

Governance Issues in Poverty Reduction in Sri Lanka



Shelton Wanasinghe

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Abstract

Poverty reduction remains one of the frequently articulated public policy objectives in Sri Lanka. However, the achievements so far made in regard to poverty reduction have been sub-optimal in relation to expectations that have been aroused amongst the poor and the public resources that have been invested in the effort.

It is the view of the discussion that the failure to achieve the expected outcomes from the series of exercises in relation to poverty reduction is the result of a series of governance-related issues. These relate to:

- The degree to which the objective of poverty reduction influences the direction and content of public policy;
- The accountability and transparency networks that relate to the formulation and implementation of policies, strategies and interventions that have a bearing on poverty reduction;
- The degree and level of involvement of the poor as active partners in the formulation and implementation of public policies etc. that have a bearing on poverty reduction; and
- The institutional underpinning as well as the process support that is required, in the Sri Lankan context, for effective attempts at poverty reduction.

1. Introduction

Throughout its post-Independence period of nearly six decades, Sri Lanka has mounted several initiatives that were expected to contribute to the reduction of poverty in the country. The earlier essays in this direction were not, necessarily, presented to the citizens as dedicated programmes for poverty reduction. These included the different programmes for effecting colonization and land settlement in the relatively sparsely populated areas in the dry zone of the country through the initiation and restoration of irrigation schemes; the provision of subsidized basic food commodities; programmes for the provision of free public goods and services such as education and health care services; the provision of subsidized public transport; payment of poor relief and the like. The two most recent initiatives - the 'Janasaviya' programme that was operational from 1989 to 1995 and the 'Samurdhi' programme that has been operational from 1995 up to date – have, however, been claimed by the respective Governments of the day as dedicated attempts at the reduction of poverty.

Considerable volumes of public financial resources were invested, over the post-Independence decades, on these several initiatives. All of them, whether taken individually or collectively, have, however, not yielded the level of results that were expected of them in terms of poverty reduction. This is reflected in the poverty-related data that is available. This current data indicates that the incidence of poverty in the country as a whole continues to vary from 25 per cent of the population based on the lower poverty line to 39 per cent based on the higher poverty line. In the urban sector, the variation is from 15 per cent based on the lower poverty line and 25 per cent based on the higher poverty line. In the rural sector, the figures are 27 per cent and 41 per cent respectively whilst in the estate sector they are 25 and 45 per cent respectively. Thus, poverty continues – at the end of nearly six decades after Independence – to be a key contributor to social and political instability in Sri Lanka.

Hence, a recurrent question that arises in the Sri Lankan development discourse is that of the reasons that have contributed to this failure. The reasons, obviously, are many. The literature on the subject is replete with iterations of these reasons.¹ It is not the intention of this discussion to reiterate or discuss this wide range of reasons.

What, instead, this discussion seeks to address are a specific group of governance-related issues that can, increasingly be seen as having had a direct bearing on the failure to achieve the expected outcomes from the series of exercises that have been mounted during the post-Independence period to directly achieve poverty reduction or to contribute to such achievement.

In this discussion, the concept of governance is viewed in both its dimensions of political structures and processes as well as of administrative structures and processes. They are viewed at each of the several levels of the Sri Lankan polity – the Community level, the Regional level and the Centre. Also, the discussion would attempt to assess both the political and administrative structures and processes in the context of their interface with structures and processes of organizations of the civil society.

The discussion will seek to appraise the relevance of the political, administrative and civil society structures and processes on several critical elements of poverty reduction.

¹ There is a considerable literature on issues related to poverty in Sri Lanka. Some of the more often quoted ones could be found in the List of References provided at the end.

- One such element would be the degree to which the objective of poverty reduction influences the direction as well as the content of public policy of the country – both in the formulation of macro policies as well as the designing of specific strategies and interventions. The pro-poor bias of the governance environment within which such policies, strategies and interventions are implemented would be treated as an integral element in such public policy management.
- A second element would be the accountability and transparency networks that relate to the formulation and implementation of policies, strategies and interventions that have a bearing on poverty reduction.
- A third element is the degree and level of involvement of the poor as active partners in the formulation and implementation of public policies, strategies and interventions that have a direct or an indirect bearing on poverty reduction.
- A fourth element that would be discussed would be that of the institutional underpinning as well as the process support that is required, in the Sri Lankan context, for effective attempts at poverty reduction.

The objective of the discussion of these governance related issues is to understand the impediments that exist to an effective approach to achieving poverty reduction as well as to project an approach to the removal of these impediments – in order to provide a positive environment for future planning and implementation of poverty reduction initiatives. Hence, the discussion will also attempt to provide a tentative ‘road-map’ towards a new scenario.

In seeking to address the key issues set out above, the discussion would proceed on the basis that there is a grave danger in continuing with the approach of ‘business as usual’ in attempting poverty reduction. The experience of almost six post-Independence decades has amply demonstrated that the processes and structural arrangements that were used repeatedly in the different exercises of poverty reduction failed to deliver the expected results and proved a disappointment. The poor increasingly became disillusioned by the repetitive use of the same structural arrangements and the same processes in what were always advanced by the Government of the day as ‘new initiatives’. It was, therefore, no surprise that the poor have sought to derive short-term advantages from these programmes – without really participating in and contributing to the long-term stability of the process of poverty reduction.

This discussion views poverty reduction not as a stand-alone exercise to be planned and implemented by a specific agency of the government.² It recognizes poverty reduction as an initiative that calls for a multi-faceted approach.³ It is this multi-faceted approach that has implications for public policy management, for ensuring accountability, for the involvement of the poor as partners in the processes of poverty reduction as well as for the designing of institutional structures that would underpin future attempts at poverty reduction. These several aspects will be examined in the discussion that follows.

² As was the case of the Janasaviya as well as the Samurdhi programmes.

³ These approaches include, amongst others, investments of appropriate scale in relevant infrastructure, in health promotion, in education and skill development, environmental sustainability, social security etc.

2. Poverty Reduction and Public Policy Management

The relevance and effectiveness of public policy management⁴ as it relates to poverty reduction is a major governance issue that is at the centre of any exercises in poverty reduction. An analysis of the sub-optimal outcomes off previous interventions that were directed towards poverty reduction⁵ brings this out clearly. Hence, this discussion would accord major attention to this aspect of governance. It would examine the existing structures and processes of public policy management in Sri Lanka, and would point to several inadequacies therein that adversely affect the objective of poverty reduction.

One such inadequacy is that - despite articulations to the contrary on public platforms and at conferences as well as in the public media - the centrality of poverty reduction as the focus of Sri Lanka's development policies and strategies fails to be recognized in the approaches to development policy and strategy formulation. As a result, it does not receive due consideration in the setting up of structures to manage the formulation of public policies and strategies. Nor is the focal objective of poverty reduction taken into account in devising the processes that are utilized for public policy and strategy formulation.

The outcome of the above situation is that the formulation of macro policies – whether they be fiscal and monetary policies, infrastructure investment policies, health and education policies, social security policies, public administration policies, sector development policies such as in agriculture, fisheries, industry etc. or approaches to restructuring of political structures and processes – occurs with minimal, if any, regard to the imperatives of poverty reduction. Issues and concerns of poverty reduction do not enter as a consideration in the assessment of all such public policies and strategies at the stages of analysis and of formulation. Such analysis of policy options tends to concern itself more with issues of technical conformity than with the likely impact that such options would have on poverty reduction. Neither does the demands of poverty reduction influence the choice amongst options in the setting up of structures and processes for public policy management - whether sectoral or trans-sectoral.

An equally important issue is the singular absence of structures and processes for the participation of the poor in the analysis and formulation stages of public policy and strategy management. Of course, it may be argued that the poor are not appropriately organized for providing inputs into the policy process. Since the onset of Independence, the poor have been told that their interests are looked after by the politicians and, in their lack of awareness as regards their rights and their roles, they have tended to be passive spectators of decisions being made for them.⁶ Where the provision of inputs into policy formulation is concerned, the corporate private sector has assumed a major role. So have the organized trade unions – more specially those controlling large groups of public sector workers. The poor, however, have remained on the periphery.

