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CHANDRIKA VS THE CONSTITUTION

Mervyn de Silva

WOMEN AND HUNGER

Gail Omvedt

CHURCH, COLONIALISM, LIBERATION

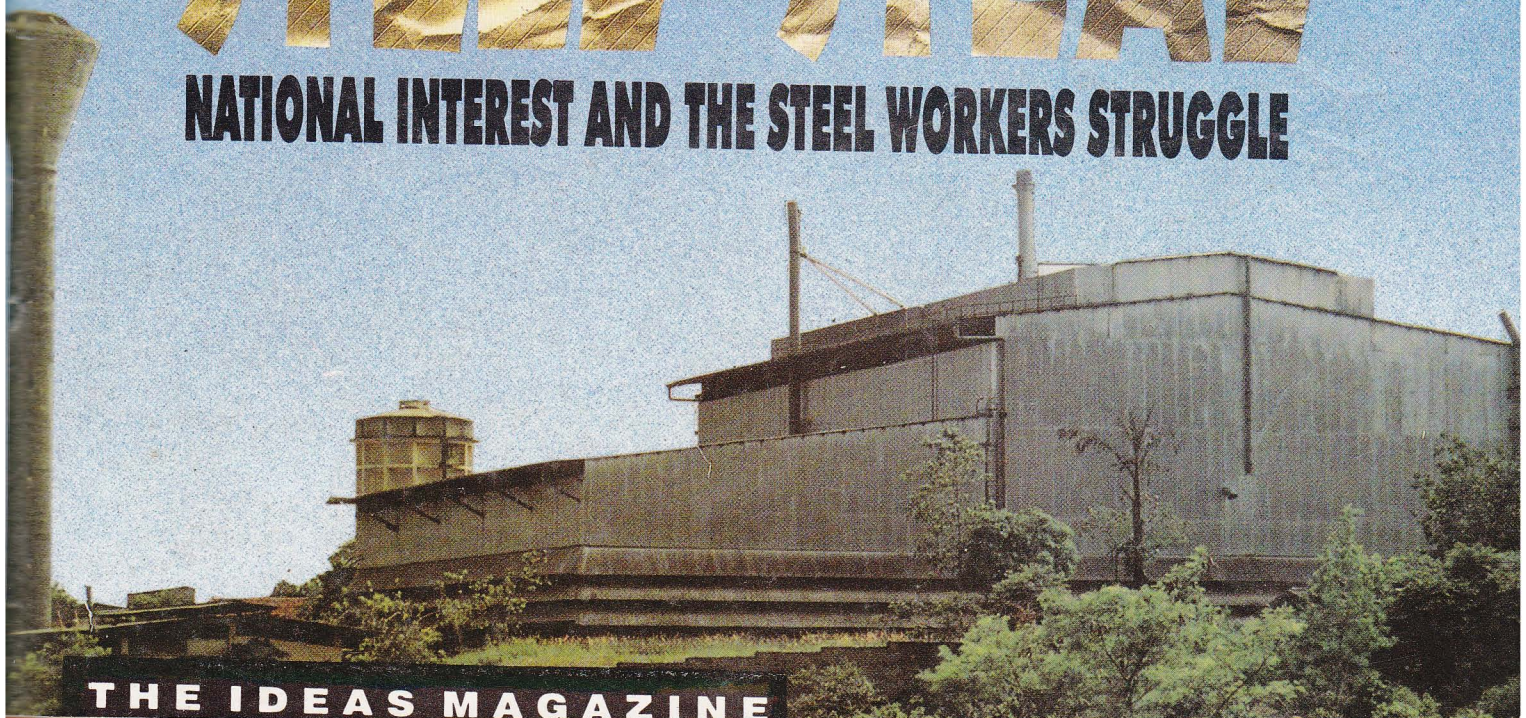
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THE IDEAS MAGAZINE

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PRESIDENT'S PEEVE

Mervyn de Silva

The Peoples Alliance leadership and elite, let us concede, has a certain irresistible gift for words, the more high-sounding and pious the better. It's this passion (should we say it in French - *penchant?*) which gave us "Good Governance", and its agreeable companions, "Transparency" and "Accountability", that has now produced "Constitutional Revolution".

"We need a two thirds majority in Parliament to change the constitution or implement the devolution proposals" confides President Chandrika Kumaratunga, only to threaten that if the constitution stands in the way of the majority of people and goes against their aspirations, "we are ready to stage a constitutional revolution"! Since "we know that the majority of people are for devolution, we will seek their support". Ay, there's the rub. *How do "we" know that?*

Addressing a large rally in Chilaw, President Kumaratunga also took the opportunity to dismiss "allegations that the Peoples Alliance was in disarray". All constituent parties in the PA are as united as ever. This, she added, was in sharp contrast to the UNP which was divided into six factions with internal squabbles becoming a common occurrence.

While President Kumaratunga would have helped us if only she had identified the factions, the "massive rally in Chilaw" (Daily News) would doubtless have rejoiced in the news that the eight-party Peoples Alliance administration was a well-knit "alliance". Messrs Vasudeva Nanayakkara notwithstanding, Mr. Thondaman a law unto himself, and Minister Mahinda Rajapakse often less

"allied" than his fellow ministers in the Peoples Alliance cabinet. The reaction of the trade unions to recent decisions of the PA - a PA tamely taking the World Bank-IMF line - continues to make headlines and the front-page of the national newspapers, all but the state-owned Lake House, still the largest publishing house patiently awaiting the "broad-basing" the PA polls manifesto pledged!

While the quondam Marxists in the PA leadership savour the irony, the Peoples Alliance leader relies more and more on the tactical manoeuvres and the argument of her *bete noire*, Junius Richard Jayewardene.

Is President Chandrika tempted to imitate J.R. Jayewardene, her *bete noire* and in Opposition eyes, the "father" of all villainy and Sri Lanka's present discontents? The simple answer is that she cannot, though she may love to adopt the tactics of the author of the 1978 constitution, and the architect of the Executive Presidency. True, J.R. had a referendum. His UNP also commanded an unprecedented five-sixths majority in the House. Candidate Chandrika did exceedingly well to win a 62% popular vote, whereas the PA had to be satisfied with a wafer-thin majority in Parliament.

JR gave his historic manoeuvre legality (clear Parliamentary majority) and a little bit of legitimacy (the referendum). President Kumaratunga appears to have been impressed by the argument of some of her high-level advisers who believe that there is a legal-constitutional answer to the National Question. If the PA's devolution package satisfies the national minorities - Tamils and Muslims most

of all - President Kumaratunga would not be confronted by a Parliament that could turn hostile on critically important issues. One would think that a PA which says the UNP has six factions would urge their leader to dissolve Parliament, sweep the polls, *Contd on page 19*



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Editor in Chief : Mervyn de Silva

Editor : Dayan Jayatilaka

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THE IDEAS MAGAZINE

CHANDRIKA'S COMING CONSTITUTIONAL COUP

Our Political Desk

For some weeks now President Chandrika Bandaranaike Kumaratunga has been on the warpath. Her targets were many. First public servants - they are lazy and incompetent. Then the teachers; the charges - ditto. Next she turned her guns on the trade unions. Later, the lawyers. Now comes her *coup de grace* : a blistering attack on the Constitution itself.

And what is the reason for the good lady's latest outburst? That she hasn't got a two thirds majority in parliament. Deeming this a great injustice, she puts the blame squarely on the proportional representation system : "But due to the intricacies of the proportional representation system devised by the late President J.R.Jayewardene, no party can command a two thirds majority in the House to implement legislation of this nature. We might have won 180 out of 200 seats but our actual majority is only one. *Such a constitution which goes against the wishes of the masses is just a piece of paper to us*" (Daily News 16.12.96).

The President's point is clear. Any piece of legislation (including the constitution) which is counter to the wishes of the majority of the people is undemocratic and therefore is not sacrosanct. A perfectly valid point of

view. *The question is: does the proportional representation system 'go against the wishes of the masses' as the President claims? Which is more democratic? The first-past-the-post system which the President favours, or the proportional representation system which she reviles?*

IS SHE CORRECT?

Let's take some concrete examples. At the 1977 election the UNP created history by winning a 5/6th majority (140 seats). The SLFP was reduced to a mere 8 seats. Was this division of seats an accurate reflection of how the people actually voted? At this election the UNP polled 50.9% of the total votes (i.e. a little more than half) but was able to win 83% of the total number of seats. The SLFP polled 29.7% of the votes (i.e. almost 1/3) but managed to win only 8 seats (i.e. only 5% of the total seats). The TULF which polled 1,433,843 votes less than the SLFP succeeded however in winning more than double the amount of the seats won by the SLFP. (The TULF polled 6.4% of the votes and won almost 11% of the seats). The LSSP which polled 3.6% of the total votes (compared to the TULF's 6.4% - i.e. only 196,171 votes less than the TULF) did not win a single seat.

The 421,488 people who voted for the TULF had 18 representatives in the Parliament while the 1,855,331 people who voted for the SLFP had only 8 representatives. The 62,707 people who voted for the CWC had one representative in the Parliament while the 225,317 people who voted for the LSSP and the 123,856 people who voted for the CPSL did not have a single representative in the Parliament.

*Now let's take a look at what the division of seats would have been if the proportional representation system was in place in 1977 (minus the distorting mechanism of bonus seats). The UNP with 50.9% of the total votes would have got around 86 seats out of 168 votes i.e. not a two thirds majority but a simple majority. The SLFP would have been the second largest party in the Parliament with about 50 seats - i.e. what it deserved as the second largest party in the country. The TULF would have had only 11 seats (roughly) while the LSSP would have won around 6 seats and the CPSL 3 seats. *The presence of a strong opposition in Parliament would have forced the UNP to behave in a more circumspect manner - and as a result, many of the post '77 tragedies may have been avoided.**

MATHS A LA MARSEILLES

What system is more democratic, more reflective of the wishes of the masses? The first past the post system which gives the party with 50.9% of the votes almost 90% of the seats while reducing the party with almost 1/3 of the votes to only 8 seats? That system which gives the party with almost two million votes 10 seats less than the party with under 400,000 votes? Or the proportional representation system which would have given the party with half of the votes, 50.9% of the seats and the party with 29.7% of the votes around 30% of the seats? The answer should be obvious even to someone without the benefit of a course at the University of Marseilles.

