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DEATH OF A STATE

K.H.J. Wijedasa

AFTER '48

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THE IDEAS MAGAZINE

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TWIN POLLS: JAFFNA, INDIA

Mervyn de Silva

"Contest, postpone or boycott: Tamil parties in a dilemma" read the banner headline in the government-owned SUNDAY OBSERVER. Postpone? Surely, that's a decision which only the Elections Commissioner could take, and the Commissioner is a public servant, no matter how independent he may wish to be. So it was the PA which made the move, and a smart move too. It has two "enemies": the LTTE in the north-and-east and the UNP, the traditional rival throughout the island, the other seven provinces, all Sinhalese-dominated. By participating in the polls these Tamil parties will strengthen the PA locally, regionally (South India, Tamil Nadu and in a way, Delhi) and of course the international community, from the US to Japan (the major donors) and the IMF-World Bank.

Vitally important though these external constituencies may be, home is where the principal battleground lies. In short the Sinhala-Buddhist electorate, the main arena where the ultimate PA-UNP contest will be held. In other words, the perception that the PA is minority-dependent, could automatically alienate a hard-line segment, traditionally led by the Maha Sangha and politicised Buddhist organisations. Apart from this factor, there is the unpredictable JVP. The dramatic ideological switch from Marx, Lenin and Ché Guevara to ultra-Sinhala nationalism was a strategic decision made by Rohana Wijeweera himself. The fact the there are two JVP's now claiming the mantle of Comrade Rohana of the Ruhuna, complicates the task of the serious JVP watcher.

The UNP response however is what the political analyst will have to concentrate on.

At this writing we could safely assume that at least five Tamil parties will run candidates - the TULF, EPDP, PLOTE, TELO and EPRLF. The TULF, formerly the Federal party, has the best credentials. And it has had the guts to nominate Mrs. Sarojini Yogeswaran, widow of the slain TULF MP, who represented Jaffna, the capital of "the traditional homeland" or EELAM. (One former guerrilla group EROS seems to have chosen to keep out).

On the other hand, the Sri Lanka Freedom Party, now in office, may decide to field candidates - a sign surely that the Chandrika Bandaranaike Kumaratunga-led SLFP has opted to declare that the SLFP is no more the authentic champion of an assertive (aggressive?) Sinhala-Buddhism. How will the Maha Sangha and the radical Sinhala-Buddhist constituency react? We shall have to wait till Gunadasa Amarasekara, S.L. Gunasekera, and like-minded spokesmen join the post-nomination debate.

PLAIN JAIN

Now that the UNP has decided to boycott the Jaffna polls, how will the party leadership justify the party decision? An official statement would surely help the serious observer of the mounting Sri Lankan crisis to place this issue and its implications in a broader context. And by "broader context" I have the post-Jain Commission Report and the sudden

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CONTENTS

Mervyn de Silva 01

Tissa Jayatilaka 03

Dayan Jayatilleka and
Tisaranee Gunasekara 05

H.L.D. Mahindapala 09

K. H. J. Wijayadasa 12

collapse of I.K. Gujral's United Front in mind. The DMK, the ruling party in Tamilnadu, and its active support for the LTTE, have had such a stunning impact on the Indian political system that no serious Sri Lankan should neglect the possible consequences of the current Indian crisis.

Already, the Home Minister Mr. Indrajit Gupta has reacted so strongly that he accused Justice Jain of "leaking" some excerpts to the press. Mr. Suresh Kalmadi a Congress MP went a step further: "The report was leaked by the office of the Home Minister". In short, Madras-Delhi relations may deteriorate in the next few months, and an aggressively assertive Madras regime, possibly a DMK administration, would surely be exploited by the tacticians of the LTTE.

Equally significant is the reaction of the Bharatiya Janata Party (BJP) which may run the next Indian government. While DMK members were burning effigies of Justice Jain, BJP frontliners came down heavily on the Commission and its Chairman for making such allegations "against an entire community", and the BJP "plans to take the issue to the people of Tamil Nadu in particular".

For the record, this is what Justice Jain stated: "The assassination of Rajiv Gandhi would not have been possible the way it materialised without the deep nexus of LTTE operatives with the Tamils of Tamil Nadu and the tacit support of the State authorities and the law enforcement agencies" (L.G. Emphasis).

A weak Delhi and a strong Madras (DMK?) regime are likely to be serious factors in the new year ... and that will be a large plus for Generalissimo Prabhakaran.

Waiting - 44

Matale

What was it of Matale, you loved?

I'm sad I never asked, so you didn't tell.

Was it that tidy town of the Thirties

On two sides of the asphalt street to Trinco

The wooden railings of the old Post Office

Where we licked stamps

Looking across the white stone bridge

Into the Residency grounds?

(There lawns and green luxuriance hid, old Colonials)

Was it that trim, foliaged Park

With that grim, tall, haunted tree

Where, they say, the red coats hanged

Those rebels in Eighteen forty eight?

Was it the well mown Esplanade

With the Colonial dream

Of Club House, Tennis Courts and Library

Facing relaxed, the Kachcheri, courtrooms and Council?

Was it the prim Convent

Walled off from the tabooed school boys

Or was it the wild sunflower slope where the town lanes ended

And we climbed the terraced paddy to bathe in the little waterfall?

Or the village perched above

Where in the mud huts though poor

They kept us for tender coconuts with treacle

Or was it that Woodland cemetery in the shadow of the tall mountain

Where beyond a stone fence made to hug the slopes contours

Your young Mother's chiselled grave stone

Stood lonely and lichen grown?

U. Karunatilake

SRI LANKA-1948 TO THE PRESENT: AN OVERVIEW

Tissa Jayatilaka

(Director, United States Educational Foundation in Sri Lanka)

INTRODUCTION

Sri Lanka – Taprobane of the Greeks, Serendib of the Arabs, Ceylon of the Europeans – according to its chronicles, has been an independent Kingdom since its establishment on the very day on which the Buddha passed away from this Earth and attained Nirvana, 483 B.C. Coincidentally, this is the same day on which Vijaya, a refugee Aryan prince from India is thought to have landed in Sri Lanka and set up the kingdom on the North Central plain of the island. The island's ancient inhabitants are supposed to have been devils and demons - aboriginal tribes called Yakhas and Nagas. The island was subject to a series of major invasions and minor forays from various South Indian dynasties during the Anuradhpura and Polonnaruwa Kingdoms (periods) up to the 12th century. The capitals were shifted to the hill country on several occasions, culminating in the last Kingdom of Kandy in the 16th century.

With the capture of the King of Kandy on 19 February, 1815, the island of Sri Lanka lost its independence, "an independence which had continued without any material interruption for 2,357 years" as the legend, interlaced with history, continues to have it. It is important to remember that Sri Lanka has the most impressive chronicle record of its history backed by epigraphical evidence of any country in South Asia.

The British rule of the entire island of Sri Lanka which began in 1815 ended only on 4 February, 1948 with the grant of independence. Some politicians and certain observers consider the transfer of power that took place in 1948 as a spurious form of independence on the grounds that political freedom without economic freedom is in reality only a hollow freedom. In 1948, in other words, this island merely formally ceased to be a British colonial possession. On several fronts – defence and economics to name but two – Sri Lanka continued to be heavily dependent on Britain. Further, certain analysts have argued that the implications of section 29 of the Soulbury Constitution, especially in the light of the Privy Council decision regarding those convicted at the 1962 coup trial, imposed substantial limitations on the sovereignty of the Parliament of Ceylon (Sri Lanka). The British military, naval and air bases were taken over by Sri Lanka only as late as in 1958 and the Privy Council was cut out of the judicial system only in 1972.

In any assessment of the political development of Sri Lanka, one significant fact emerges of which serious note has to be taken. This is the fact that Sri Lanka was the first country in Asia in modern times to introduce adult suffrage in 1931 – well over a decade and a half before independence. There have been several low points – notably during

the life of the governments of 1970, 1977 and 1989 – in Sri Lanka's post-independence democratic journey to-date. The fact that the centre has held despite these upheavals is attributable in large measure to the political consciousness and maturity of the Sri Lankan electorate. The capacity of the masses for extra parliamentary agitation stems largely from their early experience with democratic politics. The resilience with which Sri Lankan society withstood the social and political traumas that surfaced during the early-to-mid 1970s and the late 1980s in particular may be attributed to its familiarity with the democratic process. Repressive state practices and the employment of a variety of Emergency Regulations suspending normal judicial procedures did help to contain these eruptions temporarily. However, mere suppression is never a recipe for long-term amelioration of the conditions producing unrest, civil commotion, and genocide in a country versed in constitutional democracy.

As a former colony of Britain it was perhaps natural for Sri Lanka to adopt the British political model but unlike Britain, Sri Lanka had no tradition of Parliamentary Government. There was a form of popular government in local affairs, but no monarch of Sri Lanka ever consulted duly constituted representative bodies at the centre over issues of general governance. Sri Lanka has a predominantly rural population (70%)

which is agriculture-oriented and heterogeneous in composition. Economically, Sri Lanka is an underdeveloped or a developing nation. There is a multi-party system although the Sri Lanka Freedom Party (SLFP) and the United National Party (UNP) are the dominant political entities.

ECONOMY

The economic status of countries like Sri Lanka in the contemporary world leaves much to be desired. Foreign financial capital yet has a controlling power over the Sri Lankan economy through such spheres as "aid", banking, insurance and the tea trade. In today's uni-polar world the economic climate is even harsher than before and small, resource-poor states like Sri Lanka are likely to become increasingly dependent on foreign capital for survival. In this regard, the fact that Sri Lanka was the first country in South Asia to modernise its economy post-1977 and adopt a liberalised economy may prove advantageous in the long run. Misguided and politicised trade unionism, a hangover from the 1950s, unless checked, will continue to hamper economic development.

Despite a brutal and costly war that rages in the North and East of the island, Sri Lanka has managed to keep its economy steady and, generally speaking, the island nation is able to boast of a quality of life that compares very favourably with the other developing nations of Asia. The Government of Sri Lanka stands committed to building a national economy within a market framework. The principal "engine of growth" is expected to be the private sector, both domestic and foreign. The role of the State, according to Government policy, is to provide an institutional and regulatory framework supportive of rapid private sector development. To do so effectively, the Government needs to pursue "market-friendly" policies which support rather than supplant markets. In this scenario, government intervention ought to be limited to areas where markets fail to function effectively.

A pre-requisite for the success of the above policies is the maintenance of a stable macro-economic and financial framework which is conducive to the containment of inflation, the pursuit of rapid economic growth, the creation of productive employment opportunities, and the equitable distribution of the fruits of development. Another crucial requirement is the revamping of the Sri Lankan public service. The public servants should be re-trained and given incentives to act with speed and imagination if Sri Lanka is to benefit from interaction with the private sector, both local and foreign. The cumbersome bureaucratic procedures of old need to be revised and the public service streamlined to meet the demands of a new age if Sri Lanka is serious about its desire to enter into a meaningful partnership with the private sector.

The Government of Sri Lanka would do well if it were to limit public intervention to the areas where markets fail to function effectively. Such areas lie principally in the sphere of human development expenditure. For example, in education, there is the need to improve the quality of education and technological skills in order to re-orient the youth of Sri Lanka to the needs of a modern economy — an economy that Sri Lanka is striving to situate firmly on the foundation of the Sri Lankan identity, built out of Sri Lanka's social and cultural heritage. Similarly, there is a need for intervention in the spheres of health, protection of the environment and in the creation of a viable social safety net to protect the poor.

The "peace dividend" based on a political formula of devolution of power from the centre on which the present Government is banking heavily on for economic development during the first decade of the new century may eventually prove elusive. The consequences of demobilisation may prove more burdensome than the Government anticipates. Close to a 130,000 of the nation's youth currently employed in the armed

forces have no other skills save those required to fight one of the most dangerous guerilla outfits in the world. How these young men and women may be channelled into gainful occupations consequent to a meaningful resolution of the war is a massive challenge the State has to meet.