Another linked issue that requires consideration is that public policy and strategy management has – since Independence – adopted a top down approach. It has tended to be regarded as an activity that is the preserve and prerogative of an elite technocracy. Conformity with technical concerns has tended to take

⁴ A detailed examination of the issues related to public policy management in Sri Lanka would be found in: Wanasinghe, Shelton and Harshitha Gunaratna – “Enhancing the Effectiveness of Public Policy Management: The Challenges for Sri Lanka” – Institute of Policy Studies, Colombo, October 1996.

⁵ These include not only the Janasaviya and the Samurdhi programmes but also major programmatic interventions such as the colonization and resettlement schemes that were linked to the construction or restoration of major irrigation systems.

⁶ Over the recent past, the practice has evolved of the poor citizens taking to public protest when they are driven beyond their patience with the outcomes of the lacuna in policies and their implementation. These, however, have negative dysfunctional fallouts in the contribution they make to strengthening the hands of societal forces that seek to destabilise the society, the economy and the polity.

precedence over response to ground realities. Compliance with technical concerns has become increasingly important to gain peer acceptance and international validation. The process of policy management – in all its stages – has, as a result tended to be Centre-driven. This approach has not left space for the input of policy initiatives from sub-national levels of the polity –both the community and the regional levels. Nor was there a role for these sub-national levels in the stage of policy analysis.

Added to this has been the absence of an adequate participation of the civil society in public policy management – whether at the stage of policy initiation, of policy analysis and of policy selection as well as in the implementation of the selected policies. This has meant that the concerns of the poor have not adequately figured in the formulation and implementation of trans-sectoral and sectoral public policies.

A critical lacuna has been the absence of an appropriately authoritative position at the level of the political executive for co-ordinating public policy management in terms of the requirements of poverty reduction.⁷ The general pattern has been that responsibilities for the different policy elements that have a bearing on poverty reduction have been diffused amongst a plethora of ministries⁸ – each pursuing its own unique agenda with little, if any, reference to the goals and objectives of poverty reduction.

The inadequacy of appropriately trained cadres has been a further drawback to effective public policy management. Given the importance that should figure in regard to poverty reduction in the public policy management arena, it would have been realistic to expect that there would be carefully designed efforts to provide training and capacity enhancement – with specific emphasis on poverty reduction - for cadres that are engaged in public policy management.⁹ The reality is that no such efforts exist –contributing to a poor quality in public policy management in general as well as it relates to poverty reduction.

Overarching all the inadequacies discussed above has been the increasing tendency on the part of public policy managers¹⁰ to view policy and strategy options from narrow partisan political perspectives of the government in office at the specific point of time. These, sometimes, have tended to take on even considerations of personal advantage of individual politicians. The decline has been such that a neutral and professional approach to policy management has failed to take root. It has not been uncommon, for instance, to observe changes in public policies occurring not only with changes in the political groups that exercise executive political authority but even with changes of individuals within the same group holding ministerial responsibility for specific sectors and sub-sectors. The sectors that are relevant to poverty reduction have not been exceptions to this trend.

⁷ An exception was the period of implementation of the Janasaviya Programme. During this episode R.Premadasa, both as Prime Minister and later as President, assumed personal responsibility for the direction of the Programme. However, this has to be viewed in the context of the multiplicity of responsibilities that are inherent in the office of the Executive Presidency – a situation the correction of which needed the remarkable fund of concentrated energy that Premadasa, himself, appears to have possessed. One negative fallout of this specific and unique episode was the absence of effective institutional arrangements to continue with the co-ordination role after the demise of Premadasa.

⁸ It has been the post-Independence experience of Sri Lanka that, with the expansion of the size of the legislature and the increasing trend towards coalition governments, the size of Cabinets has tended to grow exponentially after each election to the Parliament. In each such episode of expansion of the size of the Cabinet, the distribution of policy and functional responsibilities has lacked consistency and rationale. The guiding considerations have tended to be short-term political concerns.

⁹ These would include cadres related to policy formulation as well as implementation and deployed at all levels of the policy management structure – local, intermediate and central.

¹⁰ This would include both the political policy managers as well as the techno-administrative cadres.

In the view of this discussion, the core approach to poverty reduction lies in ensuring that the outcomes of economic growth are concurrently translated into the inputs required for poverty reduction,¹¹ starting with reducing the levels of extreme poverty – both across the population as well as in specific pockets of the population. The designing of such inputs – in the form of policy interventions - has implications for public policy analysis and for policy implementation. More than any other aspect of policy management, what comes to the fore is the critical role of trans-sectoral policy co-ordination – with the focus of such co-ordination being directly on poverty reduction.

Exercises in poverty reduction in Sri Lanka should, if they are to be realistic, continuously recognise the need to work within a framework of the continued modernisation of the economy. This is necessary to ensure that the Sri Lankan economy keeps pace both with global developments as well as with challenges that arise from competitors. Public policy management, if it is to be realistic, should operate within this framework – requiring a high level of innovative policy formulation.

For example, it needs to be recognised that the age structure of the cohorts of the poor has changed over time. The predominance of the young within the cohorts of the poor signals different expectations than existed in the past, entailing radically different strategies for poverty reduction than those in vogue three to four decades previously.¹² These changed strategies, in their selection and formulation, pose serious challenges for policy management.¹³

What flows from the preceding discussion is that, in the medium term in Sri Lanka, poverty reduction should be at the core of public policy management – whether the specific policies be fiscal or monetary policies; development assistance negotiations; education and health sector policies; science and technology policies, infrastructure policies etc. This implies that when and as sector and sub-sector policies are in the analysis phase of their formulation, the extent of their direct and indirect impact on and relevance to poverty reduction should constitute a benchmark against which the policy options are evaluated.

Two other issues need to be discussed here.

One concerns the manner in which policy development is approached in Sri Lankan governance. The prevalent culture is for policy development to be regarded as an activity that should be restricted to elements in the bureaucratic technocracy.¹⁴ There is no space for inputs from the citizens and their organizations or from groups of the academia in the policy formulation process.

¹¹ For example, the expenditure of the enhanced government revenues that would accrue from economic growth needs to be planned in such manner that such expenditure directly contributes to poverty reduction across the population as well as in selected pockets of population. This would include investments in education that would lead to the enhancement of workforce skills, in improvement of health that would contribute to enhanced productivity, in physical infrastructure that would contribute to poverty reduction. Such investments have to be targeted not only at selected strategies but also towards specific areas of the country that have been historically deprived. The pursuit of such objectives has implications both for revenue policies and for expenditure planning.

¹² The change in the age structure requires the future poverty reduction strategies to move away, for example, from the provision of support to subsistence agriculture. In the case of agriculture sector strategies the emphasis would need to be on a move to commercial agriculture. This move would call for strategies for improving the terms of engagement between the sub-sectors of production, of processing and of marketing. It would also call for strategies to cope with the exit of the population cohorts that, hitherto, had been engaged in subsistence agriculture – through investments in skill development and the setting up of alternative avenues of employment in the industrial and service sectors.

¹³ A major challenge that arises, in the view of this discussion, is the effecting of changes in mindsets of policy managers.

¹⁴ An increasing phenomenon has been the involvement of non-nationals – whether as individuals or as inputs from multilateral and bilateral aid providers – in the policy formulation process. The increasing predilection, as a result, for universal solutions to be applied in the policy development process runs counter to the consideration of Sri Lankan realities as regards poverty reduction in the development of policies.

The second issue relates to the manner in which public policy options are developed. They tend to be developed separately concerning each sector or sub-sector issue. There is hardly any reference to the impact of different sector or sub-sector specific policy options on other sectors or sub-sectors. Proposals for policy initiatives reach the Cabinet of Ministers as discrete sectoral, or even sub-sectoral, proposals. They are not, as a general practice, subjected to analysis in the context of poverty reduction even at the stage when members of the Cabinet are expected to review them.