In fact, the first past the post system has prevented a fair distribution of seats at a number of previous elections as well, thereby giving political parties huge majorities which were totally at variance with the way the people voted. Take another example - *the election of 1970*. At this election the United Front got a 2/3 majority while the UNP was reduced to 17 seats. *This distribution of seats did not at all reflect the way the vote was divided*. The SLFP polled 36.9% of the votes but got 91 of the seats (60.3% of the seats) while the UNP which polled 37.9% of the votes (i.e. 52,546 votes more than the SLFP) got only 17 seats (i.e. 11.3%). If the proportional representation system had been in place in 1970, the UF should have got around 75 seats (in accordance with their % of the total votes polled - 49%) instead of 116 seats, while the UNP would have got 57 seats (in accordance with their % of 37.9% of the total votes). The Federal Party which got 13 seats with 4.9% of the votes would have been reduced to (roughly) 7 seats. *Once again the governing coalition would have had only a simple majority which would have prevented many of the worst excesses of the '70-'77 period*.

Here's yet another example - the

President Chandrika Bandaranaike Kumaratunga is against the proportional representation system not because it is undemocratic but precisely because it is democratic - i.e. because, being an accurate reflection of the wishes of the people, it didn't give the PA a two thirds majority. That is the President's problem.

parliamentary election of February 1989 - the first parliamentary general election held under the proportional representation system. Here the UNP with 50.71% of the votes got 110 seats out of 196 (minus bonus seats) while the SLFP with 31.9% of the votes got 58 seats (minus the bonus seats). What would have been the outcome if this election was held under the first past the post system? Of the 160 electorates (polling divisions) the SLFP won only 6 (1 in Gampaha - Attanagalle, 1 in Kalutara, 1 in Galle, 1 in Hambantota, 1 in Moneragala and 1 in Trincomalee). In other words, going by the first past the post system the SLFP won only 4% of the electorates and the UNP won 82.5% of the electorates. *Therefore if the 1989 election was held under President Chandrika's preferred first past the post system, the UNP would have ended up with roughly 162 seats (with its 50.7% of votes) while the SLFP with 31.9% of the votes would have got around 8 seats! In other words we would have*

seen a repetition of 1977 - the UNP with almost a 5/6th majority while the largest party in the opposition would not have been the SLFP, but rather the (LTTE backed) Independent Group for Jaffna which polled only 150,340 votes (2.69%) but won 10 seats! As in 1977, the SLFP, the second largest party in the country - with 1,785,369 votes - would have had less representatives in Parliament than a small regional based independent group which polled only 150,340 of the votes. It was only the introduction of the proportional representation system by the UNP, for which the President indicts that party and Govt, which prevented the SLFP from suffering another debacle as in 1977...

The above examples clearly demonstrate that contrary to the President's assertion, it is the proportional representation system which accurately reflects the way the people vote. The introduction of bonus seats distorts this picture (though only marginally) and should be done away with. The first past the post system is a total caricature of the will of the people and therefore is both undemocratic and dangerous.

A HIGH RISK OPTION

President Chandrika Bandaranaike Kumaratunga is against the proportional representation system not because it is undemocratic but precisely because it is democratic - i.e. because, being an accurate reflection of the wishes of the people, it didn't give the PA a two thirds majority. That is the President's problem. It's because the proportional representation system prevented the PA from getting an undeserved two thirds majority, that the President declares the constitution to be "just a piece of paper to us". After all the PA only polled 48.94% of the total votes at the Parliamentary general elections (i.e. not even half of the total votes polled). Therefore how can the PA deserve a two thirds majority in Parliament, if the criteria is the will of the people? It should also be mentioned that at the 1994

Parliamentary general election the PA won in only 91 electorates - i.e. only 5c.9% of the polling divisions. *Therefore even if the first past the post system was in place, the PA would not have got a two thirds majority in Parliament, i.e. the strength necessary to change the constitution and push through the G.L.Pieris 'Union of Regions' Package. It would have only got a simple majority.* Of course the President may say that she got a much higher percentage at the Presidential election. Even if we ignore the fact that the elections were held under highly exceptional conditions (the President's main opponent was assassinated and was replaced by a woman with no political experience and one who didn't even have the wholehearted backing of her own party), *the salient point is that President Chandrika still did not win 2/3 of the votes.* Therefore neither the President nor the PA deserve a 2/3 majority in Parliament, if one is to go by the will of the people. (Incidentally though the same proportional representation system prevented him from winning a 5/6th majority in parliament, President Premadasa never railed against that system or the constitution which enshrines it. In fact he defended both the PR system and the constitution from those who attacked them).

Now why does President Chandrika want a 2/3 majority? "We need a two thirds majority in Parliament to change the constitution or *implement the devolution proposals*" (Daily News 16.12.96). In other words the President wants a two thirds majority to implement the 'package'. It is precisely because an electoral system which accurately reflects the will of the people prevented the PA from winning an undeserved two thirds majority that the President is waxing hysterical against the constitution. Her opposition to the constitution is not the result of commitment to democracy or respect for the wishes of the people but a fit of pique and a desire for absolute power. *"But if the constitution stands in the way of the majority of people and goes against*

these aspirations, we are ready to stage a constitutional revolution". Since the lady favours a system which distorts the will of the people above a system which reflects it accurately, what she is planning to stage is not a constitutional *revolution* but a constitutional *coup d'etat*. A dangerous game, that. Especially when issues of identity and ethnic passions are involved. If the President

of the country deliberately, and without the consent of the people, violates the constitution, it 'liberates' the other political and social actors from the duty of abiding by the constitution. With the JVP and proto-JVP/Sinhala Buddhist fundamentalist organisations around in the South (and the LTTE in the North-East) this can only lead to disaster. It is to be hoped that saner counsel will prevail.

'A.S.' ININE

Is there an economic crisis? Nonsense, says Governor A.S. Jayawardane of the Central Bank. Going by his most recent newspaper interview (The Sunday Times 15.12.96), 'nonsense' seems the most appropriate term to describe the economic thinking of Mr. Jayawardane. One example should suffice.

The Sunday Times : Won't we see a substantial depreciation of the rupee against the U.S.Dollar next year to maintain competitiveness of the currency?

A.S.Jayawardane : As long as inflation is high the rupee will naturally depreciate so that our exports will maintain their competitiveness. If we bring down inflation, we can stabilise the rupee.

Obviously Mr. Jayawardane has never heard of *imported inflation* - that is price increases in a country's imports resulting in higher inflation. This is particularly valid for a country like Sri Lanka which is dependent on imports for many of its needs from its staple diet and other food items to capital goods. Let's give A.S.Jayawardane just one case in point. Despite a substantial decrease in the price of milk powder in the world market, the importers refused to lower the local price of milk powder. Why? Because of the depreciation of the rupee which has made milk powder more expensive in rupee terms. They said so. As a result our people are being forced to pay more and more for this essential food item. One would have thought that being the Governor of the Central Bank, Mr. Jayawardane would have been aware of this. Obviously not.

THE MYSTERIOUS TALE OF A PA PRIVATISATION

- 1) 25.3.94: The UNP accepts the recommendation of Minister B.Sirisena Cooray to sell 55% of the shares of the Steel Corporation to a Japanese - Sri Lankan consortium for Rs. 962.5 million.
- 2) June 1994: Several SLFP Parliamentarian including Kingsley T. Wickramaratne and Mahinda Rajapakse appeal to the deities to protect the Ceylon Steel Corporation from privatisation. The rituals include the dashing of coconuts. (Source - Aththa 94.6.25).
- 3) July '94: PA's Kingsley T. Wickremaratne gives a distorting picture of the UNP's privatisation plan, saying that the UNP was planning to sell 50% of shares of the Steel Corporation for Rs. 165 million - a total fabrication - and details what steps are being taken to prevent the privatisation. (source : Lankadeepa - 94.7.26).
- 4) August '94: The PA's new minister of Housing and Construction announces the Chandrika government's decision not to privatise the Steel Corporation: 'In the previous year the Corporation earned Rs. 100 million as profits and the decision to privatise such a profit making enterprise was a crime. He also states that the policy of the new government is to protect institutions such as these'. (Source - Lankadeepa - 94.8.24).
- 5) October/November 94: Publication No.12 of the PA for the Presidential election entitled 'Let's safeguard the Peoples' victory; Let's make the Prime Minister the President' mentions the decision not to privatise the Steel Corporation as one of the major achievements of the PA regime.
- 6) January '95: The Steel Corporation records a net profit of Rs. 124 million for the year 1994.
- 7) 27.10.95: Minister Nimal Siripala de Silva says in Parliament that the government has decided to sell 49% of the shares of the Steel Corporation : "Since the state will retain 51% of the shares the question of privatisation doesn't arise. The decision to sell 49% of the shares is based on a recommendation by the PERC.....*I assure that steps will be taken to retain 51% of the ownership* of the Steel Corporation in the hands of the state and therefore there is no cause to develop unreasonable fears concerning this". (Source - Hansard).
- 8) Late '96: The PERC advertises calling for bids for 90% of the holdings of the Ceylon Steel Corporation. The advertisement says that the offer was opened in September 1995 i.e. *one month before* Minister Mr.Nimal Siripala de Silva categorically stated in Parliament that only 49% of the shares of the Steel Corporation will be sold. Therefore either Minister de Silva was lying; or even Senior Cabinet Ministers were unaware of what the PERC is upto. The closing date for the new bids is given as August 30th.
- 9) 12.8.1996: During President Chandrika Bandaranaike Kumaratunge's visit to South Korea, the President of South Korea states that a Korean firm is willing to purchase the Steel Corporation (source Daily News - 13.8.96).
- 10) 3.11.96: The Sunday Leader reports that 90% of the shares of the Steel Corporation have been sold for 840 million i.e. Rs. 122.5 million less than the amount for which the UNP government was going to sell 55% of the shares.
- 11) 9.10.96: The General Manager of Hanjung, the Korean company which brought the Steel Corporation says that his company came to invest in Sri Lanka in response to a request by the Sri Lankan President from the Korean President during her recent tour of South Korea. (Source - Silumina 96.11.10).

