

# MANUKA GUARDIAN

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## WINNERS AND LOSERS



## LOCAL POLLS, NATIONAL CRISIS

Mervyn De Silva • Tisarane Gunasekara

**HONGKONG FEARS :** Dilip S. Samarasinghe

**PACKAGE AND ECONOMIC RESOURCES :**

S. Sathananthan

**ANNE RANASINGHE'S NEW WRITING :**

Bradman Weerakoon

**GROWTH WITH EQUITY : THE POSSIBLE DREAM**

THE IDEAS MAGAZINE

INTERNATIONAL CENTRE FOR ETHNIC STUDIES  
KANDY  
PUBLICATIONS

Four books - essential reading for every Sri Lankan who wants to know why our national institutions from Parliament and Bureaucracy to Universities and the economy are in a state of dysfunction if not crisis.

- *Sri Lanka: Problems of Governance* by K M de Silva (editor), G H Peiris and Radhika Coomaraswamy, 1993. (Rs 850/=)

The authors try to answer the question "Why has post-independence Sri Lanka not lived up to the promise of its early years of independence?" The political system and political economy of the country, civil liberties, language and religion, defence and external affairs are among the wide range of themes that are dealt with in this publication.

- *The University System of Sri Lanka: Vision and Reality* edited by K M de Silva & G H Peiris, 1995. (Rs 600/=)

Written at the time when Peradeniya University celebrated its 50th anniversary, the monograph appraises the achievements and failures of the University System in general, and Peradeniya University in particular, and its contribution to Sri Lanka's development. Contributing authors: Professors Asoka Ekanayake, K N O Dharmadasa, S A Kulasoorya, S N Arseculeratne, B L Panditharatne, Drs. Wijaya Jayatilake, Neelan Tiruchelvam, Messrs. D L O Mendis and W M A Wijeratna Banda.

- *Development and Change in Contemporary Sri Lanka: Geographical Perspectives* by G H Peiris, 1996. (Rs 850/=)

This is the most comprehensive analysis of post-independence socio-economic development available today. The author presents a rich variety of quantitative and qualitative data, much of it not readily accessible to the average reader, to support the discussions on a large number of major themes ranging from, Physical Resources Base, Environmental Hazards, Development of Peasant Settlements in the Dry Zone, Plantation Crop Production and Social Welfare Services to Macro-Economic Change: Problems and Prospects.

- *Regional Powers and Small State Security: India and Sri Lanka 1977-90* by K M de Silva, 1996. (Rs 850/=)

This is a comprehensive and incisive case study of international relations in a cold-war/post-cold war context. It provides an authoritative study of India's relations with Sri Lanka since the 1970s, and especially of the Indian intervention in Sri Lanka in the 1980s. This book is largely based on a study of unpublished documents relating to the Indian intervention. The author has also interviewed most of the principal figures involved in policy-making at the highest levels at that time in India and Sri Lanka, including Rajiv Gandhi, J R Jayewardene and J N Dixit.

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# T' WASN'T A FAMOUS VICTORY

Mervyn De Silva

Was it a famous victory? Yes, says the true-blue SLFP supporter. And he/she does have a strong case. The SLFP led Peoples Alliance (PA) won an impressive 194 contests of the 238 local bodies that went to the polls last Saturday. PA DOMINATES LOCAL COUNCILS read the front-page headline of the state owned SUNDAY OBSERVER. The privately owned SUNDAY TIMES, no tom-tom beater of the grand coalition, was even more generous. Under its banner headline RESOUNDING VICTORY FOR PA was a cleverly picked picture of the ailing Prime Minister Sirima Bandaranaike given a helping hand by her daughter, President Chandrika Bandaranaike Kumaratunga, at the Nittambuwa polling centre.

## WAS IT REALLY A RESOUNDING VICTORY?

Dr. Raj Nadarajah of South Africa who has served as an election observer in

### NO APRIL 15TH LANKA GUARDIAN ISSUE.

As has been the case from the inception of this magazine, the Lanka Guardian skips an issue over the Sinhala and Hindu New Year. We'll be back on May 1st with our 19th Anniversary number.

many countries told the SUNDAY ISLAND that mobs dressed in blue, carrying guns, sticks and knives, went about the Negombo district intimidating presiding officers, UNP polling agents and certain voters. He said he saw several voters being prevented from going in .....

### What's this? A flashback to the *ancien regime*?

Dr. Nadarajah is a professional. That's quite clear. He identified three polling booths - Kurana, Bolawalana and Dallowukutawa. "At Daluwakotuwa, I saw a UNP polling agent bleeding, being trampled by some PA activists..."

This does *not* mean that the Western governments will promptly turn hostile. Not at all. But the western NGOs and the media will report all this, and this could be the beginning of a new, more critical attitude to the PA. And in this the last decade of the 20th century, Sri Lanka is no longer of any strategic value to the US and Nato. The Cold War is over, India and its "special relationship" with the "Soviet Union" (Indira Gandhi's Indo-Soviet Treaty was the symbol of that relationship) is hardly mentioned even by K. Subramaniam, Delhi's hawk, now a pussy cat.

So we must focus on the internal, the significance of the polls result, in the context of current politics. Was it a famous victory? In the front-page "lead" of the state owned SUNDAY OBSERVER, Deputy Editor Lakshman Gunasekera summed up the situation with a pleasing candour:

"The Peoples Alliance scored a convincing political victory in taking the lion's share of local government bodies but had to be content with less than half of the total valid votes polled. The UNP was summarily dislodged



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## CONTENTS

Mervyn de Silva	01
Tisaranee Gunasekera	03
S. Sathanathan	07
Dilip S. Samarasinghe	11
Bradman Weerakoon	13
Janasaviya	17

THE IDEAS MAGAZINE

from its previous domination of local authorities but picked up a solid 41.25% of the vote to the PA's 48.97%."

### SOME COUNCILS ARE MORE EQUAL THAN OTHERS

Readers will surely note the coincidence. In 1994, the PA had to be satisfied with a very modest 50%. It was the PA candidate Chandrika Kumaratunga who established a record with her 63% at the Presidential polls. *After two years in office, most analysts were certain that the PA's percentage would be at least 55%.* Last Saturday, the cold reality of a less than 50% vote may have stopped some of the triumphant hot-heads celebrating a famous victory.

The governing party did well however to take control of seven municipal councils and 20 urban councils. The 167 *Pradesheeya Sabhas* do suggest an island-wide reach, minus of course the north-and-east, but no serious student of Sri Lankan politics will ignore the fact that the free use of the state machinery (a privilege of the ruling party) gives that party an enormous advantage. The opposition hardly has a chance. That is certainly not true of a Municipality, and as its title announces, an URBAN Council is elected by an urban voter. Not only can an Opposition party (if it has money) equip itself with the facilities necessary for a well-organised campaign but it can deny the governing party an unfair advantage. With 7 Municipal Councils, 20 urban councils and a total 3.42 million votes, President Kumaratunga's PA has certainly a cause for celebration. And yet when she notes that the UNP commands a 2.88 million vote 5 Municipal Councils, and 11 urban councils, she will surely reflect more soberly on the polls results.

*All Municipal councils are equal but some are more equal than others. Colombo, Kandy, Galle, Jaffna for instance are first grade, in political - historical terms. But Kandy, the home of the liberator of Jaffna, General Anuruddha Ratwatte a Sinhala hero, was captured by the UNP! The PA*

**After two years in office, most analysts were certain that the PA's percentage would be at least 55%. Last Saturday, the cold reality of a less than 50% vote may have stopped some of the triumphant hot-heads celebrating a famous victory.**

should consider itself lucky that Galle, the southern capital, didn't go the same way. Anyway whatever happened to Thonda's *thottam* - as young Sinhala backbenchers call Nuwara Eliya district - or the planter *raj* as it was known in pre-independence times? Mr.Thondaman's CWC contested on its own, its symbol was a cockerel, a singularly poor choice as it turned out to be. The once unchallenged boss of the plantation proletariat, as Leftist trade leaders called it, was humbled: "The workers had been neglected and even the recent decision to hand over ownership of the line-rooms had really been taken by the UNP regime...! The PA had delayed its implementation for 2 years".

Mr. Thondaman has only to blame himself. He was too clever by half. He had a written agreement with the UNP. It has not been abrogated yet. But he accepted a portfolio from the PA. Now he has the portfolio but no longer control of plantation labour, for decades his loyal troops. The CWC got less than one percent of the vote!

### COLOMBO FALLS TO KARU IMAGE

If the defeat in Kandy was a rude shock to the PA., the loss of Colombo, the de-facto capital, was a bitter blow. All the cunning manoeuvres after UNP mayor Ganeshalingam's sudden

defection proved counter-productive and futile largely because of "the new face" in the contest for the capital, and the image that UNP chairman Karu Jayasuriya projected. The self-effacing "Karu", a businessman and former diplomat, referred to another image when he spoke to the press after his comfortable victory. "In our campaign we concentrated on projecting the new vision and aims of our leader, Ranil Wickremasinghe".

The MEP and JVP joined the UNP in condemning organised political violence and large scale malpractices. The UNP General Secretary, Gamini Atukorale spoke of "a massive electoral robbery accompanied with force, threat and violence". Polling agents of the UNP and of other parties were chased away, he said.

"This campaign has been full of violence with blatant violation of election laws" said MEP leader, Dinesh Gunawardena.

The MEP fared poorly. The JVP did much better and won some seats. This time the JVP is doing its best to play by the rules... at least till it is allowed to do so or perhaps till the time is finally right i.e. a mass base, representation in all the key democratic assemblies, the "objective conditions" and the army still fighting the 'Tigers' in the north-and-east.

### PACKAGE : NO MANDATE

The MEP evidently cannot count on the popular support that the JVP can mobilise. It has to wait till the PA actually presents the "devolution package" in Parliament, tempted to justify the move on the argument that the PA's "sweeping victory" was a mandate. *In fact, it was no such thing.* However President Chandrika, Prof. G.L. and Co. will be tempted to take that route. Prof. G.L.Pieris for instance has claimed (Daily News 24/3) that the PA's "true percentage" is over 51% since the votes polled by Independent Groups backed by the PA should also be added.

# GOVERNMENT MORE OPTIONLESS TODAY

Tisarane Gunasekara

It was an almost perfect turnaround. In 1991 the UNP won 193 local government bodies; 6 years later in 1997 it was the PA's turn to wear the laurels with victories in 194 Municipal and Urban Councils and Pradesheeya Sabhas. True, the election was preceded by one of the most violent and acrimonious campaigns in the history of 20th century Sri Lanka - and the various incidents of election day violence and malpractices were disturbingly reminiscent of the Referendum of 1982. Despite all these factors the PA's score of 194 local government bodies is an impressive achievement.

