become more widespread compared to urban areas. According to Atapattu (2006):

These regional economic differences have translated into growing regional disparities in the incidence and severity of poverty. While the incidence of poverty has declined substantially in Western Province, dropping to around 11 percent by 2002, it remains above 20 percent in the rest of the country and high as 37 percent in Uva.

Therefore, all successive governments since Independence have given high priority to regional development. In this respect, rural institutions in regional development have been regarded as vitally important mechanisms to achieve regional development. In order to implement the government's development policies and projects various rural institutions have been established. The District Political Authority (DPA) System, the Divisional Development Council System and the Decentralized Budget Systems were the first institutions which were introduced at the regional level in the early 1970s. The District Development Council System (DDC) was introduced in 1980 with limited legislative powers and financial independence with the hope of resolving the demands of the Tamil people and in order to further strengthen regional development in Sri Lanka.

The Provincial Council System and Pradeshiya Sabhas were introduced in the late 1980s in terms of the Indo-Sri Lanka accord, as a solution to the ethnic conflict in Sri Lanka. In 1992, the Divisional Secretariat System was introduced to each division with the hope of delegating authority at the divisional level. Referring to the mission of the Divisional Secretariat Ranasinghe (1992) stresses that:

Thus one can state that its mission is to improve the quality of life of the people living in the Pradeshiya Sabha area through effective utilization of the available resources and provision of administrative support services in a manner that would facilitate self-reliant growth and development of the community. The Divisional Secretariat is expected to mobilize resources; secure the participation of people identifying the development priorities; formulate development programmes and implementation of such programmes while liaising with governmental and non-governmental organizations to ensure performance of developmental and administrative functions in collaboration with provincial, sub-provincial, and divisional level institution.

At present, the Divisional Secretariat System has been given pride of place in the structure of the administrative machinery. The Pradeshiya Sabha² is the lowest level political unit of the state. They are the two main rural institutions operating at the divisional level in Sri Lanka. However, it is argued that these two institutions too have failed to satisfy the aspirations of the rural poor who have been struggling to survive at a bare subsistence level.

In this respect, comprehensive assessment of the two main rural institutions, namely the Divisional Secretariat and the Pradeshiya Sabhas, which are functioning at present and their impact on regional development would be of vital concern to all stakeholders of regional development in Sri Lanka.

Objectives of the Research

The objective of this research paper is to analyse people's participation and their contribution to the rural institutions in regional development at the grassroots levels. More specifically, people's awareness of rural institutions and the services provided for the people, accessibility to

² The lowest level Local Government Authority in Sri Lanka

information and officials, and issues with regard to service quality, administration (administrative issues) and public participation will be dealt with.

Methodology

This paper is mainly based on primary data and related secondary data collected by extensive field surveys in the North Central Province. Palagala Division of the Anuradhapura District in the North Central Province was selected as the sample of the research, mainly because Palagala Division is relatively large in terms of the size of the land area and population. (Appendix 1) Also, it has a lot of potential for development. Maneruwa, Hinguruweva and Manakete, (Appendix II and II (b)) Grama Niladhari Divisions³ were selected out of 35 Grama Niladhari Divisions of the Palagala Division.

Data were collected using semi-structured, open-ended questionnaires and through group discussions. In addition, meetings conducted by the Divisional Secretary and other rural institutions were observed. Government officials and some of the elected members including the Chairman of the Pradeshiya Sabha were interviewed in order to understand the views of the government officials and the politicians. The operation of the various rural associations and the manner in which the meetings were conducted were also observed. Qualitative and quantitative, descriptive graphs, percentage analysis were employed in analysing data. The case-study approach was used to analyse the village wise data.

Conceptual Framework

The Meaning of Regional Development

Development is a continuous process of growth and change. That is, in development, both growth and change are two important parameters. Achievement of growth is the first requirement. Secondly, there should be positive changes utilizing the benefits of growth. Therefore, in the final analysis, development means the improvement of the quality of life of the people. It is important to note that the benefits of growth should trickle down to the poor people who have been left out of the process of development.

The ultimate objective of regional development is, therefore, to increase opportunities and to empower the poor people to realize their capabilities

³ The village level administrative unit of Sri Lanka

and thereby provide freedom of choice to decide their future in the changing regional environment. In this sense, regional development means the improvement of the quality of life of the people who live in regional areas.

People's Participation

People's participation means people's involvement in formulation and implementation of public policy in a country. In achieving development, people's participation in policy-making and implementation is vitally important.

As Songyan (2006) points out, "People are the masters of the State. This is the basic principle of the People's Republic of China's (PRC's) political life, embodied in the election of representative organs of the State, as well as in citizen's participation whether direct or indirect in public affairs". That is, people should have the power to decide their needs and priorities. In realizing the pivotal role of people's participation in decision-making, many rural institutions and associations such as Rural Development Societies (RDS), Religious and Cultural Societies, Community Centres, Women Societies, Sports Societies etc. have been established in Sri Lanka.

It is argued that the citizens' involvement in public policy making promotes democracy and good governance simply because, citizens' needs, their priorities and their views are taken into consideration in the process of policy formulation. Referring to policy making, Usvatte-aratchi (2005) emphasizes that:

A democracy, everybody tells us, is a government of the people by the people and for the people. We, the people, decide on what government should do, what we as individuals do and how we pay for it. Therefore in principle, we, the people, can look at questions of government expenditure, the same way as we look at private expenditure. That is precisely what the Public Choice literature in economics, pioneered by James Buchanan, for which he was awarded a Nobel Memorial Prize in Economics, attempted to do.