It, therefore, follows that there is no opportunity in the policy development processes that obtain today for any assessment of the impact of any proposed sectoral or sub-sectoral policy option on the objective of poverty reduction.

As a result, the policies and strategies tend to be formulated as universal responses to poverty reduction. Such universal prescriptions are, more often than not, the outcome of advice proffered by donor sources – both multilateral and bilateral – as integral constituents of agendas for furthering Sri Lanka's development. Given the background of the institutions that proffer such advice and their personnel, it would be clear that what would be forthcoming would be such universal prescriptions. It could, nevertheless, be expected that, in the interchange with such sources of advice, those who participate therein on behalf of the poor of Sri Lanka would inject the Sri Lankan realities into the interactive process. However, increasingly, such appears not to be the case.

Similarly, the interventions that flow from such universal prescriptions have tended to be of a universalistic pattern – with little or no reference to the specific situations in the different local communities. The result has been that, more often than not, the interventions have been irrelevant and have proved to be ineffective.

It is, therefore, the view of this discussion that the interventions for reduction of poverty must emerge from a carefully orchestrated combination of macro policies and strategies with location specific interventions that would translate their outcomes into progressive reduction of poverty at the targeted local community levels. The former would provide the enabling framework for the designing and implementation of the latter. It, therefore, follows that the formulation and implementation of macro policies and the designing and implementation of micro level interventions must proceed in tandem – with continuous interaction between the two processes. It is also critical that the impact of the macro policies on poverty reduction should be continuously monitored and evaluated – with appropriate modifications thereto to enhance their impact on the goal of poverty reduction.

It is also the view of this discussion that there needs to be continued interaction as between the twin activities of macro policy management and of the management of location-specific interventions. This interaction should encompass their formulation and implementation as well as their monitoring and evaluation. More often than not, Sri Lanka has failed to appreciate this critical factor. What enriches the interaction is the reality that whilst the formulation of macro policies draws its signals from global and national imperatives, the formulation of micro interventions should draw its signals from the ground situations as they exist in the respective local communities. These ground realities – as they relate to economic conditions, social conditions, development potentials, community organisation etc. - in the different local communities in Sri Lanka vary considerably. Hence the futility of seeking to apply universal interventions across the country.

A major gap in the exercises in poverty reduction that were undertaken in the past has, in the view of this discussion, been the failure to institutionalize such interaction. The formulation and implementation of macro policies and of local community specific interventions have tended to proceed on parallel paths

– to the detriment of both. The macro policies have failed to contribute directly to achieving poverty reduction whilst the micro interventions have failed to draw the optimal advantages from the outputs of the micro policies.

3. Poverty Reduction and Policy Implementation

The phase of policy implementation constitutes a critical phase in the public policy management process. However critical it may be, the phase of policy implementation is one that has not received the due attention of policy managers in Sri Lanka. The experience of nearly six decades indicates that – except in rare instances – the general tendency on the part of public policy managers is to ignore the demands for detailed attention that are inherent in the implementation stage. It is not uncommon to find that the mere announcement of a policy measure at the level of political executives – and its repeated reiteration by the senior administrative cadres - is assumed to have ensured the effective implementation of such a policy pronouncement. It is much later down the road that recognition sets in that promise has not been followed by performance.

Public policies and strategies that have been announced from time to time concerning poverty reduction have not been an exception to the above normative situation. The situation concerning policy management in regard to poverty reduction assumes an even more complex character – in that the relevant policies and strategies constitute an inter-related package that comprises policy elements that lie in the domain of different sector ministries and agencies. These, as would already be seen from the preceding discussion, cover a wide range of public policies – ranging across policies in the areas of investment, external and internal trade, infrastructure, health and nutrition, education and skill development, agriculture, industrial development, and the expansion of tourism amongst others. Given this context, implementation management assumes an even more critical role.

It is at the stage of implementation of such sectoral and trans-sectoral policies that their real impact on poverty reduction could be assessed and on-course modifications could be introduced to them in order to ensure that they are continuously brought in line with the requirements of poverty reduction. Thus, all such development policies and strategies need to be evaluated – continuously throughout the stage of their implementation – within a contextual framework of poverty reduction. The objective of such evaluation is to ensure their continuous modification to serve the goals and targets of poverty reduction. The structures and processes of public policy management that currently obtain in Sri Lanka neither encourage nor facilitate such evaluation.

It is recognized that poverty in Sri Lanka is predominantly a rural phenomenon¹⁵ - with a higher incidence and a higher intensity. This high level of rural poverty occurs in the context of the reality of the changes, over the years, of the expectations of the rural youth in regard to their employment preferences. Hence, the formulation of poverty reduction related development policies and strategies and their implementation should seek to focus on the provision of employment in the modern sector to the rural areas. Such rural-focussed policy packages should explore a wide range of different policy elements. These would include such areas as the provision of the necessary incentives for the location of modern industrial and service activities in rural areas; the provision of the required infrastructure for such a shift; the skill enhancement of the rural workforce through dedicated skill upgrading programmes; the availability of credit facilities for effecting such location shifts etc.

¹⁵ The available data points to the predominance of the poor in rural areas – with a percentage of 27 (on the lower poverty line) and 41 (on the higher poverty line) poor in the rural areas as against a corresponding percentage of 15 and 25 in urban areas.

Not only would the packages of policy elements such as the above need to be addressed in tandem but also addressed, more specially, within spatial frameworks. Hence, the sub-national spatial levels such as the provinces and local authority areas assume a critical role in the translation of macro policies into sub-national components, in co-ordinating their implementation at these sub-national levels, in evaluating their impact during such implementation and in modifying them for better and more relevant impact. However, the sub-national areas do not have effective institutional arrangements or relevant personnel for this purpose. This, therefore, is another critical gap that needs to be filled.

It would be clear from the preceding discussion that the stage of policy implementation provides the most appropriate stage for the continuous task of adaptation and of modification of policies that relate to poverty reduction. As discussed above, such modifications – if they are to have appropriate impact – need to be placed within spatial contexts. It is at this stage that the varied impact of different sectoral and trans-sectoral policies and strategies can, most clearly, be observed and modifications effected.¹⁶

It has to be recognized that the effecting of post-enunciation modifications to policies and strategies – at the stage of their implementation – entails a range of problems and difficulties.

- Such modifications can evoke resistance from elements in the bureaucracy that have, meanwhile, developed vested interests in the ongoing policies and strategies as well as in their supporting structures and processes.
- They run the risk of being held out by opposing political groups as evidence of policy failures. Given the political culture that is prevalent in Sri Lanka, this is a continuous danger – particularly at times of political contests.
- They can, unless appropriately and sensitively handled, bring personal unpopularity to the senior rungs of policy managers – particularly to those holding political office.
- Unless policy modifications and their implementation are carefully planned, they can result in delayed implementation of the policy agendas that have been announced and promised. Such delays would disappoint public dissatisfaction and would trigger public discontent.

Hence, the careful planning of and the subsequent implementation monitoring of the policy changes and reforms, themselves, becomes critical.

The preceding discussion underlines the critical role of the implementation phase in ensuring the success of public policy management in relation to poverty reduction. Particularly critical would be the continuous evaluation of policies, strategies and interventions in the implementation stage. Such a continuous process of evaluation and modification of development policies and strategies, as well as their sequential interventions, during their implementation would require appropriate institutional arrangements that flow from the implementation level to the level at which policies are decided upon.

¹⁶ The Sri Lankan experience of the post-Independence half-century provides evidence that macro level policies and strategies differ in regard to the results achieved through their implementation in different local areas. This is a consequence of the varying social and economic conditions of each local area. Hence, policy and strategy modifications become necessary in response to differential outcomes during implementation.

