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MUSLIMS: NO MORE AN INVISIBLE MINORITY

Mervyn de Silva

“We go step further and say whether the North and East is merged or not, the Muslims of the country need a separate unit for themselves as there is general agreement among all for the devolution of power. And if you take North-East together, there live three distinct ethnic groups, the Sinhalese, the Tamils and the Muslims. So when you devolve power between the Sinhalese and Tamils and if you ignore the Muslims, and do not give them the powers that they should receive, and you deny the Muslim community, it would give rise to other problems”.

The SLMC leader Mr. M. H. M. Ashraff was speaking to a journalist of the government-owned Lake House paper, the *Sunday Observer*.

The S.L.M.C. leader added that his party favours the devolution of power and the creation of regions.

In mid-1994, Izeth Hussain, a former Overseas Service officer (he is now Ambassador to Russia) described the Muslims as “an invisible minority”. In a contribution to the *Lanka Guardian*, Izeth Hussain took up the views expressed by two outstanding scholars, Daniel Moynihan and Eric Hobsbawm on ethnicity, nation and nationalism. The Muslims, Hussain argued, are in fact seen as “constituting an ethnic problem of sorts but that is only in relation to the Tamil problem...”

The basic character of the Tamil problem itself, we should add, changed in terms of the territorial imperative when the Sri Lankan army in 1993-94 (the D. B. Wijetunga phase) pushed the L.T.T.E. out of the eastern province.

Foreign correspondents and visitors from western NGO's familiar with strife-torn countries from Yugoslavia to Kampuchea, confirmed our own impression that the armed forces had pushed the LTTE to the jungle, and “pacified” the East. This was certainly confirmed by a British visitor who spent over a month in the east and submitted her report to a London-based Human Rights-cum-Research Centre in London.

After the P.A.'s victory in August, and more so, Candidate Chandrika Kumaratunga unprecedented 62% vote less than two months later hopes of a negotiated settlement of the 12 year “ethnic conflict” rose sharply. Mrs. Kumaratunga, quite clearly, was the “Peace Candidate”. Her credibility could hardly be challenged by even her sternest critics. She had not only visited Jaffna with her film-star husband Vijaya Kumaratunga but Madras, the temporary headquarters of all the separatist Tamil groups, including the most uncompromising and belligerent, Velupillai Prabhakaran's L.T.T.E.

But the P.A.-L.T.T.E. Bhai-bhai phase was soon over. War-war took over from jaw-jaw.

AUTONOMY OFFER

With the triumphant climax of OPERATION RIVIRESA and the Lion Flag flying triumphantly over Jaffna, capital of the erstwhile “EELAM”, it did look as if the L.T.T.E. would be forced to return to “peace negotiations” or re-open hostilities and fight the army till the L.T.T.E. ran out of ammunition. If only things had moved in this direction and at the pace the P.A. pundits had predicted, the Kumaratunga presidency could have shuffled off the huge burden of defence spending — a million US dollars a day had already reached two million dollars a day ...and rising.

For this reason mainly, the budget deficit is likely to be over 10% of G.D.P. this year. And with the terrorist attack on the Central Bank, in the heart of the city, both investment and tourism will be instant victims. And of course the ambitious privatisation program. By selling several State ventures, the family silver, the P.A. was hoping to collect at least four hundred million dollars. If the Australians and the West Indians cancelled their tours, would big-time investors be tempted, especially when Vietnam and Burma are offering better terms in much more stable conditions.

However President C.B.K. is sticking bravely to her game-plan — clobber the LTTE militarily, win over the moderates

and the former militant groups EPDP, ENDLF, EROS, etc, and of course the most respectable parliamentary formation, the TULF, and have Parliament accept Professor Pieris's “autonomy package”. Autonomy yes, but would the parties, including parties in the PA, such as the DUNLF, accept the reforms package.

Even with the full support of its partners, the P.A. needs some understanding with the U.N.P. to get a two-thirds majority for Prof. Pieris' constitutional reforms package. The President's policy of aggressive confrontation received a predictable reply from the UNP's Working Committee and Parliamentary Group. No deal.

The P.A. is running out of options. Its predicament is only a symptom of the national crisis.

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Sri Lanka and the Global Economic Environment

Gamani Corea

Hon'ble Prime Minister, Mr. Mervyn de Silva, Excellencies, Ladies and Gentlemen,

First, let me express my sincere thanks for the privilege and the honour of been invited to deliver this first Shelton Kodikara Memorial Lecture. I wish to commend the Shelton Kodikara Memorial Committee for having organised this event and express the hope that it will become a regular feature in the years to come.

Professor Shelton Kodikara was well known to virtually all of you. I do not need, therefore, to recount on this occasion his many achievements and his many contributions both to Sri Lanka and to the international community. He had many sides to his career. He was an academic, a researcher, a diplomat and an author and he excelled in all these fields. He was well known both in this country and in the world outside. He had many contacts with universities abroad which recognised his knowledge and skills and the valuable contributions he made. Shelton Kodikara pioneered many things — courses of study, centres of research and networks of communications. He was involved in expanding the knowledge and understanding of the many aspects of international relations, particularly from the perspective of Sri Lanka. His many writings, his books, his essays all bear testimony to his contributions and they remain a lasting tribute and a monument to his service to this country and to the world outside.

Prof. Kodikara had many associations with the BCIS and I think, therefore, that it is fitting that this memorial lecture should be organised in these surroundings. In fact, Prof. Kodikara was associated with the BCIS from its very inception in 1974 and it was after I became myself a member of its Council of Management that I came into regular contact with him. I do not have his expertise in the field of International Relations, particularly in regard to the many faceted dimensions of our relations with India

The inaugural Shelton Kodikara Memorial Lecture was delivered at the BMICH on 11.1.96. Prime Minister Sirimavo Bandaranaike was present.

and the other neighbouring countries of South Asia. But I thought that given his concern with international issues it might be of relevance if I chose as the subject of this address the theme of the external economic environment within which Sri Lanka has to conduct her affairs and strive to achieve her objectives. This was an aspect familiar to Prof. Kodikara so I believe he would have appreciated this choice of subject given the important impact economic developments in the world outside have on Sri Lanka.

The external economic environment has been important to Sri Lanka since colonial times. During the British period, in particular, ours was an export-import economy cast in a classical colonial mould. Our dependence on external trade was singularly heavy. We were strongly affected by the ups and downs of world trade, by the prices that our export products fetched on world markets. The proportion of exports and imports in our national income was particularly large — much in excess of the corresponding shares in any of our neighbouring countries, indeed in most of the Asian countries. Domestic economic policy in the colonial era was in almost every aspect a model of the policies now being advocated throughout the world by the multilateral financial institutions. The emphasis was on openness, on export orientation, on balanced budgets, on convertible and stable currencies, and on a key role for foreign investment and for the private sector. All this helped to bring into being an export import economy and to establish a plantation sector that was highly responsive to impulses from the world outside. But it led also to the creation of a dual economy with a subsistence sector that was largely by-passed by these changes and from which much of our rural population continued to derive their livelihood.

For a period after Independence we strove to modify this legacy and to cushion our vulnerability to the vagaries of world commodity markets, particularly those for tea, rubber and coconuts. We endeavoured, in common with most other developing countries, to carry out

policies of internal development and of diversification in the background of a mixed economy and of an active economic role for the state. But internal constraints as well as global conditions were not supportive of those efforts and the tempo of economic growth and of transformation remained slow. Much of this has changed in the more recent period following a number of dramatic developments on the world scene. Today we are induced once more to look to linkages with the world outside as a means of achieving some of our goals and aspirations and the external economic environment has emerged once again as a dominant determinant of our fortunes.

The external economic environment, however, is not a monolithic concept. It is multi-faceted and has many dimensions. It relates, for example to the overall health and vigour of the world economy which is a key determinant of world demand and of the strength of markets. It embraces the framework of international cooperation for development and relations between rich and poor countries. The international systems and regimes that regulate money, finance and trade are yet another facet of the external economic environment. So are the several trends and forces that affect the world economy at a given period such as those towards globalisation and liberalisation that are now seen as a dominant factor that can determine the fortunes of virtually all countries. The external economic environment also encompasses such developments as the emergence of vast regional groupings of the industrialised countries as well as the efforts of developing countries to cooperate with each other, particularly at the subregional level. All these are dimensions of the external economic environment and they could impact very strongly on countries like Sri Lanka. It is not my intention to comment extensively on these dimensions — each would merit a lecture, even a dissertation, of its own. What I wish to do on this occasion is to point to some of the highlights of the various facets of the external economic environment from the

point of view of the impulses that they generate, positive as well as negative, of importance to countries such as ours.

Let me start with the first of the dimensions I referred to — the dynamism and vigour of the world economy. As I said earlier, the rate of world economic growth, the rate of growth of world trade, and the behavior of other global variables have a profound impact on the fortunes of national economies not least those of the developing countries. They determine commodity price levels; they encourage or discourage resource flows between countries; they encourage or discourage protectionism and the opening up of markets; and they aggravate or relieve the problems of external indebtedness of individual countries.

Now let me say at the outset that I do not feel that the dynamism and vigour of the global economy — largely a reflection of the dynamism and vigour of the major industrial powers — have been sufficient in recent times to provide a strong supportive framework for the development efforts of the developing countries. In earlier decades, such as those of the 50s and the 60s, there was rapid overall growth in the world economy spurred on by the post war reconstruction processes of Europe and Japan. The growth rates of the industrialised countries at that time were strong and vigorous and generated impulses that enabled the developing countries themselves to attain a relatively high pace of expansion. The decades of the 50s and the 60s saw the beginnings of international cooperation for development, the launching of aid programmes, the promulgation of United Nations sponsored "decades of development" — all seeking to transmit the forces of growth and expansion to the developing countries as well.

All this began to change by the beginning of the 70s, a change that came to be intensified during the 80s and the years thereafter. Among the earliest signs was the suspension of the convertibility of the US dollar in the wake of the difficulties experienced by the United States economy in the aftermath of the Vietnam war and the first oil shock of the early 70s. But it was during the 80s that the change in scenario came to be particularly marked. The 80s saw the major developed countries, consciously and deliberately, initiating new policies of contraction aimed at combating inflation and the "overheating" of their economies. All this set in motion a train

of recessionary forces that spread throughout the world economy. During the 80s growth rates in the developed countries contracted sharply, compounded by rising instabilities in the areas of exchange and interest rates. The impact of these forces on the developing countries was particularly severe. Commodity prices came tumbling down, protectionist trends in the industrialised countries grew in intensity, resource flows decelerated and aid budgets came to be increasingly constrained. A debt crisis of startling dimensions gripped many of the countries of Latin America. Over the 80s the developing countries were not supported by any dynamism or vigour emanating from the world economy. In the result growth rates declined sharply and came even to be negative in a large number of countries.