However, in Sri Lanka, it is evident that the achievement and the progress in people's participation is poor and the country is far behind, though the literacy level is more than 90 percent, which is on par with developed countries.

According to Siriwardena (1987)“But it was observed that political participation even, its limited form being restricted to those closely allied to the government in power, and left out large sections of the population from the participation process”.

Our analysis too indicates that the results achieved are not very different despite the various attempts made over two decades or more.

Grassroot Institutions

In this paper, grassroot institutions refer to government institutions and social organizations of the people which were formed in order to achieve the common interests of the people in Sri Lanka. The Village Council (VCs) system which was introduced during the colonial times was the first initiative at village level to obtain citizens' participation at village level. Since Independence, grassroot political institutions such as the District Political Authority (DPA), the Pradeshiya Mandalaya⁴, and District Development Councils were established in order to get the involvement of people in the policy making process.

General Findings

People's Participation

Referring to the importance people's participation and failure of the experiments in Sri Lanka, Weerawardena (1987) points out that :

These examples clearly illustrate that involvement and active participation of the rural people in the institutions intended to serve them is fundamental to the success of rural development. The importance of this principle is well established, but instances of where rural people have been able to effectively participate in these institutions ostensibly set up for their benefit are relatively rare.

The data collected through the field survey have been analysed in the above context.

⁴ Pradeshiya Mandala were introduced for each division in order to get people involved in the decision-making process at the divisional level in the early 1970s.

Table 01 : People's Assessment of Rural Institutions

Rural Institution	Awareness of Institutions <i>(As a percentage of the respondents)</i>	Importance as Service Provider <i>(As a percentage of the respondents)</i>	Ease of Meeting Officials <i>(As a percentage of the respondents)</i>
Divisional Secretariat	100	90	25
Co-operatives	80	50	--
Institutions relating to the Samurdhi Programme ⁵	86	66	40
Agricultural Centre	86	16	--
Pradeshiya Sabha	60	--	--

Source: Survey Data

It is evident from these figures that making use of Divisional Secretariat to obtain services is very high as there is no other option for the people to obtain such services. However, it is clear that the Co-operative Societies, which were introduced as far back more than half a century are not popular even at the regional level where many poor people live and private sector business entities are not developed even at present.

This study shows that more than 84 percent of the farmers do not make use of the Agricultural Service Centre (which was introduced throughout the country) to provide services to farmers including inputs such as high yielding seeds which are essential in order to improve agricultural productivity. In this context, the following is worth noting regard to the establishment of 500 Agricultural Service Centres to help farmers in the country in the 1970s.

The concept of agricultural service centres, which went along with the Agricultural Productivity Committees, should be considered an important landmark in the history of rural institutions. There were 500 such centres established all

⁵ The main government sponsored programme on poverty alleviation in Sri Lanka.

over the country, and for the first time farmer was assured of not only inputs but also the convenience of meeting the government officials engaged in agriculture at those centres (Weerawardana, 1987).

In development policy formulation and implementation public views and opinions should be respected and taken into account, if the objectives are to be achieved. “To make sense of different, often conflicting, opinions, the implementation of decisions is also a continuing process that requires constant exchange of information between government and citizens” (Songyan, 2006). However, this has not materialized as projected in Sri Lanka, though there has been increasing attention given to this and many attempts have been made through various reforms.

Table 02: People's View with regard to Participation

Description	Hinguruwewa GN Division	Maneruwa GN Division	
	Kaluarachchigama Village	Manakete Village	Maneruwa Village
Opportunity given	13%	15%	19%
Opportunity not given	87%	85%	19%
	100%	100%	100%

Source : Survey Data

It is evident from the above Table 02 that in all three villages selected for the survey, more than 80% of the people say that they were not given opportunities to express their opinion in regard to decision making or in implementing policies at the grassroots levels. More specifically, in Kaluarachchigama, 87% of the people say that they were not given the opportunity to express their views. This was almost the same for Manakete (85%) and Maneruwa (81%).

As in many other developing countries, in Sri Lanka, the common modes of obtaining people's participation in decision making are conducting public meetings, interviews, questionnaires and surveys.

Table 03: People's View on Local Level Meetings held to Obtain Public Opinions

Description	Hinguruwewa GN Division	Maneruwa GN Division	
	Kaluarachchigama	Manakete	Maneruwa
Meetings held to obtain public opinion	17%	15%	20%
Meetings not held	83%	85%	80%
	100%	100%	100%

Source: Survey Data

Of the respondents, 83% in Kaluarachchigama, 85% in Manaketa and 80% of Maneruwa people believe local level meetings are not held to obtain public opinion. Even though, objectives of the establishment of grassroot institutions were/are enlisting people's participation in policy making and implementation, it is evident from this study that these institutions were/are unable to make a significant impact and achieve the proposed objectives.

The public officials especially the field officers who have been transferred from urban centres or more developed regions have failed to produce expected results. Their relationships, links and contacts with the rural people were found to be weak. Thus, they have failed to realize the real needs and the problems of the rural poor in the Palagala Division.

Making Use of Institutions to Obtain Services

All respondents have said that they make use of the Divisional Secretariat to get done their services such as annual licenses, permits to cut or transport timber etc., and to obtain certificates etc. Only 70% of the respondents go to Pradeshiya Sabha to obtain services while 39% go to Co-operative Societies and only 8.5% to Agricultural Centre.

Table 04 : Sources of Service Obtained

Activity	Through Rural Institutions	Private Sector	Informal Sector
Advice on agricultural practices	47%	0%	53%
Cultivation loans	39%	13%	21%

According to Table 04, 53% of the respondents obtain advice on cultivation from informal sources while 47% obtain advice through the rural institutions in Palagala Division. Thirty nine percent of the respondents obtain their loans through rural institutions while 13% and 21% through the private sector and informal sector respectively. It was also found that 27 % of people are still not prepared to obtain loans, which indicates the reluctance of farmers to accept risk in rural society - another obstacle to development.