The institutional arrangements for policy implementation and their underpinning processes should be such that:

- They enable optimal and effective horizontal and vertical co-ordination in regard to the actual implementation of policies and strategies by the different sectoral agencies;
- They facilitate the continuous monitoring, with the participation of the beneficiaries, of progress in the implementation of strategies and interventions;
- They are adequately and appropriately flexible such that the modifications that are required therein could be effected continuously;
- They provide for the active participation of the poor in the implementation activities as well as in the monitoring of impact and consequent modifications; and
- They function as effective conduits for the clear vertical transmission of the outcomes of the implementation of policies, strategies and programmes – whether they are positive or negative – from the implementation levels to the higher policy levels.

4. Accountability and Transparency

A critical element in any programme of interventions for poverty reduction would be the availability of effective structural and process arrangements for ensuring appropriate accountability and transparency in the formulation and implementation of the components of the programme.

The degree of support and participation of the poor on whose behalf such interventions are programmed and implemented would depend on the extent of their comprehension of such interventions and their consensual agreement with them. The level of transparency in the formulation and implementation of these interventions is, obviously, a condition precedent to such comprehension and agreement. The poor on whose behalf the interventions are selected would wish to know why specific interventions - and not others – are being selected. Else they would lose confidence and interest in them.

The sustainability of any programme of interventions is enhanced by the level of perception by its beneficiaries that those responsible for its implementation observe optimal accountability in regard to the decisions that are made and the progress of their implementation. The absence of accountability leaves the targeted beneficiaries in confusion – contributing to deep suspicion of the integrity of programme management.

Hence, transparency and accountability are, both, essential for the effective management of policies, programmes and interventions.

The prevalent situation in Sri Lanka is, however, quite different. Accountability and transparency have not been particularly strong features in the area of post-Independence governance in Sri Lanka. The country inherited a system of administration from the colonial regime that stressed the importance of observing secrecy in processes of governance. It is not a matter of surprise that the post-colonial political office holders found the continuance of the emphasis on secrecy in the political culture to be to their personal advantage. Consequently, the processes of making of policy decisions and of implementing them have remained as areas of governance that lack adequate and appropriate levels of transparency and accountability.

The outcome of the colonial inheritance is that the right of citizens to optimal information failed to become an underlying principle in Sri Lankan governance. The articulation, by civil society organisations, of such a right and their advocacy for the creation of institutions and processes to ensure that it becomes a reality is of very recent origin.¹⁷ It is a process that has a long road ahead to become an integral element of Sri Lankan governance.

It is in this context that the issue of ensuring transparency and accountability in the policies, strategies, programmes and interventions for poverty reduction has to be addressed.

Accountability would be effective to the extent that it is based on transparency. In the case of poverty reduction such transparency extends to:

- The strategies that are formulated for poverty reduction from time to time;
- The specific interventions that are planned for designated local areas;
- The progress of the implementation of each such specific intervention; and
- The outcomes of the specific interventions as well as of the strategies of which they form constituents.

Thus, the scope of the transparency requirements covers the policies and strategies as well as their constituent interventions. This implies that transparency and accountability lie at all three levels of the polity – the Local Community, the Regions and the Centre.

Transparency and accountability in the case of policy and strategy management would be necessary both at the level of the Centre as well as at the Regional level. It is the view of this discussion that macro policies and strategies that are designed to reduce poverty across the country – if they are to be realistic – would need to be specifically adapted for each region and sub-region – depending on the varying contexts of each such region and sub-region.¹⁸ In regard to the national policies and strategies, transparency and accountability should exist at the Centre. In regard to their specific adaptations for each region and sub-region, transparency and accountability should exist at the level of the Provincial Councils. In the case of community specific interventions, transparency and accountability would be necessary at the level of the governance institutions of the local communities.¹⁹

Hence, any programme for poverty reduction would require the constitution of a network of transparency and accountability arrangements. Such a network would entail the use of a multiple of institutions.

- The representative institutions of the polity at each of the three levels – including the Parliament and its arrangement of Committees, the Provincial Councils and their arrangements of committees and the Local Government Institutions – would constitute one such group of institutions.
- The organizations of the civil society²⁰ at the same three levels would constitute a second group.
- A critical third group would be dedicated organizations of the poor at the level of the local community at which the specific interventions are programmed and delivered.

¹⁷ There is, for example, as yet no legislation in Sri Lanka that confers on the citizens the right to information.

¹⁸ It is equally relevant to conceive of the national policies and strategies being derived from the agglomeration of region-specific strategies.

¹⁹ These would be the Municipal Councils, the Urban Councils and the Pradeshiya Sabhas.

²⁰ The civil society organizations would include a multiplicity of activity areas – such as the media, social development activities, religious activities, environment-related activities, human rights activities etc.

A transparency and accountability network cannot function effectively in a vacuum. It requires several supporting measures for ensuring its effectiveness.

A supportive measure in the case of the arrangements at the level of the Parliament at the Centre and of the Provincial Councils, would be the mandating of the due submission of comprehensive information regarding new policy and strategy initiatives prior to their finalization as a responsibility of the respective political executives – the Cabinet of Ministers at the Centre and the Provincial Boards of Ministers. The information thus submitted should include the details of the policies, strategies and programmes, the reasons for each of them, the expected outcomes in each case as well as the time frame for implementation. Equally important, as a supportive measure, is the publication of periodic reports on the progress and impact of the implementation of each policy, strategy and programme that are adopted.

An equally important support measure is for the public to have full access to information concerning the discussions in these forums. Whilst there is some measure of publicity concerning the discussions in the Parliament itself, there is inadequate information regarding the discussions in its Committees as well as the discussions in the Provincial Councils and their Committees. At both these levels, there are no institutional or process arrangements for participation by organizations of the civil society in the discussion and decision making process. There is no opportunity for citizens or civil society groups to assess policy proposals at either of these levels in terms of the impact on poverty reduction that is claimed for them.

It follows, therefore, that the inappropriateness of policies and strategies in terms of achieving poverty reduction is discovered only as their implementation proceeds. It is at this stage that citizen dissatisfaction rises to the surface. Then occurs a scramble to make ad hoc changes to the policies in order to contain the dissatisfaction of the citizens. More often than not such ad hoc attempts do not succeed and the country is left with another failed policy episode.²¹

Whilst it could be expected that – given the local nature of the issues that are dealt with by Local Government Institutions – the public at the community level would have an intimate knowledge concerning the decisions on developmental issues, the reverse is the reality in Sri Lanka. The citizens in a community have little or no knowledge as to the decisions that are made by their respective Local Government Institution or the reasons for such decisions. They are ignorant of the impact of the decisions that are made on the prospects of the reduction of poverty in their communities.

It is also the reality that, generally, Local Government Institutions are not, necessarily, focused on poverty reduction as one of their key responsibilities. The statutory framework within which the Local Government Institutions currently function is derived from antecedents wherein these institutions were considered as being responsible only for the provision of a minimal group of public services²² that were relevant to the daily life of the community. Hence, they have failed to consider the impact of their actions on poverty reduction. The correction of this situation calls for changes in the mandates and the legal frameworks as well as the mindsets of the Local Government Institutions. Such a change of mandates, legal frameworks and mindsets can best come about through pressure applied by civil society groups at the local community levels.

²¹ Of course, every attempt is made to brush such episodes of policy failures under the carpet. Given the short attention span of the country's media, this is not an overly difficult task.

²² These public goods and services related to activities such as solid waste management, local roads, public health etc.

5. The Poor As Partners

Throughout the post-Independence decades, the formulation and implementation of policies, strategies and interventions has been an activity that has been exclusively confined to structures of the polity and of the bureaucracy and the personnel in such structures.²³ Poverty reduction has not been an exception to this procedure. The active participation of the poor - for whom public policies, strategies and interventions that are directed towards the objective of poverty reduction are formulated and implemented - has been minimal.²⁴ They have, in the main, tended to remain as bystanders on the periphery.

The absence of the participation of the poor in the designing of policies, strategies and interventions and in their implementation as well as in progress and impact monitoring has contributed to several negative outcomes.

A significant negative outcome has been the failure of such poverty reduction related policies and strategies as well as the interventions that flow from them to be specifically relevant to the varying contextual situations of poverty in the different sub-national and local areas. The absence of inputs from the poor in the different local areas has, instead, led to the imposition of universal strategies and interventions for poverty reduction without their being measured against the existing realities.²⁵ The result has been low outputs from such strategies and interventions.