SOCIAL STRUCTURE

The structure of Sri Lankan society itself contributes to some of the nation's past and contemporary problems. In today's Sri Lanka the problems arising from caste differences are no longer as much of a threat as those arising from ethnic rifts and divisions. The Sinhalese who form the majority community are divided not only by caste differences but also by religious and other cultural distinctions. Although the vast majority of the Sinhalese are Buddhists, there are the Christians among them who though much fewer in number are, as a spin-off of British colonial policy, socially more powerful and influential in inverse proportion to their numerical strength. The division between the "up-country" and "low-country" Sinhalese, surprising as it may seem, is a factor to be reckoned with even in this day and age!

The Tamils of Sri Lanka consist of two groups — Sri Lankan and Indian. They are predominantly Hindu but there are Christians among them as well. Among the Hindus — whether they be Sri Lankan or Indian Tamil — the ancient caste system operates with a greater rigidity than among the Sinhalese. The continuing war between the State and certain elements of the Tamil population of Sri Lanka has resulted in the migration of many Tamils to all corners of the world in recent years. The Tamils, in proportion to their numbers, in the early years following independence came to dominate the public sector and the learned professions of Sri Lanka because of greater educational opportunities. The Indian Tamils who form the bulk of the population in the tea plantation areas in the central highlands occupy a vital place in an important sector

BIG PICTURE: CAPITALISM AND DEMOCRACY IN THE AGE OF GLOBALIZATION

Dayan Jayatilleka and Tisarane Gunasekara

INTRODUCTION: THE POVERTY OF PARADIGMS

Will the domination of the Third World by economic neo-liberalism pose the greatest threat to capitalism and democracy in the 21st Century?

The crisis of humanity is a crisis of alternatives. Humanity faces a poverty of paradigms as it makes the transition to the Third Millennium. Socialism has been defeated and discredited. The victory of market economics is creating its own profound disequilibria, as George Soros has been the most recent to point out. The United Nations Social Summit in Copenhagen in 1995 as well as the publications of UN Agencies such as the UNDP, UNCTAD, and FAO have produced empirical evidence of the social crisis generated by 'really existing' capitalism.

Humanity therefore faces a poverty of paradigms as it makes the transition to the Third Millennium. What is needed is a new macro-paradigm for the new century and the transition to the new millennium: a *transideological* paradigm which is at once a *synthesis* of that which is desirable and viable of both the major paradigms of the 20th Century as well as a transcendence of those paradigms.

This new paradigm is not something that has to be or can be created *ex-nihilo*. It can arise only out of a critical reflection-investigation both of existing philosophies and programmes as well

as of actual efforts on the ground in diverse parts of the world.

While the overriding goal must be that of seeking 'the greatest good of the greatest number' (Bentham) in the shortest possible time frame, this can be achieved only by a set of political beliefs and socio-economic programmes (at the level of state policy) which strive simultaneously for '*growth - equity - democracy*'. It is this triad alone, that can constitute an answer to humanity's crisis of alternatives; that can structure a new synthesis for the new millennium and can guarantee global security and sustainability.

I GLOBAL APARTHEID

According to economic neo-liberalism, achieving economic growth should be given priority; the problem of inequity can and will be taken care of when the benefits of this growth trickles down. The question is does the neo-liberal policy package permit a trickle down of the benefits of growth? The policy of privatisation/ the retrenchment of the state drastically limits the role of the state in such socially important sectors as education and health, forcing the charging of fees for these services. Taken together with the policy of reducing state expenditure on poverty alleviation/social welfare, this entails a substantial decrease of the benefits accruing to the poor. The policy of removing rigidities in the

labour market eradicates whatever protection the state (through legislation) afforded labour, thereby enabling capital to drive down wages almost at will. According to the neo-liberal dogma the problem of unemployment (particularly of structural unemployment) can be addressed adequately only by "cutting jobless benefits, reducing minimum wages or relaxing job-protection laws"¹. The anti-Trade Union attitudes inherent in the neo-liberal ideology exacerbates this situation. Neo-liberal economic policies thus create **structural impediments to the trickling down of the benefits of growth** to economically weak segments of society.

By 1994, around 90 governments were in the process of implementing Structural Adjustment Programmes (SAP). According to the UNDP: "The 'stabilisation' measures of the IMF and the World Bank aimed at reducing both budget deficits and trade deficits and usually involved cutting public spending, reducing wages and raising interests rates. Restoring growth, an objective on paper was rarely achieved in practice. Although these policies reduced deficits in some countries, they often did so at the cost of including recession. In short, they often balanced budgets by unbalancing people's lives" (*Human Development Report - 1996*)².

Constructing a new politico-economic discourse and a new politico-economic consensus is an important task of the

neo-liberal project in the Third World. The aim is to create the necessary socio-political-psychological environment/conditions for the successful implementation of the Structural Adjustment Programmes in these countries (particularly, the creation of the 'political will' to forge ahead with unpopular 'reform' and 'restructuring' measures, irrespective of political and electoral consequences). What is being attempted through the SAPs is the liquidation of the welfare state and its replacement by a state which seeks to regulate society on behalf of and in favour of capital, in general and big transnational capital in particular. The failure of socialism is used to validate and justify this shift towards **putting the market first** - not just above the state but also above the people/society.

The obvious and glaring limitations and inadequacies of the neo-liberal model made even *'The Economist'* protest, in a review of the 1997 Report of the Inter-American Development Bank (IDB): "... At this point, doubts about the bankers' or even macro-economists' view of the world arise. Is education really no more than the accumulation of human capital as the IDB elegantly puts it? Take a fine tooth comb to this supposed report on social as well as economic progress and you will be hard put to find such words as "power", "judge", "army", "teacher", "nutrition", "health" or "housing". Let alone "woman". The IDB is not famously stony hearted among the World Bank type of institutions, rather the reverse. But does it really feel what development is for? Not on this evidence". (*The Economist* - Sep 20th, 1997).

Systemic stability within a country and globally would be impossible if a substantial section of the inhabitants feel insecure socio-economically. Poverty (both absolute and relative) and its attendant social ills can threaten and undermine both capitalism and democracy. Though real per capita income has increased in both the developing and the developed countries taken as a whole, the world today is a more unequal place that it was before. The gap between not only the developed and the developing world but also the rich and the poor in

both parts of the globe is widening. Increasing inequality seems to be the prevailing trend both within countries and within the world system. Economic neo-liberalism with its accent on freezing or pushing down wages, reducing state expenditure on welfare and shutting down 'ailing' state enterprises and retrenching their workforce, is likely exacerbate rather than curb this trend towards great inequality.

According to the latest estimates a quarter of the world's population lives in poverty. "The world has become more polarised and the gulf between the poor and the rich of the world has widened even further ... The poorest 20% of the world's people saw their share of global income decline from 2.3% to 1.4% in the past 20 years. Meanwhile the share of the richest 20% rose from 20% to 85%. That doubled the ratio of the shares of the richest and the poorest from 20.1 to 61.1.... Over the past 30 years, the global growth in income has been spread very unequally, and the inequality is increasing. Even the first world is not an exception to this general trend. Despite high per capita incomes \$ (20,000), more than 100 million people in OECD countries live below national poverty lines and the numbers are rising in the UK and the US among others ... More than 5 million are homeless". (*Human Development Report 1996*). In its recent publications UNCTAD too has focused on "the growing inequities within and across countries in the World economy". (*UNCTAD - Press Release* - 9.10. 97).

At the end of its recent forum, the Socialist International warned that if the prevailing trend towards increasing inequity continues it may result in "a form of global apartheid" (*AFP Report*).

Concludes the HDR: "The imbalances in economic growth over the past 15 years are clear enough. But if allowed to continue well into the next Century, they will produce a world gargantuan in its excesses and grotesque in also human and economic inequalities".

Are we then headed in the direction Marx predicted: "the division of the

society into two great hostile camps"? The society is hardly likely to divide along the line of the bourgeoisie and the proletariat (as Marx thought it would); but is society moving towards a sharp and a glaring division between the rich and the poor; the haves and the have nots - particularly in the countries of the former Socialist bloc and the Third World? If so, how would this impact on democracy and systemic stability in those zones?

II

THE SECRET OF ASIAN SUCCESS

In an 'irony of history' did the only success stories in the Third World happen primarily because of China, North Korea and Vietnam (and to a much lesser degree Cuba)? Is that why they were limited not only to Asia but also to East Asia? (Was South Asia neglected because there was no 'red menace'?). If that is so, then is it correct to say that the collapse of 'really existing' socialism has negated the ideological, political and economic conditions which paved the way for these success stories?

The contribution made by the geo-political factors (particularly the Chinese Revolution and the Korean War) to the development of the NICs is well known and has been commented on at length. Similarly well known is the correlation between the Vietnam War and the economic success achieved by countries of the ASEAN. The conclusion is that the 'Communist threat' played a significant role in the rapid development of these Asian nations - though the exact magnitude of this role is debatable. It would be correct to say that had it not been for the 'communist threat', the Asian Tigers and the semi-Tigers would not have received the preferential treatment they did (in terms of aid, markets, investment, technology etc.) from the US and the West. And without the 'Communist threat' many of the socio-economic measures aimed at enhancing social justice and equity may not have been implemented.

Chiang Kai Shek was a notoriously incompetent and corrupt ruler when he was the leader of China prior to the

Revolution. In fact his leadership was a contributory factor to the Communist victory of 1949. This same Chiang Kai Shek became an entirely different type of ruler when the Communist victory drove him to Taiwan. He established an efficient and competent government which was responsible for the amazing socio-economic development of Taiwan. The only logical explanation for this is the existence of Communist China. "Chiang Kai-shek-realised the urgent need for reform, the United States wanted a strong and stable outpost on its western defences, and both sides wanted a showcase of non-communist development to contrast with the communist development on the mainland". (*Governing the Market* - Robert Wade). It is also reasonable to assume that if Chiang Kai Shek had continued to rule China, that country would have been like India - a country with low economic growth and widespread social and economic inequities; a country with half its face turned towards the past and burdened by archaic practices and feudal vestiges.

One of Chiang's first actions after the retreat to Taiwan was the institution of a land reform. "First (the regime) supervised a large - scale transfer of lands formally held by Japanese owners to their tenants. Then with **American encouragement**, it redistributed land above a ceiling of three rented-out hectares to the tenants. By non-communist world standard the reform was significant - redistributing 37% of total cultivated area or 320,000 hectares... A low ceiling on agricultural land ownership has remained in force ever since, ruling out - or at least greatly restricting - investment in land as a means of accumulating wealth" (*Ibid - emphasis ours.*) Obviously it was the 'Communist threat' which forced Chiang to take this unusual step and the Americans to support it. (The US attitude to radical land reform in Japan, Taiwan, and South Korea should be compared to its reaction to attempts at land reform in rest of the Third World - particularly Latin America and most especially, Central America).

The US not only supported the land reform in Taiwan; it also played a major

role in the industrialisation efforts of Taiwan. A year after the outbreak of the Korean War, "Taiwan became a key post on the West's defence perimeter. Massive U.S. aid, both economic and military, resumed to help strengthen the Nationalist regime in Taiwan. Over the 1950s economic aid equaled about 6% of GNP and nearly 40% of gross investment³. By providing for the supply of food and rehabilitation investment goods at a desperately needed moment, it helped to stabilise the economy, the society, and the regime in the early 1950s. Throughout the 1950s it gave local and foreign investors confidence that the regime would survive, because (it was) backed by the United States. It helped to dampen inflation and protect income distribution throughout the 1950s. It was (also) an important channel for technology transfer" (*Ibid.*)⁴.

Like Taiwan, South Korea too carried out a radical land reform with the blessings and the active support of the U.S. "As a first step toward a more equitable distribution of income, the government established a limit on the possession of farmland (a major source of the inequality of income) through the Land Reform Act of 1949. Consequently the proportion of tenant farmers decreased from 42.1% in 1947 to 5.2 % in 1964. As a direct result of land reform and the reduction in tenant farming, the wealth of the minority upper-class landlords was reduced, and over time the earnings of small farmers and the general equality of rural incomes increased substantially. It appears that deliberate attempts by the Korean government to redistribute income in favour of small farmers, including the land reform of 1949, accounted for a substantial share of the improvement in rural living standards". (*Structural Adjustment in a Newly Industrialised Country. The Korean Experience.* Edited by Vittorio Corbo and Sang Mok Suh - A World Bank Book).