This situation was further compounded by a set-back in the realm of international development cooperation, itself a dimension of the external economic environment. Since its early years UNCTAD had striven to establish a global economic environment that was more supportive of the development process of the countries of the Third World. It highlighted the need to enhance resource flows to the developing countries, to strengthen and stabilise commodity markets, to facilitate market access through preferential tariffs, and to avoid or eliminate serious debt problems. For a while these efforts did succeed in evoking a kind of measured response from the developed countries. In the course of the 80s, however, much of this began to change. New regimes with a more conservative outlook came to assume office in some of the major developed countries. Their preference was that market forces should be permitted to operate more freely in the world economy in place of what they regarded as the interventionist and statist policies advocated by the international organisations. As I indicated earlier, these governments gave priority to restoring the health and vigour of their own economies. In the later years of the 80s and the early 90s they became concerned with the problems of transition of the former socialist countries of Eastern Europe. In a way, the end of the cold war removed one of the underpinnings of international cooperation for development. The desire to combat the influence of communism was a factor that encouraged the aid programmes and the approaches to development cooperation of many of the industrialised countries of the West. Against this background, the processes

described under the heading of the "North-South" dialogue came to a virtual halt and non-economic issues became increasingly the focus of UN conferences.

So this period, beginning in the 70s and continuing through the 80s and beyond was not, as I said, a supportive one for the development process in the countries of the Third World. The 80s have been described, in fact, as the "Lost Decade" for the developing countries. I recollect that when I came to be involved in the preparation of the United Nations Development Strategy for the 90s we received projections from the international organisations that suggested that the 90s themselves would turn out to be a kind of replay of the 80s with no strong dynamic impulses at hand to suggest a change of scene. This, of course, was a discouraging prospect from every point of view. Paradoxically, however, it was these very 80s, the so-called "Lost Decade" that saw the rise of the countries of East, and later South East Asia. These countries were able, despite the adverse international environment, to take advantage of whatever space was left in the global economy to accelerate their own growth and transformation. Their performance, in the initial stages in particular, did coincide with the years when Japan was still sustaining relatively high growth rates; but whatever the linkages, the experience of East and South East Asia stood out as an exception to the generally disappointing record of the rest of the countries of the Third World.

There is a third dimension of the external economic environment — one that has been the subject of much analysis and discussion in recent years. This has been described as the process of globalisation, integration and liberalisation in the world economy. Notwithstanding the lack of dynamism in the major centres of economic power, the major industrialised countries, there has been this extraordinary trend towards greater integration in several key areas of the world economy — the trend to open up markets, to facilitate the flow of funds, to stimulate the movement of technology, and even the movement of personnel. These developments have been spearheaded by dramatic technological changes in the field of communications and information flows as well as by the emergence of multinational corporations as major actors in the world economy. This has established an aspect of the external economic environ-

ment that is relatively new, one that countries such as ours should take heed of — both to benefit from the positive impulses the process offers and to safeguard against its dangers and drawbacks.

Today, virtually all developing countries are being encouraged to liberalise their economies and to open them to the outside world. They are being urged to provide greater scope for the operation of market forces and for the participation of the private sector, both local and foreign. It is argued that this is the way these countries can take advantage of whatever dynamism the processes of globalisation, liberalisation, and integration generate. At the same time, a growing number of commentators have recently been making the point that while globalisation and liberalisation present many opportunities for the developing countries, there is also the very real danger that a large number of them could be by-passed or marginalised by these processes and excluded from the benefits of economic and technological transformation. The countries of Sub Saharan Africa, in particular, are being pointed to as the possible victims of the process of marginalisation. Moreover, while there are some who feel that South Asia is poised to become the "third wave" of Asian development, following the path of East and South East Asia, there are also those who warn that should things go wrong South Asia too could join the ranks of the marginalised. So, as I said, the new trend towards globalisation, integration and marginalisation has its pluses and minuses, brings opportunities as well as dangers, and Sri Lanka, and the developing countries generally, should strive both to grasp the opportunities and escape the dangers and drawbacks.

A fourth dimension of the external economic environment is provided by the international trade system. The international trade system, as embodied in the various rules and regulations of the former GATT, provided some kind of a framework for the freer flow of trade with an emphasis on non-discrimination and the progressive lowering of the various barriers to trade — both tariff and non-tariff barriers. The developing countries were not, in the past, entirely satisfied with the results of the successive rounds of trade negotiations undertaken under GATT auspices because they felt that insufficient attention was given to such matters as escalating tariffs on processed commodities and the

adverse impact of reductions in MFN tariff rates on the preferential tariff margins extended to them by the industrialised countries. Nevertheless, there is little doubt that the success of GATT in establishing an ordered and predictive regime for world trade, with an emphasis on liberalisation and non-discrimination, did contribute towards an external economic environment that was broadly supportive of the development process.

More recently, there have been new developments following the conclusion of the Uruguay Round of trade negotiations launched by the GATT. The Uruguay round succeeded in adding new dimensions to the world trade system. It brought the area of world trade in agriculture within the ambit of the system with the objective of scaling down the protectionist barriers that were cushioning temperate zone products in Western Europe and elsewhere. Even more significant, it added an additional dimension to the international trading system by incorporating a new regime to guide and regulate world trade in services. It also incorporated a regulatory system for the protection of intellectual property and trade related investment. Once again the developing countries were ambivalent in their reaction to the outcome of the Uruguay Round. They did, of course, welcome the reduction in tariff barriers even though its beneficial impact was felt to favour the developed countries more than the developing countries. But their anxieties were particularly great in respect of the agreements on services, intellectual property, and trade related investments since these were areas where the main interests were essentially those of the developed countries. The developing countries were concerned that the new agreements would make inroads into what they regarded as their sovereign economic space and their future capacity to guide their economies and to fashion their own priorities in the manner they thought best. So here again we find, in the evolving international trading system a dimension of the external economic environment to which the developing countries, including Sri Lanka, need to react as best they can. They must strive to take advantage of the positive elements and to safeguard themselves against the drawbacks.

There is now a fifth dimension to the external economic environment that is coming to be of increasing importance. This is the growing trend towards "regionalism", not just on the part of small groups of neighbouring countries but on

the side of major conglomerations of economic power. What is emerging now are vast "mega-blocs" bringing together some of the most powerful industrialised countries of the world. We have today the European Union embracing the countries that shaped global economic history in the 18th and 19th centuries. We have NAFTA, the North American Free Trade Area, comprising the United States, Canada, and Mexico and intent on eventually extending its coverage to the rest of Latin America. And, nearer home, we have the coming together of the countries of the Asia Pacific region to form APEC, the Asia Pacific Economic Community. What is distinctive about these new mega-blocs is not only their size and their membership; it is also their willingness to include selected developing countries in their groupings. APEC has among its members the developing countries of East and South East Asia. The European Union has special relations with the countries of Africa, the Caribbean and the Pacific and possibly those of the Mediterranean and Eastern Europe. And, as I said, NAFTA has set its sights on a vast expansion encompassing Central and South America.

So here we see this new phenomenon of large mega-blocs of regional groupings that are beginning to include some developing countries though not all of them. This, I must say, runs counter to one of the basic principles that the developing countries fought hard to gain acceptance of since UNCTAD 1 in 1964. This was the principle that preferences extended to developing countries, while being needed, should at all times be afforded on a generalised basis without discrimination or distinction between such countries. Otherwise, developing countries, it was felt, would come to be grouped under the umbrella of one or the other of the major industrial powers reflecting a kind of patron-client relationship. Well, as I said, recent developments in the realm of regionalism have vitiated the concept of generalised preferences. The GSP, the Generalised System of Preferences, still continues in various ways; but it has been seriously eroded by these and other developments including the narrowing of preferential margins following trade liberalisation, the application of the concept of "graduation" to exclude various developing countries from its benefits, and more recently, the introduction by the European Union of conditionalities to test the eligibility of recipient countries for preferences.

For Sri Lanka and the countries of South Asia there is, in addition, a more specific problem. The countries of our region do not belong to any of these emerging mega-blocs. They are excluded from the free trade arrangements these blocs provide for their members and, in consequence, suffer discrimination and competitive disadvantage in the markets of bloc members, whether developed or developing. The phenomenon of the new regionalism has, however, its advocates. They argue that the creation of large free trade areas will not only stimulate trade and economic activity among a growing number of member countries but will also, because of the spread of liberalisation, facilitate the eventual goal of universal free trade. The new trend is labeled "open regionalism", constituting a kind of "fast track" along the path to such a goal.

Well, all this remains to be seen. The concept of regionalism, however, is not confined to the industrialised countries and the mega-blocs. There is also a process underway — also a facet of the evolving external economic environment — aimed at strengthening cooperative relationships among neighbouring groups of developing countries at the regional and sub-regional levels. SAARC, of course, is the example that concerns us most. It has recently celebrated its first ten years of existence. I do not think that anyone would claim that the first ten years of SAARC saw any great change in the degree of integration among South Asian countries. But, at the same time, I believe it would be valid to say that important foundations have been laid. SAPTA, the South Asian Preferential Trade Arrangement, has now been launched, and constitutes, whatever its limitations, an important first step. In fact, the SAARC member countries have now pledged to extend and speed up the process of liberalisation. They have set themselves the goal of moving from SAPTA to SAFTA, a South Asian Free Trade Arrangement by the year 2000 if possible, or the year 2005, if not. This, of course, is of particular significance to Sri Lanka. If South Asia were to succeed in becoming the third wave of Asian development, following the examples of East Asia and South East Asia, SAPTA or SAFTA will present immense opportunities for Sri Lanka, opportunities we must strive to take advantage of. South Asian regionalism will then become an important part of our external economic environment. There would, of course be safeguards we would need to look to,

safeguards that will take account of possible imbalances in the process of South Asian cooperation brought about by the vast disparities among participating countries in respect of size, levels of development, and so on.

So these are some of the principal elements of the external economic environment. I have highlighted them because they provide the backdrop to the domestic efforts of countries such as ours to accelerate growth and transformation. Sri Lanka, of course, has no leverage to influence the external economic environment although it should play its part in helping to unite and activate the developing countries in multilateral negotiations. But all the same Sri Lanka, as I have said before, must strive to make use of the positive openings provided by the changes in the world scene and at the same time guard against the dangers and drawbacks. It should do so through both its foreign policy and its domestic economic policy. The emphasis on "openness" in the context of the trends towards globalisation and integration in the world economy has certainly implications for foreign policy which must help to maximise the possible benefits from these processes. It requires, more than ever before, that our foreign policy, our dealings and contacts with the world outside — governments, businesses, and interest groups of various kinds — take on an activist rather than a largely reactive aspect. It requires the strengthening of the bilateral linkages we have with the several centres of economic power. North America, Western and, I would also say Eastern Europe, Japan, and the Middle East. No less important, it requires that we strive to take advantage of the extraordinary dynamism of the region to the East of us — the dynamism of East and South East Asia and of China.