## PEIRISSPEAK

The sheen begins to wear off a bit however, when one looks at the number of votes and the percentages. Despite an all out campaign personally headed by President Chandrika Bandaranaike Kumaratunga, the PA failed to vault the magic 50% mark. It managed to poll only 48.9% of the total valid votes - i.e. the exact percentage it polled at the 1994 Parliamentary elections. Prof. G.L.Pieris has juggled the figures a bit in a desperate attempt to prove that the PA did manage to obtain more than 50% of the valid vote. According to the worthy Professor: "to the PA figure must be added the votes polled by the Independent Groups backed by the PA. For instance ninety thousand votes polled in Colombo Municipal area by the Independent Group should be added to the PA vote" (Daily News

24.3.97). *The PA took the unprecedented decision of dumping its symbol and backing an Independent Group because of the belief that such an independent slate will succeed in attracting a large group of voters who would not otherwise want to vote for the PA. This is why Mr.K.Ganeshalingam in his last advertisement in the Tamil language paper Virakesari, emphasised the fact that he is an independent candidate. The obvious conclusion therefore is that at least a segment of the votes polled by the Independent Group in Colombo is non/anti PA - since attracting precisely such voters was the logic behind the PA's decision not to contest under its own symbol in Colombo. Therefore Prof. Pieris' claim that this vote should be added to the PA vote is a false one.*

\* \* \*

In an important respect the PA's performance falls far short of the performance of President Premadasa's UNP at the 1991 local government polls. In 1991, in an election pronounced to be free and fair by foreign observers as well as rival political parties such as the NSSP, the UNP polled 52.2% of the total valid votes. And in ten of the seventeen districts the UNP polled a higher percentage of votes in 1991 than the PA did in 1997 (See Table I). In other words despite all her efforts President Chandrika failed to better the performance of Premadasa and the UNP in 1991.

The election results debunk a myth that is assiduously propagated by the PA : that this government has the support of a clear majority of Sri Lankans. The 63% performance of the PA candidate at the 94 Presidential election is used as proof of this assertion. *The '97 local government election results clearly demonstrate that the extra 14% the PA got at the Presidential election were not votes for Chandrika Bandaranaike but votes against Srimala Disanayake. It was a protest vote against the UNP's appalling choice of a political widow - who was not even a member of the party - as its replacement Presidential candidate.* (Obviously the UNP being a modern bourgeois democratic party, its voter is less receptive to the political claims of the various family member of its dead leaders, unlike the feudal and family centric SLFP). Since this factor was not in operation at the 1997 local government election, only the supporters and sympathisers of PA voted for it - thereby causing the PA's votes to drop from the dazzling 63% to an ordinary 49%. *As to what the PA's percentage of votes would have been minus the widespread election malpractices is anybody's guess.*

## PARLIAMENTARY ELECTION UNVIABLE

The fact that even a no holds barred campaign (and a less than free and fair election) did not enable the PA to vault the 50% mark, places the government

Table I

	UNP 1991 (as a % of total valid votes)	PA 1997 (as a % of total valid votes)
Colombo	54.7%	44.6%
Gampaha	50.07%	55.3%
Kalutara	46.9%	49.9%
Kandy	57.4%	51.25%
Nuwara Eliya	60.1%	39.3%
Matale	58%	55.34%
Galle	48.3%	52.22%
Matara	47.8%	54%
Hambantota	48.4%	44.71%
Kurunegala	52.5%	52.1%
Puttalam	54.6%	58.07%
Anuradhapura	55%	58.23%
Polonnaruwa	55.4%	53.2%
Badulla	63.5%	42.7%
Monaragala	56%	50.2%
Ratnapura	48.7%	55.4%
Kegalle	54.7%	50.2%

Table II

	PA 1994 General elections (as a % of total valid votes)	PA 1997 Local Government elections (as a % of total valid votes)
Colombo	50.94%	44.6%
Gampaha	56.79%	55.35%
Kalutara	53.77%	49.9%
Kandy	46.43%	51.25%
Nuwara Eliya	32.35%	39.3%
Matale	49.85%	55.34%
Galle	56.39%	52.22%
Matara	59.9%	54%
Hambantota	53.51%	44.71%
Kurunegala	51.87%	52.1%
Puttalam	53.65%	58.07%
Anuradhapura	55.19%	58.23%
Polonnaruwa	51.18%	53.2%
Badulla	43.49%	42.7%
Monaragala	50.4%	50.2%
Ratnapura	50.77%	55.4%
Kegalle	47.91%	50.2%

in a cul-de-sac. *The PA now cannot expect to enhance its wafer thin majority in Parliament through a new Parliamentary election, given the current electoral balance in the country (see Table II). The PA's percentage of votes dropped in eight of the seventeen*

*districts including the highly populated ones of Colombo and Gampaha, which consequently return the largest number of MPs. Going for a snap general election is therefore a non option for the PA.*

## REFERENDUM : HIGH RISK OPTION

Given the electoral balance it is also doubtful whether the government can afford to go for a referendum on its devolution package. In order to win such a referendum, the government will have to obtain more than 50% of the total valid votes - that again seems unlikely given the prevailing voting patterns. And the government can ill afford to lose the referendum since such a defeat will deal a mortal blow to the PA's mandate to govern.

Therefore the PA will have to look beyond its score of 194 local bodies and decide what the next step should be. *The irony is that despite its newly won dominance over the local government bodies, the government is more optionless today that it was before the election - because the election results have put paid to the PA's extravagant claims and illusions of decisive majority support. Therefore the election has caused an exacerbation of the crisis.*

Since the PA regards the package as the silver bullet which will put an end to the war and the crisis, it may be tempted to hold a referendum that is *unfree and unfair* (like the referendum of 1982). The systemic impact of such a decision is likely to be even more disastrous than the consequences of the referendum of 1982 - given the highly emotive nature of the issue (ethnic based devolution) involved. The fact that the PA leaders (including President Chandrika) are claiming this victory as proof of overwhelming popular support for the package is an ominous indication that the PA may be headed precisely in this direction.

## KARU : THE UNP'S NEW STAR

The other fact which has taken some of the glamour out of the PA's victory is its humiliating defeat in the Capital City of Colombo. Winning Colombo was of paramount importance to the PA; which is why it agreed to dump both its identity and its symbol and offer its fullest support to an independent list headed by a recent UNP deserter. President Chandrika personally campaigned for K.Ganeshalingam and at the final PA

rally at the Campbell Park unleashed a barrage of invective against the UNP's mayoral candidate, Karu Jayasuriya. Despite all these efforts, the UNP scored an impressive victory in Colombo with a massive majority of 30,006, *almost double its majority at the 1994 general election*. The loss of Colombo is a defeat not only for the PA but also for the so-called liberal Tamil (pro-package) intelligentsia which played a decisive role in the marriage of convenience between the PA, K.Ganeshalingam and the TULF. Karu Jayasuriya, a political neophyte, polled a huge 32,000 preference votes more than their champion, Ganeshalingam.

The UNP, despite its failure to capture more than 43 councils, scored several victories that it can be justifiably proud of. Its victory in the Colombo Municipal Council which the PA was most seriously intent on wresting from it, is an important gain. *Another positive outcome for the UNP is the birth of a new star - Karu Jayasuriya, the victor of the battle for the City of Colombo.*

\* \* \*

The UNP also proved that it is the only truly national party in the country which is capable of winning the allegiance of all ethnic groups. Its victory in Colombo demonstrates that its Tamil supporters remained loyal despite the Ganeshalingam candidacy and despite a last minute appeal by the TULF in favour of the PA. The fact that the UNP succeeded in beating Mr.Thondaman in what was (until last week) considered to be his impregnable fortress, clearly indicates that the majority of the plantation Tamil people consider the UNP and not the CWC to be their champion. This vote of confidence is the best testimony to the emancipatory nature of the UNP's past policies concerning 'the wretched of Sri Lanka'. The anti- worker/people nature of the PA's plantation ownership privatisation programme ( and the havoc caused by it) plus the rising cost of living (particularly the phenomenal increase in the price of flour) would have been some of the major factors which caused this astonishing shift from the CWC to the UNP.

The voting pattern in the Nuwara Eliya District and the Colombo City is the

best indication that today no individual or political party can lay claim to a *bloc vote* based on factors such as ethnicity and religion.

### THE UNP'S WEAKNESSES

There cannot be any doubt that the fairly widespread election malpractices and violence affected the UNP's performance at the '97 local government election - particularly in the Gampaha, Puttalam and Kurunegala districts. Even if we assume that the drop in the UNP vote was *entirely* due to unfree and unfair practices perpetrated by the PA, that is not something the UNP can use as an excuse for the decrease in its vote - *not* because malpractices *didn't* take place, but *precisely* because they did happen *and will happen again*. The UNP will have to understand and accept that as long as the PA is in office, widespread election violence and malpractices will remain a fact of life, a *structural problem*. These unfair and unfree practices will take place at the next election as well - most probably on a far wider scale as the PA's popularity drops because of the worsening crisis and government's anti people policies. However unpopular the PA is and however popular the UNP is, the latter will never succeed in winning an election if it is incapable of devising means and methods to overcome this structural constraint. Complaining and whining alone will not help ; there will have to be preventives, countermeasures and action as well.

So far the UNP's performance in this crucial respect has been less than satisfactory. The UNP did not insist strongly enough for the presence of foreign observers, deciding instead to place its hopes on those self appointed local election observers - forgetting that they are tied to the PA with a thousand visible and invisible threads. This was a major strategic mistake for which the UNP is paying the price today. The lesson to be derived is that in societies as polarised as Sri Lanka, the task of observing elections can be adequately fulfilled only by outside (non-Lankan) persons and agencies who do not have any stake in the bitterly fought electoral battles. The UNP should also carry out its own

campaign to educate its members in particular and voters in general about election violations and set up its own institutions and mechanisms to immediately record and report all such incidents. To date, their command - control - communication (C3) mechanisms and 'transmission belts' linking periphery to centre, have been insufficient.

The other major lacunae was the UNP's inability to organise its election campaign properly in many parts of the country. The obvious enthusiasm of the rank and file members who risked their lives for the party could not make up completely for this organisational weakness. The fact that *the UNP cancelled its election rallies in Anuradhapura and Polonnaruwa would also have adversely affected its performance in these districts* - in a violently contested election such decisions tend to send the wrong signal to activists and voters. Apart from its lack of clarity, it is this organisational weakness which prevented the UNP from successfully facing PA's violence and rigging. President Chandrika's strategy of denying the UNP of the services of its most able organiser *Sirisena Cooray* through the use of the Presidential Commissions has brought her rich dividends. If the UNP fails to take immediate steps to plug this gap, its future electoral prospects are likely to be less than rosy.

### BROTHER ANURA: BROTHER!

The results of the Gampaha district indicate that in the battle for dominance in the family's pocket borough, Chandrika Bandaranaike once again succeeded in beating brother Anura. The PA polled 55.35% in the Gampaha district as opposed to the UNP's 36.98% - *the lowest in the entire country inclusive of Ratnapura!*. The interesting point is that the UNP fared *worse* in Gampaha *with a Bandaranaike leading its campaign* than it did in 1991 when its campaign was led by Ranasinghe Premadasa! In 1991 the UNP polled 322,166 votes in the Gampaha district (i.e. 50.08% of the total valid votes) compared to SLFP's 275,697 votes (i.e. 42.85% of the total valid votes).