As for the argument that authoritarianism enabled those countries to develop rapidly: authoritarian rule was not something that was limited to East Asia; many countries of South and Latin America, Africa and even South Asia did have authoritarian

regimes during this same period. However none of these countries achieved the socio-economic successes which became the hallmark of East Asian countries. In East Asia, authoritarian regimes succeeded in achieving rapid economic growth while reducing income inequities considerably. In other parts of the Third World, authoritarian regimes succeeded in achieving either some growth or some equity; never both and often neither. As for the cultural argument, pre-revolutionary China had a Confucian culture; however this did not result in rapid economic development. The same is true of post-independent Korea before the Korean War. Therefore once again we come back to the politico-ideological explanation - that it was the region in the world where the 'Communists threat' was at its strongest.

Just as the rapid economic development in the NIC and ASEAN countries can be partly attributed to the growing 'communist threat', can the economic difficulties these countries are encountering currently be partly attributed to the disappearance of that 'communist threat'? Are the current economic problems faced by these countries partially caused by the removal of preferential treatment accorded to them by the US and the West? The IFI's tell the Third World countries that if they stick with the neo-liberal programme they too can develop to the levels of the NICs. Whether the NICs followed the path of economic neo-liberalism or not, is a much debated question, which we will not go into here. The point is: if the 'Communist threat' was an important factor causing the rapid development of the NICs and semi-NICs, are we not left with the conclusion that at least some of the politico-economic conditions necessary for attaining NIC status do not exist in the post-socialist world of today?

III

THE NEW SLAVERY

Marx and Engels described capitalism before social democracy/socialism as "naked, direct, brutal exploitation" (*Manifesto*). **What is capitalism after socialism going to be like?** Will the domination of economic neo-liberalism

turn post-socialist capitalism into a system of "naked direct, brutal exploitation" like its ancestor, pre-socialist/communist capitalism?

Karl Kautsky once said "The liberal bourgeoisie is too cowardly and weak and high finance is too greedy and ruthless for a policy of great social reforms". The threat to its stability and survival from the growing labour/communist movement made capitalism change and evolve, thereby proving Kautsky wrong. Today that threat has disappeared and capitalism is on its own, unrivalled and unchallenged.

"The creation of a normal working day" Marx said "was a product of a protracted civil war...." (*Capital - A Critical Analysis of Capitalist Production*). There is a clear correlation between the growth of the labour/Marxist movement and the change and evolution of capitalism in a welfarist direction. Utopian Socialist Robert Owen's experiments on social/worker welfare made a major contribution to the subsequent evolution of capitalism. Engels said "every social movement, every real advance on behalf of the workers link itself to the name of Robert Owen". (*Socialism: Utopian and Scientific*). It was Owen who was instrumental in forcing through the first law limiting the working hours of women and children in factories in 1819 (after agitating for 5 years). Before the ten hour working day became legalised through a Factory Act, it was introduced by Owen at New Larnark; Owen's concept of combining "children's education with productive labour" became an official phrase in all Factory Acts. "The barbarous laws against Trade Unions fell in 1825, before the threatening bearing of the proletariat". (*Marx - Capital - A Critical Analysis of Capitalist Production*). Bismark's introduction of reforms such as accident insurance in Germany was a response to the growing strength of the labour movement and the SPD. Emperor Wilhelm II became an advocate of reforms also for the same reasons. In France after the 1848 Revolution, a permanent Special Commission (the Luxembourg Commission) was appointed to examine ways of improving the conditions of the working class by the

provisional government - as a direct response to 20,000 workers marching on the 'Hotel de Ville' to demand reforms.

Therefore it was ideological and popular pressures (starting with the utopian socialists and the early labour movement right down to the social democratic and Communist challenges) which imposed fetters and restraints on capital and forced it to change and evolve into to welfare capitalism. Marx said: "... Capital is reckless of the health or length of the life of labourer unless under compulsion from society" (*ibid.*). It was these compulsions which curbed the 'blind, unrestrained passion' and the 'werewolf hunger' (*ibid.*) of capital. Can it then be argued that the motive force of the evolution of capitalism was not internal but external and that in the absence of these external compulsions and pressures, capital will cease to be capable of progressive structural reform?

What would have happened if Capitalism, faced with the challenge of Social Democracy and Communism in the 19th and 20th centuries, did not evolve/change? What if there was no welfare state, no New Deal, no attempt to incorporate and address some of the demands of the labour, socialist and popular movements? What if capital continued to "celebrate its orgies" ignoring "all bounds of morals and nature, age and sex, day and night"? (*ibid.*).

Liberal capitalism of the 18th and 19th Centuries evolved into the welfare capitalism we experienced particularly in the second half of the 20th century because 'a spectre was haunting Europe' (*Marx and Engels - 'Manifesto'*). Are we witnessing a concerted effort by capital to regain everything it had 'lost' in the last one and half centuries - now that 'the spectre' has been laid to rest? Is this the explanation for the intransigence, extremism and totalitarianism of today's economic neo-liberalism, and the "intellectual arrogance of the free market reformers"? (*The Economist* 25th Sept, 1993). If so, can it then be concluded that the ideology of economic neo-liberalism will act as a fetter on the further evolution of

capitalism? Do the SAPs amount to an attempt (conscious or unconscious) to restore (at least partially) the status quo ante? The following comment by '*The Economist*' on the recent neo-liberal reforms in Egypt may be relevant in this regard: "The slow pace of change may thus far have preserved Egypt from serious social upheavals. But the pace of liberalisation is now gaining momentum and as power slides away from the state and its old constituency, the poor, there may be more trouble. New labour reforms and changes to the system of rents in towns are planned. Foreign investment tripled last year to \$ 1.2 billion and revenue from tourism rose 25%. In time this wealth may create jobs and a future for those the state can no longer protect but so far only a minority of Egyptians have benefited from the economic changes. These form a new and conspicuous class of rich families, closely connected to the government, some related to top officials. Their semi feudal power smacks of the past" (24th Oct 1997).

Marx referred to the 'inexorable logic' of capitalism which pushes wages below survival levels. Is a similar process unfolding in the Third World today? Is the tendency towards growing 'mass immiserisation' (Marx) inherent in economic neo-liberalism and its policy expression: Structural Adjustment Programmes? The 18th and 19th Century witnessed a "radical change in the existing relations between capital and labour" in favour of labour (*Marx - Capital - A Critical Analysis of Capitalist Production*) - first in England, then in Europe and the USA. Is a reversal of this trend taking place today? Do the persistent pressures to remove the rigidities of the labour market and to reduce state's interventionist role amount to an attempt to free capital from all fetters, enabling it to dictate terms to labour/society? Is the objective of this exercise the re-writing of the contract between capital and labour in favour of capital globally, or at least in the Third World? Does the IFI insistence on the total reforming of the labour market without adopting a gradualist-evolutionary approach amount to a full scale assault on labour and all its gains?

THE TAMIL INTELLECTUAL HOMELAND

H.L.D. Mahindapala

In his doctoral thesis, Prof. Karthigesu Indrapala, the first Professor of History in the Jaffna University, went deeper and further than Prof. Wilson and debunked the myth of the Tamil homelands. His writings were so damaging to Tamil political demands that copies of his thesis were either vandalised or removed from the places it was deposited. Eventually, he himself was forced to leave Jaffna and go into exile.

There isn't a single respected and objective scholar, either Tamil or Sinhalese, who has backed up the claim of Tamil homelands. In fact, Eric Hobsbawm, the highly distinguished left-wing historian, picked up the TULF declaration on Tamil nationalist claims and ripped it apart. (See NATIONS AND NATIONALISM SINCE 1780 — PROGRAMMES, MYTHS AND REALITY.) Faced with this insurmountable mountain of evidence, Dr. Neelan Tiruchelvam, in his capacity as an intellectual heading a research centre for ethnic harmony, either must provide alternative evidence to counter this historical approach of Prof. K.M. De Silva or discard the Tamil myth in toto. This is where Dr. Tiruchelvam's conflict of interests prevents him from acting on an objective, or even on a scholarly base cemented with intellectual integrity. In fact, his basic political agenda to carve out a domain exclusively for the Tamils

prevents him from conceding that the myth of the Tamil homeland manufactured by his father's colleague, S. J. V. Chelvanayakam has no validity in historical reality. Trapped between myth and historical reality he coasts along comfortably with the myth of the Tamil homeland. At this critical stage he will not abandon the myth because doing that would undermine his Tamil political constituency and his political bargaining position with the PA government. If he goes down the track of rejecting the myth he will also be blasted by his arch political rival Mr. G. G. Ponnambalam (jr). Furthermore, his direct involvement in promoting the TULF agenda, which is a continuation of his father's separatist politics, precludes him from accepting the historical, demographic and political realities that must prevail in the end for any lasting solution. He continues to pursue his paternal politics of separatism though it is now toned down — just a wee bit — by the harsh responses of the international community.

PATERNAL PROJECT?

Bound by the myths of a Tamil homeland arising from the imperatives of Northern politics, the politicisation of the Colombo ICES, headed by Dr. Tiruchelvam, becomes an inescapable necessity for his survival. It would be naive to think that Dr. Tiruchelvam

would not bring in his politics in determining the priorities of the ICES. Or to think that his Harvard background would elevate him above his native politics. What would happen in such cases is the reverse. He would tap all mental skills acquired at Harvard to buttress and justify his native politics. As a legatee of northern politics he must necessarily retreat into his paternal roots and he has done it with a suppleness and a subtleness which his father lacked. Are he and Mr. Prabhakaran are on the same wave length — grab as much land as possible for a racist enclave? The difference is that Dr. Tiruchelvam is inside the political process and Mr. Prabhakaran is outside the process pursuing the same objective through the gun. Kamalika Peiris summed the constitutional strategy pursued by the Tamil politicians when she wrote in the LANKA GUARDIAN (May 15, 1996): "The creation of such an autonomous state could only be achieved constitutionally, not militarily, therefore, the understandable anxiety of the Tamil politicians to get their ideas into the statutes, something they have so far singularly failed to do."

The major thrust of the Kynsey Road ICES publications has been to justify the proposed constitutional order which would guarantee judicial, executive and legislative powers to the Tamil regional enclave. And what better instrumentality is there for Dr.

Tiruchelvam than the ICES Colombo with a whole host of hired intellectuals serving this political agenda in subtle and devious ways ! So to go along with the notion that the Kynsey Road-wing — the heart that pumps the funds into the branches of the ICES — is a centre for pure, unadulterated research, is to add to the other Tamil myths. The in-house intellectuals may feel aggrieved because this challenges their intellectual integrity. These intellectuals would, no doubt, feel compromised and guilty if they are confronted with the reality. Nevertheless, like the ENCOUNTER, the Kynsey Road-wings explicit links to Tamil politics erodes the moral authority which is essential for a research centre. It is little exaggeration to say that the Kynsey Road -wing has all the necessary trappings to make it an Intellectual Cabal for Eelamist Sycophants.

What is most intriguing is the funding mainly of Tamil politicians by Western agencies. This provides considerable resources to Tamil politicians to control the public debate and tilt public opinion in their favour. What is the morality behind such a partisan role ? It is the standard practice of foreign donors not to finance a political platform of one side or another. Strengthening the hands of only one set of politicians can only worsen and perpetuate the on-going violence. Besides, think-tanks headed by politicians must necessarily gravitate towards the recipients politics, particularly at critical times. To expect otherwise is to bury your heads in illusions. This most favoured treatment of politics of one side only could explain to a great deal why there is a large concentration of intellectuals in the think-tanks with vast financial resources to plug the claim of "Tamil aspirations".