Already, the Asian region affords us many linkages. It is a source of capital, of technology, and of imports of various kinds. It is beginning even to be an outlet for our labour and could become also a significant outlet for our exports. Sri Lanka's links with Asia are not just economic. They are as much cultural and religious and cover a long period of history. We should not forget that many of the rapidly growing countries of Asia, the emerging countries of South East Asia, have a strongly Buddhist countries on the way to becoming significant players on the regional and global economic stage. China and Japan

themselves have a strong Buddhist tradition. This provides an additional dimension to our linkages with Asia, linkages that supplement the ties of geographical proximity and of economic interchange.

Sri Lanka's Foreign Policy must also respond to the trend towards regionalism. It was announced recently that Sri Lanka had decided to apply to join APEC — the Asia Pacific Economic Community. I do not know what decision APEC would take on this application. But whether or not we or the other countries of South Asia become members we should use every opportunity to insist that whatever arrangements APEC members make among themselves these should not be to the disadvantage of neighbouring countries. In the Bogor declaration, adopted at the last but one Summit of APEC, there was a sentence to say that the trade liberalisation actions afforded by APEC members to each other could also be extended to other developing non-member countries. It is not clear as to whether this is meant to be merely voluntary but it is an opening that we should certainly pursue.

There are also other developments pertaining to regionalism. We have heard of the initiatives to create an Indian Ocean Rim Community. More recently, there has been talk of establishing a Bay of Bengal grouping that would include India, Thailand, Sri Lanka, Bangladesh and certain other countries. All this suggests that new linkages are opening up for Sri Lanka. One of the conclusions I draw from all this is that regional groupings are no longer likely to be closed or exclusive communities. There need to be openings to the outside world. This may give rise to a concept of overlapping or multiple memberships for individual countries. In fact, this is already in evidence and could become a trend for the future — witness the USA, already in NAFTA and APEC, Pakistan in SAARC and the ECO, and other examples. Regionalism, though it may continue to gain in strength, may progressively lose its self-contained and inward looking character and become more open to the world outside.

Let me turn now to our own domestic policies. I need hardly say that a *sin qua non* for Sri Lanka's rapid development, for her ability to profit from the positive forces at work in the world outside, is peace internally, and stability and good order. Without these we would scarcely be able to benefit from the

external economic environment, no matter how strong, how dynamic it is. All this goes without saying. But there is also a need to consciously orient our domestic economic policies to take maximum advantage of the positive developments and to minimise the disadvantages that flow from the several trends unfolding on the global scene.

Now I do consider it important that our domestic economic policies reflect an openness to markets, to investment and to private enterprise. But, at the same time, I do not believe that we should be purists and follow literally the teachings of neo-classical *laissez faire* economics. We need to temper all that with a strong dose of pragmatism. We need to adopt a policy stance tailored to our own conditions, to modify where necessary precepts that are externally inspired or primarily academic. We need to take account of the realities that reflect our own stage of development, of the disparities in our society and their implications for social and economic justice. I do believe that our policy stance must put sufficient emphasis on soundness and discipline in the realm of macro-economic policy. Sri Lanka and other developing countries would not be able to pursue orderly development or profit from the impulses emerging in the world outside if they are weighed down by the processes of economic dislocation — massive inflation, depreciating exchange rates and growing physical controls. Reasonable macro-economic balance is doubtless a kind of imperative.

But let me also say this. I do not believe that essentially monetarist policies, no matter how well conceived and implemented would suffice by themselves to ensure that Sri Lanka benefits from the dynamic forces at work in the world economy. I spoke earlier of the danger of marginalisation facing many developing countries such as those of Sub-Saharan Africa. Virtually all these countries have, for more than a decade now, been pursuing policies of structural adjustment under the prodding of the multilateral financial institutions. Monetary-fiscal discipline and macro-economic balance have been the principal element of these policies. But these have not served, even when implemented with relative success, to ward off the dangers of marginalisation. I believe there are other and even more important requirements. Of these there are at least two that I believe to be of overwhelming importance and to which I have drawn

attention on numerous occasions. I believe, in fact, that they are the key to successful integration into a dynamic world economy. These are the radical and substantial modernisation of the basic infrastructure facilities of a country in a number of relevant fields and the upgrading of the skills of its workforce at all levels. If a country does not progress on those fronts, no matter what success it can show in the realm of macro-economic and monetary-fiscal discipline, it will not be able to grasp the opportunities presented by globalisation and liberalisation in the world economy. If, on the other hand, it does advance rapidly in the area of infrastructure and skills, it can scarcely be ignored or by-passed by the forces of global expansion.

So I would like to place strong emphasis on the transformation of this country's infrastructure — physical, technological, and service related. I would like to see us drawing up plans, perspective plans, showing what our infrastructure capabilities would be five, ten, and fifteen years from now and how they will compare with the facilities available to the newly industrialising countries, how they can be reconciled with the protection of the environment. We need to know what our network of highways would look like, what our ports, aviation, power and telecommunications facilities would be over these periods. But the need is not only for plans. It is for a head start in implementing them. I do not understand why, at this very moment, we are not occupied with major projects and programmes — with the construction of major highways, with the construction of power projects, telecommunications projects and so on. One reads about them periodically but is time not being lost? In the pursuit of these objectives we cannot go wrong; we can even hardly do too much. I have similar thoughts about the importance of skills. I do not think we have a future as a source of cheap and unskilled labour. Modern development is increasingly technology driven calling for an increasingly skilled workforce at all levels and in all sectors. The evolving global economy puts a premium on managerial and technological skills and on high labour productivity.

I believe also that while we endeavour to take advantage of the opportunities afforded by globalisation and liberalisation we must at the same time safeguard our national identity and our national interests. Globalisation should not lead

developing countries to lose their individuality. I do not believe that openness to foreign investment, for example, should take the form of inviting outsiders to do the job of development for us as was done in Colonial times. The essence of development is to strengthen and transform the indigenous capabilities of a nation — the capabilities of its managers, its entrepreneurs, its workforce, its aptitudes in the realm of science and technology. Foreign investment is necessary and desirable as sources of capital, of know how, and of business linkages. But the greatest merit of foreign investment, if used in that way, is that it could serve as a learning process that helps enhance national or indigenous capabilities, capabilities that will remain while outside investors come and go. That is why I would like to see closer linkages between our own entrepreneurs and foreign investors — linkages that would encourage joint ventures, collaboration arrangements and the like and leave behind a residue of knowledge and skills among our people.

Well, I have touched, as briefly as I could, on a vast and complex subject. But I do wish to end by saying that I believe that the changing external economic environment, despite its drawbacks and its inadequacies, offers opportunities that Sri Lanka must grasp. I am optimistic that with the right policies, the right endeavours, and the right orientations we can benefit from some of the forces now at work in the world economy, benefit from the forces of change and dynamism that have gained strength in many parts of Asia. I would like to see us put together a kind of "road map" that points to the goals we want to reach and the path we need to follow. This should provide a perspective that helps us see beyond present problems and gives us confidence in the future.

So let me conclude by expressing once more my deep appreciation of this invitation. I am glad to see members of Prof. Kodikara's family in this audience. I had wanted in selecting the subject of this address to pay tribute, even in a small way, to Prof. Kodikara and the concerns that occupied him throughout his career. He was deeply interested in the international dimension of Sri Lanka's problems and I thought that I should endeavour, as best I could, to highlight some of the economic aspects of this dimension. Let me, once more, say thank you to all of you.

Free Trade Vs. Neo-mercantilism

Otto Graf Lambsdorff

I

Unfortunately, there is a long tradition of mercantilism at the expense of southern Asia. A Roman emperor even banned all imports of Indian spices and cloth, in order to stop gold disappearing out of Rome along the silk road. And the days of imperialism and colonialism were marked by very one-sided trade links at the expense of Southern Asia. Is it right, given the end of the Cold War, the breakdown of the Soviet Union, and the road to a new world order, to say today: "Mercantilism is dead; long live multilateral free trade"? I am afraid it isn't. Mercantilism is alive and kicking. Protectionism, strategic trade policy, bilateralism and regionalism in trade, and state industrial policy are its modern forms. Like the mercantilism of long ago, its advocates are trying to hoard prosperity at home by selling goods and services abroad whilst avoiding imports.

Many people regard the interpretation of international trade as a competition between nations as progressive. They believe that, following the collapse of the eastern bloc, economic confrontation is replacing military confrontation. Strategic trade policy is replacing military strategy. They believe that, like war, world trade consists only of winners and losers. (With reference to a book by Jeffrey Garten, they think it's a struggle for supremacy in a cold peace.

The advocates of strategic trade policy regard their nation as a company that sells goods, earns profits and conquers markets. Another company's success on the market means success for the competition. They think that only one company can survive in the end. In their view, only one country or group of countries can emerge as the winner of world trade. However, the reality we observe is different. Countries aren't companies. The community of exporting nations is not pursuing predatory competition on the world's markets. Where are the states which, after initial success,

have been driven bankrupt by 'competitors'?"

Don't we rather see how more and more nations — such as the four not-so-little tigers of south-east Asia — are becoming successful traders, and not only the leading industrial countries? Hasn't India, for example, seized the great opportunity offered by the use of new computer and information technologies in the field of modern services and software? Doesn't our prosperity increase throughout the world as world trade grows? The oh-so-simple calculation made by strategic trade policy is incomplete and contains a number of unknowns.

Economically, strategic trade policy is without foundation. Trade is not a zero-sum game. One side doesn't lose what the other gains. Trade theory has known about comparative cost advantages ever since Ricardo.

Improving the international division of labour serves everyone's success. The economists of the world learnt this back in their first semesters. But, once our exams are over, we all too frequently forget the clearly formulated advantages of international trade. And yet the theory has proved itself many times over in practice, not least in the case of the European Union. Its internal market has given all the member states more growth and economic stability than ever before achieved in Europe.

Indirectly, strategic trade policy does very much recognise the superiority of free trade. Why else are so many countries endeavouring to open up large regional markets by creating free-trade zones? The only thing is: they stop half-way. If even bilateral free-trade zones promote their members' prosperity, what sort of positive impact would be bound to derive from multilateral free trade for all?

The focusing of strategic trade policy on the triad of Japan, the US and Germany reveals how backward and limited this approach is. It corresponds neither to the geopolitical changes we

are observing, nor to the trade policy changes, which we describe as the "globalisation of markets". What role would the concept of the triad allocate to, for example, South Asia-India, Sri Lanka — or to China, South Africa, Latin America, Australia and New Zealand? How would it integrate Russia into the world economy? Strategic trade policy has no answer to these questions — questions that are vital for peace and prosperity for us all.

II

Despite many convincing arguments, the signs of incipient world-wide liberalisation of trade are far from good.