## Gampaha District

	UNP (% of total valid votes)	PA (% of total valid votes)
1988 Presidential	48.08%	48.83%
1989 Parliamentary	54.14%	41.3%
1991	50.08%	42.85%
1997	36.98%	55.35%

## Attanagalle Pradesheeya Sabha

	1991	1997
UNP	18931 - 36.68%	20350 - 28.64%
PA/SLFP	30454 - 59.01%	46831 - 65.9%
Valid Votes	51603	71066

## Dompe Pradesheeya Sabha

	1991	1997
UNP	24862 - 48.44%	21701 - 36.48%
PA/SLFP	26459 - 51.55%	34373 - 57.79%
Valid Votes	51321	59482

In other words the UNP under Premadasa fared better not only in the Gampaha District *but also in that citadel of the Bandaranaike kingdom, Attanagalle, and in Anura Bandaranaike's former electorate Dompe. This clearly demonstrates that the UNP's path to victory does not lie in pitting feudal against feudal. In fact there are no short cuts to victory such as getting 'our Bandaranaike' to finish off 'their Bandaranaike'.* The UNP can win only by strengthening itself with the modernist and libertarian policies of J.R. Jayewardene and by arming itself with the pro-people and emancipatory policies of Ranasinghe Premadasa. In other words a creative, people centred programme *which includes promises which are solid and true pledges because they are based on principles and will become government policies after elections (such as Janasaviya).*

## THE SRIMANI NON-FACTOR

The other major loser in the 1997 local government election is none other than Minister Srimani Athulathmudali. Ms. Athulathmudali not only dropped out of the PA's election battle; she

unofficially backed several independent groups who put themselves forward as Lalith's heirs. All these independent groups fared very badly; even the group contesting Lalith's former stronghold of Dehiwela/Mount Lavinia Municipal Council managed to poll only 5.14% of the total valid votes. This means that the independent option is a non option for Ms. Athulathmudali. And the PA now knows it can do quite well without her. *Even if Ms. Athulathmudali is to breakaway from the PA and seek to join the UNP, she cannot cause any damage to the PA or bring any advantage to the UNP electorally - as the recent election results clearly demonstrate. Ms. Athulathmudali with her disastrous performance as the Minister of Transport is no longer an asset but a liability both politically and electorally.*

## JVP : FACTOR, PERHAPS, NOT FORCE

The MEP is obviously a spent force. As for the JVP it did not do as well as most people expected and could only come third even in the deep South. It also failed to capture power in any of the local government bodies as even

the MEP did in 1991. Clearly the JVP is not even a potential third force though its likely to remain as a (not very important) factor in the local political scene for sometime to come.

At the end of it all, the local government election of 1997 seems to have created more problems than it solved. It has left every single contestant worse off in some respect. In that sense it is a peculiarly Sri Lankan election which has sown the seeds of a new cycle of and instability and violence.

## POST SCRIPT

Mahinda Ratnatillake, the former Mayor of Ratnapura and the 2nd suspect in the Nalanda Ellawala killing topped the preference vote list in the Ratnapura Municipal Council, polling more preference votes than all candidates - both UNP and PA! He scored an impressive 8326. This show of support and solidarity by the UNP voters is a slap in the face of the so-called 'soft liners' who want to 'reform' the UNP by purging it of its 'hard-liners' and strongmen.

## CORRECTION

In Prof. H.L. Seneviratne's article 'The Sangha's Role Reassessed' carried in our last issue, the following correction should be made:

P.12, column 1, para 1 line 8, "de-ethnicise" should be changed to "de-ethicise". Same page, column 3, last para, line 6, "ethnicial" should be "ethical".

We apologise to the author and our readers for the errors.



# THE PACKAGE AND THE TAMIL QUESTION :

a comparative assessment of the 1995 Basic Ideas and 1996 Draft Provisions

S. Sathananthan

*Sachithanandam Sathananthan holds a Ph.D. from Cambridge. He is a documentary film-maker and is the Producer of 'Suicide Warriors' (1996), a half-hour long video documentary on the Tamil national struggle which explores specifically the role of women in the Liberation Tigers of Tamil Eelam (LTTE) in Sri Lanka. This film was broadcast by Channel Four Television, London.*

## 10. ECONOMIC RESOURCES

### 10.1. The 1995 Basic Ideas

(a) allocated agriculture, animal husbandry, fisheries, forestry, industry and energy to the RCs (Regional List (3-9));

(b) allocated other resources including the maritime zone, foreign trade, inter-regional trade and commerce to the Centre (Reserved List (25),(41)); and  
(c) reserved the subjects of national planning and national environment for the Centre (Reserved List (5),(47)).

#### Comments:

(i) The Ideas were silent on the scope of power-sharing in respect of each subject in (a).

(ii) The provisions in (c) meant that all powers of RCs with respect of resource utilization would be subordinate to the national policies of Central Government.

### 10.2. The January 1996 Draft Provisions

(a) provided that 'all lands, mineral and other things of value underlying the oceans within the territorial waters, or

the continental shelf or the exclusive economic zone...shall...vest in the Centre and shall be held for the purposes of the Republic' (Art 23(1)(a));

(b) provided that 'all other resources of the exclusive economic zone...shall...vest in the Centre and be held for the purposes of the Republic' (Art 23(1)(b));

(c) provided that 'all contracts made in the exercise of the executive powers of a Region shall be expressly made by the Governor of the Region' (Art 23(2)(a));

(d) allocated agriculture, animal husbandry, fisheries, forestry, industry and energy to the RCs (Regional List (3-9));

(e) allocated other resources to the Centre including

- 'fishing beyond the territorial waters and rights relating to traditional migratory fishing' (Reserved List (37)) and

- 'foreign trade, inter-regional trade and commerce' (Reserved List (42)); and  
(f) reserved the subjects of national planning and national environment for the Centre (Reserved List (5),(48)).

#### Comments:

(i) The provisions in (a), (b), (c), (e) and (f) meant that RCs were denied control over resource utilization and economic management essential for regional development.

(ii) The provision in (b) undermined the democratic will of the people of the Regions.

(iii) The Provisions were silent on the scope of power-sharing in respect of each subject in (d).

(iv) The provisions in (f) implied the centralization of decision-making in the Centre.

### 10.3. The April 1996 Amendments proposed

(a) changes in Article 23:

- to amend Article 23(1)(a) to read 'the exclusive economic zone of Sri Lanka shall continue to vest in the centre and be held for the purpose of the Republic';

(b) to amend provisions in (e) to read 'fishing beyond the territorial and historical waters' and 'foreign trade' only; and

(c) changes in some subjects in the Reserved List.

#### Comment:

(i) The changes suggested in (c) were of little consequence in the absence of effective legislative and executive powers for RCs.

(ii) The Amendments did not seek the RCs participation in national policy formulation and planning.

## 11. ECONOMIC INFRASTRUCTURE

### 11.1. The 1995 Basic Ideas

(a) allocated the subjects of airports, harbours and ports 'with international transportation', inter-regional transport and railways, civil aviation, inter-regional highways, shipping and navigation to the Centre (Reserved List (21),(22),(23),(24), (25)); and

(b) allocated the subjects of transport, minor ports and harbours and roads and waterways for the Region (Re-

gional List (10),(11), (12)).

*Comments:*

- (i) The scope of powers under many subjects was unspecified.
- (ii) The RCs were allocated residual subjects which contributed little to their economic autonomy.

11.2. The January 1996 Draft Provisions

- (a) allocated the subjects of airports, harbours and ports 'with international transportation', inter-regional transport and railways, civil aviation, inter-regional highways, shipping and navigation to the Centre (Reserved List (22),(23),(24),(25), (26)); and
- (b) allocated the subjects of transport, minor ports and harbours and roads and waterways for the Region (Regional List (10),(11), (12)).

*Comment:*

Refer 11.1 (i) and (ii) above

11.3. The April 1996 Amendments proposed

- (a) that 'a permanent commission on irrigation shall be set up to develop and distribute inter-regional water resources, to initiate inter-regional irrigation schemes and to resolve the disputes that may arise when a Region or the Central Government initiate[s] irrigation schemes which may affect the irrigation in another Region or Regions'; and
- (b) changes in some subjects in the Reserved List.

*Comment:*

- (i) The improvements, if any, implied by the changes in (b) cannot be assessed since the scope of powers was unknown.

## 12. EDUCATION

12.1. The 1995 Basic Ideas provided that

- (a) 'Education and Higher Education will be devolved subjects';
- (b) certain specified schools and universities may be declared 'National' institutions administered by the Centre;
- (c) 'curriculum development' in regional schools will be the responsibility of the RC while 'minimum standards will be set by the Centre';
- (d) a 'National Education Commission

composed of representatives of the Centre and the regions' will be set;

(e) the Commission shall be responsible for

- identifying 'National' schools and universities in 'consultation' with regional CMs,

- stipulating criteria for admission to them and

- setting minimum standards with regard to training, examination, curriculum and employment of teachers (para V); and

- (f) the subject of 'management of central policy and research institutions in the field of education' will be reserved for the Centre (Reserved List (37)).

*Comments:*

- (i) The autonomy implied in (a) was largely neutralised by the provisions in (d), (e) and (f).
- (ii) In (d), there was no indication of the weightage between the Centre and the Region.
- (iii) The Ideas did not envisage the formation of a regional education commission.

12.2. The January 1996 Draft Provisions

- (a) reserved 'national universities' for the Centre (Reserved List (33));

- (b) reserved the 'management of central policy and research institutions in the field of education, eg. National Institute of Education, management and supervision of national schools, conduct of national public certification examination, educational training, imposition of minimum standards for such examinations, curriculum and teacher qualifications' for the Centre (Reserved List (38)); and

- (c) the subjects of 'higher Education, education and educational services, excluding national schools and national universities and the setting of minimum standards for examinations, curriculum and teacher qualifications and teacher training' were allocated to the Region (Regional List (2)).

*Comments:*

- (i) The main text of the Draft Provisions was silent on the subject whilst the provisions in (a), (b) and (c) are included in the attached Lists.
- (ii) There was no indication in (b) as to

what powers were included in respect of education.

- (iii) Given the provisions in (a) and (b), the RCs were denied effective power over education in (c).

12.3. The April 1996 Amendments proposed that

- (a) the provision in (a) should be amended to read 'national universities for post graduate studies in specialised areas';

- (b) the provision in (b) should be amended to exclude 'Management and supervision of national schools' and 'educational training'; and

- (c) the provision in (c) should be amended to read 'higher education, education and educational services including of all schools and all universities and teacher qualifications and teacher training'.

*Comment:*

- (i) In (b), the Amendments conceded control of educational policy to the Centre as specified in 12.2 (b).

## 13. EMPLOYMENT

13.1. The 1995 Basic Ideas did not address the subject.

13.2. The January 1996 Draft Provisions did not address the subject.

13.3. The April 1996 Amendments recommended that

- (a) 'recruitment to [the] National Public Service...shall be on the basis of the national ethnic ratio'; and

- (b) 'recruitment to the Regional Public Service...shall be on the basis of the ethnic ratio of [the] Region concerned'.

*Comment:*

None.

## 14. CITIZENSHIP

14.1. The 1995 Basic Ideas did not address the subject.

14.2. The January 1996 Draft Provisions did not address the subject.

14.3. The April 1996 Amendments did not address the subject.

## 15. CULTURE

### 15.1. The 1995 Basic Ideas

(a) reserved the subjects of national media including central government broadcasting and television institutions, national archives and museums, and archeological sites 'declared by law to be of national importance' for the Centre (Reserved List (45), (46)); and (b) allocated to the Region

- the 'regulation' of cultural activity within a region, including public performances and

- and broadcasting and media, including television (Regional List (20),(21)).