At a group discussion held in the course of the field survey one respondent commented:

I had to visit the Divisional Secretariat 27 times to present my problem relating to Samurdhi subsidies. People backed by politicians are treated well by the officials. Thus, it is not easy for the general public to obtain services.

Table 05: Overall Satisfaction with the Services Provided by Rural Institutions

Description	Hinguruwewa GN Division	Maneruwa GN Division	
	Kaluarachchigama	Manakete	Maneruwa
Satisfied	26%	27%	36%
Not satisfied	57%	55%	52%
No idea	17%	18%	12%
	100%	100%	100%

In Kaluarachchigama 57% of the respondents are not satisfied with the services provided by the rural institutions while this percentage is 55% in Manakete and 52% in Maneruwa in Palagala Division.

During the same group discussion, another respondent stressed:

Materials like tiles, toilet fittings and asbestos sheets are provided through the Pradeshiya Sabha (PS) on the basis of political links and contacts. During the election period, politicians of the Pradeshiya Sabha try to move with the people and thereafter, they ignore the needs of their.

By emphasizing the weaknesses of Co-operative Societies another participant expressed his idea as follows:

The service quality of Co-operative Societies is at a very low level. All the time, there is a shortage of essential commodities like rice, sugar, dhal and other items. Very often, such items are not suitable for consumption due to their inferior quality. Furthermore, the loan facilities available in rural banks are only for the people who have close contacts with the officials.

Table 06 : People's View of the Rural Development Society

Membership	Hinguruwewa GN Division	Maneruwa GN Division	
	Kaluarachchigama	Manakete	Maneruwa
Yes	34%	-	-
No	61%	100%	100%
Not aware of	05%	-	-
	100%	100%	100%

Source: Survey Data

In the past, Rural Development Societies were very popular in rural areas, especially in backward provinces such as North Central, and Uva due to several reasons such as the interest shown by the government through the involvement of Rural Development Officers who used to observe the meetings conducted by Rural Development Societies. They had been operating for more than five decades in Sri Lanka. However, even Rural Development Societies were not popular and active in the selected G.N. divisions of the Palagala Division.

Rural Development Societies operate only in Kaluarachchigama though only 34% of the respondents have obtained the membership of Rural Development Societies while 05% of the respondents were not even aware of such membership of Rural Development Societies in Kaluarachchigama. There were no Rural Development Societies in Manakete and Maneruwa. With regard to office-bearers of Rural Development Societies in Kaluarachchigama, only 13% of the respondents have held office in Rural Development Societies.

People's Awareness of Rural Institutions in Kaluarachchigama

All of the respondents (100%) were aware of the Divisional Secretariat of Palagala Division and of the Samurdhi Programme while only 74% were aware of the activities of the Pradeshiya Sabha. Only eighty percent of the respondents were aware of activities of co-operative Societies while only 70% were aware of the Agricultural Centre.

Case Study 01: Hinguruwewa GN Division**Table 07 - Hinguruwewa Situation Analysis**

Type of Institution	Awareness of the existence of the Institution	Importance as service provider	Ease of meeting officials
Divisional Secretariat	100%	100%	13.3%
Co-operative Societies	66.6%	26.6%	-
Samurdhi	86.6%	66.6%	66.6%
Agricultural Centre	66.6%	20.0%	0%
Pradeshiya Sabhas	93.3%	73.3%	-

Source: Survey Data

It is evident that rural people are fully aware that there is a Divisional Secretariat in Palagala and all respondents obtain services through the Divisional Secretariat. This is because Birth Certificates, Land Permits, Revenue Licenses of Vehicles etc., are issued only by Divisional Secretariats. However, the possibility of meeting officials of the Divisional Secretariat is constrained and only 13.3% respondents have said that there is a possibility to meet officials without much difficulty at the Divisional Secretariat.

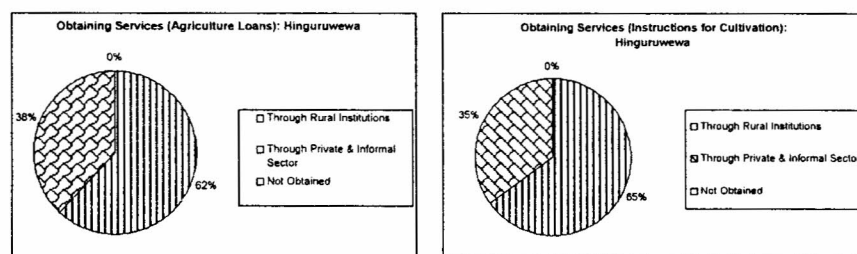
Nearly 87% of the respondents are aware of Samurdhi Programmes while only 66.6% obtain services from Samurdhi Programmes. The possibility of meeting officials is as high as 66.6% compared to Divisional Secretariat. With regard to the Co-operative Societies, 66.6% of the respondents are aware of them and 26.6% of them are served by it. Nearly 67% of the respondents are aware of the existence of the Agricultural Centres while this is 93.3% in relation to the Pradeshiya Sabha.

Hence, the opportunity to meet officials is relatively low. However, with respect to Samurdhi Programme, the opportunity to meet officials is satisfactory (67%). The reason is that the people are familiar with the Samurdhi animator who is also a person of the same village. It is interesting to note here that Samurdhi animators were appointed purely from the political supporters of the party. That is, they are not only agents of the government but also political agents.