- (1) I am sceptical about liberal world trade because of what I saw when the Uruguay Round was concluded and ratified. Individual national interests were all too frequently to the fore. And Europe was no model pupil either. For example, the so-called Blair House compromise on agriculture became a central political issue which almost caused the downfall of the European commitment to free trade. As though Europe was an agricultural country and not one of the world's greatest industrial regions. All this political manoeuvring produced a most ambivalent signal for world trade.
- (2) Another reason why I think it is right to be sceptical about free trade is that, even after the ratification of the Uruguay Round, the protectionists still have plenty of instruments up their sleeves. Integration in Europe brings with it a risk of isolation from abroad. Agricultural policy is one example. The initial success in the GATT contrasts with a sophisticated system of quotas, tariffs, market surpluses and exports at below world market price. Similarly, Washington has at its disposal a wide range of highly protectionist tools, from the excessive use of dumping and countervailing duties through to the recent re-implementation of the Super 301 Act. And India also relies too little on open markets and too much on protectionism. For example, it has

A lecture given in Colombo at the Federation of Chambers of Commerce and Industry of Sri Lanka and the Friedrich-Naumann-Foundation.

a negative import list. There is virtually a total ban on imports in the consumer goods sector. Exporting textiles to the whole world, whilst banning domestic imports, is based on mercantilist thinking.

- (3) Bilateral agreements are no replacement for multilateral free trade. The trade talks between Washington and Tokyo or other countries are by no means pleasing to, for example, the German eye. Especially as the US, for what are really domestic political reasons, is banking on strength and compulsion to force markets open. The Americans' rough methods should not meet with approval. They clearly remind us of the historical connection I mentioned earlier between mercantilism and imperialism. The consequence of these trade talks is to make market access for other suppliers more difficult, if they don't actually block it. We need to open our markets not just bilaterally, but generally.

For the same reason, I am also concerned to observe the boom in bilateral free-trade zones. At the end of last year, 109 regional agreements were registered with the WTO. All the leading trading nations are members of one or other of these agreements. Whether it be APEC, AFTA, NAFTA, ASEAN, MERCOSUR or TAFTA — a transatlantic free-trade zone currently under discussion: the one-side market opening to the benefit of the contracting parties creates new trade barriers for outsiders.

Even if it is only that the bilateral reduction in trade barriers makes imports easier amongst the countries involved, whilst leaving the trade conditions for others unaltered. It may even be that trade within the bloc increases. But the international flows of trade are diverted and distorted. Each internal preference contrasts with a whole range of discrimination against the outside world. The various free-trade zones are covering the world with a confusion of country-of-origin rules, sector-specific regulations, preferences and tariffs. The exporter, both inside and outside the trading bloc, is confronted with something as clear and comprehensible as a plate of spag-

hetti. This view is shared by Jagdish Bhagwati, from Columbia University N.Y. Protectionism and bilateralism will make losers of all trading partners. Regionalism in trade has nothing to do with globalisation.

- (4) In the debate about the links between trade and environmental and social standards, governments have to strike a difficult balance between the principle of open markets and isolation. For example, many American opponents of the North American Free Trade Agreement with Mexico pointed to the possibility of massive job losses in the US and serious environmental damage. Two years on, that hasn't happened. Anyone who merely bandies about words like environmental or social dumping without distinction is not doing his cause a favour. All he will do is supply protectionism with new arguments for its continuation. But protectionism is neither socially acceptable nor environmentally friendly.

The abolition of slavery, the availability of education for all, the right of assembly and free speech for all workers are all demands vigorously made by Liberals. They must be achieved, and not only in the context of the WTO.

I must admit that I have certain problems with the use of labels — such as the Rugmark initiative or the Carpet Export Promotion Council's Kaleen trade mark — to combat child labour, because it isn't easy to differentiate and monitor them. However, the information can help to stop a general collapse of sales of Indian carpets abroad by providing better information. The limit for demands to the WTO needs to be set where international pressure for higher wages, shorter working hours and every other standard you can think of diminishes countries' chances to develop their own economies and societies themselves. Why did the developing countries reject the inclusion of social clauses in the Uruguay Round? Why is UNCTAD warning against neo-mercantilism? Why is it saying that social standards in trade damage the whole world economy? Why do even Spanish exporters feel that German environ-

mental rules create trade barriers for them?

Anyone who over-emphasises environmental goals and social issues risks losing the advantages of free trade, greater prosperity, income and employment. Only free world trade is fair.

III

International trade policy is not the only hiding place for mercantilist thinking. Protectionism also lurks in policies that are supposedly purely national. The calls for dirigiste industrial policies fit in only too well with strategic trade policy. Here, too, military thinking is trying to justify something that will allegedly bring economic benefits. How else can we regard the dispute about sales of Airbus or Boeing aircraft, other than in terms of a military struggle for power? How else can we understand the battle for large public-sector orders for national firms? Why do heads of state become salesmen?

Alleged key sectors are supposed to be supported in order to create advantages for national industries. Government intervention is supposed to replace corporate decisions. The advocates of dirigiste industrial policies want new subsidies to give birth to the industries of the future. Strategic alliances are to form cartels in order to use the restrictions on competition to shape the future. I have no time for that sort of policy.

Agencies, bureaucrats, politicians and lobbies make their decisions in line with the political mood, prestige, their own feelings, and the media impact. They prefer large companies. They place smaller companies and the individual entrepreneur operating at his own risk and on his own initiative at a disadvantage. They enlarge the public sector, which displaces the market. Dirigiste industrial policies are conducted at the cost of the taxpayer and the individual. Dirigiste industrial policies distort national prices and international exchange rates. Dirigiste industrial policies are thus clearly opposed to the aims of world trade and open markets.

Only the market is in a position to collect and coordinate a vast range of information. Only the market forms a selection process for new technologies and processes. Only the market allocates

economic success and economic responsibility properly. Free trade and globally open markets, as the core of a new world economic system, make high demands. It is therefore vital for the WTO to be developed into an international system of competition. The pressure for globally open markets and thus more market economics throughout the world must emanate from it. Japan, Germany and America must support this approach.

IV

The attempt to build a new world economic system on the basis of mercantilist ideas is not only wrong: it's dangerous as well. Mercantilism and imperialism have always gone hand in hand. Trade was the means of oppression and exploitation. Southern Asia has often felt the effects of this in the past. As has the United States — there were good reasons why its independence began with the Boston Tea Party. In the days of mercantilism, war and conquest were an inevitable consequence of the underlying economic ideas. They were the normal and obvious form of exploitation. As a counter-movement, the free-trade movement had not only an economic, but also a moral thrust.

I regard my advocacy today of multilateral free trade and my opposition to strategic economic policy as part of this tradition. The triad and bilateral and trilateral approaches to trade represent a political and economic restriction on international relations. That is wrong: politically and economically, in theory and in practice. Reducing the tariff barriers and obstacles to trade on all sides will create the chance of increased prosperity, greater economic dynamism, more progress and improved quality of life. Multilateral trade without protectionism also provides an opportunity for a new and more liberal world system. After all, it and a new world economic system are two sides of the same coin. Everything else is discrimination and contains the seeds of instability and conflict.

Southern Asia has a largely untapped economic and political potential. Developing it is a great challenge which must be tackled positively in the interest of mankind. Free trade is the central precondition if southern Asia is to assume an appropriate role in the new world economic system and in the new world order.

The Friedrich-Naumann Foundation in Sri Lanka

Jurgen Axer

This history of the Naumann Foundation in Sri Lanka dates back to 1972 when we developed a co-operation with the Marga Institute, which till this day ranks highly as a centre of intellectual inquiry and multi disciplinary organisation.

The Marga Institute was established by a large group of professional and motivated Sri Lankans as non governmental centre for development studies. We supported a plethora of activities of the Marga Institute like studies, seminars and workshops, publications, translations programmes etc. covering the four main areas of economic, social, political, and scientific research. The Foundation has also been associated with the Marga Institute's research studies on domestic liberalisation of agriculture, private sector development, environmental and ecological issues, parliamentary and electoral process, multi-party system, political structures for a multi-ethnic multi religious society, devolution and decentralisation etc.

In keeping with the Naumann Foundation's objectives at that time to promote grass root level self help organisations, Lanka Jatika Sarvodaya Shramadana Movement became our second partner in Sri Lanka in the early 70's. The Damsak Mandiraya where the Sarvodaya Head quarters is situated and the Pathakada Community Leadership Training Institute are two living examples of our the thirteen year long co-operation with Sarvodaya.

As Sri Lanka marched towards a free market economy in the 80's, we made our contributions to the development process by assisting to establish the Sarvodaya Economic Enterprise Development Branch.

Since the last two years, our co-operation with Sri Lanka has also expanded by working with a South Asian Regional dimension. As liberals we believe in the

need for the free movement of people, goods, capital and services, for the international division of labour and for international co-operation on the widest possible scale in monetary, social and technological matters. We advocate regional economic groupings, provided they do not become instruments for regional protectionism or for economic exploitation by one country of other countries, and do not degenerate into bureaucratic technocracies operating outside a system of democratic controls.

In the Foundation's regional co-operation within the SAARC countries, FCCISL is an active member of the SAARC Chamber of Commerce and Industry. I have therefore no doubt that our co-operation in this field will strengthen further and follow the liberal doctrine.

Presently, we are working closely with the Federation of Chamber of Commerce and Industry of Sri Lanka the leading private sector establishment this is an essential pinion in the wheel of development. The Small and Medium Scale Enterprise Development Project — SMED as it is popularly known as has been established as a joint venture of the FCCISL and the FNSt. is not only considered as a pioneer in this field but also as a very successful service organisation highly acknowledged for its qualitative activities. Project SMED has amply demonstrated that if institutions are to work effectively, every citizen must have a sense of moral responsibility towards his fellow men and take an active part in the affairs of the community for service is the necessary compliment of freedom and that every right of the citizen involves a corresponding duty.

In conclusion, I wish to record my appreciation for all those who have made our co-operation in Sri Lanka a most cordial, fruitful and feasible, and it is also my sincere hope that our future co-operation will continue to be equally successful and beneficial.

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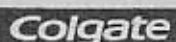
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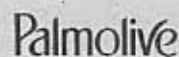
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The New Regime and the Economy

Humayun Kabir

The new regime is electorally pledge-bound to give it a human or social face.¹⁹⁷ This explains the rationale behind the government's programmes of fertiliser subsidy and reduction of prices of certain essential commodities like bread, dal, diesel and kerosene. This is bound to widen the budget deficit and cause high inflation. Inevitably, Sri Lanka's donors expressed concern over the PA government's economic policy.¹⁹⁸

Preserving good relations with countries like USA, which are important for aid, investment and trade, are essential to develop Sri Lanka's economy. Any mis-steps, even if forgiven by the executive branch in Washington, will create problems for the Chandrika government with the conservative Republicans who favour free markets, trade and investment over aid. Therefore, the real challenge before the government of President Chandrika is to be able to make its economic policy acceptable to the donor countries and lending agencies, and not to get stigmatised as 'socialist government' like those of her parents in yesteryears.