#### *Comments:*

(i) The provision in (a) did not specify what, if any, constituted cultural institutions and sites of regional importance.

(ii) In (b) the Region was authorised merely to 'regulate' cultural activities and not to initiate and develop them.

(iii) The provisions in (b) did not grant powers to the Region over 'institutions' concerned with broadcasting and television.

### 15.2. The January 1996 Draft Provisions

(a) reserved the subjects of 'national media including central government broadcasting and television institutions' for the Centre (Reserved List (46));

(b) reserved the subjects of 'national archives and museums, ancient and historical monuments, archeological sites and records declared by law to be of national importance' for the Centre (Reserved List (47)); and

(c) allocated 'regional libraries and museums, archeological sites, ancient and historical monuments and records (excluding those sites declared by law to be of national importance) and the regulation of cultural activity, including public performances' to the Region (Regional List (20));

(d) allocated 'broadcasting and media, including television' to the Region (Regional List (21)).

#### *Comments:*

(i) The provisions in (c) did not specify the criteria for distinguishing between those of 'national' and 'regional' im-

portance.

(ii) The provisions in (c) would permit Tamils and Muslims in the NEP merely to 'regulate' cultural activities and not to initiate, control and develop them.

(iii) The provisions in (d) did not grant to the Region powers over 'institutions' concerned with broadcasting and television, which were reserved for the Centre in 15.2 (a).

### 15.3. The April 1996 Amendments proposed that

(a) the provisions in 15.2 (b) should be amended to read 'national archives and museums' only.

#### *Comment:*

None

## 16. INTER-REGIONAL RELATIONS

### 16.1. The 1995 Basic Ideas

(a) provided for a 'Permanent Commission on Devolution appointed by the Constitutional Council to resolve...disputes among the regions' (para VIII); and (b) reserved aspects of inter-regional relations exclusively for the Centre (Reserved List (22),(24),(35),(41),(44)).

#### *Comment:*

(i) In (b), the provision was made to allow the Central Government to police inter-regional relations.

### 16.2. The January 1996 Draft Provisions specified that

(a) a 'Chief Ministers' Conference' will be established consisting of the CMs of all the Regions; and

(b) the Conference shall have the power - to 'ensure full compliance' with the Draft Provisions and

- to 'settle any dispute' which may have arisen between regions (Art 29).

#### *Comment:*

(i) The Permanent Commission proposed in the Basic Ideas was replaced by a lesser Chief Ministers' Conference which amounts to a dilution of the 1995 Basic Ideas.

### 16.3. The April 1996 Amendments proposed that

(a) the words 'Regional Councils' in Article 29 should be substituted by the words 'Regional Governments'.

#### *Comment:*

(i) Without recommending the repeal of Articles 2 and 76 of the Constitution (refer 1.1(iv),(iv)), the Amendments ineffectually sought to raise the legal status of RCs.

## 17. NATIONAL FLAG AND ANTHEM

17.1. The 1995 Basic Ideas did not address the subject.

17.2. The January 1996 Draft Provisions specified that

(a) 'the National Flag of the Republic of Sri Lanka shall be the Lion Flag' (Art 4); and

(b) 'the national anthem of the Republic of Sri Lanka shall be "Sri Lankan Matha"' (Art 5).

#### *Comment:*

(i) No change was envisaged in (a) and (b) to satisfy the national aspirations of Tamils and Muslims.

17.3. The April 1996 Amendments proposed that

(a) Article 4 'should be suitably altered so as to ensure that the National Flag...would reflect the multi ethnic character of the Republic'; and

(b) Article 5 'shall be amended to accord the same status to the Tamil version of the National Anthem as its original version'.

#### *Comment:*

(i) The change proposed by the Amendments in (b) point to the refusal of the GSL to recognise the Tamil version of the national anthem on par with the Sinhala version.

## 18. TRADITIONAL HOMELAND

18.1. The 1995 Basic Ideas did not address the subject.

18.2. The January 1996 Draft Provisions specified that

(a) 'no Regional Administration or Regional Administrations shall attempt, by direct or indirect means, to promote or otherwise advocate an initiative towards...formation of a new Region by separation of territory from any Region or by uniting two or more Regions or parts of Regions or by uniting any territory with a part of any Region'

(Art 2(2)(e)).

*Comment:*

- (i) The Provisions in (a)  
- indirectly prohibited the minor ethnic groups from advocating for, or forming, traditional homelands in the Regions and  
- permitted the Central Government to change regional borders at will.

18.3. The April 1996 Amendments proposed that

- (a) the Article 2(2) should be completely deleted; and  
(b) a new Article 2(2) be inserted to read 'there shall be no change with regard to the territory of the Union without the concurrence of the Legislature of the Region'.

*Comment:*

None

## 19. SECESSION

19.1. The 1995 Basic Ideas did not address the subject.

19.2. The January 1996 Draft Provisions specified that

- (a) 'no Regional Administration or Regional Administrations shall attempt, by direct or indirect means, to promote or otherwise advocate an initiative towards...the separation or secession of such Region or Regions from the Union of Regions' (Art 2(2)(a)).

*Comment:*

- (i) In (a) the Provisions indirectly recognised the ethnic dimensions of conflict resolution which has otherwise been largely ignored in the initiative.

19.3. The April 1996 Amendments proposed that

- (a) the Article 2(2) should be completely deleted; and  
(b) a new Article 2(2) be inserted to read 'there shall be no change with regard to the territory of the Union without the concurrence of the Legislature of the Region'.

*Comment:*

None

### C. Concluding remarks

The foregoing comparative assessment highlights important aspects of the

GSL's position which raise serious doubts about the viability of the Draft Provisions as 'a reasonable basis for negotiations', as alleged by Mr Gujral. This is especially so with regard to the provisions relating to issues which have for long been matters of dispute between the Sinhalese-dominated GSL and the Tamil and Muslim peoples.

All three documents display the inability to distinguish between political devolution and political decentralization. **Political devolution** involves fundamentally the **parcellization of sovereignty** which transfers sovereign legislative powers to the devolved unit(s) and transforms the State into a federal State. **Political decentralization** is affected primarily through a **delegation of legislative authority** which permits the decentralised unit(s) to make subordinate laws while the unitary State remains unchanged. Notwithstanding the gradations of devolution or decentralization arrangements which could exist in practice between the two extremes, the criterion of whether or not sovereignty is shared is a crucial distinction. Thus political devolution and decentralization could co-exist within a federal State; but a unitary State such as the one in Sri Lanka allows political decentralization only.

But the situation is in fact far worse in Sri Lanka. When the United National Party (UNP) Government incorporated Articles 2 and 76 (refer 1.1(iv),(v)) in its 1978 Constitution, it did so explicitly to forbid political devolution: the then President J R Jayawardene confidently proclaimed to have 'all but closed the door on federalism'. However he did more. Under Article 76 even political decentralization could be construed as unconstitutional. This means that only **administrative decentralization** - the allocation of functions and the delegation of responsibility for framing attendant rules and regulations - appears feasible.

After 1978, the Constitution permitted neither political devolution nor political decentralization. It is necessary to remind Mr Gujral that the 1987 Indo-Lanka Accord did not seek the repeal

of Articles 2 and 76. This is the main reason why the so-called devolution of power under the Accord (and the 13th Amendment to the Constitution) was an unmitigated political farce. He needs reminding because he uncritically eulogised the Draft Provisions as a 'reasonable basis for negotiations' and neglected to first call for the repeal of the two Articles.

Indeed, given the hawkish thrust of the GSL, Articles 2 and 76 are virtually non-negotiable. Until the GSL repeals the Articles, the alleged scope for an 'extensive devolution' of power is political fiction; and the alleged basis for negotiations is non-existent.

In this context the use of the term 'Union of Region' can only be interpreted as a clumsy sleight of hand to mislead the Tamils and Muslims and hoodwink the international community into believing that the GSL intends to devolve power.

The proposal to make Sinhala and Tamil official languages is an instance of a half truth amounting to a lie. For more than four decades Tamils have demanded that the Tamil language must be an official language of the **whole** country on par with the Sinhala language. The issue is still alive. Although both languages were made official languages under the 13th Amendment, only Sinhala was made THE official language of the **whole** country:

'(1) The official language of Sri Lanka shall be Sinhala.

(2) Tamil shall also be an official language' (Article 18).

This deceptive formulation does not specify the region or purpose for which Tamil is declared an official language. The obvious intention again is to mislead the Tamils and Muslims and hoodwink the international community into believing that the language question has been resolved. The Draft Provisions repeat Article 18 and therefore perpetuate the deception. Consequently the language question remains unresolved.

The incapacity of the GSL to negotiate a political solution is again demon

*Contd on page 23*

# HONG KONG : TAKEOVER OR MERGER ?

Dilip S. Samarasinghe

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In less than three month's time Hong Kong will be returning to Chinese sovereignty and the build up to this event had led to a lot of controversy and polemic. What the future will reserve for Britain's last significant colony and to its 5.5 million inhabitants is unclear since it all depends on the wishes of the Chinese authorities. Generally a rather glum picture is painted of Hong Kong's future. Fears are raised of the new Chinese rulers of the colony using a heavy hand and adopting a "revanchist" attitude towards a people used to a higher level of freedom. This would of course violate the 1981 Joint Declaration, which gives the colony a high degree of political and economic autonomy for half a century after the handover.

There are of course many Hong Kong nationals who do not share this apprehension. Many have rallied around Governor Tung, the shipping

billionaire appointed by Beijing. These sections of Hong Kong's population accept China's role after 1997 and seek ways to make the most and, the best of the colony's return to the Chinese fold.

But there are other voices which seek to promote fear and to foster insecurity and unfortunately these are the ones which are heard internationally. One wonders why the outgoing governor, Chris Patten is showing such concern for the fate of the inhabitants of Hong Kong when Britain passed immigration laws over a decade ago excluding the future "victims" from the right of settling in the UK. Undoubtedly these statements could be linked to internal British political considerations.

On the other hand, a well-known Hong Kong legislator, Martin Lee went so far to say that "entrusting Hong Kong to China would be like handing over 5.5 million Jews to Germany after the Second World War". While this statement was made in the aftermath of the Tien An Men Square crackdown, it would be unrealistic to expect the authorities in Beijing to pursue a genocidal policy against their ethnic Chinese brethren in Hong Kong.

To understand the important issues relating to Hong Kong one must put aside these inflammatory statements

and look at some of the realities on the ground. The first of these realities is that Hong Kong and China, in spite of British rule or perhaps because of it, have always been close. The second reality is that Hong Kong will be transferred to China and that today China is rising from being an Asian power to a world power.

On the other hand, Britain, Hong Kong's colonial master is in economic and political regression. Britain maintains its world position as part of the European Community or as a member of NATO, but it is no longer the country which acquired Hong Kong by force of arms. British protests are therefore tinged with the bitterness one could expect from a country which has lost the leading status it once had.

After the handover, Britain's largest remaining colony will be Bermuda with a population of 60,000, nearly 100 times smaller than Hong Kong.