ABSENCE OF BALANCE

This could also explain why these hired intellectuals missed the big

picture and the social realities underlying the current crisis and went single-mindedly down diversionary paths that have not helped any community. Isn't the partisan funding of CNA agencies by western sources the sole reason for the local intellectual choirs to sing, and louder sing, only the theme song orchestrated by the Tamil politicians ? Isn't the betrayal of the intellectuals the biggest tragedy of our times ? The social scientists from the top rungs of the Harvard University to the pseudo-social scientists like Prof. Carlo Fonseka in the basement of the Kelaniya campus have been extremely eager to please their foreign donors by focusing only on one fragment of the social reality — namely, Sinhala-Buddhism. But in this process have they not deliberately skipped the complexities of a crisis that has multifarious dimensions ? Their in-built biases misled them into an intellectual cul-de-sac. This gave no space for them to visualise the broader picture. It, in fact, exacerbated the relationship between the various key actors in the political arena, leading them into an ever-widening and gyrating spiral, descending into deeper and greater violence. If the intellectuals had developed a more comprehensive conceptual framework, they would have been able to grasp the nature of violence that erupted and engulfed the nation in flames in the post-1970 phase. If these intellectuals discarded their narrow blinkers and developed a 20-20 vision, there was all the possibility of dousing the fires burning the nation much earlier. Why did they stick tenaciously to a narrow ideology that blamed only one side ? Their carefully selected subject matter, the narrow perspectives, the facts and figures tailored to fit the pre-determined conceptual framework, the recurring thematic explorations of only one aspect chosen from many angles, the incestuous gatherings of intellectual tweedlums and

strengthen the minority by rationalising and justifying their excesses to the point of weakening the majority.

There were double standards — one for the majority and one for the minority. The majority was wrong because they were superior in numbers. The minority was right because it was immoral for the majority to have superior numbers. The majority was perceived as immoral and condemned on the basis that their superior numbers could threaten the minority. And this numbers game was to be rewritten essentially to weaken the majority, failing which the objective was to transform the minority into a majority either on an unrealistic 50-50 power-sharing basis, or by creating an enclave which would enable the minority to be the majority. The logic of it all is that it is morally right only for a particular minority to act like a majority and not any other community — not even the majority. The local agents of neo-colonialism who were intellectually subservient to the donors methodologies and analyses, pretended that Western democracies never exercised the right of numbers to determine the destiny of minorities. They pretended that Western democracies have been guided not by majority interests but by the rule of law and human rights. The very donors who advocate human rights have denied the Aborigines of Australia their ancestral land — all of which were expropriated under the legal fiction of *terra nullius*. Their family life was destroyed irreparably when generations of Aboriginal children were forcibly taken away by the whites in the name of civilising and saving them from their savage ways. With an abominable history of decimating the Native Americans i.e. the so-called Red Indians and destroying their ancient cultures, the white Americans are twisting our arms to give into the demands of only one side though they themselves

are refusing to acknowledge the languages of minorities (Spanish and ebonics) and are deliberately adopting a policy of making English the official language. The list can go on. These examples were drawn only to impress that on any scale our record of respecting human rights is far superior to those who come to preach to us.

Turning a blind eye to some of the hard realities, the CNA intellectuals have developed a penchant for concentrating on trivia, or myths, or esoteric theories — most of which were imported from the West and had no relevance to the inner experiences, or the native realities of the day. Their history is one of deliberately refusing to examine the devastating Tamil myths of yesterday and today that is bleeding the living to death. Agonising over the pusillanimous role of the intellectuals gathered around the “talk-shops” in Colombo Prof. Rajan Hoole, the courageous and perceptive commentator from the University Teachers’ Human Rights (Jaffna), poured scorn over the CNA intellectuals who were “pussyfooting around” the real cause : Mr. Velupilali Prabhakaran. Prof. Hoole represents the new intellectuals who are questioning the Tamil myths which are literally dragging the nation deeper into the bloody mire.

A good example of intellectual diversionary tactics is that of Mr. Regi Siriwardene who would, for instance, rush into print with a letter to the newspapers (THE ISLAND, if I remember correct) condemning the universally acclaimed TV programme MIND YOUR LANGUAGE as one that stereotypes ethnic groups. Perhaps, the Indian/Tamil accent of Ranjeeth would have been too close to his liking. But from Malvolio to Ranjeeth it has been the standard technique to stereotype comic characters. Whether it is in a Dickensian

Micawber or a Barkis, or whether it is Emden or Annabel Akka in ALWAYS BREAK DOWN, the humour twists around stereotypes. Besides, MIND YOUR LANGUAGE is about the oddities and quirks of the English language as it is about the lived experiences of ethnic students grappling with the slippery contortions of the English language. Only a maudlin Malvolio would fail to see the humour and condemn an entertaining programme like MIND YOUR LANGUAGE which in reality unites various ethnic groups in their common failure to comprehend and master the English language. Linguistic pitfalls of the English language makes it a binding force and not a divisive force. The pretentious heroism of Mr. Siriwardena in rushing to advance the cause of racial amity by condemning humour that unites all was, I presume, an act that he expected to be applauded. Contrary to his expectations, it reveals his naivety and his inability to separate the reality from fantasy. In any case, it is such a trivial point to make in the cause of racial amity when Sri Lanka is burning with bigger issues which are ignored, or misinterpreted, or distorted by these intellectuals.

Imported Leftism, in retrospect, was nothing more than a romanticised and fashionable mental disease of alienated, bourgeois intellectuals who were divorced from the realities of their people and the world at large. That woolly romanticism still dominates Regi’s mind and is reflected in his political statements. He glosses over his own contradictions and refuses to recognise his culpability in the role he played as an intellectual. Only he could come up with a cry of “O sancta simplicitas !” over Dr. Colvin R. De Silva’s oversimplification of global forces in conflict and then conclude that Dr. De Silva “.....in the name of the sovereignty of the people, conferred virtually, absolute power on the Cabinet of Ministers and

the legislative majority”. (Regi Siriwardena, *ibid*). Here he is referring to Section 29 of the Soulbury Constitution which was enshrined as check on the domination of the majority — a provision accepted, introduced and honoured by the “reactionary right-wing UNPers” until it was removed by his “progressive comrades of the Left”.

Does he accept at least some responsibility for that ? Intellectuals of his ilk have been signing public appeals and petitions time and again in support of the Centre-Left coalitions. Did they not mislead the people in making such collective appeals which promised a glorious alternative to the “reactionary UNPers” ? Did not the inter-ethnic relations deteriorate to its nadir when his favourite “progressives”, with their “golden brains” were in command between 1970 and 1977 ? Is he not working now at the Colombo ICES which makes promises of another glorious alternative if a new constitutional order is structured to suit his boss ? Will the in-house intellectuals have the courage to rock the boat of the ICES Colombo boss and explore alternatives which need not be based on Tamil myth of a homeland ? Is not the Colombo ICES working for a constitutional arrangement which, in the next phase, would provide “the internal criteria needed for international recognition as a sovereign state, which are : clear boundaries, a permanent population, a central government and the ability to conduct international relations (Montevideo Convention)” ? (Kamalika Peiris, LANKA GUARDIAN, Vol 19, No.2, May 15, 1996). In his nostalgic article, REMEMBRANCE OF POLITICS PAST (*ibid*) he censured Dr. De Silva with this line : “One can imagine the scorching indictment that the Colvin R. de Silva of the thirties would have made of the Colvin R. de Silva of the seventies, if only he could have foreseen the future”. Now isn’t

ULTRA-FED

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The much debated Devolution Package aimed at resolving the ethnic problem, ending the Eelam war and bringing about peace and harmony is contained in "The Government's Proposals for Constitutional Reform" of 14th October 1997.

Firstly, what is contained in these proposals is not devolution by any stretch of imagination but plain and simple federalism; and federalism of a most virulent type at that; and to my knowledge not practiced anywhere else in the world. These proposals are a carbon copy of the Federal Party demands which have been roundly rejected on 3 occasions in the 1950's, 1960's and the 1980's. Neither the PA nor the UNP has sought or received a mandate to convert Sri Lanka's Unitary Constitution to a federal one.

Secondly, what is being so brazenly said over the State media regarding the magical results expected of the new Constitution; especially that the war will be over; defence expenditure will be eliminated and a new era of peace and harmony and economic development and prosperity will dawn; amounts to building castles in the air. In effect, if this new Constitution is promulgated it will divide the country into 9 warring federal states, aggravate the ethnic problem, usher in an era of economic chaos and lead to political disintegration.

UNITARY OR FEDERAL?

The proposed federal system of government is not suitable for Sri Lanka for a number of reasons. Firstly, Sri Lanka is a small country. The total land area including inland waters is only 65,610 square kilometers. When the

island is broken up into 9 federal states; on the average, the size of each federal state will be around 7,200 square kilometers. Such small units will not be geographically homogeneous, economically viable, and environmentally sustainable. The de-facto Federal State of the Western Region will consist of only 3,600 square kilometers of land area which would carry a population of nearly 4 million. The watersheds of the major rivers; Kelani ganga, Kalu ganga, Maha Oya and Bentara ganga will be in Sabaragmuwa and Central Regions. For example, the Western Region will be engaged in eternal conflict with the other two Regions upstream regarding water rights, water pollution and the depletion of water resources. Secondly, there are a number of major flaws in the proposed federal system. It attempts to satisfy the aspirations and grievances of the Tamil minority (12 1/2 percent). It ignores the fears and the legitimate rights of the Sinhala majority (74 percent). Thirdly, no convincing economic, environmental or developmental reasons have been adduced for dividing the Unitary State of Sri Lanka into 9 Federal States. The proposed federal Constitution ignores the fact that federalism aggravates ethnic conflict and leads to disintegration of States as seen recently in Czechoslovakia, Yugoslavia, former USSR and Assam in India.

The first Constitution of Sri Lanka of 1948, the second of 1972 and third of 1978 were all Unitary Constitutions. Dr. Colvin R. de Silva; Historian, Legal Luminary, Minister of Constitutional Affairs in the Mrs. Sirimavo Bandaranaike's government of the 1970's, and the architect of the 1972 Constitution addressing the Constitu-

ent Assembly on 15th March 1971 (Hansard Pages 380 to 382) extolled the virtues of a Unitary State and proposed the adoption of a Unitary Constitution for Sri Lanka in the following terms:

"Mr. Chairman, there is a Unitary Constitution in Sri Lanka. This has been there for a very long time. The government must ensure the development of the entire country. A Unitary State facilitates this. Ours is a small country of 25,000 square miles with a population of 13 million (now 18 million). If we were to divide the country and unite once again we will face many problems as evidenced by our history. There is ample historical evidence to show that when the country was under one Ruler and 3 or 4 sub-Rulers under him there were occasions when local and foreign elements made use of such fragmentation leading to the loss of our independence and sovereignty to foreign domination. I submit this proposal for a Unitary Constitution urging that it be endorsed by all sections of this Assembly."

A key feature of the federal system of government is the division of the Sovereignty of the People between the central government and the state governments. Articles 3 and 4 of the present Constitution have guaranteed that "**Sovereignty is in the People and it is Inalienable.**" It includes the powers of government, fundamental rights and the franchise. Sovereignty of the People is exercised throughout Parliament (Legislative Power); the President (Executive Power); and the Legally Constituted Courts (Judicial Power):

According to Article 3(2)(a), (b) and (c) of the proposed Constitution the

FEDERALISM

K. H. J. Wijayadasa

Secretary to the Prime Minister and Secretary to the President 1984-1994)

"Legislative Power of the People shall be exercised by Parliament, Regional Councils and the People at a Referendum; the Executive Power of the People shall be exercised by the President acting on the advice of the Prime Minister and the Cabinet of Ministers and the Governors acting on the advice of the respective Chief Ministers and Regional Boards of Ministers; and the Judicial Power of the People shall be exercised through Tribunals and Courts established by the Constitution or created by Law." No further evidence is necessary to prove that the proposed Constitution is a federal one; and that the Sovereignty of the People gets bifurcated between the central government and the state governments. But, only a handful of Sinhala politicians have had the courage of their convictions to call a spade a spade.