Winning the confidence of the foreign investors to invest in Sri Lanka is the government's second biggest challenge. What appears to be needed for this is to create an environment congenial for investment. For this, several steps are to be taken. One, there has to be a programme for privatisation and tax incentives. Two, there has to be political and social stability in the county, both in short and long terms. The ongoing labour unrest has to be immediately dealt with and the civil war has to be brought to an end as early as possible. Despite President's policy statement on 6 January 1995 announcing, among other things, a sweeping privatisation package and a promise of no new taxes, the foreign investors still seem to be holding back having its reflection in the ongoing bearish trends in the Colombo stock market. Apparently, this is because the policy statements have not yet been followed up by any action plans and concrete steps for ground implementation. The challenge for the government is to get its acts together and streamline the administration.

Third, tackling the problem of in-fighting in the Cabinet is another challenge before the Chandrika government. The ruling PA is a conglomerate of no fewer than 12 big and small parties. This is a rainbow coalition, as the constituent parties were put together only by their common urge to electorally fight the UNP. Apart from infighting due to personality factors and the factional squabbles natural to a motley coalition, the coalition partners vary with one another on certain issues concerning the country's foreign policy as well as domestic policy. Their attitudes to the Western powers and to privatisation are only a couple of examples. The challenge for the Chandrika government, therefore, is to be united and also to appear to be united on some fundamental issues, like rightly choosing the international partners in matters of economics and politics.

Fourth, competition from the countries of Asia, Africa, Latin America and the old Communist bloc in terms of aid, investment and trade with the developed world presents the Sri Lanka government with a challenge. Also, under the new liberal world trade regime when quota system is going to be phased out, Sri Lanka has to compete with more efficient producers. This calls for a lot of diplomatic skills as well as well-defined international economic policy on the part of Sri Lanka.

Fifth, in the face of India's economic tilt towards the United States and the Indo-Pakistan factor threatening SA-PTA, the challenge before the new government of Sri Lanka is how it could contribute to strengthening SAARC so as to reap benefits from the collective endeavours of the regional organisation not only in South Asia but also with such other organisations and with individual countries.

Finally, an early and amicable settlement of the controversy over the US-Sri Lanka agreement on the Voice of America (VOA) relay station at Iranawila signed under the UNP government of D.B. Wejetunga on 9 December 1994, constitutes a challenge for the PA government. Under tremendous pressures in the form

of persistent waves of protests from the Iranawila People's Solidarity Forum and the Buddhist and Roman Catholic clergy, the Sri Lankan Cabinet has appointed a Ministerial Committee to review the agreement. The US government has threatened to cut off aid if the VOA project was not permitted. Eventually, the Americans have softened their stance but the problem still remains as an irritant in the US-Sri Lanka relationship. Sri Lanka's diplomacy indeed has to demonstrate its real finesse in placating the concerned PA electorate while avoiding antagonising the world's only superpower. However, the greatest foreign policy challenge for Sri Lanka under the PA government seems to be to redefine her relationship with India.

This means going back to the India policy of the earlier Bandaranaiques, the 'pilot-fish' policy. Indeed, President Kumaratunga's warmth for India was transparent from one of her statements cited above. Lakshman Kadirgamar also appears to have implied that India policy when he said that the traditional friendships which were forged during the earlier premiership of Mrs Sirimavo Bandaranaike were being renewed. He characterised this as "a kind of harking back to these days".¹⁹⁹ He also said that Sri Lanka's relations were at their best after the new government took office following the general elections on 16 August 1994. And he said that this was reciprocal. Indeed it was. A warm message of felicitation was sent to Prime Minister Chandrika from Indian Prime Minister P.V. Narasimha Rao. He also despatched A.N. Varma, his Principal Secretary, as special envoy with a message to Chandrika. While Kadirgamar appreciated this as an expression of New Delhi's goodwill towards Sri Lanka, Nareshwar Dayal, Indian High Commissioner to Sri Lanka, said that Indo-Lanka relations were entering a new phase with the establishment of the PA government.²⁰⁰ However, despite this initial bonhomie, the Indo-Sri Lanka relationship appears to continue to be governed by India's security interests and the way Sri Lanka's ethnic conflict is going to be resolved.

The Indian position was reflected in a report from New Delhi even as far back as in March 1990, soon after the withdrawal of the IPKF. The report said that the issues of national security and the harmonisation of the ethnic aspirations would continue to be important inputs in Indo-Sri Lanka relations.²⁰¹ The attitude in Sri Lanka is manifested in some reports in Colombo. One editorial of the Daily News noted that Sri Lanka was up against seemingly intractable problems for the resolution of which her immediate neighbours' help and cooperation were vital. A similar view was expressed in another report which said that the impossibility of forging and maintaining internal stability and peace in Sri Lanka without the cooperation and goodwill of neighbours was evidenced in its troubled relations with India in the 1983-87 period.²⁰² However, there is another view in Sri Lanka regarding its desired attitude towards India. This view is similar to that of the pre-1977 SLFP governments which liked to be free in dealing with the ethnic question, while pursuing own strategy in its foreign policy.²⁰³ But it appears that India's interest in Sri Lanka's ethnic problem has not flagged so far. While New Delhi says that it is not opposed to the Lankan peace process that was initiated by President Chandrika on 13 October 1994 to settle the ethnic problem through negotiations with the LTTE,²⁰⁴ India would like to have some sort of role for itself in the whole question of Sinhala-Tamil ethnic conflict for several reasons.²⁰⁵

A major problem for India would be if the LTTE got for the Sri Lanka Tamils more than what India's federating units currently enjoy, for this would add fuel to the demands of the various separatist elements in the Indian Union. Y. Chavan, whom Neville Kanakarathne calls an Indian foreign policy czar, is reported to have said: "The threat of militant Tamil liberation is a greater threat to India's security than it is to Sri Lanka's".²⁰⁶ India's concern about the talks between the Sri Lanka government and the LTTE was expressed by Indian Minister of State for Home Affairs, Rajesh Pilot, who said that India considered it a crucial matter.²⁰⁷ India, therefore, would like to closely follow the developments in this regard and would like to be kept posted about them by the government of Sri Lanka.

The question of extradition of some of the LTTE cadres including Velupillai Prabhakaran, the LTTE supremo, by Sri

Lanka to India for their alleged involvement in the assassination of former Indian Prime Minister Rajiv Gandhi will ensure an Indian role in the island's ethnic conflict. The Colombo government denies India's having raised the issue, but if it is really raised and a request made for extradition, the PA government's position on that seems to be unclear. This may be for three reasons. One, that the Sri Lanka government may be only too aware that the tables are just turned; it may be recalled that India did not honour Sri Lanka's similar request for somewhat the same individuals in the early 1980s. Two, the obvious LTTE position on the question of its cadres' extradition to India is, of course, an inhibiting factor for the Chandrika government even to consider such a possibility. And three, in absence of any Extradition Treaty between the two countries, the Chandrika government may face a politico-legal problem in the event of an Indian request for extradition.

India's position is known that Sri Lanka's ethnic problem should be settled peacefully in the context of the island's unity and territorial integrity. It is also clear that India's sympathy lies with non-LTTE Tamil groups. India, therefore, would be interested to see what role is accorded by the Colombo government to various Tamil groups other than the LTTE.

In the event of collapse of the peace talks, the Chandrika government may be constrained to resort to military option. And even if the government succeeds in bringing the civil war to an end by defeating the forces of Tamil militancy, the ethnic problem would remain. And that would ensure a role for India which like the Sri Lanka government to meet the genuine grievances of the Sri Lanka Tamils.

Even to militarily solve the problem of insurgency, Sri Lanka would be in need of India's help and cooperation in several respects, such as checking the militants' infiltration into Sri Lanka from across the Palk Straits, stopping the smuggling of arms and the like.

Therefore, unlike in the period before the 1980s, India's role in Sri Lanka's ethnic problem has become entrenched and as such any government in Colombo would find it real hard to do away with the India factor even in the island's domestic politics. In fact, there is a recognition in Sri Lanka of such Indian role. This is evident from what Neville Kanakarathne has to say regarding the

peace negotiations with the LTTE. He said: "The Sri Lankan government should notify India of such negotiations..."²⁰⁸ The Daily News carried a revealing view reporting that a popular perception in Sri Lanka was that the PA government would consult India about doing any business with the LTTE.²⁰⁹ Indeed, Foreign Minister Kadirgamar, during his first visit to New Delhi as Minister in early December 1994, felt it imperative to keep the Indian leaders abreast with his briefing on the direction of the new government of Sri Lanka.²¹⁰ And it is only after Kadirgamar had briefed the Chandrika government on his visit to India that the stalled peace process with the LTTE was resumed and the date for the second round of talks was fixed for 3 January 1995.

As usual, India continues to show its security concerns about extra-regional military intrusion or presence in the Indian Ocean area. The Sino-Indian strategic schism seems to have extended to the Indian Ocean/Bay of Bengal area. India appears to be increasingly worried over the reported Chinese naval base on Myanmar's Coco Islands and over China's ambition to build a blue water navy. In October 1994, an Indian intelligence report highlighted India's worries over China's increasing monitoring in the Bay of Bengal. The Andaman authorities captured near the Andaman Islands three Chinese fishing boats carrying maps and communication equipment.²¹¹ India also remains apprehensive about any extra-regional broadcasting facilities set up in any country in its neighbourhood for any military or intelligence gathering purposes. The Indian leaders mentioned to the visiting Sri Lankan Foreign Minister, in passing but unmistakably, about the VOA relay station at Iranawila during their discussions, with a view to just politely cautioning that Sri Lanka should not permit its broadcasts to harm Indian interests.²¹² Indeed, this may have contributed to the PA government's decision to appoint a ministerial committee to review the VOA deal with the United States.

Clearly, India's hegemony, formalised through the Indo-Lanka Peace Accord of 1987 in respect of both Sri Lanka's foreign policy and ethnic problem, is in operation even under the People's Alliance government of President Chandrika Bandaranaike Kumaratunga. In fact, there seems to be no return to the strategy, insofar as it involves only foreign policy. What appears remarkable

is that the Chandrika government seems to have accepted the inevitable in the relationship between a regional great power and a small power, without coercion on the part of India. That may, in effect, give much leeway to the Sri Lankan government in dealing with India, resulting in continued close, cordial and mutually beneficial relationship between the two asymmetrical South Asian neighbours.

Concluding Remarks

It is clear from the foregoing that India has always been the most fundamental consideration in Sri Lanka's foreign and security policy, irrespective of the political-ideological complexion of the party in power in Colombo. Sri Lanka's apprehension and fear of India, caused by their asymmetry in size and power, and by the locational factor as well as New Delhi's strategic ambitions in the region of South Asia and the Indian Ocean have been the prime foreign policy concerns of all Sri Lankan governments. The position of those scholars who tend to argue that India posed no threat to Sri Lanka and that certain Sri Lankan leaders envisaged no threat to their country from the north is difficult to sustain. Lack of hostility and at times even surface appearance of friendship between the two countries do not seem to explain away the threat perceptions that the successive Colombo governments have held vis-a-vis India.