Giving up Hong Kong, for Britain is to handover a territory which has grown from the "barren island with hardly a house upon it" as Lord Palmerston ridiculed it, to a vibrant society and a major economic centre at both the regional and global level.

But Hong Kong's success can never be separated from the fact that it is economically and geographically

close to China. It is for this reason that Britain a century ago used "gunboat diplomacy" to extract the territory from China. The proximity to the huge country is a major reason for the prosperity of the colony and the high living standard of its population.

Hong Kong relies on China for almost everything. Food, water and even the sand used in the construction of the colony's high rise buildings, come from China. Hong Kong is therefore integrated to China and there is a symbiotic relationship between the two states.

It also must be added that the People Republic of China (PRC) are not "barbarians at the gate", waiting to plunder Hong Kong as they move in next July. Quite on the contrary, the PRC has heavily invested in Hong Kong's future.

Today an estimated 151 banks and 33 financial institutions from China are active in Hong Kong. The PRC has holdings in banks, commercial TV stations and about 4,000 investment firms. The largest of these, the China Investment Trust and Investment Corporation (CITIC) has holdings worth an estimated US\$ 200 billion in such high profile firms as Cathay Pacific Airways, Dragonair, Cross Harbour Tunnel and Hong Kong Telecom.

China therefore has a stake in the economy of the colony and has contributed to the creation of jobs there. As a rational power, China would continue to follow this policy well after the handover. It is therefore unlikely that the post-1997 era would be a period of economic gloom and dislocation for Hong Kong.

It also must be added that Hong Kong is a model of capitalist development for the PRC. While the PRC has relaxed its economy and allowed a vibrant private sector to emerge, it is far behind Hong Kong in this respect. There are many lessons China may learn from Hong Kong and

the economic integration of Shenzhen to the colony only proves this point.

### THE COLONIAL CONTEXT

Most of the problems foreseen in the handover, can be linked to the difficult relations which existed between Britain and China in the past. These are based on the idea that since Hong Kong was taken from China by force, the PRC authorities would take their revenge.

Hong Kong was given to Britain during a period Chinese historians call the era of unequal treaties. During this time in the 19th century, weak Chinese Imperial administrations were forced by European powers to hand over territory and trading rights. The British were relative latecomers to China, the Portuguese having established themselves as early as 1514. By 1557, the latter had established themselves in Macao, a territory which they will return to China in 1999 under an accord signed in 1986. The Portuguese enjoyed a lucrative trading relationship with China and did everything in their power to keep their European rivals at bay. In 1596, a storm came to their rescue and sent to the bottom of the South China Sea, two vessels carrying emissaries sent by Queen Elizabeth I to the Chinese Court. Later the Portuguese bundled out of Macao, Captain Weddell who was trying to approach the Chinese Emperor bearing a letter from King Charles I.

Diplomatic relations between Britain and China really began in 1793-94 when an emissary, Lord Macartney was sent to the Court of Emperor Qian Long. Even though relations between the two countries were on an equal footing at that time, the British envoy refused to Kow-tow before the emperor. This was a strenuous form of showing respect which consisted of, inter alia, pressing one's head on the ground nine times on being ushered in to the

Imperial presence. The compromise reached was that Macartney was allowed to get down on one knee and bow his head before the emperor. But this breach of etiquette did not augur well for future relations between China and Britain.

The events which led to British rule over Hong Kong were also linked to trade relations. There was very little the West could offer China in terms of trade and attempts to generate interest in Western goods failed. On the other hand Chinese products such as tea, porcelain, silks and rhubarb were very attractive to Western traders.

Of these products, tea was the most in demand and British traders had to pay for it in silver dollar coins. By the 1830's, China was awash with silver. Since 1699 British consumers had developed a taste for tea, a brew the Chinese had been drinking since the sixth century and this passion was costing Britain too much.

The huge demand for tea put China on a strong footing. By 1820 it was estimated that 20-30 million pounds weight of tea were imported to Britain from China. The British exchequer earned Sterling Pounds 3 million in taxes from these imports. In 19th Century economics, this sum could pay for half the cost of maintaining the Royal Navy, the leading naval force of that period.

British goods on the other hand were not able to break into the Chinese market. An attempt was made to sell wool in bulk to the Chinese. But this product was not in demand in a country where the poor wore padded cotton and the rich silks and furs. It is therefore not surprising that between 1781 and 1793, Britain was only able to export 16.87 million silver dollars worth of goods. This was a sixth of the value of Chinese teas imports to Britain. It was reported that China bound ships carried more silver dollars than manufactured goods.

*Contd on page 16*

# 'MASCOT AND SYMBOL'

## BY ANNE RANASINGHE

Review by Bradman Weerakoon

Anne Ranasinghe's latest work, a collection of poems, short stories and translations from the German, reaffirms the position she has reached today as one of the leading Sri Lankan poets and writers in the English language. She is also one of the most prolific of our writers, having published over the past twenty five years several books of essays, poems and short stories which have won international recognition. As Dr. Lakshmi de Silva, of the English Dept at the University of Kelaniya, says in her introduction: "*Mascot and Symbol* is to be welcomed as a collection, not only because it is rich and rewarding in its variety, but also because the juxtaposition of different forms of creative writing serves to throw light on the techniques and development of a writer whose performance justifies her reputation in Sri Lanka and the growing awareness of her work in Europe, New Zealand and the USA".

The range of content, mood and style that Anne Ranasinghe displays in *Mascot and Symbol* reflects the extraordinarily varied experiences of her life. Born in Germany she faced, as a Jewish child growing up under the oppressive Nazi regime, the pogroms that destroyed her community and her home and later, in the ordeal of the Holocaust, the extermination of her entire family. In a moving statement in 1988, in Essen, Germany at the reopening of the Synagogue which was burnt down by the Nazis in the so-called "Night of the Broken Glass" she indicted the Nazis of not only killing her family, destroying her childhood and depriving her of her country, her home and possessions but of severing her roots and denying her the privilege of the intimacy that one has with one's own earth". It also robbed her of her language, German. But Anne Ranasinghe was and is a survivor. For 10 years she was a German refugee in England where she learned and wrote in the English language. In 1949 she married a Sinhalese medical graduate, Dr. D.A. Ranasinghe who became Professor of Gynaecology at the University of Colombo, and has spent the past 46 years in Sri Lanka raising a family, writing and being actively involved in human rights. She was the first field representative of Amnesty International before the organisation was "banned" in the country by administrative fiat some years ago.

Understandably her latest collection of poems and short stories, several of them her own and her translations from the German, cover a wide canvas in terms of location, context, tempo and time. What brings them together and always compels attention, is the power of the idiom, the ability to invariably find resonance with the reader by the relevance of the experience, and the identification with loss and suffering as the pervasive human condition. While the pain of parting, of the inevitability of change and decay and of the lack of obvious reason for the catastrophes, natural and man-made which overwhelm the people and things she writes about, are the stuff of deep emotion, there is an absence of moralising or sentimentality. There are as it were, two levels of perception at work here. One, of the outsider, the detached observer of the local scene, and the other of her bruised past constantly intruding into the present and raising the questions to which there are no answers. But Anne Ranasinghe is not only the dispassionate observer with a wounded memory. She is one of us, having spent the greater part of her life as a wife and mother and she does not seek to distance herself from the moral responsibility that a Sri Lankan must feel for the happenings that go on around us.

The anguish of the person in-between, the interlocutor poised between there and here and past and present is poignantly expressed in *I speak*, her first selection of poems 1986-1996.

I speak  
not with the language of those  
who know all the answers  
but with the words of the helpless  
searching for images  
that drift through memory  
to make a homecoming  
out of exile

.....  
Eternal fugitive  
from a native landscape  
I carry with me  
the marks of all my sojourns

the tension  
between past and present  
and guilt  
at breaking tradition:  
betrayal of the generations.  
No one can restore  
what has been lost.

It is in forgetting  
that we can live our daily lives  
but we must survive  
in order to remember

The impermanence and impotence of life, in this case a bush which is not yet a tree, in **THE NIGHT OF THE TROPICAL STORM** is powerful in its visual impact:

There was a regal glory  
about this glowing bush against the mossy wall.

The morning after  
I found it slumped, shapeless and pitiful -  
dead at my feet, blossoms already withered,  
its named roots protruding shamelessly  
from the ripped soil.....

Anne Ranasinghe's preoccupation with the passing of time and with parting - a concern of many of us, both young and old, is chillingly contrasted in **WHAT WILL REMAIN**, - another of her 1986-1996 poems:

The flight of birds against a glimmering sky.  
Still places; and the sound of rain  
in trees. Billowing clouds  
Piled high against the far edge of the sea.

.....  
An abandoned house, an open door,  
Black shadows on a crumbling wall,  
An unfinished poem blown across the floor  
By winds that sweep through the empty hall.

Such elemental emotions as loneliness and leave-taking and the refuge in memory - her only shield as she once wrote - have been central concerns of the poet and are reflected in the title of the collection: *Mascot and Symbol*, the first of the twenty poems of Anne Ranasinghe's writings between 1970-75 is a "discarded piece of forgotten play" by her little daughter, a rough and odd shaped head of clay which sitting on her desk day after day becomes for her both mascot and symbol.

My love  
Caged in a lump of clay.

The many nuances of feeling contained in such everyday occurrences as departures and separation are movingly captured in several of the poems of the earlier period. Take for example her poem *Long is the Night*

Because I know you are not coming  
Though the stars are shining

For those who travel;  
Not coming tonight  
Or any night

And again in *White Witch*, her vision of what the moon looks like as her daughter leaves her for what could be a long journey over the seas, or her hazardous passage into womanhood.

I touch your face, I kiss your innocent mouth  
That smiles in the direction of our journey.  
Stay with me! - The sea is vast and lonely .....

And the denouement in *An Ambiguous Farewell To A.C.*

There will never be a truth between us.  
You  
With your subtle excuses  
Postponements and  
Evasions  
Have taken it with you.

Man's inhumanity to man - and animal - is another of Anne Ranasinghe's recurring themes both in her poetry and prose. *By No Means New* - the means employed to collect information, convict and punish the alleged offender are no different in mediaeval Venice to the Insurgency in 1971 and *Christmas at the Railway Collecting Centre* - parable of a wagon load of goats awaiting slaughter at X'mas time - chillingly probe the core of society's hypocrisy in the face of suffering. But the poetry is certainly not all of gloom and doom, as the quotations above may imply. One especially whimsical and fast paced poem is that of the gallant *Knight* around Rosmead Place, who

rides his bicycle like some proud mare  
Clopping the sunlit street with early morning verve -  
A happy knight, unsworded, clad in shorts  
Pedalling taut-calved into this new day.....

.....  
and then the poets constant solicitude about ageing

You can't believe it, but  
He's rising seventy.

Of the six short stories that are Anne Ransinghe's, *After the Monsoon* is an exceptionally touching tale of growing old, remembrances of the past and the final leave-taking from a life partner, which not unexpectedly won the first prize in a competition in 1968. *The Hawk* in a complete change of mood and style is a sharply macabre depiction of the universal and elemental battle for survival in nature. This time between an almost mortally wounded baby hawk and a predatory cat.. The young hawk wins.