Article 76(1) of the present Constitution states that; "Parliament shall not abdicate or in any manner alienate its legislative power and shall not set up any authority with any legislative power." In terms of Article 137 (1) and (2) of the proposed Constitution a Regional Council has exclusive power to make Statutes for such Region or any part thereof with respect to any of the matters enumerated in the Regional List provided such Statute is not inconsistent with the Constitution. This means that the Supremacy of Parliament in regard to its Legislative Power is violated. The proposed 9 State governments will enact their own laws pertaining to the 64 subjects listed in the Regional List. So, eventually the 9 federal states will have their own Land Laws, Criminal Laws, Agriculture and Irrigation Laws, Forestry and Environmental Laws, and many more. This will result in utter

confusion. Judges and lawyers will be confused; economic development will be retarded and the mobility of capital, labour and resources will be throttled.

As regards Executive Power in terms of these proposals the Chief Minister of the Region will become an extremely powerful petty dictator. In terms of Article 129 (2) "The Governor shall be appointed by the President on the advice of the Chief Minister of the Region." In terms of Article 217 (1); the Regional Police Commissioner who heads the regional Police Service will be appointed by the Governor on the advice of the Chief Minister of the Region. Consequently, the Governor and the Police Commissioner will have to dance to the Chief Minister's tune. Further, the Chief Minister will have a hand in the appointment of the Regional Judicial Service Commission, the Regional Public Service Commission, and the Regional Police Commission either directly or through the Governor who is after all his own nominee. If the Chief Minister is fortunate enough to represent the ruling party he will be able to wield a great deal of influence on the appointment of members of these Regional Commissions because out of the 13 members in the Constitutional Council empowered to make such appointments at least 8 members (other than two retired Judges, hopefully two opposition Members of Parliament, and the Leader of the Opposition) will be from the ruling party and therefore function as a rubber stamping authority of the party in power.

NATIONAL POLICY BETRAYED

Digitized by Noolahala Foundation
in terms of the present Constitution

(Reserved List) National Policy on all subjects and functions is reserved to the centre. The proposed Constitution envisages reserving to the centre National Policy on a few subjects such as; Insurance, Buddhism, Tourism, Youth and Women's Affairs, Coast Conservation, Investment, Education and Industrial Development. It is quite apparent that there will be no National Policy on a whole host of subjects such as Land, Water, Agriculture, Forestry, Environment, Energy, Food, Health, Housing, Local Government, Social Services and many more; which are fully devolved. As a result, theoretically, there will be 9 different Regional policies on each of the 64 devolved subjects totaling 576. Such new Regional policies will have to be backed by new legislation if they are to be implemented. Under this set up legislators, administrators, judges and lawyers will have to be super human beings indeed. For instance what a mess will it be in the Mahaweli river basin coming under the control of five federal states; namely, Central, Uva, North Central, Eastern and Northern all of them formulating and implementing conflicting policies on Forestry, Land, Water, Soil, Environment, Agriculture etc?

ALL STATE LAND TO BE VESTED IN THE REGIONS

The Surveyors Institute of Sri Lanka had reported to the Land Commissioner in 1987 that out of Sri Lanka's total land area of 16.2 million acres; 13.4 million acres or 82.3 percent was state owned and the rest privately owned. At present all state land is vested in the Republic of Sri Lanka and all grants and dispositions of state lands have

The Administration of Justice within a Region to the extent provided in Chapters XVII, XVIII and XIX is a devolved subject. There will be a bifurcation of the Courts and the Lower Courts will be administered regionally. As the Regional Councils have legislative powers in regard to the Administration of Justice; there is nothing to prevent each Regional Council enacting its own Penal Code, Evidence Ordinance, Criminal Procedure Code, Civil Procedure Code etc.,. Fears have been expressed as to whether the independence of the judiciary and the high standards of the judiciary could be maintained under this set up. **Will some of the "Judges" who served on the "Kangaroo Courts" of the North get a new lease of life?**

ECONOMIC CONSEQUENCES

The economic consequences of the proposed federal system of government will be both disastrous and irreparable. The resources of a country must be optimally allocated for national development. This can be done provided there is mobility of resources as well as uniformity of policy. Land, labour, forestry, soil and water are the most abundant resources that Sri Lanka is endowed with. All these valuable assets will be vested with the Regions preventing their mobility and interfering with economies of scale. The powers enjoyed by the Regions will be such that barriers may be erected preventing the free movement of labour; restricting capital movements and obstructing economic activity. We saw this happening in Sri Lanka in the years after Independence by way of Ceylonization policies. This was tolerable but Regionalization policies in the 9 federal states will be chaotic.

The proposed federal structure of government will vastly increase the administrative and establishment costs; while government revenues will remain unaffected. This will increase inflationary pressures on the economy. Recurrent expenditure will be so heavy that amounts that can be set apart for capital expenditure will get reduced year by year. More politicians, more officials and more functionaries would result in an escalation of bribery, corruption and waste. The need of the hour is to scale down the number of

politicians, officials and governmental overheads to the barest minimum. This is the IMF/World Bank recipe too.

The fragmentation of markets can be a serious problem creating obstacles to growth and dynamism. There is a fear that using the legislative and executive powers vested in the Regions certain taxes and levies could be imposed on paddy processing or tea manufacturing and thus hold the consumers of the deficit areas of rice and tea to ransom. In an era when countries are getting together to form economic unions such as EU, NAFTA, SAPTA, APEC, etc., to increase competitive advantage by increasing both market size and bargaining power; Sri Lanka seems to be going in the opposite direction by dividing herself into 9 economically unviable petty states whose main objective will be to safeguard parochial interests.

Even though Currency, Foreign Exchange and Monetary Policy are reserved subjects, the Central Government will not be able to effectively implement its monetary or exchange rate policies, as it would not have full control over the money supply; with certain fiscal powers, borrowing powers and power to obtain foreign assistance devolved to the Regions. **The budget deficits of the regions and the consequent need to borrow locally and abroad will affect the money supply.** Also, income from large scale alienation of state lands, agricultural lands and forests will affect the money supply. Foreign loans, grants, commodity assistance and direct foreign investment will have a similar impact. Further, an increase in the inflow of foreign currency by way of foreign aid to the Regions can have adverse repercussions on the exchange rate.

Moreover, the federal states can seek and obtain aid from various international donor countries and agencies. This could lead to a ludicrous situation where the different Regions will compete with each other for donor assistance. Instead of one begging bowl; 10 begging bowls will make endless rounds. Further, some regions may urge donors not to provide assistance to other regions. **But, I am sure Eelam or Eelanadu will prevail on donors to**

help Malaynadu and vice versa!! Ironically, according to many Tamil scholars "Eelam" means the "Land of the Sinhalese" having derived from the word "Seehala." So, Tamil Eelam means "Land of the Sinhalese Claimed by the Tamils."

SOME POLITICAL IMPLICATIONS

In Sri Lanka the stark realities of the introduction of the proposed federal Constitution are fivefold. Firstly, it will create greater distrust between the 74 percent Sinhala majority and the 12 1/2 percent Tamil minority; resulting in communal tension, ethnic cleansing and eventual separation. This is what the LTTE is striving for. Secondly, the proposed Muslim Region in the South East; (which incidentally includes Panama Pattuwa AGA Division which is 92 percent Sinhalese); will create communal tension between the Sinhalese and Muslims in the Sinhala majority areas where the majority of the Muslims live in absolute harmony; leading to Sinhala-Muslim clashes and ultimate partition like what happened in British India. Thirdly, the federal system will heighten the parochial regional (Up-country, Low-country, Ruhuna, Wayamba); religious (Buddhist, Catholic, Hindu, Muslim), caste, class and political differences and enmities leading to the imposition of disabilities on employment, land ownership, education, investment, etc., which will set up the Sinhalese of one region against the Sinhalese of another region. Fourthly, the Estate Tamils of recent Indian origin will close ranks and may even resort to violence to make their dreamland of "Malayanadu" a reality in the central hills; which had been for 5,000 years (from the time of Rawana) the heartland of the Sinhalese and the watershed of all the major rivers of Sri Lanka. Finally, Eelanadu and Malaynadu will join together forming the largest and most populous State and engulf and devour the weakened Sinhala majority States.

It should be remembered that there are over 70 million Tamils living in different parts of the World of whom nearly 60 million are in Tamilnadu State in India; said to be the original homeland of the Tamil race. The Tamils like the

Jews, who created Israel are in search of a homeland to establish their pure Tamil State of Eelam. For our bad luck the Tamil Diaspora has chosen the Northern and Eastern provinces of Sri Lanka to set up Tamil Eelam with Trincomalee as the Capital. As for the International Tamil Movement, Sri Lanka is a very fertile ground for establishing Tamil Eelam because of sharp ethnic, religious, linguistic and political divisions; weak governments dependent on minority support; and the lack of human and material resources to match the flow of foreign aid to the Eelamists from the Tamil Diaspora.

NO REASON TO BREAK UP EASTERN PROVINCE

As far as the Sinhalese and the Muslims who constitute 82 percent of the population are concerned, the biggest threat lies in the proposed merger of the Tamil majority districts of Trincomalee and Batticaloa with the Northern province and the creation of a separate Muslim State. On the one hand the Sinhalese, the Muslims and a large majority of the Tamil people living in Sinhala areas do not want federalism because they understand its dire consequences. **On the other hand historically, demographically, archaeologically, socially and culturally, the theory of the Tamil homeland which may be valid in the area North of the Wannu (i.e., North of a line joining Mannar and Mullaitivu) can in no way be extended to the Eastern province.**

Article 127 of the proposed Constitution provides for the merger of the Tamil majority districts of Batticaloa and Trincomalee with the Northern Province, the creation of a Muslim majority South Eastern Region and a Sinhala majority Ampara Region or a merger with Uva Province after conducting Referenda. Sinhalese and Muslims constitute 60 percent of the population in the Eastern province. The Northern and Eastern provinces were ruled throughout history by Sinhalese Kings excepting for brief periods of occupation by South Indian, Portuguese and Dutch invaders. There are thousands of Buddhist archaeological sites, Sinhala inscriptions and numer-

ous irrigation works of Sinhalese Kings in the Eastern province which will invariably be lost for ever. There is ample evidence to prove that during Dutch and early British periods there were some Tamil settlements in the Eastern seaboard; but the vast interior of the Eastern province was dominated by Sinhalese Purana (Traditional) villages. There is a graphic description of the sad plight of the Sinhalese of Trincomalee District (by C. M. Lushington, Assistant Government Agent, Trincomalee in the Ceylon Administrative Reports 1898; Part I; Page F 17) who were persecuted by the British as well as the coastal Tamils. **The breaking up of the Eastern Province has been proposed with the ulterior motive of affording the Tamil majority in the Trincomalee and Batticaloa districts the opportunity of opting for a merger with the North, leaving the Sinhalese and Muslims of these two districts in the lurch.**

It is true that many Sinhalese were settled in the Eastern province especially under the Gal Oya Scheme; in the 1950's and thereafter. However, they were settled in the traditional homelands of the Sinhalese and not that of the Tamils. As against this the Sinhalese have permitted and also regularized the colonization of the traditional homelands as well as the heartlands of the Sinhalese in the Central Hills by Estate Tamils of recent Indian origin. If all the Sinhala majority provinces are going to chase out the Tamils and Muslims, then there is no harm in creating separate ethnic, linguistic and religious entities as proposed in the new federal Constitution. **Otherwise, the Eastern province must retain its identity and status of a single administrative region. How can Tamil and Muslim ethnic or religious regions be justified when more than 50 percent of ethnic Tamils and nearly 55 percent of Muslims are living in Sinhala majority Provinces?**

IS THERE A WAY OUT OF THIS IMPASSE?

There is a way out. **Firstly**, the Sinhalese, Muslims and Estate Tamils who constitute 87 percent of the population should stand united and firm on the 3

basic issues; namely **No Federalism; No Merger of any two or more Provinces; and No Breaking Up of any of the Provinces;** and these 3 basics should be written into the new Constitution.

Secondly, whatever the Economic, Social, Human and International consequences are; **the war must be fought to an end and terrorism wiped out of our motherland.**

Thirdly, the Mangala Munasinghe Select Committee recommendations should be implemented in full; namely; **Non-merger of North and East, further devolution and doing away with the Concurrent List and ensuring that critical subjects such as over arching Legislative and Executive power, Administration of Justice, Law and Order, Lands, Forests and Water and National Policy on all important devolved subjects including Health, Finance, Foreign Aid, Environment, etc., are reserved to the Centre.**

Fourthly, ensure adequate power sharing at the Centre by providing fair representation to the minorities in the national level assemblies and the establishment of an Upper House and multipartisan Executive Committee system of government. It has to be a replication of the State Council Executive Committee System, suitably modified in relation to the two party system prevalent in Sri Lanka.