Another major negative outcome has been the absence of a sense of ownership on the part of the poor of the programmatic interventions that are designed from time to time as well as in the manner of their implementation. More often than not, the poor tend to regard these interventions as part of a government agenda in which they do not have a direct stake. The fact that these interventions are articulated as well as programmed and implemented by political and bureaucratic functionaries of the government in office at a given time reinforces this detached attitude. If the interventions succeed, the poor would be happy. If they do not, the poor would regard such failure as a failure of a government project and not as something that they have had a share in.

The non-participation of the poor in the designing and implementation of programmatic interventions has also contributed to an absence of a strong accountability nexus between the formulating and implementing agencies and the poor for whom such policies, strategies and interventions are designed and implemented. The prevalent governance culture in Sri Lanka has meant that the implementing structures and their cadres consider their accountability as being to their superiors within the politico-administrative system and not to the poor. The poor tend to be regarded as merely being beneficiaries of the activity. As such, neither the bureaucracy nor the political cadres who oversee them perceive of any direct accountability on their part to the poor – individually or as groups.

Given the above context, it is the view of this discussion that – if there is to be effective formulation of programmatic interventions as well as their successful implementation – the continuing participation of

²³ Until the enactment, in 1987, of the Thirteenth Amendment to the current Constitution, such structures and personnel were all within the jurisdictional framework of the Central Government. The constitutional changes of 1987 introduce a devolutionary tier at the Provincial Level. The devolved structures have, however, not, in reality, been provided the authority, resources and space to function effectively as envisaged in the Thirteenth Amendment.

²⁴ There was, at times, an exception to this approach at certain stages of the Janasaviya Programme in which attempts were made to involve the poor in the formulation and implementation of interventions at the level of local communities.

²⁵ This negative trend has been even more prevalent due to the cadres who manage strategies and interventions belonging to nation-wide cadres who, because of their short tenures in a local area, fail to acquire the local knowledge that would enable them to respond to local realities.

the poor at all stages of formulation, implementation and evaluation is an essential condition. It is recognized that – whilst this is an ideal to be aimed at – the organization of the participation of the poor in these several stages of the programme management process faces difficulties. These need to be recognized and addressed.

These difficulties include the following:

- The weaknesses of the poor in self-organization to enable them to become effective partners in programme formulation, implementation and evaluation and the inadequate capacity levels of the poor even where they are organized;
- The reluctance of the governmental cadres involved in poverty reduction – whether they be political cadres or administrative cadres – to interact with the organized poor as equal partners; and
- The lack of organizations of the poor at the levels at which programmatic decisions are made.²⁶

Approaches to overcome these constraints have, therefore, obviously, to be devised.

One possible approach, in the view of this discussion, is to, selectively, seek the assistance of existing Civil Society Organizations to assist in organizing the poor for participation in poverty reduction exercises. They could, in the interim, also act on behalf of the poor in their interface with the political and administrative cadres. It is the view of this discussion that there already are several Civil Society Organizations that could assist in this task.²⁷ What is, however, important is to plan to use these Civil Society Organizations as interim participants and not as a substitute for the locale-specific organizations of the poor that must – sooner than later – assume the role of partners in the formulation, implementation and evaluation of poverty reduction interventions.

A major task for the Civil Society Organizations that assume the interim responsibility of partnership in policy and intervention management is that of the capacity building of the groups of the poor so that the latter can effectively assume the partnership role. Capacity building should not be limited to the organized poor being active only at the local community level. It should train them to assume the partnership role at levels that are higher – up to the national level. Viewed thus, capacity building for networking at these different levels becomes a key input in the training and capacity building effort.

It is necessary at this point to underline the importance of the organized poor maintaining their independence and autonomy of action – if they are to be effective partners. This discussion would, therefore, caution against the co-option of partners from amongst the poor by the political and administrative cadres that are deployed for implementing programmatic interventions for poverty reduction.²⁸

6. The Institutional Underpinning

The preceding discussions have underlined repetitive failures in previous episodes of poverty reduction. The repeated dedication and re-dedication of successive governments to poverty reduction exemplified

²⁶ These would include all levels other than the community level – namely the Pradeshiya level, Administrative District level, the Provincial level and the National level.

²⁷ Spread throughout the country would be the networks of Sarvodaya Organizations and of the SANASA Co-operative organizations. Additionally are to be found networks of Women's Organizations and clusters of relief and rehabilitation organizations in limited areas of the country.

²⁸ This has not been an uncommon feature in previous programmes such as the Janasaviya and Samurahi programmes.

in these episodes have remained mere platitudes that lulled the citizens to short-lived complacency. They, therefore, need to be corrected. The correction of these failures, however, entails the hard task of the review of the existing institutional underpinning and the designing and setting in place of new and relevant institutional structures and processes.

A central issue to be addressed in undertaking this exercise is that of the nature of the new institutional underpinning for poverty reduction. The future institutional underpinning, in the view of this discussion, should provide for an integrated process of policy management and strategy planning as well as of intervention designing and implementation. Such an integrated process – as well as its institutional and process support – should be open and beneficiary-participatory. The institutional structures should be appropriately flexible so as to respond rapidly to contextual changes.

The currently available and utilized institutional structures and processes for the above tasks tend to be bureaucracies that are set in narrow partisan political frameworks.²⁹ They do not facilitate inter-sectoral co-ordination of the management of policies, strategies and interventions.

Beneficiary participation in the existing institutional structures and processes has tended to be of a token nature. At best, the poor citizens have had, passively, to express assent to policies, strategies and interventions that have already been formulated by the bureaucracy - based on technical considerations.³⁰ The result, as already underlined, has been that the poor, in all these exercises, have not acquired a sense of ownership in the policies, strategies and interventions. They have, instead, been passive participants, rather than active partners, in their implementation. When the results that were promised have failed to flow, the poor have tended to regard it as the failure of another “government activity” – not as the failure of an initiative that was planned, owned and implemented by them.

The flexibility of the institutional structures and processes is an equally critical factor. The nature and context of poverty is in continuous change – influenced by factors in the international and national economic and social environment. Policy and strategy prescriptions that may have been relevant in the contextual situation of some previous point in the post-Independence history of Sri Lanka would very well be found to be counter-productive at later periods. It is natural for typologies of interventions that had their relevance in different economic and social contexts to become ineffective as contextual changes occur. This implies that there needs to be a continuous search for fresh policy and strategy prescriptions and consequential programmatic interventions.³¹

The search for such fresh policies and strategies would be facilitated by the availability of relevant institutional structures and processes that have optimal flexibility to probe new policy, strategy and intervention options – unburdened by a historical policy baggage.

Sri Lanka’s public institutional network has had a major negative feature. It is that the constituent institutions of the network have had a tendency to assume permanency. New institutional structures are hardly ever designed to serve specific new policy purposes. Neither is action taken to terminate institutional structures that no longer serve a policy purpose. Instead, attempts are made to use old structures and

²⁹ Despite the claims that are made otherwise, this holds good for the situation that existed during the Janasaviya Programme as well as that which has obtained in the case of the Samurdhi Programme.

³⁰ Given the unequal relationships on which such consultative processes have been based, this is not a surprise.

³¹ For example, the shift from a public sector dominant economy to a market-based economy as occurred in the 1980s has implications for the policies, strategies and interventions that are formulated and implemented for poverty reduction.

processes to serve new and changed policy contexts – even without an examination of their relevance and appropriateness to the new context.

Hence, a continuous examination of the institutional structures and processes for policy and strategy management at the levels of the Centre and the Province as well as for the formulation and implementation of interventions at the level of the local community - wherein the issues of poverty reduction have to be specifically addressed - is a pre-requisite for effective poverty reduction.

Such a re-examination of institutional structures and processes needs to be carried out in respect of a network of institutions.