The successive Sri Lankan governments have differed from each other only in the manner of expressing their threat perceptions and in the devising of strategies and instruments that were employed to neutralise such threats. The UNP governments were explicit about India as a source of potential threat and pursued a pro-Western non-conformist foreign and security policy towards the big neighbour. Sri Lanka's India policy under the SLFP-led governments have been to redress the imbalance of power without provoking India. Indeed, the Bandaranaike governments have demonstrated skilful diplomacy in enlisting regional and extra-regional countervailing powers vis-a-vis India without obviously antagonising the latter. This essentially is what is called the "pilot fish strategy" that is followed by a small state vis-a-vis a great power neighbour.

But the Indo-Sri Lanka Peace Accord 1987 has changed the nature and content of relationship between the two countries. The relationship essentially assumed the hallmarks of hegemony as

certain areas in Sri Lanka's domestic affairs as well as its foreign policy formally became subjected to be responsive to India's policy preferences. Sri Lanka was compelled by policy mistakes and force of circumstances to accept such a status for itself in relation to India. The domestic, regional and global factors had, indeed, impinged on Sri Lanka's India policy. The failure in Sri Lanka's national integration made the country vulnerable from both within and without. The island laid itself open to a variety of Indian intervention. Given its ambitions for regional hegemony, India, which became more powerful economically and militarily by the 1980s, took advantage of Sri Lanka's national crisis to get its influence entrenched in respect of the island's ethnic issue as well as the foreign and security policy. The South Asian neighbours were practically powerless to help Sri Lanka against India and, due to changes in alignment patterns at the global level since the mid-1980s, Colombo's traditional friends in the West and East were found to be reluctant to come to the rescue of the island nation and antagonise an increasingly more important India. And the end of the Cold War has further enhanced India's power and position with its obvious implications for Sri Lanka. India's Sri Lanka policy continues to be hegemonic and the governments of Sri Lanka that came to power after Jayawardene have continued to be responsive to the spirit of the Peace Accord.

Two fundamentally essential lines of defence of a small state are its domestic stability and skilful diplomacy. In case of Sri Lanka, both these defence lines were broken. A small state like Sri Lanka, which has acute ethnic problem with trans-border ramifications and which is situated in the immediate proximity of a great power, can hardly permit the snowballing of fissiparous tendencies in its polity. Such a state should exercise utmost prudence in reading the regional and global environments and demonstrate finesse in selecting and pursuing its foreign and security policy so as to be able to build a network of dependable friends and not to provoke its giant neighbour which is perceived to entertain hegemonic interests in its neighbours' internal and external affairs.

The study has demonstrated the limits of the power of a small state when it confronts a regional great power which is on the lookout for opportunities to impose its hegemony on the former. But a domestically secure and strong small

state that is armed with a sound foreign policy strategy which is cushioned in a national consensus may maximise its manoeuvrability in its relationship with an ambitious neighbouring great power.

Notes

197. The PA election manifesto and Chandrika's election campaign speeches were full of this promise. Lal Jayawardena has succinctly put what the PA means by 'market economy with human face' when he said that "use the market in support of defined social priorities, as contrasted with an abdication to market forces". The PA economic philosophy and policy also seems to reflect the ideas of D. Cohomban Wickrema who seems to hold the view that open economy of a "laissez faire" type is totally outdated now, and cannot be expected to solve the problems of growth with equity. See, *The Island*, Colombo, 13 July 1994.
198. For example, the World Bank has chided the government and advised it to use market forces, not controls, to stabilise food prices. *Daily News*, Colombo, 3 December 1994. The World Bank also urged the government to reduce budget deficit. See, *The Island*, Colombo, 4 December 1994.
199. *Daily News*, Colombo, 5 December 1994.
200. *Daily News*, Colombo, 3 September and 22 October 1994.
201. "Sri Lanka: After the IPKF Pullout", *Mainstream*, New Delhi, 31 March 1990.
202. *Daily News*, Colombo, 23 August and 6 December 1994.
203. This view is that while Sri Lanka should attempt to resolve its internal dispute on its own, it should certainly not be a restraining factor in discussing with India defence and security matters which will be of mutual interest to both nations. See, *The Island*, Sunday Edition, Colombo, 4 December 1994.
204. India's position was stated by Krishan Srinivasan, India's Foreign Secretary. See, *The Island*, Colombo, 2 December. Later on, Indian Prime Minister Narasimha Rao told the visiting Sri Lankan Foreign Minister that India wished Sri Lanka well in its quest for peace. Rao said to Kadirgamar: "We had some bad experiences with the LTTE... But there is no alternative for Sri Lanka except to pursue peace through negotiations.... If you settle the north-east problem in your country, it is one less problem for us". See, *The Sunday Times*, Colombo, 11 December 1994.
205. It is worth quoting an intriguing statement by Lakshman Kadirgamar, which is "I am going to believe the Indian government means what it says". The apparent innocence of the statement in fact reveals lot more than it hides. See, *ibid.*
206. See, *The Sunday Times*, Colombo, 4 September 1994.
207. *The Island*, Colombo, 12 October 1994.
208. *The Sunday Times*, Colombo, 4 September 1994.
209. *Daily News*, Colombo, 10 October 1994.
210. *The Sunday Times*, Colombo, 11 December 1994.
211. BBC Television News (ETV, Colombo), 6 October 1994.
212. Lakshman Kadirgamar said in Colombo on his return from India that the Indian leaders mentioned about the VOA issue in passing. See, *Daily News*, Colombo, 15 December 1994.

The Colonizer and the Coloniser

Jeanne Thwaites

A characteristic of Woolf is that he sees both sides of every issue which, instead of making that issue clear, creates a feeling of fuzziness. He makes brilliant insights but then such cutting generalizations as "the women (English) are all whores or hags or missionaries or all three" (Spotts 74). The following cold-blooded statement, which I quote in part, does not seem to have come from the same man who on the voyage to Ceylon protected a little girl from her father's senseless beating. Woolf describes the infirm in a hospital:

They are drawn up in ranks & files of stinking loathsomeness... you have no conception of what degree of foulness a naked body is capable... one horrible fat naked brute whose only mode of progression possible was upon his buttocks and one leg, the other black shining swollen and suppurating stuck straight out in front of him (75).

Also, he not unpredictably falls into the trap of what Memmi calls creating a "mythical portrait of the colonized" by generalizing them negatively (79/89). When he is thwarted by a villager he calls all villagers lazy, stupid, cunning, yet an intelligent Sinhalese is "so quick-witted, so intelligent, so anglicized and Europeanized" (193). One of his most outrageous statements is, "very few natives can be got to understand machinery" (L.W. Diaries 186) and the machinery he is talking about is an English plow he is trying to get the farmers to use. He makes the statement in a country where there are two thousand-year old irrigation systems — that is, they were there long before Europeans discovered Ceylon. The ancient Sri Lankan methods of conserving and moving water systems are famous for the sophistication of the engineering skills needed to design them. But when Woolf writes to his superiors about "the scandal of having a row of bridges standing in a paddy field with no method of getting on to

the bridges or across the paddy fields" (176) — and he does not blame this single piece of British engineering madness on the stupidity of all Britons.

The protective armor — the carapace Woolf hid behind in school — is so carefully in place, that he will not let it slip for an instant, and one feels that he wasted much of his experience in Ceylon because he would/could not let it go. Woolf's mother was from a Dutch-Jewish family named de Jongh, which name is also prominent among the Dutch Burghers of Ceylon, although it is spelled "de Jong". It does not seem possible that during seven years, Woolf would not have heard the name "de Jong" or seen it written somewhere, and surely he became curious about whether the families were connected. He does not, however, ever mention any Sri Lankan family having his mother's family name.

Woolf also treats age-old beliefs and customs with typically imperialist insensitivity, which one sees when he calls Buddhism "in many ways a good religion," but shows he doesn't understand it at all. When he was in Kandy he had the authority to ask to see a famous relic, reputed to be the tooth of Gotama Buddha, which in 1566 was placed in a casket and ever since has been housed in the Maligawa. Certain Buddhist hierarchy may see the relic, and the British insisted that their representatives in Kandy be allowed to do so. Woolf therefore was within his rights when he asked to see the Tooth three times. He scoffs, "what ever else it may be, it has never been a human tooth..." (L.W. Growing 144). Daniel had the same privilege when he was stationed in Kandy but never once asked to see the Tooth. He explained, "It is a sacred relic. I felt the Buddhists would prefer me not to."

However, Daniel's attitude to the English is more ambiguous than Woolf's. He says nothing against them as a

people and does not attempt to white-wash or denigrate colonialism, but he clings to his own integrity as if it were Excalibur — the single weapon that even the British cannot destroy — and they do try. On only one occasion does he sound spiteful and that is when describing a senior officer Collins who seems to have a crush on Barbie. Without his own wife he visits the Daniels every evening after work. Daniel does not explain why he dislikes the Englishman but comments Collins was "a very rotund, short man, who wore a red and white striped swim suit with the strips running horizontally" (82). His usual comments on the English are dry descriptions and one I particularly liked is: "the Marshalls finally retired to a place known as Tidenham Barrow in Bandara-wella, and became famous for their fruit cordials" (53).

One story Barbie asked to be included in *Letter* was how she met an aging English woman Miss Bill in a hotel in Kodaikanal, India, and found out the woman had been governess to Edward VIII, George VI and their siblings, and was now the housekeeper at Buckingham Palace. Barbie was visiting Barbara and me in our boarding school and Miss Bill was being treated to the holiday in India by Queen Mary, then the Queen Mother. Barbie found herself becoming a friend of the old lady. One morning she found Miss Bill distraught because the radio news had broken the story that Edward VIII, who she called David, had abdicated. She knew what it must have cost him emotionally to come to that decision.

Daniel writes, "Your mother would listen for hours to Miss Bill and felt at that time that she sustained the old lady through all the sorrow and unhappiness at not being near her beloveds to help them in their hour of need" (98).

The following year, he and Barbie were in England for the coronation of George VI and had bought seats close to

Buckingham Palace Gates. As they arrived, Barbie saw Miss Bill walking down the Palace driveway and, to the consternation of the Guards at the gate but the delight of the crowd, ran through them calling her name and embraced her. Miss Bill was delighted to see her young friend again. She was on her way to see the Princess Royal and Daniel says, "we walked back with her."

What is interesting about this story is that it shows clearly that away from Ceylon — in India and England — how little the Daniels' lives were fettered by colonial protocol — in fact, how free of social hang-ups Barbie was. Miss Bill was a working class woman, a housekeeper, and she was very old. Barbie was fascinated that she had such exotic employers but, when she spoke of Miss Bill to us as children, it was always as a fascinating friend.