Fifthly, the death penalty should be re-introduced and treason, waging war against the State, advocating separatism etc., should be made punishable with death and confiscation of property.

Sixthly, laws should be enacted and strictly enforced to ensure that there is no ethnic, linguistic, religious, social or cultural discrimination whatsoever. Any kind of ethnic, religious or linguistic cleansing as carried out in the North in recent times should be ruthlessly wiped out.

Seventhly, emulating the Singapore example the government should embark on accelerated programmes of economic development, social welfare, national integration and reunification of all segments of society.

Contd from page 4

of the Sri Lankan economy. The other Indian Tamils are for the most part traders and shopkeepers. Sri Lanka, as noted above, has an underdeveloped economy basically capitalist and therefore highly competitive with limited employment opportunities. Given the reality, it should come as no surprise to note that this is one of the major social and political problems of our time, and continues to be the cause of much tension and friction between the Sinhalese and Tamils of Sri Lanka.

The Muslim community, a much smaller section of Sri Lankan society than the Tamil, is differently placed in relation to the Sinhalese. They fall, broadly speaking, into three groups. First, there are the Sri Lankan Moors whose connections with the island go far back into its history to the time of the arrival of their forefathers as traders. The second group consists of the Malays who appear to have originated from those Javanese regiments which were brought over by the Dutch in the 17th and 18th centuries. The third comprises those Muslims of the Eastern Province who have pursued an agrarian way of life and who for generations have been agriculturalists in the rural hinterland of that Province. The Muslims, the riots of 1915 notwithstanding, have unlike the Tamils not been in acute competition or rivalry with the Sinhalese in recent times. One of the present dangers however, especially in the Eastern Province, is the increasingly fractious, generally uneasy, often acrimonious and potentially explosive relationship between the Tamils and the Muslims.

Sri Lanka Burghers - the descendants of the Portuguese and Dutch - and a handful of North Indian traders - Gujaratis, Borahs and Parsis - are also a part of the Sri Lankan social mosaic.

'CLASS' AND LANGUAGE BARRIERS

To add to the social divisions based on caste, ethnicity and religion there continued to be in post-British Sri

Lanka two other significant socially divisive tendencies which had their origins in British rule and which cut across caste and ethnic distinctions. One is the class distinction, a product of the emerging capitalist economy and the social order that the British helped to bring about, and the other, closely related to and interwoven with the concept of class, is the English language. Sri Lankan society came to be - and continues to be - divided into two clear-cut groups on the basis of English and these are its English-speaking and the Swabasha or indigenous language speaking segments. The former is made up of those belonging to the western-oriented middle class of urban Sri Lanka. A good percentage of the Christians, especially those of the Protestant persuasion, belong to this group while it also draws its members from those professing the Islamic, Hindu and Buddhist faiths. British rule produced an English educated class of about 6% of the nation's population, and not surprisingly, it was this small coterie which in effect monopolised the best jobs in both the government and the mercantile or private sectors of Sri Lanka, apart from dominating the professions. Although its numbers have dropped significantly due to the migration of a sizeable segment of this class to "greener pastures", the English speaking class continues to remain in a dominant position to-date.

The Swabasha (= mother tongue) speaking sections were and are the rural Buddhist Sinhala and the Tamil masses. The Indian Tamil plantation workers are also in this category of "non-elites".

The introduction of English as the medium of instruction in education resulted in the growth in Sri Lanka of an English educated "elite" which was, in reality, a very small segment of the society as a whole. In a heterogeneous society such as Sri Lanka is, this elite was drawn from all ethnic groupings and English education for a brief period seemed to be a unifying influence in post-British Sri Lanka. The inability, however, of the political leadership of independent Sri Lanka to extend

the benefits derived from a familiarity with and a command of the English language to a wider segment of Sri Lankan society in combination with the ruthless exploitation of the explosive potential of the politics of language (Sinhala/Tamil) for narrow political gain led in the main to the bitter and brutal reality of the ethnic violence of today.

This self-serving and extremely short-sighted act of safeguarding of class interests by confining English to a dominant minority only served to exacerbate class divisions between the indigenous intelligentsia and the English-speaking "elite".

EDUCATION

The introduction of the system of free education in 1944 helped, at first, significantly to redress the imbalance between the socially privileged and others. As the years went by and the demand for education grew dramatically, the state could not meet the rising expectations of the rural intelligentsia. The aspirations of the poor and the marginalised were, by and large, not met. The subsequent state take over of schools in the 1960s did not bring about the desired democratisation of education. The take over or the nationalisation of schools perpetuated the distinction between state and private schools (fee-levying and non-fee levying). That free education enabled new social layers, both urban and rural, hitherto deprived of educational opportunities to obtain a place in the sun is undeniable. The introduction of the mother tongue as the medium of instruction and later of Sinhala as the state language in 1956 also had their positive impact on the Sri Lankan polity. The gains, however, were only short-term. The unpardonable lapse of not according to the Tamil language in 1956 the status conferred on Sinhala that year and the failure to implement a sound island-wide English teaching programme served to undermine the early success of the free education system and the initial benefits derived from it could therefore not

be sustained. The inability of the state to meet the high expectations engendered by the grant of free education resulted eventually in the youth revolt of 1971, led by the more literate and articulate members of the educated peasantry. These "beneficiaries" of free education could not find gainful employment commensurate with their educational attainments and the high hopes based on those attainments. The resultant frustration and despair led to revolt.

Among the major challenges before the state in the sphere of education are the following: To work out a process by which the stranglehold the state has over education may be dismantled and legitimate private initiatives enabled to complement free education so as to promote excellence and choice; How to accommodate the ever increasing numbers seeking comprehensive education without sacrificing quality; The improvement of English language, science and mathematical skills of students and; The elimination of the mis-match that presently exists between education and employment through meaningful diversification of education.

If Sri Lanka is to make any headway in meeting the above challenges, a very vital prerequisite is an increase in the allocation for education. From a healthy level of 8 percent of GDP in the 1960s funding for education has now dropped to 2.9 percent. Based on the experience of other countries, analysts report that whenever the education sector received less than a minimum of 3 per cent of GDP that education system would not be sustainable and would run into serious problems. The dearth of qualified, experienced teachers especially in non-urban areas of the island is also an issue that requires serious remedial action if Sri Lanka's children and future generations are to be spared a dismal future

CIVIC CULTURE

In the main Sri Lanka's record with regard to democratic rule has been

remarkably good. The state has tried to adhere to The Rule of the Law and respected the independence of the judiciary except in times of extreme crisis as in the 1987-1989 period. The protection and promotion of human rights, especially women's rights, have received high priority. One of the hallmarks of Sri Lanka of the 1950s and 1960s in particular is its impressive administrative system and the high calibre of its administrators. The quality of citizen participation in the political life of the country is of a high order and a model for other liberal democracies the world over. Voter turnout particularly at General and other elections is often high reaching as much as 87% of those eligible to vote. At every election from 1956-1977 and in 1994 the Sri Lankan voters have voted governments in and out of power in a peaceful manner in keeping with democratic norms. The Sri Lankan voter has not only proved to be an enthusiastic participant in the electoral process but also an intelligent and sagacious one. Corrupt and inefficient governments have at all times been thrown out of office as the record shows.

PUBLIC ADMINISTRATION

Regrettably Sri Lanka has not been able to maintain its high standards in the spheres of politics, education, justice and administration owing to the institutional decay we have witnessed especially in the last two decades. Politicisation of the administrative service and the judiciary has been the major cause for the decline in the once impressive high standards the country had upheld. The Sri Lankan administrators of the early post-independence decades were educated, talented and efficient public servants who guided ministers and prime ministers of the country along the path of good governance. The calibre of these administrators was such that no politician would dare interfere in routine administrative matters. Nor would the politicians disregard the disinterested advice given by the administrators. Keeping with the

norms of the time.

Admirable as the credentials and abilities of the early administrators were and creditable as their performance in early years was they, too, have contributed wittingly or unwittingly to the present debacle. The majority of the early administrators were not able to establish a desirable rapport with the new breed of politicians and the changed political circumstances especially after 1956. Such administrators perceived their role in the public service to be that of providing continuity to a system, introduced during British colonial rule. They seemed to act as if they were simply filling the void created by the departing British civil servants. Instead of establishing a new indigenous post-colonial administrative service and setting appropriate standards for the next generation of public servants, most of the old administrators stubbornly and mindlessly sought to perpetuate the old order. Labelling them "reactionaries", the wily politician then contrived to circumvent these officials whom he deemed to be intransigent and recalcitrant.

Accordingly, early inroads into the independent public service were made by politicians in the mid-sixties when for the first time persons from outside the public service were appointed to key administrative positions which successive governments thereafter turned into a fine art. The upshot of all this was the lowering of standards due to the enthronement of stooges of politicians in key public service posts. As a result, even a mere member of parliament, leave aside ministers, prime ministers and presidents, is now able to interfere at will with the administrative process. This has resulted in a demoralised and slavish public service that is a shell of the service it once was.

THE JUDICIARY

The judiciary, too, has suffered a similar fate. Happily the Sri Lankan Supreme Court is yet able to assert its independence despite the

irresponsible efforts of some meddling politicians to tamper with this august body. 1972 was the first notable occasion on which a deliberate attempt was made to politicise the judiciary when a country lawyer and a former parliamentarian was appointed to the Supreme Court. With the wide powers granted to the Executive President under the Second Republican Constitution of 1978, more assaults came to be made on the judiciary and judges of the Supreme Court who sought to assert their independence were on occasion even close to bodily harm. Ironically the two politicians who led these misguided forays into what under a democratic system is a sacred domain, the judiciary, were themselves lawyers and sons of former Supreme Court judges to boot!

The on-going war in the North and the East has impinged on the impressive and worthy record of Sri Lanka's judiciary. Both the Liberation Tigers of Tamil Eelam (LTTE) and the Armed Forces of Sri Lanka have on more than one occasion been guilty of seriously violating the rights of ordinary, law-abiding citizens of the state. The Criminal Justice Commission Act of 1972 (now repealed) and The Prevention of Terrorism Act currently in force were/ are perhaps necessary evils that have tarnished the image of the judiciary. While the former act was used judiciously in bringing the youthful insurgents of 1971 to trial, abuses occurred later when it was used for purposes other than it was originally meant to.

The First Republican Constitution, 1972, introduced a Bill of Fundamental Rights, though at the same time it took away the power of the ordinary courts of law to question the constitutionality of statutes passed by the legislature, the National State Assembly. The Second Republican Constitution, 1978, contains a Bill of Rights and yet the new Constitution like its 1972 predecessor, denies to courts of law jurisdiction to question the validity of legislation passed by

Parliament. Since neither Constitution allowed for judicial review of legislation, the Bills of Rights contained in those documents were not as effective as they might otherwise have proved. In place of such judicial review the present Constitution (1978) has merely conferred a special jurisdiction on the Supreme Court to determine constitutionality of Bills before Parliament, a jurisdiction similar to that conferred by the former Constitution (1972) on the Constitutional Courts. The draft proposals for a Third republican Constitution put forward by the incumbent government include provision for judicial review of legislation. However, the provision is circumscribed by limiting such judicial review for a period of two years. Article 23 of the proposed new Constitution seeks to counter the present disadvantages arising out of the PTA by making provision to deal with the protection of fundamental rights in times of emergency. As pointed out by legal scholars, Article 24 of the draft Third Republican Constitution by allowing for "certain existing and unwritten laws" to remain valid, undermines the very progressive features found elsewhere, such as in Chapter III (3,4 and 5) which contain proposed provisions for those arrested for offences.