Since 1994, the Samurdhi Programme has become one of the major poverty alleviation Programmes in Sri Lanka through which the poor people who are below the poverty line receive benefits from the Samurdhi Programme.

The Samurdhi Programme is people oriented compared to other activities performed by the government. However, 73.3% of the respondents obtain services of the Pradeshiya Sabha while this percentage is only 20% with respect to Agricultural Centre.

Figure 01: Sources of Obtaining Services (Hinguruwewa GN Division)



Source : Survey Data

Source: Survey Data

The above data indicate that 62% of the respondents in Hinguruwewa, do not obtain agricultural loans, though farmers have financial difficulties.

Table 08: Rural Development Society (Hinguruwewa GN Division)

Description	Yes	No
People's membership	64%	36%
Office bearer	9%	91%
Satisfaction of the services provided	54%	46%
Participation at meetings	72%	28%

Source: Survey Data

In Hinguruwewa, 64% of the respondents have obtained membership of the Rural Development Society, though only 09% of them hold office. Participation at the meeting is as high as 72%. Of the respondents 54% are satisfied with the service provided by the Rural Development Society.

Awareness of Rural Institutions (Hinguruwewa GN Division)

The level of awareness of rural institutions in Hinguruwewa is at a satisfactory level and the Divisional Secretariat is the most popular one as in the case of Manakete.

Services Provided by Rural Institutions

The level of utilization is at a satisfactory level with 65% of the total respondents using the Agricultural Centre to obtain various agricultural extension services. The rest of the respondents use private or informal

sector sources. Of the total respondents 62% use rural institutions (Rural Banks etc.) to obtain loans. Thus, the level of utilization is also high.

Accessibility to Information and Officials

There is no opportunity at all for people to meet officials of the Co-operative Society, Pradeshiya Sabha and the Agricultural Centre. However, the Samurdhi Society is more easily accessible to the people.

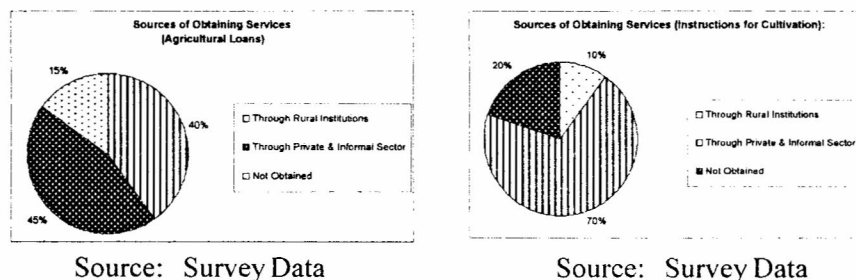
Case Study II - Maneruwa

Awareness of Rural Institutions

Of the grassroot institutions, (Divisional Secretariats, Co-operative Societies, Samurdhi Societies, Agricultural Centres), the most popular rural institution is the Divisional Secretariat which is the lowest administrative unit at the divisional level. The least popular rural institution is the Pradeshiya Sabha which is the lowest level political unit in Sri Lanka. Out of three local authorities namely Municipal Councils (MCs), Urban Councils (UCs) and Pradeshiya Sabhas, the Pradeshiya Sabha is the smallest and the lowest level institution in which people represent their interests through their political agents at the village level. However, in practice, in many cases, the peoples' view is that services such as constructing rural roads, providing electricity etc. are decided on the basis of party politics and not on the basis of the needs and the priorities of the rural people.

Fulfillment of the Requirements through Rural Institutions

Though the people are aware of the rural institutions, they are unable to make use of them for their advancement. According to Figure 02, 70% of the respondents obtain agricultural extension services from the private and informal sectors because of strong informal relationships. Only 10% of the respondents procure agricultural extensive services from formal rural institutions. When it comes to agricultural loans only 15% of the respondents obtain loans from rural institutions such as rural banks, Samurdhi Society Banks and Sanasa Bank. Of the total respondents of Manakete Grama Niladari Division 45% did not obtain loans for agricultural activities. Another 40% obtained agricultural loans from the private sector or from the Informal sector.

Figure 02: Sources of Obtaining Services Maneruwa GN Division**Access to Officials**

It is evident, according to the respondents' views, that it is very difficult to reach the officials in Co-operative Societies, the Agricultural Centre and the Pradeshiya Sabha. That is, people do not have enough opportunities to meet and discuss the problems and issues faced by them with the relevant officials. Thus, access is at a very low level. However, there is better access to officials of the Divisional Secretariat and the Samurdhi Society.

Emerging Issues in relation to Rural Institutions

Emerging issues have been analysed taking into consideration the views of service recipients, bureaucrats and the local politicians.

According to the Regional Manager Sri Lanka Mahaweli Authority:

I am working with agricultural organizations (Govi Sanvidana). My role includes: distribution of water, controlling water issues and planning, conducting farmers' meeting etc. Though we are expected to get public opinion in the above mentioned activities, that effort has been unsuccessful due to various reasons. These reasons can be viewed under two categories including administrative gaps and low level of people's readiness to participate.

The main problems relating to administration, service quality and issues in public participation with respect to the Divisional Secretariat, Pradeshiya Sabha and Samurdhi Societies, Co-operative Societies and Agricultural Centre have been summarized in Appendix III.

Appendix III indicates that bribery and corruption, nepotism, patronage and dearth of officials are common problems of the Divisional Secretariat, Pradeshiya Sabha, Co-operative Societies and the Agricultural Centres.