THE STEEL STORY

SELL THE SILVER, STEAL THE STEEL

S.H.A.MOHAMED

Since its inception, the Ceylon Steel Corporation has functioned as a successful heavy industry which pumps enormous amounts of money into the state coffers. The CSC is also one of the few large scale heavy industrial enterprises that exist in the country. At present it provides direct employment opportunities for over one thousand three hundred persons. The production facilities at the CSC includes rolling mill, wire mill, steel foundry and a melt shop. The melt shop was commissioned in 1982 but ceased operations in 1985 owing to the uneconomical conditions which then prevailed. There is also a metallurgical laboratory. Most of the steel requirements of the local construction industry are produced here. The CSC is also the largest producer and supplier of items such

as rolled products, barbed wire, welding electrodes, foundry products and soldering leads to the local market. Apart from this, *the CSC is also involved in producing certain basic military hardware and inter-related accessories for the Sri Lankan forces battling the LTTE in the North and East.*

The CSC which was successful in melting iron billets at its mill, has today become the latest victim of the PA government's no holds barred/sell the family silver at give away prices - type privatisation programme. The initial attempt to privatise the CSC was made in 1991. The Ceylon Steel Corporation was converted to a limited liability public company acting under the Companies Act in 1993. This move paved the way for the Secretary to the Treasury to become the sole owner of

the entire share capital. But the state could not go beyond this move as the workers opposed the sale of the Ceylon Steel Corporation Limited (CSCL). *Ultimately, after listening to the views of the concerned parties, President Premadasa dropped the idea of privatising the CSC.*

The second stage in the attempt to privatise the CSC started in 1994. The D.B.Wijetunga administration invited bids from Sri Lankan and foreign corporate and institutional investors for the purchase of 55% of the share capital of the CSC. A consortium consisting of two Japanese companies and the Development Finance Corporation of Ceylon (DFCC) was selected as the successful bidder. The price offered was Rs.962 million for the 55% stake, while the government

A WORD TO THE WISE: MS SIRIMA BANDARANAIKE ON PRIVATISATION.

"If this kind of privatisation of state assets, Corporations and Boards continue, in future the country will be left with nothing Because of this kind of privatisation nothing will be left to the State. Then there will be nothing left to manage. The best alternative to that would be to hand over the government to the private sector and the rulers to rest freely at home.

If loss making enterprises are privatised it is all right. Why are the profit making ones being given?

..... We should not stay idle watching this situation. We must demonstrate. And our protests should not be limited to meetings like this".

- Speech at a meeting organised to protest against the privatisation of the Oruwala Steel Corporation, made on August 1991 (Source - Divaina 91.08.16).

Today, the government headed by Ms. Bandaranaike's daughter (of which Ms. Bandaranaike is the Prime Minister) has privatised the (self-same) profit making Steel Corporation at a price which is *Rs. 735 million less* than the UNP's sales price.

a future PA government would refrain from privatising the Steel Corporation. In fact during the pre election period Messrs. Kingsley T. Wickramaratne and Mahinda Rajapakse (both are senior members of the PA cabinet today) dashed coconuts and made a sacred vow before the Gods that the CSC would not be privatised.

The pledges did not last long and subtle attempts were made again to privatise the CSC. This aroused suspicion and on 27.10.1995 answering a question raised by Mr. Nihal Galappatty in Parliament, the minister in charge of CSC, Minister Nimal Siripala de Silva stated "It has been decided to sell 49% of the shares of the CSC. As 51% of the controlling shares are held by the government the question of privatisation does not arise. The decision to sell 49% of the shares was a suggestion made by the Public Enterprise Reform Commission as a result of a study conducted by them. Therefore I would like to emphasise that the controlling shares of the corporation is being held by the state and the amount expected to be collected by the sale will be used to modernise the factory and ensure the security of the employment opportunities of the employees. As the government is holding 51% of the shares I would like to make this an opportunity to inform the Hon. Member of Parliament and all others who are interested in this issue that there is no necessity to have any unnecessary fears over the CSC sale". (Source : Hansard)

TRANSPARENCY? ACCOUNTABILITY?

Less than ten months later it became obvious that this solemn pledge by a senior Cabinet Minister statement to the supreme legislature of the country was nothing but a total fabrication with the purpose of deceiving the members of that august institution and the masses they represent.

Having decided (in secret) to privatise the CSC, despite all the pledges, vows and parliamentary statements, the government started to take the necessary steps to sell the CSC lock, stock and barrel - and not necessarily

assessment on the value of the total share capital was around Rs. 1400 million. Therefore the offer was certainly a reasonable price. The balance 45% of the shares were to be allocated as follows:

- a) 25% to be held by the government of Sri Lanka to be offered to the investing public on a share issue within a period of two years of the divesture.
- b) 10% of the shares to be retained by the government of Sri Lanka with provision in Memorandum and Articles of Association for a

government nominee to be on the board of directors.

- c) 10% to be gifted to the employees of the company in accordance with government proceedings applicable to such issues.

However with the victory of the Peoples Alliance (PA), the sale came to a halt. The protest against the UNP's attempts to privatise the CSC played a major role in the PA's election campaign; almost all the top leaders of the PA played an active role in this anti privatisation campaign and repeatedly pledged to the public that

HOW THE STEEL WAS TENDERED: TAKE YOUR PICK

The UNP approach

- 1) Mr.B.Sirisena Cooray, Minister of Housing, Construction and Urban Development submitted a memorandum to the Cabinet (dated 25.3.94) recommending that 55% of shares of the Steel Corporation be sold to the highest bid of Rs 962.5 million.
- 2) The buyer was to be a *consortium* of the *partially state owned* DFCC and two Japanese Companies - SNK International Co. Ltd and Godo Steel Ltd.
- 3) Since 100% of the shares were valued at Rs.1400 million, the recommended sale price of Rs.962.5 million for 55% of the shares was *much higher than the valuation* (100% of the shares would come to Rs. 1750 million).
- 4) The successful bidder agreed to pay the sales price *upfront* - 65% in convertible foreign currency and 35% in Sri Lankan rupees
- 5). 10% of the shares to be transferred free of charge to the *employees* - going by the sales price, the value of this would have been Rs. 175 million.
- 6) Mr.Sirisena Cooray also recommended that out of the 45% of shares owned by the government, *25% be offered to the investing public* on a public share issue. This would have *broadened the ownership base*. The new ownership would have been a *multiple one* - Foreign capital, Sri Lankan state, local private capital and employees.

The PA approach

- 1) 90% of the shares of the Steel Corporation was sold to Hanjun (a Korean Company) at Rs. 840 million.
- 2) This is *lower* than the *lowest bid* received during the earlier (UNP) privatisation process which was Rs.540 million (Rs. 883 million for 90% of the shares).
- 3) Even according to the 1994 valuation of Rs.1400 million for 100% of shares, this privatisation entails a loss of Rs.467 million.
- 4) It is unclear as to how the sales price would be paid. Will it be paid upfront or will the payment be on a staggered basis? How much will be paid in internationally convertible currencies and how much in Sri Lankan Rupees? The PERC remains silent on this issue.
- 5) 10% of the shares will be distributed to the employees free of charge; but because of the much lower sales price the *value* of these shares would only amount to Rs. 84 million - i.e. a *loss* of Rs. 91 million
- 6) The new ownership would be *primarily foreign* with the employees as minor share holders.

to the highest bidder either. Bids were called for the sale of a 90% stake in the CSC. Through this the government expected a **minimum** price equivalent to US\$ 15 million for the disposal of 90% of the CSC shares. Ultimately, while leaving room for many eyebrows to be raised, the Korean firm Hanjung, the **lowest** bidder offering the minimum possible price of US\$ 15 million was selected. The value of the transaction in local currency is a mere Rs.825 million. The balance 10% is expected to be distributed among the workers. However in a surprising move, the government **reduced the previous assessment value of the factory to Rs. 1164.5 million at time when profits are on the rise.**

It is no secret that the government, on the pretext of adhering to World Bank guidelines, has embarked upon a haphazard and unplanned programme of selling state enterprises in order to raise funds to maintain itself in power. The privatisation programme of the government does not seem to be based on the interests of the country, economy or the people. The government seems to be intent on privatising every single piece of state assets irrespective of consideration such as the national security, national economic interest and the welfare of the people. In fact the Deputy Minister of Finance has repeatedly confessed, in and out of Parliament, that the sole aim of the government's privatisation programme is to reduce the budget deficit. What the government is following today is a policy of privatisation for mere survival. The manner in which state enterprises such as the Colombo Gas Company, Kotagala plantations and the Steel Corporation were sold provides clear proof of this.

It is an undeniable that there is an urgent need for a restructuring programme of state enterprises. This is unavoidable in today's challenging and rapidly changing free market atmosphere. Therefore a public enterprise reform programme based on the economic interests of the country and the people, which is capable of bringing continued benefits to the economy and the citizens, has to be designed.

Contrary to the PA's favourite slogans 'Democracy' and 'Transparency', the CSC transaction was carried out in secret, unknown to the Parliament and probably even a segments of the Cabinet. In fact the agreement signed between the government and the Korean firm over the purchase of the CSC still remains concealed even from the government's own backbenchers.

The PERC claims that it has vested 10% of the CSC shares in the employees. However **there's no documentary proof of this.** Nor have the employees been given an opportunity to see the full text of the agreement. So far there has only being a news paper advertisement containing some selected areas of the agreement. **Therefore though the employees are supposed to be share holders of the CSC they are deprived of their undeniable right to know the rules and conditions of this transfer of shares.**

The PERC and the government have therefore acted in a manner that is completely contrary to the government's declared policy of transparency. Why is the government is concealing the agreement from the employees, the Parliament and the public? After all the agreement was signed in October 1996 - more than three months ago. Because of this policy of secrecy and concealment doubts cannot but arise as to whether the Hanjung company has agreed to pay the full amount of Rs.825 million **or whether it has been given permission to pay the amount on a staggered basis. Another important grey area is the security of employment.**

OFFICIAL LIES, REAL FACTS

The statement made by the Chairman of the PERC at the press conference to announce the sale of the CSC (held at the Bank of Ceylon head quarters) that the government does not possess the necessary monetary resources to maintain the CSC with higher standards, is a completely baseless statement. The following data clearly demonstrates the profits achieved and

AN ECONOMIC CRIME

Privatise, and (the country and the consumers) be damned. This seems to be the underlying principle of the PA's privatisation programme. The privatisation of the Gas Company has resulted in 2 price hikes in less than ten months and the new owner, the Shell Company, is threatening to impose a yet another 20% price hike early next year. The attempt to privatise LECO resulted in the country being plunged into darkness as the employees of the CEB resorted to strike action. Now comes the privatisation of the Steel Corporation of Oruwala.