- The Government should carry on this re-examination in respect of institutions of the polity at all the three levels of governance – the Centre, the Province and the Local Community.
- Similarly, the Government should review the corresponding administrative institutions at the same three levels.
- The organizations and institutions of the Civil Society should, similarly, review their own structures and processes, in the context of the changes in policies, strategies and interventions.

In examining institutional structures and processes, continuous attention should be paid to the effectiveness of the inter-relationships as amongst these institutions. As already stated, this is equally important in the review of the institutional underpinning for poverty reduction.

The social and political changes that have occurred in Sri Lanka also have a direct bearing on the institutional arrangements that are required for the management of an agenda for poverty reduction. Such institutional arrangements should enable the citizens – more specifically the poor – to participate in the formulation of and to agree upon the policies, strategies and interventions that are related to poverty reduction.³² If participation is to be realistic and effective, it has to be at all levels of the governance structure – at the level of the local community, at the intermediate or provincial level as well as at the macro level. Such participatory arrangements or processes do not exist today and would need to be designed and set in place.

In Sri Lanka, poverty reduction has, unfortunately, tended to be approached as the task of a single ministry or agency of the government at the Centre. The result has been the treatment of poverty reduction as a discrete programme or project of the Centre. The provincial and local levels of governance do not, necessarily, figure in decision-making or in implementation.³³ They view what happens in their respective areas as external intrusions concerning which they have no specific responsibility and in respect of which they need not provide any inputs. This could be seen in both recent exercises in poverty reduction – the Janasaviya Programme and the Samurdhi Programme – despite claims to the contrary.

The current situation as regards the approach to poverty reduction and the institutional underpinning on which the approach is based run counter to the effectiveness of the effort. The adverse effects are several. The approach denies ownership to the poor citizens of the programmes and interventions. This absence

³² This would be in contrast to the formulation of strategies and interventions concerning poverty reduction interventions such as land resettlement, the provision of subsidized food etc. that occurred in the early post-Independence years. The expectations in regard to participation on the part of the citizens on matters that affect them directly has, since those years, undergone a sea change.

³³ Interestingly, the publicity activities that are related to poverty reduction exercises tend generally to reflect the role of the Centre therein. Seldom are the roles and contributions of the provincial and local levels of governance acknowledged.

of ownership contributes to low sustainability of the policies, strategies and interventions. The absence of local level participation tempts policy managers to operate within a framework of universal policy prescriptions – without due heed being paid to the many local specifics that impact on the poverty situation in different local areas.

It is, therefore, the view of this discussion that the effective formulation and implementation of policies, strategies and interventions concerning poverty reduction calls for a specifically designed institutional underpinning. The future institutional network cuts across the institutions of the polity, administrative structures and organizations of the civil society. The changes necessary in each of these areas would be discussed separately in the discussions that follow.

The Polity

The institutions of the polity need to be reviewed at all its three levels – the Centre, the Provinces and the Local Government Institutions.

In the case of the Centre, the political executive should provide structures and processes that provide for a continuous poverty reduction focussed interaction amongst ‘sectoral interests’ within the activity of policy management. This calls for:

- A Cabinet that comprises of a small team of Ministries³⁴ with clearly defined responsibilities³⁵ for specific sectoral and trans-sectoral concerns;
- A senior Minister at the level of the Deputy Head of the Cabinet of Ministers who would carry specific responsibility for policy co-ordination in regard to poverty reduction;
- The vesting of responsibility and accountability on such Deputy Head of Cabinet for review of sectoral policies that are proposed by sectoral ministries in terms of their appropriateness in terms of the goals and objectives of poverty reduction;
- The constitution of a Committee of the Cabinet of Ministers for continuous review of the progress towards poverty reduction;³⁶

It is the view of this discussion that the Parliament at the Centre should have a representative Committee whose attention is dedicated to Poverty Reduction. This Committee of the Parliament should receive and review the progress reports from the Cabinet of Ministers on progress on and issues related to poverty reduction.³⁷ Such reviews should proceed on the basis that policies, strategies and interventions directed towards poverty reduction must, necessarily, be open to change. The task of the Committee would, therefore, be to contribute towards that process of change – not to be negatively critical but to be positively co-operative in policy management.³⁸ Towards this end the Committee should focus on understanding the lags in poverty reduction – particularly in terms of the spatial inequalities in poverty

³⁴ In the view of this discussion, such a team, the principal responsibility of which would be restricted to the management of macro level policies, should be limited to no more than twelve ministries.

³⁵ Sri Lanka has, particularly in the latter decades of the post-Independence period, created ministries with ill-defined and overlapping responsibilities – giving preference to political expediency over rational policy management.

³⁶ This calls for the advanced setting of benchmarks for poverty reduction.

³⁷ This discussion holds the general view that Committees of Parliament should focus on issues rather than sectors – e.g., Poverty Reduction; Human Rights; Integrity in Public Life etc.

³⁸ This discussion recognizes that, given the confrontational political culture in Sri Lanka, the changes in mindsets that are required in order to achieve this end would be extremely difficult.

reduction - on policy reforms that are required to further poverty reduction, and on the strategies that must be pursued in each sector in order to achieve poverty reduction.

It is, in the view of this discussion, significant that poverty reduction does not figure in the institutional arrangements of the polity at the Provincial level. Thus, the members of the Boards of Ministers at this level proceed with their sector-based activities without any specific and detailed concern as to the contribution that they make to poverty reduction in the respective Provinces.³⁹ Given the spatial character of poverty – in terms of its nature, severity and spread - the issue of poverty reduction should be a core responsibility of governance at the Provincial level. For this purpose, the institutional underpinning for the discharge of this responsibility has to be set in place.

Some of the key steps towards this are identified below.

- The issue of poverty reduction should be recognized as a focal responsibility of each Provincial Council.
- The function should, given its importance, be recognized and assigned as a responsibility to the Chief Minister. He/she should also have responsibility for the activity of planning – which would have poverty reduction as its focus.
- The Boards of Ministers should be required to appraise all policies, strategies and projects in terms of their impact on poverty reduction – prior to their approval.⁴⁰
- It should be mandatory for the Board of Ministers to present a six-monthly progress review on poverty reduction in the Province to the Provincial Council. This progress review should be discussed by the Council⁴¹ – sitting as a Committee on Poverty Reduction – with a view to providing advice and suggestions to the Chief Minister and the Board of Ministers on policy modifications as well as new initiatives.

The Local Government Institutions⁴² constitute the institutions of the polity at the level of the local community. These institutions have, however, not figured to any significant degree in all the previous exercises that have been undertaken with the objective of poverty reduction. From their origin, they have been focussed on matters concerning public sanitation, the maintenance of local roads and related infrastructure, provision of water and sanitation facilities and other related areas of activity.⁴³ Thus, there are no effective arrangements within the polity at the level of the local community for the provision of support to exercises in poverty reduction.

The outcome of the absence of such arrangements is that the formulation, the implementation and the monitoring of community level strategies for poverty reduction remains ineffective. As the earlier discussion has indicated, the specific poverty reduction strategies formulated at the local community level constitute

³⁹ The framers of the Thirteenth Amendment to the Constitution were focussed more on distribution of tasks and functions rather than on assigning of responsibility for ensuring of outcomes.

⁴⁰ In order to ensure the observance of this condition, it should be mandatory for all decisions concerning such policies, strategies and projects to carry clear statements as regards such relevance. These decisions and the reasons for them should be accessible by the public.

⁴¹ The Civil Society Organizations – particularly the organizations of the poor – that are active within the concerned Province should be invited to participate in these progress reviews.

⁴² These are the Municipal Councils in the case of the major urban centres, the Pradeshiya Sabhas in the case of the predominantly rural areas and Urban Councils in the case of the medium sized urban centres.

⁴³ The issues relating to local governance have been dealt with more fully in Wanasinghe, Shelton: "Effective Local Governance – The Foundation for a Functioning Democracy in Sri Lanka" (Institute of Policy Studies – May 1999).

a critical link in the chain of policy management for poverty reduction. The weakness of this link – leading to non-specificity in the policy and strategy framework for poverty reduction – has serious negative impacts on the total poverty reduction exercise.