The translations from the German include six poems of Rainer Maria Rilke whom Anne Ranasinghe, along with many others, regards as a national poet second only to Goethe. *Day in Autumn* evokes images not only of the passing of the seasons but also the reaching of the penultimate stage of life itself. Consider the import of the following lines in



the final verse.

Whoever has no house now will not ever build.  
Whoever is alone now will remain alone,  
Wake through the night, and write long letters filled  
with sadness .....

*Orpheus, Euridice, and Hermes* - the most visually striking of the Rilke poems, brings alive the age old Greek legend of Orpheus the tragic hero, who went to Hades to bring back his dead wife Euridice to the world of the living. But his quest, in spite of the efforts of Hermes, the messenger of the Gods, is of no avail for there is no return and for Euridice, her bonds to the man are finally broken:

She was already loosened like long hair,  
dissolved as fallen rain,  
shared out like limitless provision.

The depth and complexity of Rilke's work especially the *Ninth Elegy* in which he summarises his philosophy, is ably communicated in an Interpretation which brings the short selection to a close. Rilke in essence justifies human existence in that he sees something worthy in it in spite of the difficulties and contradictions that it embodies. The translations of the short stories by Christiane Franke been will resonate in the minds of the Sri Lankan reader. For one thing she will be recognised as the talented wife of the then German Ambassador Klaus Franke. And the incidents she relates with so much perspicacity and insight are of familiar moment to many of us. *The Testimonial* at the village funeral of the late butler who "presided over our household" dressed in white sarong and white jacket, and with white hair, is full of subtle ironies, displaying a remarkable awareness of the ways of our countrymen. The pathway which leads to the dead man's three houses and fields has lately been given a new name by a person unknown, "Interest Lane". *The Visit*, where in Bangladesh the diplomatic couple are forced to endure the boredom of a country squire yet living in the dream world of a long past Raj, evokes comparison with our own planter Raj fraternity. *The Road to Aricha* explores the varied hopes of a busload of travellers returning home on their annual holiday, whose expectations are shattered by a gang of highway robbers, is an experience which is not unusual to the readers of our daily newspapers. The suspense and build up in *The Road to Aricha* is riveting.

Taken together, *Mascot and Symbol* with its poetry, prose and translations is a testament to a gifted and original talent. This is a collection to be read and enjoyed as much for the lyrical quality of the writing as for the opportunity it invariably presents for musing and introspection.

## WAITING - 36

# Maligavila

Squinting through his theodolite, my brother  
Said the jungle, sun struck, was beautiful  
The greens, serenading in a myriad hues  
With the tireless cicadas.  
Then he leapt in the air  
Loosing his cool only for a moments  
Adjustment to gravity and a big green viper  
Sliding out of a fallen log into the Sun.

We agreed, on cautious inspection  
That the viper too was beautiful, glowing golden  
At its sides where its belly began  
Love, you shunned the snake  
Saying you didn't want to see it  
But couldn't hide a fearful fascination

A little further, the jungle bared another cruel sight  
A colossal quartz Buddha felled to the ground  
Once sculptured towering above the jungle,  
Lying in the shrubs now torn from its pedestal  
But glowing white, calm, and noble in an equanimity  
That pervaded the hushed jungle clearing.

We sat there a long time  
Rueing and atoning human hate  
Viper-like in greed and ignorance  
Being told this was the sad fall-out of an old  
monastic controversy  
Which monks had extended into royal conflict  
And this was History's frozen record  
Of their priestly King making.

U.Karunatilake

## BRITISH EMPIRE AS DOPE DEALER

The birth of the British colony of Hong Kong and the origin of many of its leading commercial establishments can be traced to the trade of Opium to China and to the notorious Opium Wars.

The British then found a way to turn the terms of trade to their advantage. It consisted of selling opium to China. Opium had been introduced to China in the 8th century by Turks and Arabs and it was used for medicinal purposes. By the 17th Century, there were reports of Chinese addicts smoking opium in pipes after mixing it with tobacco.

The British plan was straight forward. Indian grown opium would be sold to China. The authority which oversaw the trade was the British East India company (EIC), the multinational which ran India on behalf of the British Crown. The profits from this trade were soon visible. In 1829-30, the EIC collected taxes worth Sterling Pounds 1 million. This represented one tenth of the EIC's total revenue. But since opium was an illegal product, the EIC operated through a network of private traders, who subsequently made immense fortunes in carrying and selling the drug to China.

In China too, the trade in opium was banned and as early as 1729, Imperial edicts promised dire punishments to those caught selling or consuming the drug. But in reality, the laws were flouted by corrupt and lackadaisical mandarins who turned a blind eye to the sale of "imported mud".

But in 1834, when the problem of addiction became more serious, the Chinese authorities began punishing the traders and the EIC, undoubtedly taken aback by this tough response, took a conciliatory attitude. But then they later gave in to the lobbying of the big opium traders like James

Matheson of Jardine Matheson, who was also the President of the British Chamber of Commerce in Canton. The British Government was now officially backing the sale of opium to China.

The action also had an economic rationale and the policy of selling opium had dramatically altered the balance of trade in Britain's favour. It was estimated that 100 million silver dollars or one fifth of China's total silver holdings, were drained out of the country between 1821 and 1840. In real terms, the Manchu Government lost one tenth of its revenue.

The human cost was even higher. The widespread consumption of opium had a debilitating effect on a wide spectrum of Chinese society. At first it hit the upper classes such as the aristocracy, officials, landlords and rich merchants. It then moved down the social ladder to affect eunuchs, sedan bearers, soldiers and Buddhist monks. By 1835 it was estimated that 2million people in China had taken to smoking opium.

## OPIUM WARS AND UNEQUAL TREATIES

This situation was setting Britain and China on a collision course. The most vocal opponent of the opium trade was the governor of Hubei and Hunan Provinces Lin Zexu. Chinese sources have indicted that he had 19 interviews with the Emperor before securing his appointment as High Commissioner to Canton, with a mandate to clamp down on the opium trade.

Lin forced the British authorities in Canton to hand over 20,000 chests of opium valued at 3 million Sterling Pounds. The drug was thrown into trenches and made to decompose by adding a mixture of salt and lime. The Chinese authorities did a thorough job. When a coolie tried to steal a few ounces of the confiscated opium, he was beheaded on the spot.

The Chinese seizure of the opium was badly received in Britain. The act led to a series of events which culminated in the First Opium War of 1840. In this particular conflict the British army and the Royal Navy were deployed solely to defend the interests of William Jardine, James Matheson and the other big opium traders. Ethics or morality played no part in this conflict.

After suffering a series of defeats at the hands of superior British forces, China signed the Treaty of Nanking in 1842, granting in perpetuity the island of Hong Kong.

In Britain, there was much criticism of the war, not from an ethical standpoint but because of its limited spoils. Few saw in the tiny barren island a strategic point from which the huge Chinese market could be accessed.

But British ambitions did not end there. In 1856, the Second Opium War was launched for the same reasons as the first. It ended in 1860 when the Convention of Peking gave Kowloon and the Stonecutter Islands to Britain in perpetuity. The small colony had by now not only grown in area, but also had become a bustling settlement which included Chinese, British but also migrants from India, Europe and the Middle East.

But it was at this point that China was able to turn the tables on the British. By the Second Convention of Peking in 1898, the Chinese accepted to lease to Britain for 99 years the New Territories. To the British, this was another concession which they had been able to extract from the weakened Empire. But the Chinese knew otherwise.

The Chinese authorities realised that the leased New Territories would be fully integrated to the rest of Hong Kong. They understood that it would be unrealistic, upon expiry of the lease, for Britain to hold on to Hong Kong

# NO MORE THE IMPOSSIBLE DREAM?

## ACHIEVING GROWTH WITH EQUITY : THE EXPERIENCE OF THE PREMADASA YEARS

When Premadasa assumed the Presidency in 1989, he inherited a country which was a few feet away from anarchy and an economy almost in ruins. The three most important tasks he faced were restoring the country's sovereignty and territorial integrity, saving the democratic system by defeating the JVP insurgency and rebuilding the economy. By 1990 he had completed the first two tasks and was embarking on the third.

Any country faced with the task of economic rebuilding must first answer a decisive question. Who (which class/es, which segment/s of the populace) should bear the burden of rebuilding? The form the rebuilding takes depends on the answer to this question.

The period '89-'90 was one in which the world was in the process of becoming uni-polar, in the realm of economic strategy. With the manifest failure of both State capitalism as well as 'really existing' Socialism, economic neo-liberalism was gaining strength and acceptance as the only option available to the underdeveloped third world. In 1988 Sri Lanka had asked for and has been granted an enhanced structural adjustment facility (ESAF) which increased Premadasa's vulnerability in external pressures.

Considering the state of the economy and the international context, it would have been understandable if

Premadasa took the seemingly easy way out by accepting the policy prescriptions of the IFIs (in the main, privatisation, a tight monetary policy and reducing the budget deficit) and asking the people to 'tighten their belts'. However, he knew through experience, how the negative socio-economic consequences of the almost purely growth oriented strategy of the Jayewardene regime served to fan the flames of the JVP rebellion. Going the same route would be tantamount to risking another rebellion - and this was a price Premadasa was not willing to pay. He understood the importance of achieving growth but also knew that the only way to protect and safeguard the system was by changing it and restructuring it. If 30% of the populace continued to live below the poverty line, if the prevailing trend of the top 10% of society increasing its share of the national income at the expense of 80% of the populace continues, *the system would always be at risk*. The policy of 'trickle down' had to be discarded and an urgent struggle against poverty had to be launched, not only out of commitment to justice and equality but also to create a stable social and political environment necessary for economic take-off, high growth and systemic survival. *"If our democracy was to survive, indeed if society itself was to survive, we had to tackle the issue of poverty directly, without waiting for the benefits of growth to trickle down*

..... I realised that if we merely waited for trickle down to work, the very engine of production and democracy itself, would be destroyed. I saw a rising discontent, specially amongst the youth". (A Charter for Democracy, April 1990)

In the next few years Premadasa moved with the dexterity of a highwire artist, balancing growth with equity; investors with the poor; the private with the State, the foreign with the local; profitability with justice. It would perhaps be correct to say that he stood the prevailing economic dogmas on their heads and elicited a synthesis of his own.

Premadasa addressed the issue of economic development by adopting a double-barrelled strategy - one which was simultaneously market friendly and people friendly (and specially pro-poor). On the one hand he went the extra mile in pursuing growth and encouraging investment. He deregulated and opened up the economy even further and privatised a large number of State assets<sup>29</sup>. Investors were provided with a wide range of incentives. Some subsidies (like the fertiliser subsidy) were removed and reducing the budget deficit was made an important target. Steps were also taken to facilitate the rapid expansion of the stock market. To put it in a nutshell, he implemented a structural adjustment programme

capable of satisfying the IFIs and reassuring and enticing investors, both local and foreign.