* The Steel Corporation earned a net profit of Rs. 94,781,441 in 1995 (Rs.94.8 million) i.e. **it was not a burden on the exchequer.**

* Its total net assets as at 31.12.1995 were Rs. 1,165,323,829 (including Rs.300 million, in fixed deposits).

* However, this profit making company with net assets worth more than Rs. 1165 million, was sold for Rs. 840 million (90% of the shares). That works out to is Rs.934 million for 100% of the shares, **which is Rs.231 million less than the value of net assets.**

taxes paid to the government by the CSC.

Net Profits

1993 Rs.100 million
1994 Rs.124 million
1995 Rs.94 million

Tax paid to the Government

Rs.36 million
Rs.65 million
Rs.42 million

The assets of the CSC up to 30th June 1996 is as follows :

Fixed assets - Rs.362.8 million

Current Assets -

Stock - Rs.503.7 million
Debtors - Rs.95.3 million
Deposits & pre payments - Rs.232.3 million
Fixed deposits - Rs.300 million

The working capital - Rs.843.8 million

The above facts alone prove that the CSC is financially a viable and a profit making enterprise which has the necessary resources to manage itself and contribute huge amounts as taxes to the government coffers.

The most disturbing factor is the sale of this giant industrial venture for a mere Rs.825 million when the working capital alone is Rs.843 million, apart from the valuable machines and the 183 acre land. And as a result of the *tax concessions* given to the Korean firm, *the government will lose a substantial component of its tax revenue.*

The main argument brought forward by the government in order to defend this surprising sale is that the Korean firm is expected to bring in more investment to the country. This is the justification offered by the government for the abysmally low selling price of the CSC. However the sale price of a government owned asset and the subsequent investment made by the new owner are two entirely different things, which are not and should not be made mutually dependent. It must also be borne in mind that the consortium which made the highest bid during the UNP's attempt to privatise

THAT WAS THEN, THIS IS NOW:

INDIKA GUNAWARDANA - MAN OF STEEL

Mr.Indika Gunawardana (in August 91): "The government is planning to hand over the country to the foreigners in the name of peoplisation; this can never be allowed. The Steel Corporation occupies a most important place among this country's industries. When we went to meet Minister Sirisena Cooray, he said he too was opposed to the peoplisation of the Steel Corporation. But since it was a cabinet decision there was nothing he could do, he said. We tell Sirisena Cooray, if that's your conclusion don't privatise the Steel Corporation and the Cement Corporation; unite with the people" (Source - Divaina 91.8.16).

That was 1991. Mr. Indika Gunawardane was in the opposition.

This is 1996. Indika Gunawardana is now a leading figure of the Communist Party, darling of the pro-Package 'progressive' intelligentsia and a Minister. And he unreservedly supports the privatisation of the Steel Corporation - a 180% degree turn which he has not bothered to justify either to the workers of the Steel Corporation who are continuing with the anti-privatisation campaign or to the voters who sent him to Parliament.

Sirisena Cooray was *opposed* to the privatisation of the Steel Corporation even when he was a senior UNP Cabinet Minister and the party's General Secretary - and did not hesitate to say this to an opposition delegation led by a militant Left unionist. Indika Gunawardane, that outspoken critic of the privatisation of the Steel Corporation when he was in the opposition, has become an apologist for the privatisation - of a far greater percentage of the enterprise at a far lower value - of the very same Steel Corporation, now that *he* is a Minister. Way to go, Indika.

the CSC pledged to bring Rs.300 million as investment and also offered a very high sale price. Also *according to the Sri Lankan experience there have been instances where more investments have been promised but not delivered. And as the Shell Gas fiasco clearly proved neither the PERC nor the PA government is capable of enforcing the clauses of the privatisation agreements; if the new owner violates the sales agreement (as the Shell Company has been doing on a regular basis) the government and the PERC merely say that they can do nothing about it.*

The absence of a far reaching, democratic/pro-people, non party political, economic goal and a task oriented methodology has clearly affected the performance of the PERC. In fact during the CSC privatisation, the PERC not only failed to get a fair sale price but also tried to hide the true

value of the CSC by condemning its performance and ability. *Undoubtedly PERC is unique as the only institution in the world which does its best to downgrade and condemn the product it is selling.*

So, what happens next, after the government has sold all its assets at give away prices under conditions which do not benefit either the economy, the country, the people or the workers? What will the government do next? Make another pilgrimage to the deities and dash coconuts asking for a new source of revenue to balance the budget and thereby ensure the government's survival? Having being lied to and deceived once, the Gods are not likely to look favourably at the PA this time around. Though the PA and its 'leftist' coalition partners have changed colours, faith and beliefs, unfortunately for them the Gods are still and always the same old Gods.

THE SITUATION OF WOMEN IN REGARD TO FOOD SECURITY

GAIL OMVEDT

What of gender? First, we are concerned with rural women here, and it is worth remembering that the majority of the population in Asia, and the majority of women, still live in the villages and are still employed in agriculture. The disparity shown in table 1 between the large proportion of the population employed in agriculture and the percentage of GDP from agriculture indicates the lower incomes in agriculture and discrimination against agriculture resulting from heavy industry-oriented development policies, which have normally been continued both in statist forms of development and under market reforms. This development discrimination against agriculture has probably been the largest single factor negatively affecting women, and is compounded by the relative lack of social services in rural areas: rural-urban disparities (where parity = 100) were as follows: (see table 7)

Exactly how much this has affected rural women is still hard to document. In spite of all the recent gender consciousness, national-level data remain extremely limited. The UNDP has developed a "gender development index" which shows broad overall gains for women, even relative to men, especially in Asian countries again (and especially in Southeast Asia where they were already high). (see Table 8)

But the basic problem of these data,

especially for rural women, is that the statistics used for "gender development" indicators, particularly in regard to income data, relate only to the urban areas.

Still, we know from almost all studies that there is heavy intra-household disparity: women not only earn less in "outside" jobs, but they contribute more of their income to family consumption and take a smaller share of it - consuming fewer calories than men. Whatever gains have been achieved by women have been from a position of subordination. Health problems continue. The fact that the percentage of pregnant women (age 15-49) with anaemia is 88 (India), 60 (Myanmar), 58 (Bangladesh), 74 (Indonesia), 48 (Philippines), 57 (Singapore), 48 (Thailand), 36 (Malaysia) indicates the problem of diet and health faced by rural women as well as the potential effects on children.

While the overall "gender development" indicators show a general improvement, great inequality remains. In spite of growing consciousness about and some mass level campaigns for land rights, women remain deprived of property, especially landed property, in most countries. In spite of reservations for women in local parliamentary bodies, women remain disadvantaged and excluded from political power. Many Asian countries,

including Philippines, Sri Lanka and India, have seen women heads of state or leading political parties, yet this has not in the past done much for rural women excluded from village level power. It is yet too soon to assess whether innovations such as reserved seats in parliamentary institutions will change this. Higher level decision-making affecting food security continues to remain a male preserve.

Asian societies have achieved good growth records on the whole, but without more dramatic change in patriarchal social structures, women's condition remains exceedingly bad in many countries, particularly for the poorer (and more patriarchal) countries of South Asia. Poverty, patriarchy and exclusion from political power continue to take their toll in the form of stunted and shortened lives. The shortened lives of rural women in countries like India illustrates the deadly combination of the extreme patriarchal social structures and poverty of the South Asian countries - China is patriarchal but no longer so poor, while the African countries are among the poorest in the world but generally give women more status and autonomy; South Asia, with the exception of Sri Lanka, combines both.

Thus there are many grounds for continuing concern about gender and food security.

PEOPLE'S STRUGGLES AGAINST FAMINE AND FOOD INSECURITY

Famines and hunger are nothing new in history; *in spite of romanticism of traditional cultures in contrast to "modern industrial" societies the fact remains that most feudal societies were characterised by meagre food for the majority, and occasional periods of starvation and famine - not to mention a general process of encroachment on forest reserves. This was as true of Asian societies as elsewhere.* The "modernisation" brought by the colonial period, however, did not end this; if anything famines under British rule intensified - climaxing in nearly 3 million lives lost in the 1943 Bengal famine.

Thus it is not surprising that the newly independent states in Asia came into existence with promises of providing abundant food for the people. However, they saw industrialism as the way to achieve this: in the new states, agriculture was neglected, protectionist barriers were erected to foreign trade and heavy industries managed by public sector enterprises were seen as the key to development - backed by the huge hydroelectric projects that Nehru had hailed as the "modern temples" of India. Where was food in all of this? It was to be provided cheaply by the government, under a public distribution system in countries like India, under the "iron rice bowl" in China which was the symbol of welfare security for urban workers.

But this neglected the countryside in both countries. The Indian government's concern was cheap food for the working class; provided by levies and compulsory purchases at low prices from the peasantry. The PDS has not reached the majority of the rural poor even up to the present. And in China, there was no "iron rice bowl" for the rural areas; they were expected to be fed from local commune-growth grain.

This system did not lead to food security. In India, where PDS was biased to the middle classes and urban areas, there was massive drought in 1966-67 in Bihar that was only met

by large-scale wheat imports; following this the "Green Revolution" strategy did help to improve local production. The PDS system proved irrelevant in later periods of drought also; for instance the 1972-3 drought in Maharashtra used employment guarantee schemes to meet people's needs. The Chinese case was perhaps even worse. Land reforms and communes were taken as models by romantic revolutionaries, but not until recently was it known that the largest famine in history occurred in China in 1959-62, ten years after the most massive land reforms in history! How did this happen? The communes had created internal equality and gave all access to a share in the produce of local village land - but in the face of drought, peasants could not protest or migrate; their "food security" had been destroyed by grandiose bureaucratic schemes and the lack of democracy. They died in millions on the parched earth their villages, unheard by the world.

But repression is met by resistance. Asian peasants, growers of food and the greatest sufferers from lack of food, responded by protest. India's well-known non-party farmers' movement centred its struggles on demands for higher prices for their crops, beginning in 1972-73 and reaching its climax in the 1980s. They used modified Gandhian themes to argue for a truly village-oriented development in which villagers themselves would make decisions on production and investment; and many agitations emphasised "delinking" villages from cities - blocking roads, banning entry to politicians and bureaucrats. In Thailand rice-growing farmers in the central region added their voices to the democracy movement in the early 1970s, also demanding higher prices. This was also a theme of farmers joining democratic struggles in Korea in the 1980s. Finally, in China, when reforms were hesitantly proclaimed by the party in 1978, it was the peasants who were (as some Chinese put it) the real heroes of the time, seizing the land and effecting a new "land redistribution" by taking charge of it themselves (Zhou, 1996).