Given the above context, this discussion is of the view that, if the objective of poverty reduction is to be achieved, this situation would require to be remedied.

The starting point for remedial action would be to review the range of responsibilities of local government institutions in the context of Sri Lanka's current requirements for State intervention in the social and economic life of the citizens.⁴⁴ It is the view of this discussion that, when reviewed in this context, the range of responsibilities of local government institutions would expand to encompass such areas as the provision of public goods and services that would include, amongst others, primary and secondary education and related skill development, primary and secondary curative and preventive health care, intra-local- community transport infrastructure, as well as the administration of social security.

All the elements of the expanded range of responsibilities set out above have a direct nexus with poverty reduction. This indicates that the effective discharge of these responsibilities by the local government institutions and the poverty reduction framework within which these public goods and services are delivered would have a direct bearing on the extent to which, and the pace at which, poverty reduction progresses in a given local community.

Furthermore, the local government institutions – with all their current imperfections – constitute the only set of institutions of the polity which have a direct nexus with the citizens and – given appropriate reforms – could be made to be directly accountable to the citizens in their communities.

The expansion of the range of responsibilities of local government institutions would need to be accompanied by a series of supportive measures. These would include:

- The assignment of the responsibility of the co-ordination of poverty related activities to the Chair of the Council who should be backed by an optimally representative Committee⁴⁵ of the Council – to be designated as the Committee for Poverty Reduction.
- This Committee for Poverty Reduction should co-opt as members an equal number of representatives from civil society organizations comprising the poor.
- The Committee is directly serviced by the Chief Executive of the Council⁴⁶ who should chair a Task Force on poverty reduction comprising all heads/leaders of the functional units of the Council's Secretariat.
- The Committee on Poverty Reduction (CPR) should be required to prepare a Work Plan for each calendar year that sets out the activities that directly and indirectly relate to the objective of poverty reduction. Such an annual Work Plan should clearly indicate the outcomes (specifically in relation to poverty reduction) that are expected of each activity therein, benchmarks for implementation and the person responsible for implementation. Such Work Plans should receive the widest publicity in the community - with the citizens and their civil society organizations being encouraged to analytically discuss them.

⁴⁴ This aspect of local governance has been discussed, in greater detail, in Wanasinghe, Shelton *op cit* as well as in the "Report of the Commission of Inquiry on Local Government Reforms": Sessional Paper 1 of 1999 - Government of Sri Lanka.

⁴⁵ It would be appropriate to set the size of this Committee at five members.

⁴⁶ These would be the Commissioner in the case of Municipal Councils and the Secretary in the case of the others.

- Meetings should be scheduled at which the citizens should be provided with the fullest space to question and critique the content of and progress of the Work Plan as well as its impact on poverty reduction. Such meetings – convened every Quarter - should be accessible by all citizens in the community.

Administrative Structures

The reforms that are implied above in respect of the structures and processes of the polity also have implications for administrative structures and processes. Some of these will be examined in the discussion that follows.

The need for reforms in the administrative structures and processes has to be understood in the context of the administrative culture that has evolved in post-Independence Sri Lanka. The features of the current administrative culture are briefly discussed below.

There has been a steady growth of reluctance in the post-Independence Sri Lankan administrative culture for cross-institutional collaboration in the activities of policy formulation and of policy implementation – with each administrative organization preferring to be autonomous in these areas. This trend has, to a considerable degree, received tacit approval and even encouragement, from political cadres who, at different periods of time, hold office in different sectoral organs of the political executive. The outcome of this reluctance is the continued failure of policy management to be enriched by trans-sectoral inputs and support – particularly during the latter post-Independence decades.

The prevalent administrative culture also inhibits any inclination on the part of the cadres of the administrative structures to acquire knowledge and skills beyond the levels that are adequate for survival. It has become evident to such cadres that survival depends on the nature of their relationships with the political cadres that, for the time being, hold the levers of political power. Once an administrator enters any level of activity in administrative organizations, his/her career advancement, invariably, depends on the ability to survive at that level without losing the patronage of the relevant political overlords.

Hence, survival skills are what matters today in the management rungs of Sri Lanka's administrative structures. Performance assessment does not play any meaningful role in career advancement. Potential for higher levels of performance hardly enters into consideration in effecting promotions or postings to offices of higher responsibility. Those responsible for the management of the higher levels of administrative cadres appear not to recognize that a modern administration cannot function effectively unless those detailed therein continuously enhance their capacity and knowledge.⁴⁷

These are amongst the many negative factors that have adversely affected the effectiveness of administrative cadres. Nowhere is this more evident as at the higher echelons of policy and programme management. The policy and programme management in regard to poverty reduction is no exception to this general situation.

There is no effective accountability nexus as between the administrative structures - and their personnel – and the citizens whom such structures are purported to provide services to. There are no institutional arrangements whereat implementation could be reported upon and could be critically questioned by the

⁴⁷ The reality that current tasks of governance call for specialized knowledge and skills is brushed under the carpet at decision-making levels in public sector management. Instead a 'one size fits all' approach appears to prevail.

concerned citizens. There are no sanctions for inadequate performance and delivery.⁴⁸ This common context in regard to administrative effectiveness, negatively affects the management of policies, strategies and interventions in regard to poverty reduction – both in relation to performance management as well as to effecting changes and modifications to policies, strategies and interventions in response to changes in ground realities.

Given the situation as outlined above, it is clear that Sri Lanka faces a Herculean challenge in the reform of its administrative structures and processes that underpin its progress towards poverty reduction. However, a lesson to be learnt from previous experience is that it is unrealistic to attempt reforms in a manner that is limited to specific programmes and agendas. Such limited essays in administrative reform tend to lose their momentum sooner than later.

As is clear from the discussion thus far, poverty reduction in Sri Lanka, by its very nature, involves the participation of a wide spectrum of administrative structures and their human resources.

It is, therefore, clear that any future reform exercises in administration that are directed towards poverty reduction must, necessarily, form part of an ongoing overall administrative reform exercise. It is, at the same time, important to learn lessons from the failures of recent episodes of administrative reforms to achieve the intended results. The administrative reform exercise of 1986 to 1991 followed by those of 1995 to 1996 and of 2002 to 2003 failed to deliver the expected results. Whilst the reasons for such failure are several, two key reasons stand out.

- The first of these was the absence of the required levels and quality of political will to proceed with system wide administrative reforms.
- The second was the strong vested interests both in the bureaucracy and amongst the political cadres that resisted reforms on the ground that such reforms would be to their personal and group disadvantage.

These two factors tended to combine to undermine the proposed agendas of administrative reforms.

Even given the above negative factors, this discussion considers administrative reform to be an essential precedent condition to success in any future efforts at poverty reduction. Failure to initiate effective administrative reforms would only result in announcements of poverty reduction remaining empty promises – contributing to public dissatisfaction.

Whilst limitations of space considerations in this discussion do not permit a detailed treatment of the agenda for administrative reform, it is possible to identify several critical changes in the current bases of administrative structures, processes and the related personnel that should find a place in a future reform agenda, if it is to serve an effective attempt at poverty reduction. These include:

- Setting of terminal dates for each administrative structure that is created to support elements in the programme of poverty reduction⁴⁹ - giving clear signals that there would be no permanency to such structures – based on the reality that specific exercises focussed on poverty reduction have only a time-bound relevance.

⁴⁸ Even the annual increments of salaries are not, in reality, tied to performance. They have, instead come to be regarded as a 'right' by the employees.

⁴⁹ This issue was first argued in Report No. 2 of the Administrative Reforms Committee in December 1986.

- Vesting authority for recruitment of staff to such administrative structures in the relevant organizations themselves.
- Moving away from lifetime employment to time-bound contract based employment.
- Basing personnel remuneration on performance and introducing strict performance assessment schemes.
- Providing for assessment of performance of administrative structures and their staff by citizens at the community level – with rewards and penalties being based on such assessments.