At a more mundane level, though not less important, the courts and court complexes of Sri Lanka are urgently in need of repair and modernisation. The keeping of court records in good order, the retention of decent men and women as judges, magistrates and other senior officials by paying them realistic and decent wages and related house-keeping chores deserve the most careful attention of the state if Sri Lanka is to keep its all important institution - the judiciary - from further decay and irretrievable decline.

POLITICAL PARTIES & PROCESSES

Democracy and democratic mechanisms function after a fashion

in Sri Lanka. While there is much that remains to be done to make Sri Lanka a truly liberal democratic state, relative to some of the other regional democracies, Sri Lanka is in very good shape. This is not necessarily a compliment. Ever since the General Election of 1931, there have been electoral malpractices, including killings in the run up and aftermath - but the worst abuses of the franchise came after 1977 - ballot-box stuffing, impersonation on a large scale, intimidation of election staff, and other violence. The Referendum of 1982 was a blatant fraud, and the recent (1997) local government elections provided an entire orchestra of abuse - as narrated by the observers in reports. Insofar as Sri Lanka's political party system goes, a glaring shortcoming is the absence of the democratic management of the respective parties. Their office bearers are usually not elected democratically. The control of the major parties by a few prominent families has proved a durable obstacle to their modernisation and democratisation.

MEDIA FREEDOM

The absence of any meaningful media freedom since the 1970s is a major flaw in the Sri Lankan democratic experiment. The 1970 government took a deliberate policy decision to nationalise a segment of the press and successive governments, both of the Right and the Left, have since failed to free the media of its shackles despite issuing threats to do so while serving in the ranks of the Opposition. The media in Sri Lanka for its part is not without blemish either. Not infrequently Sri Lankan newspapers are littered with shoddy and irresponsible pieces of journalism unworthy of journalists in a democratic society. Self-censorship is also a failing most Sri Lankan journalists are not infrequently guilty of. At this writing Sri Lanka is witnessing one of the more sordid episodes in the melodrama that passes for a vibrant relationship between the state and its media institutions. The editor of a national English language weekly has been convicted for criminal defamation of

the President of the Republic consequent to a prolonged and controversial trial. The charge against the newspaper editor was occasioned by the appearance of a gossip column article in its 19 February 1995 edition relating to the President's presence at a midnight party in a five star hotel in the nation's capital, Colombo. At a juncture when liberal democratic states the world over are taking steps to repeal criminal defamation clauses from the Penal Code or consciously disregarding them as in the U.K. in the interests of enhancing media freedom, it is absurdly inappropriate to convict an editor of a national newspaper under these laws for so trivial an "offence". If the Sri Lankan state is serious about the promotion of media freedom it should act with vigour forthwith to scrap the Press Council Law, the criminal defamation clauses in the Penal Code and the Official Secrets Act. And no less important, the journalists for their part must ever bear in mind that the freedom they seek cannot be limitless and that civil society demands from all of its members a sense of responsibility and reciprocity. The rights that civil society bestows on us are usually accompanied by duties and obligations to society.

PRESENT PREDICAMENT

Sri Lanka has evolved in the last fifty years from a welfare state which with its subsidised food, its free education and health systems bore comparison with the welfare states that came into existence in the western world after World War II, to a nation struggling for survival at the dawn on a new century. A considerably developed and rapidly expanding public sector dominated the Sri Lanka economy in its early post-independent decades. Until the 1970s Sri Lanka could boast of a well-grounded democratic system in which dissent was not only tolerated but encouraged and fostered. Working class political parties including revolutionary parties were active at this time. Regular general elections were held in which the masses participated widely and

actively. The franchise for both males and females at and after age 21 granted as early as in 1931 was extended in 1958 to include those of age 18 upwards.

The resurgence of national pride in post-independent Sri Lanka regrettably was not all embracing. Sri Lanka lost its way in the late 1950s and turned its back on its rich and plural cultural heritage. The "revivalist elite" sought to make Sri Lanka an exclusively Sinhala Buddhist state and the consequences have proved disastrous for the nation. "Sinhala Only" encouraged Tamil separatism beginning with the demand for federalism and culminating in the battle cry for Eelam.

The national economy consequent to the "Korean boom" of the late forties and early fifties and the bonus of accumulated foreign exchange in England earned by wartime rubber slaughter-tapping, soon became stagnant and incapable of meeting the needs of a rapidly increasing population. As the years rolled by unemployment began to pose a serious problem and economic disparities became heightened; and this state of affairs eventually led to the unrest and revolt in Sri Lanka post-1970 onwards as outlined above.

CHALLENGES AHEAD

As Sri Lanka looks to celebrating fifty years of post-British rule, she would do well to reflect on certain urgent realities. First and foremost the nation's politicians have to be less dishonest and far more accountable to the people of Sri Lanka whose servants they claim to be. Merely labelling themselves "Dharmishta" or "People's" governments is not going to help. The electorate is on the brink of losing its faith in the Sri Lankan democratic process. Disenchantment with the existing system is alarmingly high and Sri Lankans are far more cynical in their political outlook today than ever before. So great is their cynicism that most have come to believe that politicians for the most part are creatures devoid of civility,

moral values and discipline. Politics is considered by many to be the fastest means by which money could be made in contemporary Sri Lanka!

Sri Lanka has been so brutalised by the high level of terrorism prevalent in the country that most live on the border of agony and despair. Violence is virtually a way of life in Sri Lanka today. "Peace through War" or "War for Peace" is neither a civilised nor a viable option in a so-called democratic society. A negotiated settlement of the protracted blood-letting or fratricidal war is a must, before the mounting expenses of violence overcome the expenses of peace. In this regard the reluctance of the LTTE to enter into a meaningful dialogue with the Sri Lanka Government must be deplored. The LTTE appears to have rejected out of hand even the far reaching draft proposals for power devolution currently on offer. Velupillai Prabhakaran and the LTTE seem not to want to settle for anything short of a separate state.

One undesirable by-product of rapid economic development in the context of globalisation is the rampant material greed which has made Sri Lankan society less humane than before. Hence political corruption, violence and gross materialism have brought Sri Lankan society to the brink of disintegration.

CONCLUSION

Sri Lankans are heirs to a great civilization based on the rationality and humanity of the philosophy of Buddhism. And Sri Lankan society, on the whole, has been a very caring, tolerant and gentle one despite the occasional aberrant lapses. The people of Sri Lanka have to draw fresh sustenance from their heritage, resurrect their true values and ideals and wage a spiritual war to cleanse themselves from within. Until such a moral regeneration occurs there is no hope of a viable future for Sri Lanka.

Contd from page 8

Almost one and half centuries ago, R.S. Saunders an English Factory Inspector said: "Further steps towards a reformation of society can never be carried out with any hope of success unless the hours of labour be limited and the prescribed limits strictly enforced". (*Reports of Inspector of Factories* for Oct. 1848)⁵. Today we are witnessing a counter reformation in the name of removing the rigidities of labour market - an important component of the neo-liberal policy mix. In fact these policies are reminiscent English, French and Dutch Labour Statutes from the Fourteenth Century to mid 17th Century which sought to lengthen the working day by compulsion. What does this say about the nature of post-Socialist capitalism and the direction in which it is headed?

The 'Morning Star' of June 23rd 1893 called it 'white slavery', the plight of England's workers "who are toiled into the grave, for the most part silently pine and die". The reference was to the death of a 20 year old young woman employed in a highly respectable dress making establishment. Mary Anne Walkley died of overwork - the result of working for 16 ½ hours a day on an average⁶. That was almost one and half Centuries ago. Compare this with the following report in the Economist: "In 1995, California State officials freed 72 Thai immigrants from a sweatshop in El Monte, a blue collar district east of Los Angeles. They had been forced to work upto 17 hours a day, were held captive in a razor wired compound and were paid between 60 cents and \$ 1.60 an hours at a time when the legal minimum wage was \$ 4.25'..... "Last April labour rights activists revealed that part of Wal-Mart's Kathie Lee Collection, a line of clothes endorsed by Kathie Lee Grifford, a talk show host, was made in Honduras by seamstresses slaving 20 hours a day for 31 cents an hour". (*The Economist* - 19.4.97 - Emphasis Ours).

What is the obvious conclusion? **The working conditions in some industries in some parts of the world (and not just in the Third World) are startlingly similar to conditions prevailing more than 150 years ago. And attempts to**

cause changes for the better are unlikely to meet with much success. An agreement between President Clinton and Apparel Industry Partnership (which "prohibits child labour, and worker abuse, establishes health and safety standards, recognise the right to join a Union, limits working hours to 60 hours a week except in extraordinary business circumstances and insists that workers be paid at least the legal minimum wage - or the prevailing industries wage - in every country in which the garments are made") has not much chance of success; according to the *Economist*. 'A 1996 survey of California garment firms found that 99% were in break of wage, health, safety or state registration laws; on one estimate around ½ of the country's 22,000 clothing contractors do not pay the minimum wage. Up against such devious and determined opposition, the anti-sweatshop agreement many end up as so much window dressing" (*Ibid.*).

As the UNDP points out : "labour regulations to enforce decent working conditions and prevent exploitation are needed more than ever... People are less secure, working harder and under more pressure' - often for the same or lower wages. And it is more difficult to secure care for those who need it - older people, young children and the sick. Despite per capita incomes of \$20,000 and economies that are still growing, people's working lives are not getting better. New institutional arrangements are needed to achieve goals important for human development. That means more job security and more equity". (*HDR 1996.*) The neo-liberal dogma which advocates the freeing of the labour market and an end to the state's interventionist role in regulating capital; the fierce competition among third world countries to attract foreign investment which is in search of more and more cheaper sources of labour; and the disappearance of the 'communist threat': all this would mean that a change for the worse is more likely than a positive change. It should be borne in mind that these appalling working conditions (including child labour) are **not feudal vestiges** (such as bonded labour in India and

Pakistan and slave labour in Nepal) but **excesses by developed capitalism!** "Industrial countries also have a substantial child workforce. In Europe some of the largest numbers are in Italy and Spain. And there are believed to be large numbers in the US where between 1983 and 1990 there was a 250% increase in violation of child labour laws" (*HDR 1993*).

IV CAPITALISM, DEMOCRACY AND STABILITY

Capitalism today is not the capitalism of a century or half a century ago. Capitalism was then young, and incapable of hegemony. Capitalism of today is a triumphant capitalism which had buried its greatest foe and is confident of its historic right to global dominance. It is no longer being challenged by a universalist (or potentially universalist) ideology cum movement which claims to be both the alternative and the successor; the only challenge to it comes from localised (at the maximum regionalised) extremist movements with no pretensions to a universal appeal. Will capitalism today, a victorious capitalism, concern itself with these challenges? Will it see any need to change, in response to these challenges?

What we are witnessing today is not just a failure to effect a grand alliance between pluralist (multiparty) electoral democracy at the level of politics and social democracy at the level of the economy, but the refusal to accept the need for such an alliance and even a determination to prevent it from happening! Everything is being done to prove that there is no alternative to economic neo-liberalism and that free market and monetarist capitalism is the fate of the World.

Initially, at least, the social democratic/communist challenges to capitalism originated in the West, i.e. the centre of the world system. It was metropolitan capitalism which was 'haunted by the spectre' of

socialism. And metropolitan capitalism was capable not only of evolving and changing but also of imposing reforms on the periphery whenever it was deemed necessary for the survival of the system. (The US propelled land reform in Japan and South Korea is case in point). Today the challenges - actual and potential - to capitalism originate in the periphery and the semi-periphery. It is the peripheral capitalism which is immediately threatened by the rise of fundamentalist/extremist movements. But peripheral capitalism does not possess the capacity to evolve, to effect changes (except rather minimally) in response to these challenges. The stranglehold the Bretton Woods Twins have on the economies of the Third World and the current process of globalisation mean that these countries are forced to stick to the neo-liberal agenda, **even when the ruling elites understand the danger posed by various extremist/fundamentalist movements and want to respond by implementing some populist-reformist counter measures.**

The following comment by *'The Economist'* on the dilemma faced by the leaders of the newly democratised African states is equally applicable to all democracies in the process of implementing SAPs: "Can Africa's politicians tell the people the truth - that state employees will lose their jobs, services will suffer and some prices will rise when budgets are balanced and subsidies cut - and then ask those people for their votes in an election?" (20th Sep, 1997).