The complicated forms which are being used at the Divisional Secretariat, and at the Agricultural Centre and the protracted procedures which should be followed by the people have also contributed to much delay. The lack of understanding of officials of various issues faced by the rural farmers in the Palagala Division is also a major barrier in obtaining quick and appropriate advice and services provided by the Agricultural Centre.

As a result, advice and solutions are given to farmers by the officers of the Agricultural Centre without realizing the real needs, problems and solutions. People have pointed out that the quality of service is not satisfactory and only one public day (only Wednesday) is allocated to meet the officials at the Divisional Secretariat and the result is a long delay in obtaining services.

According to the Chairman, Pradeshiya Sabha:

When formulating and implementing programmes and projects at the local level, people's views are taken into consideration through elected members of the body. Before taking crucial decisions, issues are discussed with Rural Development Societies, Death Donation Societies, Sports Societies etc. in the area. But, the level of citizen participation is hindered by various factors including, lack of people's interest, powers centralized in the elected members, and the elites.

Although there are a multiplicity of rural level associations which have been formed to foster unity, and teamwork and thereby promote and influence public policy making and implementation through people's participation, all these institutions have been dominated by the same elite groups which are represented in almost all associations.

Some projects on infrastructure facilities are given to private sector contractors to be implemented. Normally, it seems that most of the contractors are not willing to consider people's views in the course of implementation.

Most of the activities such as the construction of roads and wells and the provision of sanitary facilities etc., undertaken by the Pradeshiya Sabha, are carried out on contract through recognized local level organizations such as Govi Sanvidanas, Rural Development Societies which are politicized.

According to an opposition member of the Pradeshiya Sabha:

The actual contracts are carried out by the Chairman or the member of the Sabha or by their relations. The real purpose of the contract is not to fulfill the requirements of the contract or to serve the people but to earn money.

It is clear that both officers and even politicians very rarely visit rural villages where problems have become increasingly acute. Since people are not consulted on a regular basis the projects that have been introduced are not people oriented projects.

Issues: From Bureaucrats' Point of View

Human Resources

The three main issues with regard to human resources are

- (i) the lack of skilled personnel
- (ii) the lack of interest of officials posted to the area and
- (iii) difficulty in training personnel owing to lack of competencies.

The dearth of skilled labour is one of the major issues in the peripheral areas in Sri Lanka. As we mentioned in the introduction, educated and more experienced people move to urban centres from backward divisions such as Palagala, seeking better opportunities and better facilities. Most of the qualified employees who work in the periphery are just recruited new comers who have been sent from the central government. Thus, they are not only less experienced but also not keen or interested because of their interest to get transfers to better developed areas or to their own hometowns. Moreover, this environment is also new to them, in addition to being backward and difficult.

Infrastructure Facilities

The Poor condition of the buildings, and problems related to basic facilities such as water, telephone, communication, electricity, transport are common issues faced by the public servants who work in peripheral areas such as Palagala Division in Sri Lanka. Therefore, the working environment of the Palagala Division badly affects the commitment and performance of public employees, which results in poor quality of service. For example, the bus service is utterly poor and in some routes the buses run once or twice only a day. If a public officer wants to go to the Head Office, the entire day has to be spent just on traveling.

Problems Created by the Open Economy

After the introduction of the open economic policies in 1977, the functions and the development of Co-operative Societies were affected negatively. Business activities performed by private businesses have been developed and have expanded dramatically which has had a negative impact on development of Co-operative Societies in rural Sri Lanka. For example, facilities such as telephones and electricity which are essential utilities in a competitive market environment were not provided.

Thus, the Co-operative Societies have become the delivery centres of subsidies, which are provided by the government and in particular in emergencies such as floods, earth slips, etc.. Thus, the Co-operative Societies have not become business oriented entities with the rapid changes that have occurred during the last three decades in Sri Lanka.

At present, the activities performed and the services provided by Co-operative Societies are confined mainly to the distribution of some selected food items for the Samurdhi beneficiaries in the area. But, in the past, the Co-operative Societies were the only main retail distribution centres in rural areas, where people used to buy their daily needs under one roof. Now, the situation has changed. Since there are only a few items available, in Co-operative Societies, most of the people do not even visit Co-operative Societies to buy their daily needs.

The Multi-Purpose Co-operative Society (MPCS) General Manager Explains:

Initially, Co-operative Societies have been established to mobilize citizen participation. The executive committee of Co-operative Societies is elected by their members. Furthermore, the Director Board consists of seven members selected from among 100 elected members. But, the level of citizen participation is very low today in Co-operative Societies due to its inability to face huge competition created by open economic policy. Thus, people no longer have any trust in Co-operative Societies.

Referring to the people's participation in Co-operative Societies, Siriwardena (1987) has stressed that "But, over the years, it was realized that the very basis of co-operation, popular participation, was lacking in many of these societies".

Decentralization

According to a member of the opposition party of Palagala Pradeshiya Shaba, *“the taxes that can be collected is minimal due to lack of business enterprises, and the absence of people with high incomes. The only available taxable sources are two daily fairs conducted weekly, retail businesses and grinding mills”*.

As a member of the opposition party pointed out, *“the income earned through taxes, can only be spent on the direction of the Minister of Local Government who is accountable to the Central Government and not to the Pradeshiya Sabha which is the lowest level political unit at the divisional level”*.

However, there is no restriction on spending the funds received from the Central Government, Provincial Council and from the Ministers and MPs of the Central Government.

The Divisional Secretariat

It is pointed out by many officials that most of the people have become addicted to illicit liquor and smoking which are not only harmful to their health but also negatively affects the wellbeing of the family. This problem is more acute because of their low level of income. The social and economic problems that they face do not provide room for them to think of their future.