These various types of action of farmers against bureaucratised and oppressive states underlay shifts to liberalisation in the 1980s. But even governments using slogans of a market economy were reluctant to let go of control. "Growth first" policies remained heavy industry - and state-biased. *While it was accepted that agriculture had a major role in development, the emphasis continued to be on government investments and the slogan of "industrialisation of agriculture" meant giving monopolies and business houses cheap land and subsidised facilities for agricultural production, or for fishing and forestry. Everywhere restrictions on small producers continued* - to the point of forbidding them to use traditional methods of processing sugarcane (into gul) or cotton.

There has been significant protest against the "new economic policies" but these have been strikingly more based on organised and public sector employees. People have also resisted take-over of land for big "development projects". Strikingly, however, protests have not centred so much on the food issue; "food riots" (or "IMF riots") were never so strong in Asia as in some other countries, perhaps partly indicating that by the late 1980s the provision of food was not such a burning issue. Opposition parties continued to argue for the maintenance of PDS, but there was in fact little popular force behind this; by the mid - 1990s a notable feature was the reduced "offtake" of the large PDS stocks and a widespread admission that PDS had to be, at least, restructured.

PEOPLES MOVEMENTS AND FOOD SECURITY

By the 1980s and 1990s, however, people's movements were making important contributions to the questions of food policy. These can be briefly described:

(1) The provision of an Employment Guarantee Scheme (EGS) in Maharashtra state from the drought of 1972-3 largely came as a result of massive popular protest, and soon was seen as a right, with people organising

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An examination of official church statements from the end of the 19th century shows how slow the Christian churches were to recognise the implications of colonialism. It is not until long after the end of the second world war that the term "colonialism" begins to appear in church documents. While the peoples of Asia and Africa had been busy for years organising nationalist and freedom movements, not to mention armed movements for national liberation, practically nothing of this activity appears in official ecclesiastical texts. It is not until after the war that a certain number of explicit references are found, and even then often in a very watered-down form.

Colonialism is not mentioned in any of the great social encyclicals. Yet the anti-colonialist movements were born long before the end of the last century and were even organising international conferences like the one held in Brussels in 1925. The first explicit allusion on the side of the Roman Catholic Church (RCC) dates from the Second Vatican Council. In the case of the WCC we have to wait until the Evanston assembly in 1954 and the New Delhi assembly in 1961 for a relatively concrete treatment of the problem. These ecclesiastical statements, however, are generally short on social analysis and reflect a very optimistic view of colonialism. The 1967 papal encyclical, *Populorum Progressio*, for example, makes the following statement: "it must certainly be recognised that colonising powers have often furthered their own interests, power or glory, and that their departure has sometimes left a precarious economy, bound up for instance with the production of one kind of crop whose market prices are subject to sudden and considerable variation. Yet while recognising the damage done by a certain type of colonialism and its consequences, one must at the same time acknowledge the qualities and achievement of colonisers who brought their science and technical knowledge and left beneficial results of their presence in so many underprivileged regions. The structures established by them persist, however incomplete they may be; they

CHRISTIAN CHURCHES AND COLONIALISM

Francois Houtart

(Fr. Houtart is a Jesuit priest and a renowned sociologist.)

diminished ignorance and sickness, brought the benefits of communications and improved living conditions".

How are we to explain this lack of awareness and of historical objectivity in judging the situation? Here are one or two suggestions.

The history of missions and its parallels with colonialism. There were two main stages in colonialism: mercantilism and industrial capitalism.

Mercantile colonialism (15th to 18th centuries): This stage was organised by the monarchies of Portugal and Spain and subsequently by those of the nations of northern Europe, such as the Netherlands, England and

France. In the nations of southern Europe like Portugal and Spain, mercantile colonialism was seized on by a power which was establishing the balance between the feudal aristocratic class and the merchant class.

Since the feudal ideology, which was religious, continued to dominate, the mercantile enterprise was given a legitimisation of the same sort. At the same time, the RCC saw in this mercantile activity a possibility of evangelism, at least of evangelism as understood in this period. So it was that the ventures of the kings of Portugal and Spain were regularly legitimised by a succession of papal bulls issued throughout the entire mercantile period. It is also true that not a few missionaries, particularly from religious orders (e.g. the Dominicans in Santo Domingo, the Jesuits in Paraguay, and even some bishops), fought against the brutality of the conquest and tried to develop a different understanding and practice of evangelisation. But their testimony, sometimes heroic, was not able to modify seriously the course of events or change the policies of a church subject to the patronage power of the state and generally allied to the interest of the colonisers.

In return for this legitimisation, the effort of evangelism received material and political assistance from the royal power. Evangelism was seen, on the hand, as one of the best means of establishing tacit agreements with the local populations or of domesticating slaves and, on the other hand, as a task incumbent also on lay Christians in the exercise of power.

The colonialism of industrial nations: this new type of colonialism concentrated mainly on the discovery and exploitation of raw materials for industrial development and the marketing of manufactured goods. The large Indies companies of the Netherlands, France, Sweden and Britain paved the way for this stage of colonialism. The new type of colonialism gradually found itself competing and warring with the more traditional powers, which continued to engage in mercantile colonialism -

hence the wars between Britain and Holland, on the one hand, and Spain and Portugal on the other, and the eventual conquest of the respective colonies in Latin America, Asia and Africa. The colonialism of this stage no longer claimed the same religious legitimisation as that which prevailed in the mercantile period. Adopting a much more pragmatic approach and making use of the colonial governments, capitalism provided the churches, both Catholic and Protestant, with support to encourage the arrival of missionaries in the colonised territories, entrusting them with educational and medical missions extremely useful to the colonial enterprise of the day. Support for the work of missions was thus never interrupted, even when the European governments adopted a hostile attitude towards certain churches in their own countries.

The emergence of nationalist, anti-colonialist and anti-imperialist movements

: Originated in the colonised nations, these movements were directed against the Western countries. In Latin America, this phenomenon dates back to the beginning of the 19th century. The holy see refused to recognise the new nations and long remained loyal to Spain thus endangering the organisations of local churches during a long period. Members of the lower-ranking clergy joined the nationalist movements, which at that time represented the emancipation of a local middle class rather than of the ordinary people. These movements, however, played an important historical role.

In Asia, strong nationalist movements, based on traditional cultures and religions, began to develop from the beginning of this century: in India with the Hindu movements; in Sri Lanka, Burma, Vietnam and Laos with the Buddhist movements; in most of the Arab countries, Iran, Malaysia, Indonesia, in the part of British India corresponding to present-day Pakistan and Bangladesh, with Islamic movements.

The Christian churches were alarmed by these movements and to the end resisted national emancipation, preferring to maintain their links with

the colonising powers. Only a few churches adopted a truly national position; only a few isolated voices were raised, usually in lay intellectual circles. There were exceptions, notably in Indonesia and Korea, the latter country having been colonised by the Japanese.

Generally speaking, the Reformation churches had less difficulty in severing connections with the colonial power, since these connections were usually less direct. An exception to this rule was the Anglican church in British India; given its character as an established state church, it tended to take its cue more often than not from government colonial policy, though the same also applied when that policy was one of decolonisation. All this helps to explain the fact that in Asia a number of political leaders after independence were Christians with a nationalist bias but were at the same time exponents of the capitalist ideology characteristic of the West.

In Africa, the movement for independence after the second world war was rather sudden, and the local clergy adopted positions more explicitly emancipatory in character. In Roman Catholicism, this was the case with a number of local episcopates, even when the latter were predominantly white. This stance is attested, for example, by the pastoral letters of bishops in Tanganyika in 1953, in Madagascar in 1953 and in Cameroon in 1955, of the bishops of French west Africa and of Togo in 1955 and of the bishops of Madagascar in 1956. It should also be noted that a number of anti-white emancipation movements were led by Africans who had founded independent churches or religious movements such as Kimbanguism in the Belgian Congo (Zaire).

The case of Portuguese colonialism was particularly distressing. The RCC did not dissociate itself from the colonial war waged by Portugal right up to 1974. The concordat between the holy see and the Portuguese government was still in force, and the holy see never renounced it, only a tiny number of priests and lay Catholics joined various leaders of the Protestant

churches in identifying themselves with the nationalist movement.

It is clear, then, that the Christian churches had a largely blinkered ecclesiastical and proselytising vision of what was happening and lacked the critical distance for an objective analysis. They were almost completely unrepresented in the critique of colonialism which had developed in the West, largely inspired by socialist movements and later by a Marxist analysis, and played hardly any part in the movements with in the colonised nations which for the most part preached a cultural emancipation inspired by the traditional religions. It was only later, particularly in the struggles in Southern Africa, that some churches, following the leadership of the WCC, were able to overcome the colonialist mentality and establish a positive relation with liberation movements, often led by people from the local churches. But it is necessary to recognise that these relations were violently criticised in the West.

In the positions adopted at the end of the colonial era, the Christians churches put the emphasis mainly on their tasks in the new situation of national sovereignty and the importance of the autonomy of the local churches rather than in critical appraisal of the colonial past. This was the standpoint expressed, for example, at the Uppsala assembly of the WCC in 1968.

Eurocentric vision: Another feature of church documents is their deep conviction of the superiority of the civilised values which "Christian" Europe brings to the "non-civilised" peoples. From the 15th to the 16th centuries, this was the justification for the struggle against Islam. The absolute conviction that Christianity was necessary for the salvation of all human beings and that it was essential to spread it by all legitimate - or what were deemed legitimate - means found expression in its alliance with the mercantile colonial enterprise. The notion of European cultural superiority and the blessings of European civilisation together constituted a

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U.S. VS. ASIA?

Alejandro Bendana

Many influential opinion-makers consider Japanese mercantilism the chief threat to domestic living standards and the global principle of open market access. Furthermore, there is an obsessive fear on the part of some U.S. officials that countries in East Asia may join forces in defense of the relatively closed export model, thereby thumbing their collective noses at neo-liberal multilateral trading rules as well as the U.S. presence in the region. "Don't think for a second these other countries aren't watching the outcome of this stand-off closely," warned one senior administration official¹. Such a tendency would be reinforced by the shifting of Japanese domestic manufacturing capacity to lower-cost nations in the region, in order to escape the effects of the high yen, rising labour costs, and the possibility of U.S. imposed sanctions.