Economic growth alone cannot ensure political stability. At the time of the Islamic Revolution in Iran, the Iranian economy was growing at a satisfactory rate. The recent bloody show of strength by Islamic fundamentalists in Egypt (the massacre at Luxor) took place at a time when "Egypt's economy is in its best shape in decades" (*The Economist* - Nov. 22, 1997). For this year the expected growth rate is 5.3%. But this growth has not

caused a reduction in either poverty or inequality - in fact due to some recent IMF/World Bank inspired reforms inequality is expected to grow. As a prosperous Cain butcher told the *Economist*: "The government is to blame for (the young gunmen). These boys are so poor and so hopeless that they would do anything if you gave them hundred pounds". In fact Egypt provides an excellent case in point as to the dangers of neo-liberal economic reforms - particularly in the volatile Third World. The Egyptian government delayed investment in education and other social services until the growth rate reached satisfactory levels. However this delay contributed to the radicalisation of the poor, particularly the poor youth, making them vulnerable to the lure of fundamentalism. The resultant upsurge in the fundamentalist movement is expected to adversely affect tourism - with negative consequence for both growth and social investment. And if that happens "the blinding poverty of Upper Egypt will endure to produce another generation of violently misguided youths" (*ibid.*).

In order to safeguard democracy and systemic stability, Third World and ex-Soviet bloc countries have to come up with an economic strategy which can be implemented democratically, with a popular mandate and support i.e. an economic strategy which 'puts people first'. In other words what is needed is a politico-economic model which encompasses all three components of the slogan of the French Revolution: Liberty, Equality, Fraternity.

V TRACK B

Growth and more growth, faster - that has been the panacea offered by economic neo-liberalism for all the ills besetting the Third World. In recent years we heard about jobless growth (growth with increasing unemployment) and ruthless growth (growth with

increasing inequity) i.e. growth that does not benefit a large segment of the society (sometimes even the majority), at least in the short term. Now with the recent developments in East and South East Asia, we are confronted with a type of rapid growth which results in economic crisis. The answer offered by neo-liberal pundits to this dilemma is less and slower growth. For example Malaysia is expected to reduce its growth rate from 7% to 4.5%.

An economic crisis which is the result of an overheated economy, of too much growth, the solution to which is the deliberate slowing down of the economy: hardly a new phenomenon; in fact a phenomenon as old as capitalism. The utopian socialists were the first to write about it: Fourier called it 'Crise pléthorique'. Marx and Engels described it as "the epidemic of over-production" (*The Communist Manifesto*). A crisis that is caused by "... too much civilisation, too much means of subsistence, too much industry, too much commerce" (*ibid.*). And these crises are addressed by the "enforced destruction of a mass of productive forces" (*ibid.*).

So in the Third World we are facing two types of crisis - crisis caused by too little growth and crisis caused by too much growth. Either way a disproportionate share of the burden will have to be borne by those very segments of society which are least able to do so: the economically weak and the vulnerable. In the free play of the market forces the poor are the last to benefit and the first to suffer. As the participants at the recent forum of the Socialist International concluded: "The fate of the poor cannot be left to the mercy of market forces in the developing countries of Asia. The state must intervene in a positive way to eradicate poverty" (*ibid.*).

Peace within a country and in the world system would be impossible if a substantial section of the inhabitants feel insecure socio-economically. Poverty (both absolute and relative) and its attendant social

ills can threaten and undermine global peace and security. A recent publication (identified as "one of the most important economic books of the decade" by the *Business Week*) claims that the success and the sustainability of the process of globalisation is dependent on the ability of policy makers to fashion and implement measures to safeguard those segments adversely affected by globalisation. (*Has Globalisation Gone Too Far* - Prof. Dani Rodrik - Institute for International Economics - 1997). "Most governments and probably most Africans agree that there is no alternative to reform, but the idea is growing that each country must fashion a reform strategy that suits its own political and social conditions. No single formula either for democratic progress or economic success will suit every country on the continent". (*The Economist* - 20th Sep, 1997). This may be true of most of the Third World countries. But how compatible is this with the economic totalitarianism of the IFIs? Is metropolitan capitalism not only unwilling to change in response to the new challenges but determined to prevent peripheral and semi-peripheral capitalism from changing either? If so, what will be the political repercussions of this intransigent stand, particularly in the Third World and the ex-Soviet Union?

Growth-Equity-Democracy: The world system in the century that is ending, is replete with examples of either one or at most two of these three desirable elements being present.

There has been **pure growth at the expense of both democracy and equity** (e.g.: Pinochet's Chile).

There has been **growth and equity at the expense of pluralist democracy** (e.g. Socialism in its early decades; Taiwan).

There has been **growth and democracy, with little equity** (Thatcher's Britain, U.S.A under Republican administrations).

There has also been **equity with democracy, but low growth** (Kerala in India in the '60s and '70s).

Some commentators have identified two types of challengers to the neo-liberal consensus: alternative normativists and structuralist reformists. The latter proposes reforms which are not participatory while the reform proposals of the former are local in scale and scope, without a vision of how these local solutions can relate to one another (*"The Bretton Woods Challengers"*: Lise Jordan in *Development: New Paradigms and Principles for the 21st century* Edited by Marie Jo Griesgraber and Bernard G. Gunter, London: Pluto 1996). Can this policy divide be transcended? Is it possible to achieve a synthesis between these two approaches? Is it possible to formulate and implement **national level solutions** which are **participatory i.e. democratic**?

It would be no exaggeration to say that at least in certain parts of the world, successful electoral revolts against the neo-liberal strategy are taking place. The victors of this electoral contests are those parties promising (however vaguely) to follow a course somewhere (if not exactly midway) between neo-liberalism and state capitalism/socialism. Does this mean that the task of exploring a Track B, (i.e. a model in which growth is poverty alleviation/equity oriented and poverty alleviation is reciprocally growth oriented; an open market economy in a democratic polity which aims at achieving growth with socio-economic justice) and assessing its viability, has been placed on the agenda of history? If so, how this task is addressed and fulfilled may be of crucial importance in ensuring global security and sustainability in the 21st Century.

Footnotes

1. A recent research sponsored by the IMF argue that a piecemeal approach to reform has back fired because of the way labour - market rigidities reinforce each

other; and that the problem of unemployment cannot be successfully addressed until governments accepts the need to make labour markets much more flexible - (Source - 'Policy Complements: The Case for Fundamental Labour Market Reform' - David Coe and Dennis Snower IMF Staff papers Volume 44. No. 1 1977).

2. Since 1980's "economic or stagnation has affected 100 countries" (*Ibid.*). Of these 10 countries reached their present per capita income in 1960 or before; 16 in the 1960's; 35 in the 1970's; 30 in the 1980's. Only 64 countries recorded per capita incomes in the 1990's higher than ever before. Of these, 20 were OECD countries". And in most of these countries - be they successes or failures "... many of the poor have missed out and even the better off have often been left vulnerable to unemployment and downsizing to cutbacks in health and welfare services" (*Human Development Report 1996*).

3. "The biggest share of economic aid, 38%, went to finance imports of intermediate goods (mainly cotton, yarn, ores, metals and fertiliser); 30% went for consumer goods (mainly food); another 19% went for capital goods (machinery and tools). The United States supplied 35% to 45% of Taiwan's imports, and took 5% to 10% of its exports". (governing the Market Robert Wade).

4. "Technical assistance to make better military uniforms helped the textile industry, and technical assistance on radars and avionics helped the electronics industry" (*Ibid.*)

5. "The proceedings have affected moreover incontrovertible proof of the fallacy of the assertion so often advanced that operatives need no protection but may be considered as free agents in the disposal of the only property which they possess - the labour of their hands and the sweat of their brows" (report of Factory Inspectors for April 30th 1850)". Free labour even in a free country requires the strong arm of the law to protect it" (Report of Factory Inspectors for Oct 31st 1864).

6. Source - Capital - A Critical Analysis of Capitalist Production.

Contd from page 11

that a line that will definitely come home to roost on his head, if and when the dream of his boss is realised ?

HEGEMONISTIC CONSTITUTIONALISM, CONSTITUTIONALISED HEGEMONISM

The Leftists who borrowed western concepts dominated the intellectual landscape with their lung power from the 'thirties to the 'seventies. Their solutions for local problems left the nation in tatters. They misdirected the nation with their claims to superior knowledge and understanding of the intricacies of political problems. Today some of the remnants of the decadent and discredited Left and a host of CNA intellectuals are marching to the beat of a new drum : a revised social contract enshrined in the constitution for ethnic harmony, peace and stability. In principle, like Marxism, it has some merits. But of all the ethnic communities — the Indian Tamils, the Muslims, the Borahs, the Parsis, the Burghers etc. -- the problem is confined essentially to the Tamils who dominate the ICES and its violent counterpart in the LTTE. So all the rearrangements of the proposed constitution and the social contract are primarily to appease only the hegemonistic demands of the northern Tamils. However, at the moment, the debate centres not on the basic principle of constitutional rearrangement but on how far down the track must the nation go to reach an equitable and just solution to all communities and just not the Northern Tamils alone.

The divergences are on this issue. The Colombo ICES, which has inherited the separatist legacy from the father of the key player within it, is pushing it to the extreme border nearest to a separate state. The constitutional framework designed by them is only one step short of Mr.

Prabhakaran's Eelam. To set the stage for their final thrust, the key intellectuals in the ICES are looking only at judicial, legislative and executive powers that can clearly demarcate separatist structures and borders that will establish a de facto Tamil state which can declare a break-away region at an appropriate time in the future. Of course, they would deny this and cover up their hidden agenda like the way they translated Tamil Arasu Kachchi into 'Federal Party' when it actually meant separate state, as admitted as by Prof. Wilson. Their tactic is to base their argument on western models which are applicable only to those historical circumstances and not to the ground realities of Sri Lanka. Besides, such models appeal to their foreign constituencies who believe naively that their institutions can be transferred, clause by clause, to fit into the local needs without realising that each historical circumstance is unique and needs solutions developed from the soil to meet the unfolding challenges.

Consider, for instance, the unique historical circumstances of the Sri Lankan Tamils. Can it not be said that the 60-odd million Tamils domiciled in all parts of the world, including the 50 million in their only homeland of Tamil Nadu, live amicably with their neighbouring majorities under conditions which are far less just and equitable (e.g. Malaysia and Fiji) than those in Sri Lanka ? By way of recognition of their identity and culture, do the other Tamils have a place in the other national flags, or their language recognised in the stamps, currencies and official documents ? The Tamil struggle has been to retain their privileged position bestowed on them by the departing raj. Historical evidence proves that their Tamil struggle began when they feared the loss of their privileged position. They held a parity of status under the raj and their aim was to retain that position. When these imbalances were corrected, the privileged

Tamils of North raised the cry of discrimination. And the intellectuals, who should have recognised the one-tenth truth and the nine-tenth lies in this campaign, swallowed the Jaffna Tamil propaganda hook, line and sinker.

The intellectuals who misled the nation in the past with their addled 'leftism' are misleading the nation today on hegemonistic constitutionalism. Their recipes for peace and harmony are as good as their previous formulae for social justice and progress. Prof. Carlo Fonseka, for instance, was sponsored by WIDER in 1990, to write a prescription for peace in Sri Lanka. He pompously announced on the cover that it was RESEARCH FOR ACTION — TOWARDS A PEACEFUL SRI LANKA. Seven years later we are still mired in blood. Prof. Fonseka targets the myths of the South without saying a word about the most explosive myth of the Tamil homelands. How does he propose to bring peace without first dispelling the myth that is driving the racist fanaticism of Tamil hegemonists ? Why are the intellectuals scared to face the truth ? This is the kind of futile activity that has fattened the pockets of pseudo-intellectuals whose prescriptive arrogance far exceed their capacity to diagnose basic facts and processes of history. The intellectuals beaver away in the thatched patios at the ICES Colombo must realise that though they possess an immense capacity to delude themselves, the realities of moving history have a way of leaving them buried in the debris of their own intellectual Berlin Walls.

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