Woolf, however, could never be unself-conscious long enough to accept others as simple human beings. When the G.A. was away from Kandy, Woolf the Office Assistant found himself having to be the official greeter of Empress Eugenie of France, then eighty-one. He was in his twenties and you'd think he'd have been intrigued by this woman who had lived through some of the greatest turmoils the world had known — the Russian Revolution (she was related to the Russian Royal family) being one of them. There is photograph of her in the book and she was indeed gorgeous when she was young. But he proceeds to criticize her viciously: "She was a tiny little bent old woman... she seemed to me positively ugly ... she made curious thin little jokes ... and gave a very long, vivacious, but slightly silly account of how she had seen a dog and a chicken fighting in the middle of the high road" (L.W. Growing 138/41). Writing to Strachey he is also unpleasant about the incident, "It was most unpleasant as I could not hear a word of what she said to me. One of the curse of this place is that distinguished visitors make one's life a burden to one" (Spots 136).

A Tribute to Memmi

In 1957 Albert Memmi, Tunisian novelist, wrote *the colonizer and the coloni-*

zed, to "put an end to his own anguish." In the book he describes what he perceives to be the evils of how colonization works from what he himself had experienced and come to understand from that experience — his book has no footnotes or bibliography. To his surprise he found he had "described the fate of a vast multitude across the world" (vii), and that his analysis had provided a bible, at last, which could be quoted by any student of the colonial process. Because British colonialism produced a highly-controlled social order in its Empire, and social disorder followed when it withdrew, it was easy to explain Britain as an innocent party to indigenous inner turmoils that just would not go away, if only because there was little written evidence to say otherwise. Memmi's break-through, and that of other recent writers who came out of the ranks of the colonized, showed that just because there is no written evidence in support of a theory, the theory cannot be dismissed as invalid.

Hidden in such texts as Rex Daniel's and Leonard Woolf's, however, there are additional clues of how both sides of colonialism thought and reacted to each other and to themselves. Daniel thought he was writing his life story so that his children would know not so much why he did what he did but that he did it. Woolf took a more complex route of trying to explain that acting like a colonizer he both knew the evils of the system he belonged to and disapproved of them, but that this was somehow all right because the system was there. The value in both cases was, however, is that each produced work written at a time when people in Ceylon were writing very little, and by doing so they have shed light into the mental processes of oppressed men when they decide to throw in their lot with their oppressors.

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Social Movements in the South

Amit Kumar Sharma

Ponna Wignaraja (ed.), *New Social Movements in the South: Empowering the People*, New Delhi: Vistaar Publications, 1993, Rs 275.

This is a very timely book in the Indian context, when people in the country are divided between support to the western industrial development model and globalisation, on the one hand, and to an alternative model of development based on Indian realities, thought and culture, on the other. This book is a serious, thought-provoking collective endeavour of a group of third world social scientists to look at human and social development with a special emphasis on how different regions of the world are conceiving their development and political processes. Two points of agreement are evident among the different contributors:

- a) The regions' states are in deep crisis and are unable to cope with the impact of global changes on their internal crises.
- b) There are a wide range of social movements which are becoming increasingly important as people's responses to the deepening crises.

There are twelve contributions out of which five deal with conceptual issues and seven are illustrative profiles of 'new' social movements in the South. One may identify in the different chapters of this book at least three viewpoints:

1. People's movements and experiments are new responses manifesting the true nature of the contemporary world crisis. According to this standpoint, there was a time when all social movements in Third World countries were engaged in the common struggle against colonisation. After independence, there was competition among these movements to assume power in the post-colonial states.

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Now, since these very states are in deep crisis, and have suffered an erosion of their authority, the myriad of social movements in the Third World are no longer fighting for state power.

2. A second viewpoint looks at social movements as new actors, performing multiple functions — political, economic, social and cultural. They represent a new set of actors, struggling to create a freer space in which a more democratic society can emerge. The term 'civil society' is often used to represent this space which is not dominated by the state. These movements represent a form of countervailing power.

3. A third viewpoint sees in them social experiments preparing for a future desirable society. The role of these movements and experiments thus transcends not only state power, but also wants to go beyond the existing civil societies with their built-in inequality and lack of authenticity hidden behind the window-dressing of 'democracy' or 'development'. The social movements are the carriers of a message of hope for the emergence of a new type of civil society.

The editor of the volume believes that the accumulation of a large volume of philosophical material in the South requires that this philosophical and intellectual tradition informs our strategic responses today. In these turbulent times, we cannot merely continue to do 'more of the same' of what we have been doing in the past 40 years, only more efficiently. Nor can we go on accepting institutions from other cultures and environments without conscious adaptations. The myths that have become a part of the imposed paradigms — manifested in elite thinking — have to be demystified. The only way to do this is to look on the ground and begin the long road to rethinking. The reader of this volume is bound to continue this process of rethinking by seeking a growing fount of literature on social movements in Latin America, Africa and Asia in general and Burma, Indonesia, Philippines, Thailand, Palestine, Nicaragua, Mexico, Colombia, Brazil and ecological struggles in India, in particular.

What is new about this book is the attempt to conceptualise a synthesis of ideas with social praxis. It views the process of social change in its totality, wherein development and democracy are integral components. It also introduces into the debate the missing elements in conventional paradigms: culture, values, democracy, participation and people's mobilisation. However, the editor as well as the contributors have been cautious in introducing cultural themes into the debate. They assert that a re-evaluation of some of the fundamental values in our own cultures and of the intellectual tools and resources at our disposal must be made before we use our cultural tradition to devise our development path.

Most contributors also acknowledge that the use of knowledge systems that are available in the South to facilitate this understanding is not an easy task. The contributors assert that in the new people's movements and experiments, one sees glimpses of an older civilizational rhythm in their relationships of people to people and people to nature. But they also note that understanding these people's responses and relating them to the earlier civilizational rhythm are not easy tasks. The objective of the exercise, they feel, is not to go back to the past, viewed romantically, but to understand the contradictions and the praxis, and then to observe the seeds of change that reflect some of the democratic and wider development values. The hard lessons learned can then point towards a more humane and qualitatively better society for larger numbers, building on the sustainable processes already initiated in the people's movements.

The book also suggests the need for a new reading of indigenous value systems and traditions both from written and unwritten sources for a deeper understanding of the nature of democracy and the human development and accumulation process in the southern context. It is strongly recommended to all those who believe that the dharma of intellectuals is to intervene in the contemporary affairs of their time.

The Lankan Quartet

Sudeep Sen

The Tribal Hangover, by James Goonewardene, Penguin India, Rs 125.

The Pleasures of Conquest, by Yasmine Gooneratne, Penguin India, Rs 125.

All is Burning, by Jean Arasanayagam, Penguin India, Rs 125.

Servants, by Rajiva Wijesingha, McCallum Books, Colombo, Rs 100.

In the last half a decade or so, Sri Lankan writers of fiction in English have, with regularity, made their presence felt, both in the sub-continent as well as on the international scene. In recent times, the more familiar names have been the Canada-based Booker prize-winner Michael Ondaatje, the UK-based Romesh Gunsekara whose novel *Reef* was on the Booker shortlist, as was the young Shyam Selvadurai's first novel *Funny Boy*. But before them, novelists like Carl Muller and James Goonewardene had, along with poets like Reggie Siriwardene, Anne Ranasinghe, Alfreda de Silva, Yasmine Gooneratne, Jean Arasanayagam, and scholars such as D C R A Goonetilleke, paved new directions in Sri Lankan fiction.

Aptly timed with the Triennial ACLALS (Association of Commonwealth Literature and Language Studies) International Conference held at Colombo last year, Penguin India released three books: James Goonewardene's sixth novel *The Tribal Hangover*, Yasmine Gooneratne's second novel *The Pleasures of Conquest*, and Jean Arasanayagam's first book of fiction, a collection of short stories, *All is Burning*. At the same time, McCallum Books, Colombo, published one of Sri Lanka's younger authors, Rajiva Wijesingha's new novel *Servants*. It may be interesting to note that most of the above-mentioned authors (barring Muller, Goonewardene, and Selvadurai) are all poets (or poetry editors), most of them with published volumes, but making their presence felt better with works of fiction.

Goonewardene's new novel confirms his reputation as one who is firmly rooted in the indigenous social milieu. The narrative in *The Tribal Hangover* revolves around the Sri Lanka-born Harindra d'Richter who is adopted by a German couple. The essential story charts Harindra's growing up in Sydney and the racial implications that surround his own life and world. Later we see the psychological trauma which traps Harin "when his foster father turns physically abusive". The story is compelling, told with a pungency that arises out of personal experience and richness of imagination.

It tackles modern-day problems of fragmentation, displacement and rootlessness with clarity and insight.

Yasmine Gooneratne was already known in the world of Commonwealth literature as a scholar, editor and poet, before her prize-winning first novel *A Change of Skies* was published in 1991. Her latest novel, *The Pleasures of Conquest*, is an absolute delight, a book that deftly weaves various styles and modes of the modern-day novel. At one level it is pure fantasy that throws the reader into the tropical world of the imperial past. But on the other hand, it is a sharp comment on present day colonisers and their lifestyles, the players insidiously masked in an overt scenario of academia, erudition and hitech glamour, a *mise en scene* that is as adulterous as those of their predecessors. It is a multitiered novel with the past and present ingeniously structured, written in an effortless prose style, which is, at the same time, bitingly astute and enormously funny.

Jean Arasanayagam, another poet, makes her debut with a substantial book of short stories, *All is Burning*. The book deals with familiar issues like social unrest, politics, post-colonialism, and the identity and definition of womanhood. Arasanayagam's stories have a documentary quality about them, where fictional

(Continued on page 19)

America in Black and White

Karim M. Trio

The End of Racism, by Dinesh D'Souza, Free Press. Rs 900.

If, as the title of his book *The End of Racism* suggests, Dinesh D'Souza's aim is to point the way towards an American society undivided by race, he certainly has a strange way of going about it. The Bombay native has penned a polemic arguing the inferiority of African American culture and the rationality of negative attitudes towards blacks. As the darling of the American Right, D'Souza now occupies a prominent position in the American debate on race. As the most outspoken NRI in America, his

views are no doubt taken by many as a statement of the views of the Indian community there, if not Indians generally.

The book comes at a critical moment. The Republican Congress, riding a wave of "white male anger" fuelled by indignation at the apparent violation of equal rights by government policies promoting minority hiring, is dismantling many programmes aimed at narrowing the racial chasm. (Critics see this anger as disingenuous — where, they ask, was this spirit of equal rights prior to the civil rights era?) But while both sides argue over whether government policy is the problem or the solution, it is becoming increasingly clear that blacks on the whole are not much better off now than they were in 1964.

Examining race relations over the course of centuries, D'Souza's contribution to this debate is impressive in both breadth and ambition. He argues that white racism is no longer significant and cannot be regarded as the cause of black failures. If white racism is not to blame, D'Souza reasons, then the problem lies with the blacks themselves.

He maintains that blacks and whites are separated by a "civilisation gap" — the blacks' genetic makeup may not be inferior, but their culture is. An unabashed exponent of western cultural superiority, D'Souza concludes that it is a misguided cultural relativism that has prevented both the black community and its anti-racist white proponents from acknowledging the problem.