But in fact, for all the talk of an East Asian bloc, there remains a fundamental ambivalence among Japanese policy-makers with regard to Asia. Some analysts attribute the ambivalence to a deep-seated intention of never repeating the mistake of the 1930s, when Japan made enemies of the U.S. and Britain in pursuit of its mission to establish a "co-prosperity sphere" free of Western influence. Such catastrophic "Asianism" is not to be repeated, and the constant reassurance by Japanese politicians of their special security ties with the United States is supposed to evidence Japan's unwillingness to lead Asia against the West.²

Making Japan dependent on the United States was a central part of

Alejandro Bendana, a Sandinista, was Secretary General of Nicaragua's Foreign Ministry during the revolutionary regime. Currently he is Director of the Centre for International Studies in Managua. Companero Bendana has sent us a copy of his new book "POWER LINES", issued by Interlink Publishing Group, USA in their series 'Voices & Visions: New Thinking for New Century', with permission to exclusively serialise excerpts. The accompanying article is an extract.

Washington's post-World War II strategy. This entailed creating an economic sphere with facilities to draw Japan away from its dependence on East Asia. Oil, foodstuffs, technology, capital, as well as an open market were now to be provided by North America in an attempt to better shape the post-war economic and political development of the entire region, with Japan acting as linchpin. In effect, much of the East Asian boom has its origins in the U.S.-Japanese Cold War alliance, in which Western power and political influence help create conditions in which Western and Japanese corporations could invest in the region. Economic buoyancy in East Asia, however, and the demise of Cold War security logic, spell a reordering in Japanese and United States linkages. In essence, the U.S. continues to be fiercely opposed to the development of an independent trading or security role in the world and in the region, but not in an independent fashion.

JAPANESE ASIANISM

In the face of a changing political and economic relationship with the United States marked by increasing

differences and growing "loathe America" sentiment, historical policies are also being reassessed. Some see a middle course being sketched out off a new U.S. - tolerated Japanese Asianism, one in which the U.S. maintains its police role and acts as counterweight to China. That is, a "lite" bloc could be created, but not allowed to become exclusive. One critical problem with this scheme is that Japan itself would have to lead the way and restructure its own market system, and, in the light of the same pressing U.S. internal economic situation, also take up a greater quota of "burden sharing". Japan therefore would be expected to resist proposals calling for bloc formations exclusive of the U.S., opting for the U.S. vision of an inclusive "Asia Pacific" grouping as opposed to the competing concept of "Asia".

Impressive statistics indicating the sharp growth of trade between the U.S. and East Asia are taken by some to herald the advent of the "Asia Pacific century". Commerce, however, is not a reliable indicator of power shifts. And in a region as vast and diverse as "East Asia", sub-regional fragmentation and an

overarching United States presence are two factors that must be taken into account when considering the rise of single or multiple trading blocs. Of course, U.S. policy-makers prefer not to dwell on the military and political dimensions of the relationship and instead point to the hundreds of millions of potential credit card-holding consumers ready to pounce on U.S. goods and services. Thus the Clinton administration attributes to the once-obscure Asia Pacific Economic Cooperation (APEC) group a new level of strategic importance. This would all be part of an integration of the U.S. economy into a larger Asian grouping. For their part, some Asian officials play up to the rhetoric, inventing trans-Pacific voices allegedly terrified at the prospect that NAFTA should discriminate against their products.³

But greater expansion does not necessarily mean freer or fairer trade in the new U.S. lexicon, as Asians are forced to come to terms with the U.S. zeal for managed trade targets, and the adjustment of their national economic models to suit a global prescription laid down by the U.S. Some foresee a collective East Asia rebellion against managed trade backed by strong-arm pressure tactics, but this is not the making. At present the inclination is still toward a greater distrust of Japan than of the United States. The argument is often heard that the United States wishes to withdraw strategically from the region but that a pressure to stay persists on the part of the countries in the region as a "guarantee" against a revival of Japanese militarism. What remains unchanged, however, is the maintenance of U.S. politico-military dominance in the Western Pacific in which Japan plays a continuing yet carefully measured role.

Although this situation could vary in the light of aggressive commercial behaviour on the part of Washington, it would not change the fact that, by and large, U.S. capital and

multinationals in general continue to be preferred in Asia over their Japanese counterparts, on account of alleged greater willingness to share skills, management, and technology. More importantly, the East Asian economies are not in a position to cut themselves off from the U.S., the first or second largest single market for their exports and a principle source of foreign investment. Japanese financiers are far from being able to match the ability of their U.S. counterparts to tap billions of dollars of U.S. institutional monies. There is no "yen bloc" now or in the making and it is in fact the U.S. and the West as a whole, not Japan, that are drafting the rules of economic intercourse in the region, and specifically the rules of the booming capital markets. Japan, once touted as No. 1, has lost economic momentum, suffering in the aftermath of one of the deepest stock market and property value plunges in recorded history, amounting to some \$6 trillion by 1994.⁴ Its entire political structure has been rattled, which means that, for the near future at least, it is unlikely to challenge its role as a pliant junior partner of the United States.

US IN EAST ASIA

The life-time employment system has been undermined. Japan has all but lost the crucial race for supremacy in the chip, aerospace, and high-definition TV fields. And the corroded Japanese financial system threatened to be overwhelmed by the same U.S. investment forms that were steadily outflanking Japanese financiers by pouring billions of dollars into the East Asian economies and even assuming the management of that region's own exploding wealth.⁵

To be sure, there is little happiness among non-Japanese Asian capital grouping in relation to Japan's chronic trade surplus and its hesitancy to open its domestic market. But governments in

Australia, Malaysia, and South Korea have criticized U.S. insistence on managed trade, and setting quotas favouring U.S. market penetration in Japan. "Politically-correct" purchasing in Japan entails diminished markets for similar imports from third countries: Japanese "Buy American" campaigns apparently have affected the sale of Australian-made auto parts, South Korean computer chips, and European luxury automobiles. Japanese officials accept that such is the case, perhaps exaggerating it somewhat. Nor are they above portraying themselves to China as that country's most reliable partner, never dreaming of mixing business with human rights questions.⁶

The Australian prime minister, Paul Keating, accused Washington of using a "heavy-handed sledgehammer to crack the nut". In reality, the nut is perceived in the United States, correctly or incorrectly, as central to the vitality of the U.S. economy - an issue which more than justifies the use of the sledgehammer. All the rhetoric of the Seattle APEC summit held in November 1993 does not hide the ambivalence felt among the East Asians. The Malaysian prime minister, Mahatir Mohamad, refused to attend the summit out of anger at U.S. attacks on his proposal to create an exclusive Asian economic grouping. He warned that if APEC became a formal trade grouping, U.S. dominance would be detrimental to Asian interests⁷. Certainly, Asian corporate interests could suffer on account of unilateral U.S. insistence on guaranteed access for U.S. products and services to local markets, but many of those same interests would likely agree that the liberalised structural adjustment of internal national economic systems, also being demanded by the U.S., would afford greater costs than benefits. The summit message, in this context, was much the same as that sent out after the NAFTA ratification to all nations, especially the EC: access to the U.S. market

and admittance to the club depended on the adoption of the "right" economic policies as well as de facto recognition and acceptance of U.S. Self-serving infringements to the free trade rule. Europe was thus pressured to ratify the GATT agreement on U.S. terms or else U.S.-led NAFTA and APEC would both turn hostile.

On the other hand, countries far advanced in the adherence to "open economies" and accommodation to the U.S. rules, such as Chile, which first initiated its economic "liberalisation" under General Pinochet in the wake of his bloody 1973 coup, were to be placed first on the list to join APEC as well as NAFTA. U.S.-supervised liberalisation in the Asia Pacific region is the guarantee that, if indeed as some claim the turn of the century is witnessing yet another westward swing in the centre of economic power, the United States should still be at its core.

SANCTUARY MARKETS

"U.S. future growth is tied directly to dynamism in this region," said the deputy U.S. trade representative. "We have to make sure that the U.S. is positioned to take advantage of globalization," said her chief⁸. Apparently moving away from its obsession with Japan, the administration increasingly placed greater emphasis on the new "emerging markets" in Asia and Latin America as the world's greatest potential consumer of U.S. goods and capital. "We're not abandoning our efforts with Japan, because we can't allow the world's second largest economy to have sanctuary markets," stressed the U.S. trade representative, Mickey Kantor. "But when we looked at the numbers, we saw where the action is, and it is in our own hemisphere and in Asia outside of Japan." In the heady days before the 1994 Mexican crash, which threatened to turn all emerging markets into submerging ones, Kantor went on to predict that U.S.

exports to Japan would grow by nearly 70 percent, to \$80 billion, by 2010, but exports to the rest of Asia would rise 165 percent, to \$248 billion, more than three times as much. For Latin America, the projection was an increase to \$232 billion, as opposed to \$128 billion with the European Union⁹. It was not simply a matter of taking advantage of globalization or the explosive growth of the "emerging economies," but rather of steering the process to the benefit of U.S. corporations and strategic interests.

Moreover, it meant focusing the pressure on those regions pressing for reduced trade and investment barriers so that U.S. corporations would not only benefit but indeed help conduct the "emergence" - producing not only profits, but an increase in domestic employment levels so central to re-election prospects. And unlike Japan, the new industrial countries were in no position to resist U.S. pressure. Just as important was the fear in Washington that the fast growing markets would not necessarily gravitate toward rivals in Japan or Europe, or worse yet into protectionist regional associations. Herein lay the importance of active diplomacy and pressure tactics in order to institutionalise the breaking down of trade and investment barriers, and to do so in such a way that U.S. corporations were the principal beneficiaries.

This was not something that could be left to GATT/WTO: U.S. business could not wait, and it was the U.S. government and not a deliberately toothless world body that could define not only the pace but the scope of liberalisation. APEC or NAFTA in this regard could be fronted by the United States to counterbalance the European Union. But APEC, unlike NAFTA, did not have the rules and guarantees so precious to the United States. Here the United States could also play Europe and NAFTA against APEC,

exploiting the latter's fear of a world breaking up into closed economic blocs.