Awareness of the importance of development and people's preparedness for participation in decision-making are poor. The objective of development cannot be achieved, mainly because the people themselves must realize the need of development which is not easily understood by them.

According to officers, working with such people is a difficult task simply because people are not really keen or interested in their future development. Thus, such people could not be encouraged for positive changes.

During the meetings of farmers' Development Society, the team of surveyors observed that only the Divisional Officer, the Agricultural Advisor, the Agricultural Research Production Assistant and 05 Chairmen of Govi Sanvidana out of 19 officials were present. It is observed that the Divisional Officer is keen on development of the area but in general, farmers are not keen even though a few farmers who receive benefits may be interested. Some Chairmen of Govi Sanvidana dominated the

discussion while the members were not even allowed to present their opinions. The activities, duties and performance of the industrial officer and the land officer were questioned by people who claimed that they do not work without bribes.

The next issue is that most children are not encouraged to study by parents who are illiterate. Instead of studies, small children are encouraged to take part in agricultural activities which are labour intensive and require seasonal labour. Officials state that the authority to make decisions at their level is not adequate and it hampers decision making.

In their day- to- day activities, most of the activities are performed manually. Information Technology or Information Systems are not available to many officials when they are performing their duties.

Rural Institution in relation to Samurdhi Programme

The process of selecting Samurdhi recipients is highly politicized. That is, in some cases, people who are eligible for Samurdhi benefits, have not been selected due to different political loyalties and party politics in the village. It is difficult to implement the Samurdhi policy with poor and uneducated people at the village level. According to officials, equal amount of money is allocated to all the Divisional Secretariats without taking into account, the population and the size of the areas. The Palagala Division is relatively large in terms of population and land area. Therefore, officers pointed out that the funds should be allocated proportionately, considering the size of the population and the land areas. One Samurdhi Manager explains:

The Samurdhi programme has been launched by placing special emphasis on public participation. There are comprehensive mechanisms in the programme which are used to get public opinion. Accordingly, small group discussions, Samurdhi Balakaya, Village Societies, Mavu Samithi play a pivotal role. But, when analysing the nature of public participation, women play a bigger role than men. Thus, participation in decision making is more female oriented. Due to the fact that males have been addicted to illicit liquor and gambling, they are not interested in attending meetings, discussions etc.

In Sri Lanka, the active involvement of rural women is a well known fact. One of the main reasons is that they are compelled to do so as men have been addicted to illicit liquor which is also a burden to many rural women in addition to economic hardships, low-wage employment and other social

and cultural problems in Sri Lanka. This situation is further aggravated by the fact that:

The village is characterized by large number of female-headed families. One in every five households in Sri Lanka is headed by a female. Results show that the main issues faced by the female headed household are financial instability and poverty, irregular and low-waged employment. Sixty five (65%) of female heads of households are widows (Gunathilaka, 2003).

When it comes to Samurdhi Bank Societies, according to one Samurdhi Bank manager, public participation in the Samurdhi programme is hindered by politicization, distrust and the high poverty level of people.

Agricultural Centres

There is no close link between the ordinary farmers and officials. Sometimes officers who come from urban areas are not in a position to understand the environment and needs of the farmers because of their background. Officials are reluctant to visit and they act on their own, without paying any attention to the needs of the people. Officers at the grassroot level are not adequate to attend to the needs of the areas. On the other hand, available employees are not trained or experienced. Another issue is that personal security of the officers who work in the field have to face the threat of wild elephants and of law breaking elements involved in illicit liquor and other obnoxious activities, is not guaranteed.

Social and Cultural Obstacles

In some cases, according to officials of the Palagala Division births, marriages and deaths have not been even registered at the Divisional Secretariat because people are not aware of the value of such registration. The ownership of land is not transferred properly, according to the legal requirements. In respect of Samurdhi, some households have not been registered and difficulties arise in selection of beneficiaries and providing subsidies to the needy people. Some business entities have not been registered.

As in some cases, lands have not been registered; officials at the Agricultural Centre face difficulties in providing agricultural assistance to people in the Divisional Secretary's area. This is a common problem not only in Palagala Division but also in many rural areas in Sri Lanka.

Conclusion

Regional imbalances, regional poverty and related problems are the outcome of economic, social and political processes which interact with each other and reinforce each other in ways that can worsen or ease the deprivation that the poor people face on a regular basis. Providing opportunities, promoting empowerment and facilitating the necessary environment to improve the quality of life with creative and healthy people enjoying a decent standard of living is the biggest challenge faced by the all stakeholders in developing countries who are interested in sustainable development. "About 1.10 billion people out of 6.30 billion world's population suffer from extreme poverty inspite of impressive advancement in technology and economic growth achieved in various countries" (Jayewardena, 2006).

Since government policies are implemented through grassroot levels institutions, their success or failure largely depends on the involvement of rural poor because of their awareness of the real issues and problems bearing on their villages.

This study has discussed and analysed the grassroot institutions and their impact on regional development with particular emphasis on people's participation in three selected villages in the Palagala Division of the North Central Province in Sri Lanka. The political leadership and the government officials have failed to mobilize the rural people, the existing rural institutions and people's associations in a way that rural people can participate in their own development.

Therefore, the mere establishment of rural institutions is not the answer to the problems of peripheral development. It is equally important to identify the needs and priorities of the people of the village or the region. That vital task cannot be achieved without the opportunity for the people to play a stakeholder role in decision-making. It is evident from this study that even the establishment of a vast number of multiple institutions, associations and volunteer social organizations does not produce positive results without a strong society, a strong state and a strong private sector (Songyan, 2006).