The Civil Society

The reforms in institutional structures have also implications for organizations of the civil society. This is particularly so for Non-Governmental-Organizations at the level of local communities. These Non-Governmental-Organizations at the community level need to reflect the unique realities at the level of each local community as regards specific poverty situations and the aspirations of the poor in such local communities as well as the potential of the local area in effectively implementing different interventions for poverty reduction. The genesis of such Non-Government Organizations has, therefore, to be indigenous to the specific local community – not implants based on ‘national models’ or on ‘international models’.⁵⁰

What is required are institutional structures and processes that enable the poor, at the community level, to directly participate in the planning and management of local level interventions for poverty reduction. This participation should enable them, in turn, to network at the levels at which policies and strategies are formulated and managed. These would include the level of the Administrative District, of the Province and of the Centre. It is essential, in structuring these networks, to avoid them being driven top-down⁵¹ but, instead, to ensure that the realities of the different local situations constitute the basis on which Civil Society, as a whole, seeks to influence the policies and strategies for poverty reduction as well as the discrete interventions that constitute the programme for poverty reduction.

Given the realities of the social and political structures and processes that obtain in Sri Lanka, there are several hurdles that need to be overcome in order to enable civil society organizations to become effective at the community level. These include:

- The perceived threats by the local government institutions and by the local level bureaucracy who tend to view community level non-governmental-organizations more as rivals than as partners.
- Traditional rivalries that continue within the local communities.⁵²
- Antagonism from elected representatives from local areas to the Parliament at the Centre as well as to the Provincial Councils who view community level non-government-organizations as potential rivals in gaining popularity amongst the citizens.

⁵⁰ Given the pervasive influence of international donors and the urge on the part of national civil society leaders to replicate models that are familiar to them, there has been a trend in Sri Lanka to push universal models. In many cases the trend has been to adopt an approach of national movements with branches rather than of a networking of local community level organizations.

⁵¹ A review of the history of Civil Society Organizations in Sri Lanka points to the extent to which they tend to be initiated from the country's Capital City and to be led by elite social workers from the Centre. The role of groups at the local community level appears to be one of being ‘branches’ of a network than being autonomous entities. The outcome is that they tend more to subscribe to society-wide ideological agendas than to local imperatives.

⁵² These are linked, in the main, to caste, ethnic and religious issues, as well as socio-economic status and political affiliations.

- The prevalent low levels of capacity at the levels of the local communities for identification of intervention needs, for designing appropriate interventions and for their effective implementation.

The above impeding constraints point to a critical role for extra-community assistance to the community groups in identifying their needs and in organizing themselves to meet such needs. However, this discussion would underscore several issues that need consideration in the provision of such assistance.

- The relationship between the providers of assistance and the community level organizations should be clearly designed and maintained as a partnership – not as a dependency relationship.⁵³
- The plan of assistance should specify a clearly demarcated programme for the phasing out of assistance and of the relationship itself.
- The community level organizations should not be conceived as entities of a ‘system’ or a ‘centrally driven network’. Where, for convenience of collective action at higher levels within the polity they act together, it should take the form of a federation of independent entities for common purposes rather than as an integrated network of units led from a common centre.

7. Towards A New Scenario

The preceding discussion on the changed roles of the polity, of the administrative structures and of the civil society points to a future scenario for poverty reduction that is qualitatively different from that which has obtained thus far. These differences need to be identified.

- Public policy management must recognize the reality that - given the sharp differences in the levels of poverty, as well in its nature and contributory factors, amongst the different sub-national (community) areas of the country - poverty reduction should be planned, implemented and monitored as a series of sub-national, community-based activities and not as a universal programme for the country as a whole.
- Such sub-national or community areas for the planning, implementation and monitoring of poverty reduction policies and interventions would, naturally, vary. Some may comprise an Administrative Division or the area of one Local Government Institution. Others may be an agglomeration of such Administrative Divisions or areas of Local Government Institutions.
- Whichever is the community area in which a poverty reduction effort is based, it is the institutions of the polity within such areas that should assume the responsibility for the specific poverty reduction effort. This is a reality that should be clearly understood by the citizens of each such community, who should identify those who are responsible for the success or failure of the specific poverty reduction exercises and should respond appropriately through democratic processes to such success or failure. Where the sub-national areas transcend an Administrative Division, the relevant Local Governance Institutions should set up joint institutional arrangements for the planning, implementation and monitoring of poverty reduction exercises.
- The institutions of the polity at the level of *the* Province and at the level of the Centre would have specific roles to perform in **providing support** to the activities that are planned and implemented at the community level.

⁵³ Experience indicates the ease with which such relationships deteriorate into dependency relationships – given the higher management and economic capacity of the provider sources.

- In the case of the Provincial level these would comprise the provision of enabling legislative support, the provision of financial support, and the provision of technical support for interventions as well as assistance in monitoring.
- In the case of the Centre also the same components would apply with the addition of responsibility for macro policy formulation across the sectors that would enable and support the activities at the sub-national level.

The future scenario also has implications for the organizations of the civil society. With the shift of responsibility for planning, for implementation and for monitoring to the local community level, the civil society organizations at that level should involve themselves closely in these activities – drawing substantive support, as necessary, from their counterparts at the provincial and national level for this purpose. The role of the community level civil society organizations would, in the future scenario, be significantly different. No longer should such organizations be reactive to initiatives from the bureaucracy in the designing and implementation of interventions. They should assume a proactive role. It is these organizations who should take the initiative to identify poverty reduction needs at the community level, plan appropriate interventions in response, mobilise support from political and administrative institutions for such interventions and – alongside the poor – implement them.

As critical as is the role of the civil society organizations at the community level, is their effective networking at the levels of the Province and of the Centre. This latter is essential to enable them to influence the decisions concerning the provision of resources – financial as well as technical – for the initiatives at the community level. It is equally essential in order to ensure that macro policies⁵⁴ that are decided upon at the Centre are such that they enable poverty reduction and do not create impediments to the process of poverty reduction and its component interventions. The level of the Province is the one at which strategies and programmes⁵⁵ that have a direct bearing on the process of poverty reduction and underpinning local level interventions are designed.

Historically, in post-Independence Sri Lanka the making of decisions on such macro policies as well as strategies and programmes has been the exclusive domain of those involved in institutions of the polity and of the bureaucracy that supports them. The role played by organizations of the civil society⁵⁶ has remained peripheral. The poor have remained passive recipients of the decisions that have been made for them.

This situation as regards policy development and implementation has to change if poverty reduction measures are to appropriately respond to the ground realities that have been the reasons for the existing levels of poverty in different local communities in Sri Lanka and to counter them. The processes of policy development and implementation must move from their current ivory towers and become effectively participatory. For such changes to be effective, the organizations of the civil society – both at the local community level as well as at the national and sub-national levels must equip themselves to comprehensively analyse the ground situations and to base their participation in the policy processes on such analysis.

⁵⁴ These relate to areas such as fiscal and monetary policies, policies concerning the promotion of foreign direct investments, capital investments in infrastructure, strategies for education and skill development and for health care provision.

⁵⁵ Examples of such strategies and programmes are found in relation to the availability of access to education and skill development, to access to health care, access to social security, the provision of roads and waterways, the availability of infrastructure such as power and transport etc.

⁵⁶ In this discussion, this category would also include the academic community.

8. Conclusion

The thrust of this discussion has been to draw the attention of policy makers as well as of the civil society that at the initiation of the idea of poverty reduction itself, the related governance issues need to be assessed and addressed. It would be counter productive to rush to announce agendas of poverty reduction without addressing the related governance issues. The resultant sub-optimal outcomes – if not outright failures – would only trigger social unrest.

At the same time, it needs to be recognized that governance reforms related to poverty reduction cannot be addressed in isolation. They must form an integral component of a system wide reform agenda. Given Sri Lanka's failures thus far in formulating and implementing comprehensive governance reform agendas, a successful launching of a comprehensive reform agenda can, in the view of this discussion, be a reality when the required political will is in place. Such a firm and dedicated political will would emerge when the civil society continues to demand it and would not be ready to be fobbed off.

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