U.S.' DEADLIEST ANTAGONIST

In fact, U.S. global strategy faced no deadlier antagonist than a closed regional bloc. What Kantor termed "sanctuary markets," such as Japan's model, were simply out of the question, particularly if those markets were rich and perceived as necessary to the well-being of U.S. multinational corporations. Over and beyond being able to open the markets was the concern that the sanctuaries could be used as launching pads for an autonomous global projection of economic power. Herein lay the "lesson" of Japan: the United States government and top corporations were determined to break the monopoly Japanese firms had in their home market, not simply for the sake of principle and profits, but also to deny the competitor the home base to generate protected margins of profit and independent technology which in turn could finance independent expansion abroad. It was therefore essential to undermine a model which emerging economies tended to emulate, to the detriment of U.S. globalism. There was no question therefore of letting up pressure on Japan, or on China for that matter, if those nations refused to accept the new economic marching orders from Washington.

According to the U.S. neo-liberal agenda, the entire world would be persuaded or forced to do business under U.S.-set trading and investment rules propitious to U.S. investment and exports. Supposedly, a "free trading" APEC and NAFTA would help break down the construction of a Fortress Europe. Emphasising Japan's competitors in Asia would supposedly also prove productive to Washington in its dealings with the insecure Japanese. But the administration had fears and reasons of its own regard to any emergence of an independent bloc

mentality among the East Asia. The more advanced countries in that region were perceived to be moving along the perilous bloc path, as local economies were becoming too big to grow by simply exporting to the United States and Europe.

Increasingly they were selling and investing in each other, threatening to leave the United States corporations out of the picture, particularly if accompanied by bloc-minded attitudes reinforcing long-standing protective and governmental interventionist tendencies. The six ASEAN countries, in particular, were rapidly moving to create an internal free trade region by 2003, but it was not clear how open or liberal it would be with external parties. The Malaysian government for one was pushing the idea of an East Asia Economic Caucus which was to exclude the United States, Australia, and New Zealand¹⁰. Some of the biggest investors in China were ethnic Chinese entrepreneurs from Hong Kong, Taiwan, and Southeast Asia. Japan's exports to Asia exceeded its exports to the United States, and investment multiplied, stimulated by the rising value of the yen¹¹. China, on the other hand, seen by some as a future economic superpower, turned a deaf ear to U.S. demands to lower trade barriers or enact uniform investment codes and enforce copy-right protection.

The United States therefore could not simply depend on progress in the WTO and await the rise of "free enterprise" consciousness at the national level in order to remove global barriers to corporate trade and investment. More threatening was the possible emergence of European Union-type fortresses in different regions which could challenge or at least stand in the way of the desired global economic system. NAFTA and APEC were not the same; the first was more tightly integrated and under control. The U.S. has no Japan to contend with in the Western hemisphere, nor were most Latin

American nations in an economic position to seriously contest the new order.

Unity, however, also escapes the East Asia Pacific area, a much more diversified region than Latin America. As with the Latin Americans, there were misgivings over a rising protectionist streak in U.S. policies accompanied by blunt "trade advocacy". Some governments fretted that Washington was pulling out strategically from Asia, leaving the region alone to deal with China, Japan, and each other. Others complained of Washington's overly aggressive political embrace. At the heart of the misgiving was the new U.S. proclivity to brandish threats in regard to commercial, human rights, and nuclear questions, claiming that the "free ride" of the Cold War days was now over and that countries desiring access to the market and the security blanket of U.S. would have to pay in the form of open markets and contracts for U.S. corporations. In many Asian quarters, such behaviour rekindled attempts to form an Asian bloc protective of their own regimes and markets.

Arguments are made that economic regionalism may succeed only when rooted in "common civilisation" and that different civilisations are prone to conflict. Supposedly, then, Japan, unlike Europe, faces great problem in creating an entity comparable to the EU because Japan is a society and civilisation unique to itself. Japanese trade and investment links with other East Asian countries would, according to this argument, never be strong enough to overcome cultural differences, thereby perhaps precluding EU or NAFTA style integration schemes¹².

But in fact, it is the United States government and not cultural differences that so far has kept Japan from taking the lead in forming an independent regional grouping. Such an option lies fully outside the reference framework or traditional Japanese politics, which at all costs

seeks to preserve warm political ties and a close economic relationship with the United States. Choosing subservience to the U.S. in regional and global affairs stems from an accurate perception that the United States would regard any exclusive East Asian economic grouping as a direct challenge to its power in the region. Proof of this is Washington's hostility to the proposed East Asia Economic Caucus as well as official Japan's formal distance from the scheme, notwithstanding considerable "unofficial" interest in the concept of a grouping which could entail the development of that could be the world's most dynamic economic powerhouse with pretensions of strategic independence.

CHINA

This also helps explain Washington's unease toward China and its feverish inducement of growth policies that will lock that country's economy to that of the United States, precluding the rise of a new ideological, political, and economic competitor. So far, Chinese authorities have been consistent in giving more attention to attracting Western capital and technologies than in attaining military modernisation, preferring to forge regional commercial links over military ones. Shared also is a sharp resentment over human rights pressure from the West, viewed by many in the region as more modern colonial attempts to "civilise" the Asians. Authoritarian regimes call for the protection of "Asian values" as a way of separating their capitalist ties to the West, yet fight off sometimes spurious and sometimes serious human rights attacks from the North.

Still, neither shared values or regional grouping per se are the problem, but rather whether the culture and economies are open to Western capital or not: the dynamism and potential of the "Confucian" economies, if loyal to the West's neo-

liberal economic guidelines, are then seen as a huge opportunity instead of a threat. Certain Asian "values" are conveniently invoked to justify capital-friendly authoritarianism, while other "values" such as the "free" labour market are adopted from the West. Labour groups in Asia call for support from the North against their own state apparatuses' failure to provide minimal protection. The idea that rapidly expanding market economies can be slowed down to accommodate democratisation has no adherents among either rulers and corporations, and "trade-offs" by Western governments over human rights issues in favour of commercial ones are also indicative of the general balance of forces. The common objective is to destroy old and new attempts at socialism, and not to interfere with the capitalist market-oriented design of the new global order.

Any conflict, therefore, would be a product of the clash not of civilisations but of a regional drive for a strategic and ideological economic independence incompatible with the long-standing and renewed U.S. drive for dominance and control. Governmental rhetoric aside, the real battle line is drawn more in terms of pro-market and anti-market forces than between competing models of capitalist development. Defining models, values, and rights is the self-attributed prerogative of the dominant world power. Thus there need not be an inevitable ideological-cultural clash between the U.S. and Japan, because in the alleged global defence of "market democracies," the emphasis is on the market far more than on democracy.

(Excerpted from "Power Lines, a publication by the Interlink publishing, USA, in the series "Voices & Visions : New Thinking for the New Century", sent to us by the author.)

Footnotes

- ¹ Ibid.
- ² Nihon Kezai Shimbun, "Japan Looks to Asia," *Far Eastern Economic Review*, December 16, 1993.
- ³ See *Far Eastern Economic Review*, December 24, 1993.
- ⁴ "The \$6 Trillion Hole in Japan's Pocket", *New York Times*, January 21, 1994.
- ⁵ "clouded Sun: Japan, Economically and Politically Ailing, Is Sinking into Gloom", *Wall Street Journal*, December 29, 1993; "Outflanked in Asia", *Business Week*, November 29, 1993.
- ⁶ *New York Times*, May 2, 1994.
- ⁷ *Far Eastern Economic Review*, December 3, 1993.
- ⁸ "Clinton's Asian Game Plan", *Business Week*, November 14, 1994.
- ⁹ "More Growth Predicted for New Markets", *New York Times*, November 4, 1994.
- ¹⁰ "A Dream of Free Trade", *Economist*, November 19, 1994; "APEC Nuts and Bolts", *Far Eastern Economic Review*, November 10, 1994.
- ¹¹ "Asian Nations Wary on Pacific Trade zone", *New York Times*, November 11, 1994.
- ¹² Samuel Huntington, "The Clash of Civilisations?" *Foreign Affairs* (Summer 1993). Sharp counter-arguments are provided by Chandra Muzaffar, "The Clash of Civilisations, or, Camouflaging Dominance", *Just Commentary* (Malaysia), no.5 (September 1993).

Contd from page 1

and then govern the country with supreme self-confidence; a self-confidence certainly sufficient to introduce legal-constitutional changes that would win the lasting loyalty of the minorities.

As it is, the President must resign herself to a situation where the PA is at the mercy of assorted Tamil "parties" (ex-guerrilla groups in fact) when Parliament votes on a major Bill. As a result, President Kumaratunga probably believes that she must use the prestige of the Presidency to push the PA's "Devolution Package" through. Then the LTTE, now pushed out of the North, could be isolated and

crushed. The Tamil community and the Muslims will be satisfied. Their representatives would be permanent friends, or even allies, of the PA; defence spending which has soared these past two years could be drastically cut and diverted to development projects that could create jobs, and thus make rising unemployment, a new danger, no great threat to political stability. The Opposition will be reduced to sabotage, minor strikes, personal slander etc. This is the thinking behind the new Kumaratunga project. There is something missing in all this. 36 Sinhala-Buddhist organisations have appointed a Commission of Inquiry to "identify the grievances faced by the Sinhala people over 200 years". At the formal opening, the Mahanayake theras of the Nikayas were present. Meanwhile, 'Another Gas Price Hike Next Month?' Is the front-page headline of the Island.



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everywhere first to have work projects set up. More important, by the late 1980s poor peasants, weary of simple road-building and rock breaking, were demanding EGS schemes be oriented to "productive" work, enriching the land.

(2) The concept of 'alternative development' began to emerge from within people's movements. With regard to agriculture this included many experiments in sustainable low-input agriculture minimising use of chemical fertilisers and pesticides - experiments both on an intensive scale in some very well-known "natural farmers", and also on a broader, less "pure" extensive scale with widespread experiments with non-chemical farming, earthworms, alternative fertilisers etc. These were taken up as campaigns by the farmers' organisations. Consciousness of women's role in traditional farming prompted frequent focusing on women, e.g. the "Sita farming" program of Shetkari Sanghatana in Maharashtra. While there have been many isolated experiments in "natural farming", often provoked by the methods of Fukuoka's "one-straw revolution", most of the widespread efforts at alternative agriculture have emphasised what the Chinese call "ecological agriculture", combining traditional methods with useful new technologies) rather than the purist methods of Fukuoka and others (Xu, Chunru and Taylor, 1991).