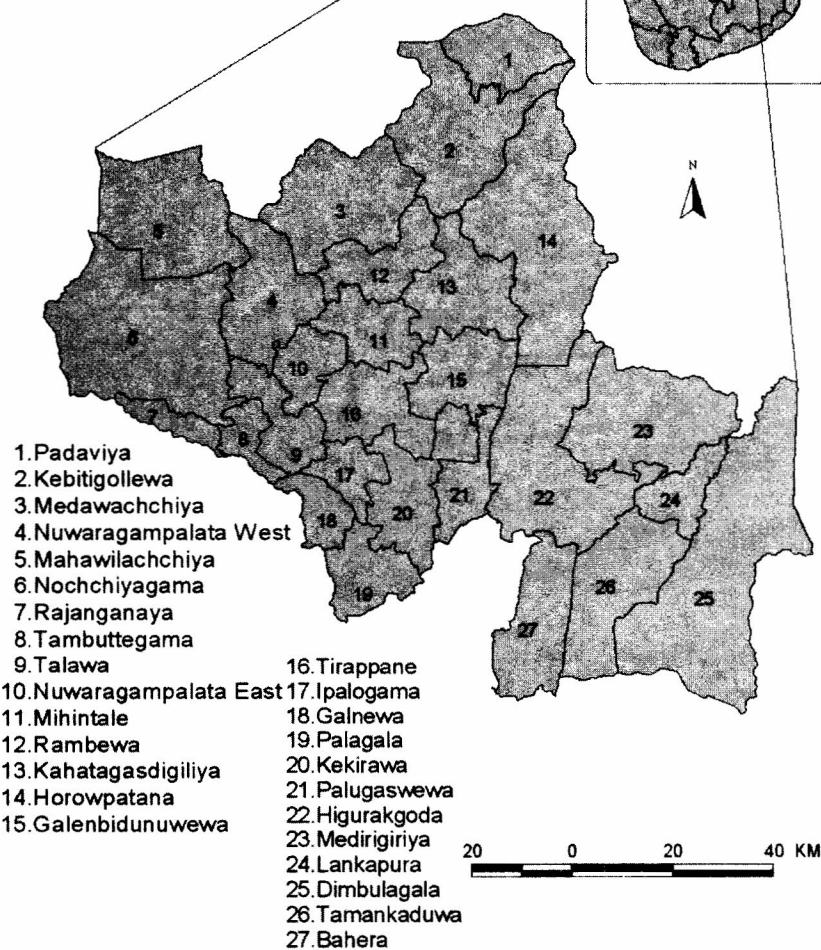
The success of the rural institutions depends mainly on the availability of a strong, and organized civil society and its ability to work effectively which is lacking in Palagala Division in the North Central Province as indeed in many other regional areas in Sri Lanka. In Sri Lanka, all three, the state, the civil society and the private sector are rather weak in many respects. They are also not stable and well organized. The state, civil society, and the

private sector which interact with each other can worsen or ease the problems of development in a country such as Sri Lanka depending on the way that they interact with one another. In this scenario the grassroot institutions can play an important role through citizen's participation in policy making and policy implementation in the regional development of Sri Lanka, whereas at present most of the needs of the village community in the regional areas remain unattended and unresolved owing to the weakness inherent in grassroot institutions.