Parallel to this ran another track - Premadasa's aggressive efforts to alleviate poverty and reduce inequality. Apart from the JSP he implemented a number of other programmes to achieve this goal. Under the 1.5 Million Houses Programme, 159,336 housing units were built with State assistance; more than 300,000 acres were distributed free of charge among more than 400,000 landless families under the Land Task Force programme; the ambitious 200 Garment Factories Programme was aimed at export promotion and rural industrialisation and introduced a minimum wage for the first time in Sri Lanka. His other measures included special loan schemes for the small and medium sector, free mid-day meals and uniforms to school children and a plan to develop 15,000 poor and under developed villages. In other words, far from asking the people to tighten their belts, he gave them as many breaks as possible. He realised that after the trauma of the Southern insurrection, the common people (and particularly the poor) needed a respite. Which was why, in rebuilding the economy, he followed a conscious policy of *not* placing additional burdens on the masses, specially the poor<sup>30</sup>.

## WHAT DOES THE RECORD SHOW?

How did this two track strategy fare in practice? At this point it would be illuminating to look at some of the key economic and social indicators:

### a) Growth rate

1987 : 1.5%  
1988 : 2.7%  
1989 : 2.3%  
1990 : 5.2%  
1993<sup>31</sup> : 6.9%

### b) Sectoral Growth rate

	Agriculture, Forestry & Fishing	Manufacture
1987	- 5.8%	6.8%
1988	2.1%	4.7%
1989	-1.1%	4.4%
1990		
1993	4.3	10.5%

### c) Investment as a % of GDP at current market prices

	Investment	Domestic Savings
1987	23.3%	12.8%
1988	22.8%	12%
1989	21.6%	14.8%
1990	22.6%	16%
1993	25.6%	

### d) Inflation

1988 : 14%  
1991 : 12.2%  
1992 : 11.4%  
1993 : 11.7%

### e) Budget Deficit (after grants) - as a percentage of GDP

1988 : 12.6%  
1990 : 7.8%  
1993 : 6.8%

### f) Unemployment

1973 : 32.1%  
1978/79 : 20.7%  
1981/82 : 14.2%  
1985/86 : 19.5%  
1993 : 14.5%

### g) Balance of Payments (SDR millions)

1982 : - 18  
1988 : - 64  
1989 : - 67  
1990 : + 138  
1993 : + 375

### h) Debt Service Ratio

1987 : 27.7%  
1988 : 28.7%  
1989 : 24.4%  
1990 : 16.5%  
1993 : 13.8%

Please See (Table 1)

I) Stock Market Indicators				
	1987	1988	1989	1990
1993				
Annual Turnover (Rs.Mn.)	335.5	378.4	256	1562.6
Average daily Turnover (Rs.Mn)	1.47	1.6	1.08	6.57
Shares Trades (Mn)	17.3	13.2	12.2	41.7
All share price index	217.97	172.44	179.49	384.39
Sensitive index	384.12	309.56	341.74	680.3
Sources :	Central Bank Report Sri Lanka Labour Force Survey Statistical Pocket Book of the Democratic Socialist Republic of Sri Lanka Sri Lanka Economic & Stock Market Review.			

These data clearly demonstrate that the country achieved a remarkable economic growth during the Premadasa years:

- \* a high growth rate ( including a significant growth of both agriculture and industry);
  - \* an increase in both investment and domestic savings ;
  - \* a relatively low rate of inflation ;
  - \* a decreasing budget deficit,
  - \* a relatively low unemployment rate ;
  - \* a massive improvement in the BOP,
  - \* a drastic decrease of the debt service ratio ;
  - \* and a fast growing stock market.
- Achievements any country, any government, can justifiably be proud of. When one considers that this remarkable economic growth took place while the country was recovering from a bloody and extremely destructive war and an insurrection and while being engaged in another full scale war, these achievements seem like a minor economic miracle<sup>32</sup>.

How about the other track - equity ? Let us once again consider some key indicators :

### See Table 2

These figures clearly indicate that the distribution of income improved *not only in favour of the poor* but also *the middle classes*. For example the share of the income received by the lowest 50% of the population improved by 9.9%. The only significant losers were the highest 10% of the populace whose share dropped by 12.8% between '85/86 and '90/91.

## 1) Income distribution

Deciles % of	Cumulative % of		Cumulative	
	Income		Income	
Lowest Tenth	0.4	0.4	1.9	1.9
Second	1.1	1.5	3.3	5.2
Third	2	3.5	4.3	9.5
Fourth	3.6	7.1	5.3	14.8
Fifth	4.9	12	6.4	21.2
Sixth	6.8	18.8	7.5	28.7
Seventh	8.1	26.9	9.2	37.9
Eighth	11.1	38	10.8	48.7
Ninth	12.7	50.7	14.8	63.5
Highest Tenth	49.3	100	36.5	100

These figures clearly indicate that the distribution of income improved *not only in favour of the poor but also the middle classes*. For example the share of the income received by the lowest 50% of the population improved by 9.9%. The only significant losers were the highest 10% of the populace whose share dropped by 12.8% between '85/86 and '90/91.

## 2) Literacy Rates

Census '71	CF & SE Survey	LP & SE Survey	LF Survey
'81/82	'85/86		
78.5%	85.4%	84.2%	86.9%

## 3) Infant Mortality Rate

1987 : 22.6
1989 : 18.4
1991 : 17.2

## 4) Life Expectancy at Birth

	Male	Female
1967	64.8	66.9
1971	64.2	67.1
1981	67.7	72.1
1991/96	69.5	74.2

## 5) Expenditure on Social Services

## i) Education

Year	Total expenditure Rs.Million	As a % of total Government expenditure
1975	4,453	8%
1987	4,853	7%
1989	9,400	10%
1990	9,571	9%
1991	9,129	7%
1992	12,541	10%
1993	14,070	9%

## ii) Health

Year	Total expenditure Rs.Million	As a % of total Government expenditure
1985	2,091	3%
1987	3,380	5%
1989	5,385	5%
1990	4,964	5%
1991	5,229	4%
1992	6,541	5%
1993	7,064	4%

## iii) Welfare

Year	Total expenditure Rs.Million	As a % of total Government expenditure
1985	4,900	8%
1987	6,961	10%
1989	12,456	13%
1990	11,998	12%
1991	19,281	16%
1992	18,569	15%
1993	21,339	14%

## Total Expenditure on Social Service

Year	Total expenditure Rs.Million	As a % of total Government expenditure
1985	12,149	22%
1987	15,531	23%
1989	28,458	30%
1990	27,468	27%
1991	34,558	29%
1992	38,837	32%
1993	43,552	30%

## 6) Transfer to Households (Rs. Millions)

Year	Total expenditure Rs.Million	As a % of total Government expenditure	As a % of GDP
1986	7,100	11%	3.96%
1987	8,606	12%	4.38
1988	10,456	11%	4.31
1989	12,143	14%	4.8%
1990	15,249	15%	4.7%
1991	21,637	18%	5.8%
1992	19,819	16%	4.7
1993	22,335	15%	4.5%

## 7. Real Wage Rates

## Minimum Wage Rates

	1990	1993
1) Workers in Wages Boards Trades	107.6	116.6
i. Workers in Agriculture	122.7	136.6
ii. Workers in Industry and Commerce	89.9	89.9
iii. Workers in Service	63.3	62.2
2) ALL Central Government employees	113.2	115.4
i. All non executive officers	103.3	108.7
ii. All minor employees	123.3	121.1
3) Government School Teachers	94.2	93.4

## December 1978 - 100

The rate of change before '90-'93

1) Workers in Wages Boards & Trades	+ 9%
i. Workers in Agriculture	+ 13.4%
ii. Workers In Industry & commerce	0%
iii. Workers in services	- 1.2%
2) All Central Government Employees	+ 2.2%
i. All non-executive officers	+ 5.4%
ii. All minor employees	- 2%
3) Government School Teachers	- 0.8%

According to this data, **real wage rates increased** during 1990-93 for two of the three major categories - Workers in Wages Board Trades by 9% and all Central Government Employees by 2.2%. The real wage rate for the 3rd major category, all Government School Teachers, declined slightly by 0.8%

Of the categories, real wage rates for Workers in Agriculture **increased** substantially by 13.4% and for all non-executive officers by 5.4%. There was a moderate decline in the real wage rate of workers in Services (1.2%) and minor employees (2%). The real wage rates for workers in industry and commerce shows no change (it increased in '91 and '92 and declined in '93).

## 8. Trade Unions

	1990	1993
Registered during the year	83	154
Functioning	1032	1151

## THE BIG PICTURE

What is the composite picture that emerges? 1. A significant reduction in income inequalities; 2. increase in literacy rates and certain other social indicators such as the infant mortality rate and life expectancy ; 3. some improvements in real wage rates ; 4. a massive increase in transfer payments to households ; 5. more freedom for trade unions and 6. an increase in trade union activity. These should be considered together with more than 300,000 acres of land distributed free of charge to the

landless poor ; 159,336 new housing units built with state assistance between '90-'93 ; free uniforms and midday meals given to all school children. In other words a **massive and aggressive intervention on the part of the Premadasa regime to alleviate poverty and enhance equity.**

What is the conclusion ? That during the Premadasa years there was **more growth and more equity** ; that he succeeded in doing what most policy makers throughout the world in 'developing', 'developed' and 'transitional' countries alike dream about and strive for - promoting growth and fostering equity *simultaneously*. In other words he succeeded in ensuring that the benefits of high growth accrued not merely to the top decile of the population but to the majority as well.

This was no accident ; no fortuitous occurrence. It was the logical outcome of a carefully thought out strategy which can be best summed up in Premadasa's own words : "*Development in any sense should help people live ... There is no meaning in any development that keeps the people in hunger ...*".

Premadasa regarded growth and equity not as mutually exclusive nor even as sequential but as mutually dependent and simultaneous. Without growth the only equity that is possible will be equity in poverty; a levelling down which was unacceptable to

Premadasa. On the other hand he also knew that fostering equity (i.e. ensuring that the benefits of growth accrued to the people) was a pre-condition for a **stable** socio-political environment which in turn was essential for sustainable growth. Premadasa gave equal priority to growth and equity not only because he was an idealist who passionately believed in justice, but also because he was a true realist. He knew that was the only viable formula in the medium and long term - particularly for a politically and socially highly volatile place like Sri Lanka.

Premadasa succeeded where many sincere efforts at achieving growth with equity/social justice in other Third World countries failed, because of his radically different approach to equity/social justice, the best embodiment of which was his poverty alleviation programme, Janasaviya.

In order to understand that, it is necessary to look briefly at the old debate on poverty and poverty alleviation. At one extreme, alleviation of poverty is seen as **an eventual outcome of high growth**. Achieving high growth is prioritised above all else and the benefits are expected to trickle down eventually resulting in the alleviation of poverty. In the meantime, government intervention to reduce income inequalities is frowned upon as being anti-growth and anti-market ; the maximum intervention that is countenanced is the provision of some minimalist safety net (often in the form of some meagre handout such as the food stamp scheme in Sri Lanka) and improving the standards of 'social infrastructure' (particularly primary education and primary health care ).

At the other extreme of the debate, equity is prioritised over growth and the emphasis is on re-distribution. This often takes the

form of provision of subsidies (such as the rice and other consumer goods subsidies in effect in Sri Lanka till 1978).