D'Souza is right in insisting that, whatever the problems plaguing the black community, it is only the blacks themselves who can solve them.

But can the racial divide be bridged without changes of the white majority's attitudes? D'Souza evades the question. Indeed, he validates much of what is usually seen as racist behaviour as "rational discrimination" when it is based on observable "negative group traits" rather than assumptions of biological inferiority. Nevertheless, irrespective of motivation, the effect on the black community in both moral and economic terms is identical.

The book is closely argued and many of its claims demand close scrutiny. But the logic is frequently flawed and the evidence selective. We may question the authority upon which D'Souza criticises contemporary black culture, because there is no indication that he has visited any black neighbourhoods, or even interviewed their inhabitants. By providing "a window into life in urban black America", D'Souza selects just 13 terms referring to violence and misogyny from a dictionary of African American English exceeding 200 pages. These are lurid peepholes, not a "window". They do little to enhance the American race debate.

For this reviewer, the book's nadir is D'Souza's query: "If America as a nation owes blacks as a group reparations for slavery, what do blacks as a group owe America for the abolition of slavery?" He's not kidding. He argues that it was the West that invented the very principle of freedom to which slaves could lay claim. First articulated in the Declaration of Independence, this is the West's greatest legacy to the world.

Indeed, only two pages later, D'Souza even cites the democratic implications of post-independence racist, proslavery thought. By psychologically uniting whites against an inferior race, he argues, it "strengthened... the conviction that despite conspicuous differences of wealth and position they were equal just as the Declaration of Independence posited." However, the existence of slavery preceded the Declaration, and if this psychological unity was the mechanism of democratisation in the 19th century, there is little reason why it should not have been so in the 18th — but then D'Souza's insistence on the ideological purity of the Declaration is compromised.

Following his own logic, do we not then have to ask: "What does the entire world owe American blacks as sacrificial offerings to the principle of freedom?"

The Lankan...

(Continued from page 18)

imagination, reflected reportage, and personal experience and observation, all contribute to display the truths and untruths of the Sri Lankan world. Among the 19 stories that constitute this book, some of my favourites are 'I am an Innocent Man', 'Fire in the Village', 'Prayers to Kali', 'A Husband like Shiva' and 'I will Lift Up Mine Eyes'. The stories, especially towards the end of the book, employ a peculiar format of using sub-heads or sub-titles within each story, a mode that has no bearing on the stories themselves. As a collection, *All is Burning* is a moving work of fiction, one that uses elements of poetry, realism, paranoia and reflection, with powerful effect.

Rajiva Wijesinha has already published and edited fiction like *Acts of Faith*,

Days of Despair, and *The Lady Hippopotamus* as well as books on politics and teaching English. He has edited the collected poems of Richard de Zoysa, an anthology of Sri Lankan short stories, but most significantly, the invaluable *Anthology of Contemporary Sri Lankan Poetry in English*. Wijesinha's new book *Servants*, is a relatively short novel, set up as 10 stories forming a cycle. It evocatively leads the reader through the protagonist's childhood reflections, the crumbling world of colonial living, memory, the fast-shifting needs and morals of a strife-ridden society and, in the end, the pleasures of autobiography for the writer. The book is a montage, captured at certain moments in beautiful slow motion, where time changes magically from black-and-white to sepia, to the harshness of virtual colour, and to eventual reality.

Waiting — 18

Chapel of the Transfiguration, Mt. Lavinia

Time

Is no smooth flow

Either to mind or measuring instrument

This we experience and know

Though in some bewilderment

But why for Time this frame

Of only one dimension?

Here in this Chapel

The organ will untether

The paeans of those who trod Time's other frames

And composed their codes and signals

The Kindergarten fled here in twos on Fridays

I sat unwilling but the music tugged

Me to Worlds I did not know

Then grown Sixth Form and without compulsion

Father Foster chuckled as he said

Just sit out on the Chapel steps, take in the music

Worlds, you will sense, are not just sky and space

Neither his words nor the music

Made the message clear

Till decades later, for the first time

I brought you here.

In silence, your soft eyes

Took all in

The last rites at an old Teachers service

Quiet altar flames and the quick glint

Of sacramental silver

And with the hymns

A gust of great music swept your eyes to mine

And for a brief second unlocked the frames of Time

Though for me, then, the signal was yet dim

I now see your eyes, aglow, were prim

To Times other pathways.

To late, alas, to know that within weeks

Time would unfold to you, what I still seek.

U. Karunatilake

The folly of being cricket's gentlemen

Samson Abeyagunawardena

The World Cricket Series Australia vs Sri Lanka has ended in acrimony.

At the heart of the problem is the gulf between the cultures of sport in Australia and Sri Lanka.

It is many since top Australian sportspeople readily embraced the American practice of regarding sport as a profession in which there is a lot of money to be made — if you play hard and are successful. So what matters most is prize money in millions of dollars to both players and sports administrators.

Alas, the Sri Lankans have not yet got over the old English idea of regarding cricket as a sport for gentlemen; they play for fun and go for broke. It is a grim irony that these days the gentlemen of cricket of the old English style are perhaps to be found only in Sri Lanka. As a prerequisite to winning, it is imperative that Sri Lankans should get rid of this idea of being gentlemen and absorb the modern sporting ethic, which is to do anything to win.

Yes, anything.

Sledging, abusing the batsmen when he hits you for six, growling, intimidatory bowling, shoving opponents, and generally being the boor — these are the modern sporting virtues that in Australia bring success and money. Friendship and gentlemanliness are old vices. Act the gentlemen, shake hands after winning, never while the game is on.

Why is it foolish to be a gentleman? A gentleman is one who, when he has nicked the ball to the wicket keeper, gives himself out and walks back to the dressing room without waiting for the umpire to raise his hand. Better to forget being a gentleman and wait for the umpire's decision. As it happened here, the umpire could be having an off-day on the field and give the batsman not out. So he continues to bat, adding the extra runs that rob the opposing side of victory.

Australian captain Mark Taylor was disappointed that the Sri Lankan players did not shake his hand at the end of the series at the Sydney Cricket Ground. Perhaps the Sri Lankans had some important points to make to Taylor, to one umpire

in particular, to the match referee and to the millions of cricket fans watching the telecasts in Australia, the sub-continent, South Africa and the Caribbean. They had been at the receiving end of some un-sportsmanlike tactics. Reporting the second match in the World Series (in Sydney, on 21 January), for the *Melbourne Age*, Peter Roebuck wrote in the *Melbourne Age* (on 22 January 1996): "If Glenn McGrath is the man I take him for, he will not care to contemplate his conduct on Saturday night. He is a boy from the bush, and surliness cannot be his natural temper. Perhaps, too, someone can explain how it was that Pakistan's Amir Sohail was fined in Hobart for dropping his hat, while McGrath's boorish behaviour went unpunished."

No-one has yet explained why McGrath went unpunished.

Perhaps the Sri Lankans felt that if they had shaken Taylor by the hand, it would have implied that all was hunky dory. It was not. Before going to shake hands, Taylor should have told McGrath to apologise to the Sri Lankan term for his boorish behaviour.

Mark Taylor is reported to be concerned that Australia is being labelled the bad boy of international cricket. *The Canberra Times* on 23 January 1996 reported him as stating "The problems the Sri Lankans have had they'll see as being caused by Australians. It's got nothing to do with the Australian cricket team and I hope people around the world, especially in Sri Lanka, see that. We play hard cricket and we're not always quiet on the field. We say the odd word but don't think it has got out of hand."

Not all Australian cricket commentators and Australian cricket fans see it that way. Australian friends of this writer have expressed their shame over the boorishness of McGrath. As well, they have expressed their disgust at the atrociously poor umpiring. Poor umpiring robbed Sri Lanka of victory in the first World Series final in Melbourne, when, as the Australian Broadcasting Corporation's radio sports commentator David Lord observed, umpire Steve Randell appeared to be having "an off day" at the wicket.

Peter Roebuck's comment in the *Melbourne Age* (22 January) is interesting. Writing about the second World Series final

in Sydney, he stated: "Something deeper lay behind Sri Lankan agitation than mere loss of equanimity. It has had no luck with the umpiring. Nor did Pakistan. It can only be a question of fortune. Steve Randell is open-minded and fair but even he lost form in the finals."

"It can only be a question of fortune" These words say it all. Every dubious umpiring decision — and there were many this summer — went against the Sri Lankans to the benefit of the Australians, who were indeed fortunate.

There used to be a time when the umpire could trot out the point that he was out there in the middle and therefore in the best position to judge. Television cameras have changed all that. The camera can show whether or not a batsman has nicked a ball to the keeper, whether an lbw decision is dodgy, and so on. In fairness to the game, cricketing authorities must drop umpires who lose form. Why was Randell retained for the Sydney match?

What of the World Cup matches scheduled to be played in Sri Lanka, India and Pakistan during February and March? Former Australian captain Greg Chappel told this writer: "Sri Lanka will be a force in the World Cup".

Not just a force, but World Cup winners if they emulate the Australians and play hard, disciplined cricket. And, as one-day cricket is mainly about hitting the ball hard and running fast, captain Arjuna Ranatunga will need to do some roadwork or diet. As Peter Roebuck has observed in his report to the *Melbourne Age* on 22 January 1996: "He (Arjuna) is several curries over par and has been run out in his four previous one-day innings. But he is a cool and clever batsman. Undoubtedly, he dreams of standing in his crease and playing his strokes while some whipper-snapper runs for him."

Finally, when the first matches in the World Cup series are played in Colombo, Sri Lankan fans would do well to remember that many thousands of Australians willed Sri Lanka to win the World Series here. Australian media commentators — Ian and Greg Chappel, Tony Greig, Richie Benaud, Mike Coward, David Lord, Neville Oliver, and many others have been absolutely fair in their match reports. Sri Lankans would do well to make them and all the Australian cricketers feel genuinely welcome in their country. That will bring them great credit.

The writer is a Sri Lankan-born journalist who has been working in Australia for 30 years.



**I have been a Colombo Gas
Company worker for 15
years and personally
witnessed the slow decline.
Can privatization turn
things around?**

- Colombo Gas Company Employee

In a most dramatic way. The Colombo Gas Company has tremendous potential, not only nationally but internationally as well. It is at present the sole importer and distributor of Liquid Petroleum Gas in Sri Lanka and can conceive of supplying the Indian market as well. What is missing are the funds to do so, which the government can ill-afford. But they are desperately required to expand handling and storage facilities, and to enhance safety standards to protect workers and consumers alike. As part of the privatization of Colombo Gas, a strategic partner has been selected; one that is committed to further investment and the introduction of international management practices, technical know-how, and safety standards. The whole infrastructure will be overhauled and modernized. New applications for gas will be explored. The decline will not only be reversed, Colombo Gas can look forward to its best times yet.

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