(3) Concern for preserving biodiversity, saving seeds, etc. began to be reflected in recording and attempts to spread various indigenous techniques, spearhead by NGOs as diverse as Navodaya in Bangalore, Srishti in Ahmedabad. These had widely different policies on the "intellectual property rights" issue; Navodaya and its inspirer Vandana Shiva have been prominent in those arguing against all "patents on life", while Srishti's Anil Gupta has proclaimed the need to give "intellectual property rights for farmers".

(4) Irrigation issues began to be taken up by people's movements, with the emergence of struggles against large

dams everywhere, spearheaded by the Narmada Bachao Andolan; alternative schemes for small-scale irrigation schemes, equal water distribution etc. began to be voiced and put into practical. The Pani Panchayat scheme and the Bali Raja dam in Maharashtra were examples of such local peasant efforts.

(5) In regard to women, some of the most creative work by NGOs has been done in helping to build up small income-generating "micro-enterprises" - in a kind of recognition that nonfarm employment (often connected with agro-processing) is the key to rural prosperity. These have treated women not simply as wage earners but as producers and entrepreneurs, creating and innovating on the basis of local materials and techniques, but often selling to a much wider urban (and in some cases even foreign) market. Following the upsurge in agriculture and rural production after 1978, the Chinese Women's Federation took support of such micro-enterprises (traditionally called "sideline" work in China) as more important for women than either wage employment or work agriculture.

(6) Provision of credit is necessary for such small enterprises, and here indigenous "self-help groups" (in which poor rural women would contribute a small sum every week and loan it out on a rotating basis to group members) provided the basis for extended loan programmes. The Grameen Bank of Bangladesh is a famous model, but now such rural credit programmes have become widespread in practically every Asian country.

(7) While urban women's organisations concentrated on fighting atrocities, rural organisations began to turn their attention to one of the crucial forms of women's oppression in patriarchal South Asian societies: the landlessness and propertilessness of women. Following initial attempts by Sangarsh Vahini in Bihar, the Shetkari Sanghatana in Maharashtra initiated in 1989 its "Laxmi Mukti" campaign to give a share of peasant family land to women.

By the middle 1990's therefore, a

treasury of experiments and movement campaigns had moved beyond old "food first" and new "growth first" models, posing new ways of achieving not simply food security, but food abundance and prosperity.

Where does this leave us in terms of recommendations for food security?

RECOMMENDATIONS

Economic growth, particularly in agriculture, is clearly related to food security, as shown by the accomplishments of most Asian countries; and this is best achieved through a market orientation with appropriate political regulations and intervention, accompanied by/linked to programs for "safety nets" for the poor and vulnerable and with regard for environmental sustainability. Past "statist" efforts at subordinating agriculture to industrial development and providing "cheap food" through public distribution systems have proved inadequate; vigorous economic growth is the only basis for resolving the problem of hunger in society.

However, general growth by itself does not guarantee the food security of the largest subordinated sector of society - women. As Amartya Sen and others have shown, not so much the ability to grow food but "entitlement" to food (which in most cases comes through income) is crucial. We can no longer assume that a family's access to food means that all its members will get an equal share. Economic growth has to be accompanied by programmes of empowerment and entitlement, including land rights for women, access to education, to credit, to agriculture and other extension services. A "feminist form of sustainable development" is called for here, and this means giving women rights to land and other means of production as the most important aspect of empowerment underlying food security.

Today the slogan of "food security" is most frequently used with the intention of arguing that production for the market is the major factor destroying food security; the state is

expected to provide food for the poor. Further, women's relations with food and closeness to nature are invoked as grounds for rejecting market participation, and especially export agriculture. While urban people (including all ecofeminists) continue to rely on the market for their own food needs, there is a tendency to depict traditional "subsistence production" as the ideal for farmers and especially rural women. But this is a demeaning and dangerous approach to dealing with poverty and hunger. At one level, the distinction between "food" and "cash" crops is meaningless - foodgrains, or fruits and vegetables, can be grown as either. Rural women also show an interest in earning cash to support their families (in fact, in many parts of most Asian countries they are prominent sellers of vegetables and fruits in local markets) and should not be deprived of this opportunity. The growth of a healthy commercial agriculture benefits them not only as workers in agriculture (family farmers or labourers) but as producers of all kinds in a vigorous rural economy.

What about export? There is no evidence to show that a country exporting agricultural produce necessarily does so at the cost of its own farmers (developed Asian countries like Australia and New Zealand, for example, have used agricultural exports as a major source of foreign exchange; and the tropical Asian countries with good sunlight and soil have an advantage in this regard). Again, women as well as men are aided by income benefits. In some cases, it is better to export certain foodgrains and use the foreign exchange to buy others.

One important aspect of trade and export, however, is increased local processing of agricultural products, so that exports are not simply crops but processed foods and other goods. This requires not only help from their own governments in support of such enterprise and export, but even more the ending of barriers to trade (especially trade in processed items) by developed countries. Here the dangerous aspects of slogans of "food

Table 7: Urban Disparity in Services

	South Asia	East Asia	East Asia exc. China	Southeast Asia and Pacific
Health Services	72	90	-	-
Safe water	90	58	75	70
Sanitation	26	18	92	63

Source: Human Development Report, 1996, Table 47.

Table 8: Changing status of women in Asian Countries - GDI over time: ranks and values, 1970-1992

	GDI Value		% Change in value	Rank in 1970 minus rank in 1992
	1970	1992		
Sweden	0.764	0.919	20	2
USA	0.810	0.001	11	-4
Thailand	0.448	0.798	78	17
Malaysia	0.422	0.768	82	16
Sri Lanka	0.468	0.660	41	-7
Philippines	0.455	0.625	37	-9
Indonesia	0.307	0.591	92	5
Myanmar	0.339	0.448	32	-15
India	0.250	0.401	60	-2
Pakistan	0.196	0.360	84	1
Bangladesh	0.174	0.334	92	1
Nepal	0.128	0.310	143	1

Source: Human Development Report, 1995.

A positive difference in rank means an improvement from 1970 to 1992

first" can be seen: *too often such slogans, or depictions of Asian poor rural people as "super exploited" are used by well-meaning people (including*

feminists) in the developed countries to prevent imports into their own country. The irony is that now, when Asian and other third world societies

are beating many of the western producers out of their own markets - when the real fear of unions in the "advanced" industrial countries is that production is moving to the third world - the cry against trade and the market is being raised. The rural poor of countries like India are being depicted as victims of the market, at the very time when they are beginning to benefit from it.

At the same time there is a need for emergency aid in times of crisis and for the very poorest sections of society. Public distribution schemes, rations, etc. have been used by many Asian countries in the past as means of providing "cheap food". Unfortunately, these have primarily served urban populations and rarely reached the poorest of the rural areas. They are also expensive and involve a lot of wastage; the quality is generally not good. In the past they have also been "financed" mainly by giving low prices for foodgrains to farmers - ensuring that the relatively poorer farmers (even the "rich" farmers are usually worse off than urban employees) subsidise the urban sector. This has become increasingly difficult to do as farmers have fought for higher prices; the cost of such public distribution schemes has risen in nearly every country and they are recognised to be unviable. Thus there is acceptance of a need for "targeting" - but this is difficult; it is both politically unacceptable and expensive. There is a possibility of phasing out such public distribution schemes (for instance in India in the last few years, food stocks with the government have risen but offtake has decreased).

What instead? Today food stamps and voucher cards are being discussed as an alternative. If only a proportion of the funds spend on public distribution schemes ultimately reach the poor in the form of food, why not provide them simply with the money instead - money to purchase food, rather than the food itself? Some form of credit card for the rural poor to purchase food might even be provided. That this is possible even in poor countries like India is shown by the success of the voter photo identity cards recently issued at the

orders of the Election Commission - cards which became hugely popular even though nearly all political parties doubted their viability. Calling these "credit cards for the poor" would give them respectability and status. And allowing the poor to spend them nearly as they wish would give them the dignity of choice. The important aspect of this would be that such cards given for family nutrition should be put into the hands of the women of the family, in recognition of their decisive role in providing for family consumption. Village women's groups, chaired by women political leaders and social activists, could ensure that women are not deprived of the right to use these by their husbands.

Finally, ensuring the sustainability of food production and agricultural development is a crucial concern and can be best done not by wise elite environmentalist and regulations but

by being linked to a decentralised form of democratic government. Local ownership rights over land, water and forests are necessary; no longer should the state have the right to confiscate these and distribute them cheaply in the name of "development". Local women's co-operatives can take charge of forest and fishery development on wastelands, can help in managing a reconstituted village commons, and can give aid and moral support to smaller, often individual micro enterprises. Integrated programmes of agro-forestry, inland fisheries, waste recycling can provide both income and subsistence. Economic development, and food security, comes not from bureaucratic controls and grandiose schemes of "investment in agriculture", or from providing concessions to industrialists, but from supporting and giving rights to small producers at every level.

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particularly important ideological basis during the period of colonialism by the industrial nations, and the Christian churches were the main vehicle for this ideology.

Even after the attainment of independence by the former colonised countries, church documents still remained close to the old way of thinking, as can be seen, for example, from the allocution of Pope Pius XII of 24 December 1955. A critical distance in this area is found only in certain positions adopted by the WCC, notably in 1961 at the third assembly in New Delhi.

The post-colonial era: The churches were very quick to draw a veil over the colonial era and at the same time in many cases to adopt a more concrete and courageous attitude to the problems of the post-colonial era. In *Pacem in Terris*, Pope John XXIII spoke of the relationships between the

young peoples and the old peoples. The self-determination of the new nations was a theme at the Uppsala assembly. The encyclical *Populorum Progressio* tackled the theme of development and did not hesitate to condemn economic imperialism. Various documents of the WCC and especially of its Programme to Combat Racism have spoken of the phenomenon of neo-colonialism. The capacity for analysis was gradually developed within the churches. It must be acknowledged, however, that the official documents show little in the way of self-criticism as to the role played in colonialism by the churches themselves, whatever the personal devotion and heroism shown by individual missionaries. Nor are there any critiques of colonialism as such, of its economic and political roots and the domination resulting from it.

Notes

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 @ *i. The Problem of Colonies*, New York, Federal Council of the churches of Christ in America, 1938.

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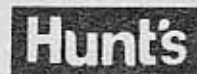
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