Appendix I

Selected DS Division of the Study

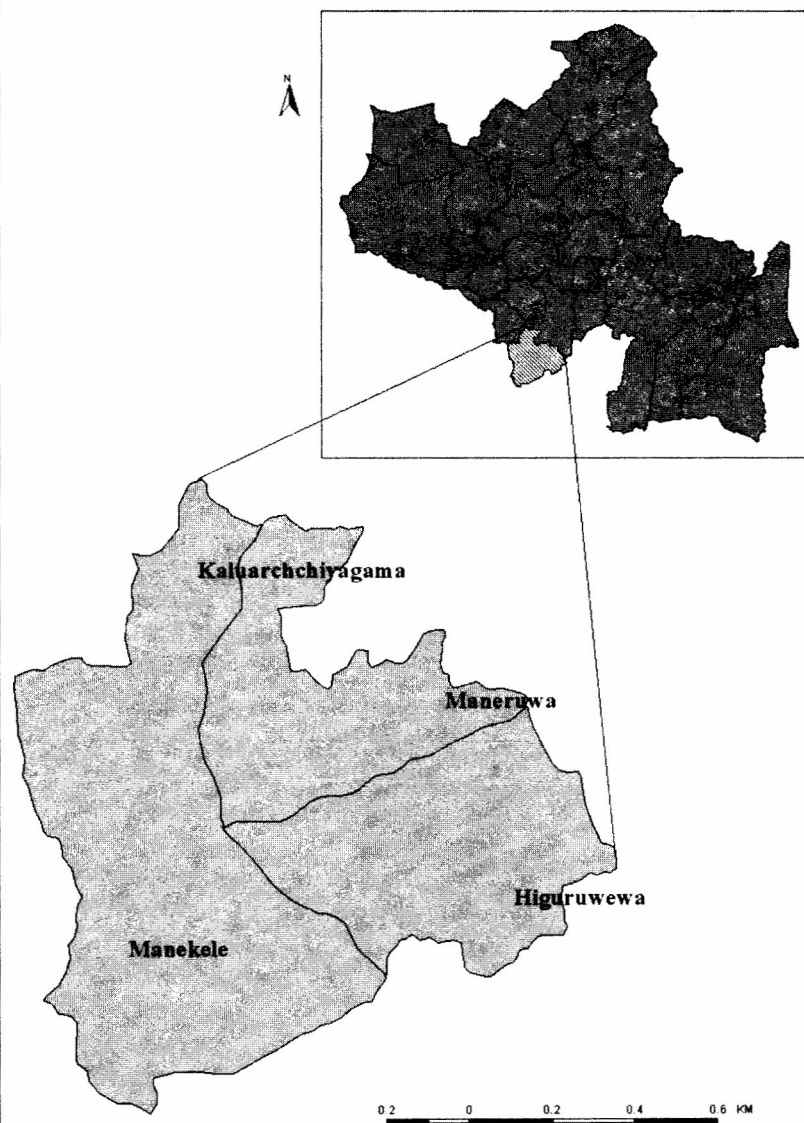
Location of NCP



Source: Ratnayake, 2007

Appendix II

**Selected villeges for the study
in Palagala DS Divition**



APPENDIX II (b)
Grama Niladhari Divisions

Serial No	Grama Niladhari Division		Names of the villages in the Grama Niladhari Division
	No	Name	
1	658	Giranegama	Theldinnanwewa, Giranegama
2	659	Anakatawewa	Anakatawewa, Habaraththawala, Tharakolagalayaya
3	660	Narangaswewa	Narangaswewa, Koralayagama
4	661	D/Halmillawewa	D/Halmillawewa, Dehippawa
5	662	Ranawa	Ranawa, Pubbogama
6	663	Hinguruwelpitiya	Hinguruwelpitiya, Klrallawa, Uluketawewa
7	664	Ipulwehera	Ipulwehera, Sadaragama, Kattakaduwa
8	665	Maneruwa	Maneruwa, Manakete
9	666	Wambatuwewa	Wambatuwewa
10	667	Ambagaswewa	Ambagaswewa, Kadurugaswewa, Walpalugama
11	668	Kalugalayaya	Kalugalayaya, Ussana
12	669	Parawahagama	Parawahagama, Aramandakotuwa, Kahalla
13	670	Andiyagala	Andiyagala, M/Halmillawewa
14	671	Gambirigaswewa	Gambirigaswewa, Millagoda
15	672	Dematagollagama	Dematagollagama,
16	673	Budugehinna	Budugehinna, Mahawatagala, Kudawataga,a
17	674	Pelbediyawa	Pelbediyawa, Katugaha Rambewa
18	675	Ellawewa	Ellawewa, Dikwennewa
19	676	Moreththegama	Moreththegama, Galpaya
20	677	Kirindiwatta	Kirindiwatta, Kapulanda
21	678	Meewewa	Meewewa, Diwul Wewa
22	679	Hinguruwewa	Hinguruwewa, Dignegama, Kaluarachchigama
23	680	Galkiriyagama	Weheragama, Weralagala
24	681	Daniyagama	Galkiriyagama, Pahaminiyagama, A/Galkiriyagama
25	682	Ulpthagama	Kadadekawewa, Radagamawatta, Daniyagama
26	683	Katukeliyawa	Ulpthagama, Dikwewa, MahaIndigollagama
27	684	A/Kadatugama	Katukeliyawa
28	685	Uhalmillawewa	Aluth Kadatugama
29	686	Balaluwewa I	Balaluwewa , Dikendiyaya
30	687	Balaluwewa II	Balaluwewa
31	688	Nelliyagama	Nelliyagama
32	689	Pahalagama	Pahalagama, Galketiyagama
33	690	Karawilagala	Karawilagalam Peenawa, Nanwattagama
34	691	G/Halmillawewa	G/Halmillawewa
35	692	Gonadeniyagama	Kudahettiyawa, Mahahettiyawa, Medagama, Gonadeniyagama

Appendix III Institutional Issues Manakete

Administrative Problems	Divisional Secretariat	Predeshiya Sabha	Samurdhi Institutions	Co-operatives	Agricultural Centres
	<ul style="list-style-type: none"> ♦ Bribery and corruption ♦ Complicated forms and procedures ♦ Lack of officials ♦ Nepotism and patronage ♦ Political allegations 	<ul style="list-style-type: none"> ♦ Nepotism and patronage 	<ul style="list-style-type: none"> ♦ Influence of officials ♦ Lack of officials ♦ Lack of coordination among other institutions eg. With the co-operative ♦ Too many meetings are conducted 	<ul style="list-style-type: none"> ♦ Not in a position to compete with private business ♦ Bribery and corruption ♦ Nepotism and patronage ♦ Lack of employees 	<ul style="list-style-type: none"> ♦ Lack of understanding of relevant issues ♦ Nepotism and patronage ♦ Lack of officials ♦ Complicated forms.
Service Quality	<ul style="list-style-type: none"> ♦ Only one public day is given to people (Wednesday) to meet the officials ♦ Delays 	<ul style="list-style-type: none"> ♦ Long delays 	<ul style="list-style-type: none"> ♦ It takes a number of days to obtain a loan 	<ul style="list-style-type: none"> ♦ Shortage of essential items. ♦ Samurdhi recipient have to buy unnecessary goods in order to utilize their coupons 	<ul style="list-style-type: none"> ♦ Service can not be obtained when necessary. ♦ Advice and solutions are given to farmers without realizing the real solutions and problems.
Issues in public participation	<ul style="list-style-type: none"> ♦ Very rarely public officials visit villages ♦ People are not familiar with complicated documents/forms 	<ul style="list-style-type: none"> ♦ Politicians very rarely visit villages except during the election campaign 	<ul style="list-style-type: none"> ♦ Official oriented projects not people oriented. 	<ul style="list-style-type: none"> ♦ People are not consulted regarding needs of the people, the quality of the products/good 	<ul style="list-style-type: none"> ♦ In many instances. ♦ People are not familiar with complicated documents.

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