Though in the first instance poverty alleviation is seen as an economic issue, it is not accorded priority and is left entirely to market forces. In the second case, though poverty alleviation is accorded priority and the need for intervention is acknowledged, this intervention is seen and implemented as a welfare measure. But both approaches regard growth and poverty alleviation/equity/social justice as mutually exclusive at least in the initial stages. Therefore, in a sense, the basic premise of both approaches are the same. The only difference lies in the different remedies which are advocated: in the first case prioritising growth over equity, resulting in growth without equity; in the second case prioritising equity over growth resulting in redistribution without growth (equity in poverty). Both approaches can ultimately result in social and political disaster.

Premadasa's approach to poverty alleviation was different from both these approaches; perhaps it would be correct to say it was an imaginative synthesis of both approaches. Premadasa understood the key link between growth and poverty alleviation but he saw the relationship as being simultaneous and mutually dependent rather than sequential or mutually exclusive, even in the initial stage. He regarded growth as a necessary (but not a sufficient) pre-condition for poverty alleviation and poverty alleviation as a necessary (but not a sufficient) precondition for growth. He saw the need for aggressive intervention to alleviate poverty; but he didn't regard these interventions as social welfare measures; he placed them firmly in the space of macro economic policy measures. Poverty alleviation

measures were therefore not social welfare measures situated away from the sphere of 'hard' economic policy and often counter to the logic of it. They were an important component of his economic policy measures and were linked by a thousand threads to every aspect of growth - from export promotion to industrialisation. It would perhaps be correct to say that growth and poverty alleviation/social justice formed the core of his economic strategy; almost all of his economic policies were aimed at achieving these twin objectives simultaneously.

How was this done in practice? Premadasa's main poverty alleviation programme, was **growth** oriented while his major efforts at achieving growth, such as the 200 Garment Factories Programme were **poverty** alleviation/social justice oriented! As was emphasised earlier, the JSP was not just consumption oriented, it was also production oriented, simultaneously. Its purpose was to bring the poor into the development process. As Premadasa put it: *"Because of Janasaviya a large number of people could get interested in development work. We can involve the people in various rural development programmes at village level. Today the poor have no strength to get involved in them. They are very weak. We have our housing programme. We can easily bring in the Janasaviya recipients into that programme. Today there is a programme to alienate land to those who do not have land. These people too could be brought into that programme."* (4.9.89)

For Premadasa the poor were not a burden, an irksome responsibility, a perennial problem which necessitated some inexpensive palliative. He regarded the poor as an important resource which can make a significant contribution to the development process. This

resource was currently dormant and needed activation through the use of incentives. The poor had an important role to play in the development effort of the country, **but in order to facilitate this it was necessary to strengthen them** economically, socially, physically and psychologically: *"If we detect some kind of disease on the tea leaf, in the tea bush, we do research to find out why the leaves are dying. We get advice from the Tea Research Institute and provide the necessary treatment and nourishment to the tea bush. Similarly there is the Rubber Research Institute to look into the weakness of a rubber tree and the Coconut Research Institute to look into the weakness of the coconut tree. Not only nationally, we would do research internationally to find a remedy for the defects. Consider for a moment whether we do such research and care for our biggest asset - human resources. Whether we give the same care and attention to human beings as we give the tender tea leaves, rubber tree, the coconut tree or ear of paddy - though it is a human being who produces all these plantation crops? No. We have not treated the human being even as an object - not even to the extent we treat an agricultural produce. We have got used to treating the poor as a set of worthless beings".* (4.9.89).

There is a certain similarity between this approach and the theory of the development of the 'human capital/social investment' school. But there are certain differences as well. The target group/s of the social investment school is usually the work force and/or the youth, while Premadasa was focusing on the poor, the marginalised ('the underclass') or the 'welfare bums'. That very group of the populace which is simultaneously the *bete noir* and the Achilles heel of many a policy maker and economist become the locus of development strategy under Premadasa. Premadasa felt

that "the grand designs of the economic strategies scarcely touched the devastating plight of the poor ... " (at the International Year of Shelter for the Homeless - 1987, UN New York - 12.10.87) and to set out to 'right this wrong'. Unlike the 'social investment' or 'social development' school, Premadasa did not limit himself to piecemeal reforms such as improving the standards of and access to social infrastructure like primary education and health. He wanted to bring the poor into the development process by providing them with all the necessary requirements (economic, social and psychological). Poverty alleviation therefore formed the core of all his growth measures.

The 200 Garment Factories programme was an excellent case in point. Launching ambitious programmes to promote growth, industrialisation and export production is a common occurrence in the Third World. The 200 Garment Factories Programme was aimed at achieving all these objectives ; **but there was something more**. It was also directly and simultaneously aimed at fighting poverty and inequality. *"The criteria and requirements of this scheme are intended to cater to the need of the neglected and the deprived sections of our people. They are intended to bring about equity and social justice."* (Premadasa - The Address on the Establishment of Garment industries at AGA Division Level - 13.2.92).

#### WHAT WERE THE CRITERIA ?

\* Garment factories to be dispersed among AGA Divisions throughout the country - "No longer will the investors convenience be the determining consideration." (Ibid.)

\* Each factory must provide employment to at least 500 people "... because they should make a

*substantial contribution to employment generation in the peripheral areas."* (Ibid.)

\* A minimum salary of Rs.2000/- a month plus other benefits such as a free breakfast, tea and medical attention at the work place - *"Employees Welfare and employer interests are intricately interwoven. Exploitative ideas are self defeating."* (Ibid.)

\* In recruiting workers, poverty must be the only qualification i.e. priority should be given to poor youth, particularly those from JSP families<sup>33</sup> - *"Recruitment to the workforce will not be left to employers convenience. It will be because employment generated must respond to poverty alleviation strategies. Such strategies should incorporate distribution principles."* (Ibid.)

\* A new factory should be constructed according to certain specifications - *"it must also reflect concern for worker well-being and job satisfaction"*. (Ibid.)

In other words, growth strategies were structured in such a manner as to directly and immediately contribute to the struggle against poverty, thereby facilitating the harnessing of the energies and capabilities of the poor to promote growth.

That, then, was Premadasa's approach. On the one hand harnessing the poor, their talents, capabilities and energies to promote growth ; on the other, utilising growth policies to promote poverty alleviation. The fact that the Premadasa years saw a high growth and a decrease in income inequalities (poverty) demonstrates the success of the approach. And this approach should form the basis of any future effort at achieving growth with equity and social justice.

#### Footnotes

<sup>29</sup> The specific measures included reducing the maximum nominal tariff on imports, introducing a four band tariff and progressively removing export duty on traditional exports ; devaluation of the rupee ; lowering income and cooperate taxes and abolishing wealth and capital gains taxes ; and liberating commodity and financial markets and exchange regulations even further by the end of 1990.

<sup>30</sup> As a far from sympathetic analysis noted : "Even prior to the elections, Mr Premadasa had committed himself to a major programme for the alleviation of poverty. He was quick to respond to the perceptions among many of the rural poor and the urban working class that the "middle class" dynamics of the early liberation phase had effectively by passed them. The cash value of the food stamps was doubled and a major poverty alleviation project (the Janasaviya programme) was launched in 1989 as the lead project of the new government under the personal supervision of the President ( in his capacity as the Minister of Policy & Plan Implementation). It was later supplemented by programmes for school uniforms and midday meals. He also launched a programme to establish 22 Garment Factories in rural areas to promote rural employment and to help reduce regional disparities that were becoming socially divisive. All these measures helped to strengthen the power base of the President, but they also reflected concern for the poor and for political reconciliation in the wake of the violence that had occurred in the South after 1987. (p.10)... President Premadasa believed that visible benefits had to come rapidly to offset "adjustment fatigue" and to provide electoral benefits and not just over the long term" (p.24). The scale and the political priority of these welfare programmes



created shock waves amongst economists when they were first announced". (Footnote on p.10 of Economic reform & Governance : the second wave of liberalisation in Sri Lanka 1989 - 93 by David Dunham & Saman Kelegama, IPS).

<sup>31</sup> Premadasa was assassinated by the LTTE in 1993.

<sup>32</sup> The war between the Sri Lankan Army and the Tamil guerrillas fighting for a separate state in the North & East started in 1983. In July 1987 Sri Lankan President J R Jayewardene and Indian Prime Minister Rajiv Gandhi signed the Indo-Lanka Accord aimed at ending the war and a peaceful, negotiated settlement to the ethnic problem. All the guerrilla groups were to lay down their arms and an Indian Peace Keeping Force (IPKF) was to monitor the cease-fire. A series of incidents in September 1987 ended up with a full scale war between the PKKF and the LTTE, the most powerful and the most rooted of the Tamil groups.

In the South a full scale campaign against any political solution to the ethnic problem was in full swing since the mid-'80's led by the main Opposition Party, the SLFP and the JVP. The JVP had gone underground after its proscription by the Jayewardene regime by 1986/87 its metamorphosis from a semi-Trotskyite/'Marxist' party to a Sinhala extremist force was complete. After the Indo-Lanka Accord, the JVP launched an armed campaign against the Accord, and the system of Provincial Councils envisaged in the Accord and implemented in 1988 and the IPKF - which commenced with the brutal killings of anti-racist leftists. (It's most famous victim was Vijaya Kumaranatunga, leader of the Sri Lankan Mahajana Party, the breakaways from the SLFP. After the brutal killings of several leftists by the JVP, Kumaranatunga became a strident critic of the JVP

and its partner and patron, the SLFP and the leading figure of the anti-JVP left forces. On February 16th 1988, Kumaranatunga was killed by two JVP gunmen in front of his house. Kumaranatunga was the son-in-law of the SLFP leader Mrs. Bandaranaike, and his wife Chandrika is currently the President of Sri Lanka). By 1988 the JVP led insurgency had become extremely powerful and its stand against the IPKF was winning it support from the most diverse segments of the populace. Throughout 1988 and 1989 the JVP carried out a very conscious campaign to sabotage and eventually destroy the Lankan economy. In August 1989, Premadasa publicly demanded the immediate and unconditional withdrawal of the IPKF thereby depriving the JVP of its most emotive and therefore the most effective slogan. Hard on the heels of this strategic political setback came the JVP's military defeat in Nov.'89, symbolised by the death of its three top political and military leaders.

In mid-'89 Premadasa commenced negotiations with the LTTE in order to facilitate the withdrawal of the IPKF and in the hope of finding a negotiated political solution to the ethnic problem. Despite Premadasa's sincere efforts to avert the resumption of the hostilities, the LTTE unilaterally restarted the Second Eelam War in June 1990.

<sup>33</sup> This was a conscious effort to cause a dent in the vicious cycle of poverty - low levels of education/ no education - unemployability (or only as menial workers) -

*Contd from page 10*

strated by the retrograde dilution of the few positive attributes of the Basic Ideas in the subsequent Draft Provisions

The GSL's resistance to negotiating a settlement to the Tamil Question has stiffened further principally due to the continuing military campaign in the NEP. The longer the war lasts, the stronger Sinhala chauvinism will become and the further peace will recede; for a nationalist war against Tamils must of necessity strengthen the Sinhala right-wing and undermine the prospects for constructing a basis for negotiations. Moreover, the war has been and still is exploited by the GSL to justify emasculating and even dismantling democratic institutions and practices in the name of 'national security'. Thus the all important democratic framework essential for conflict management is being eroded rapidly.

The politically naive human rights and conflict resolution lobbies in Colombo, who opportunistically supported the 'conquest' of Jaffna in December 1995, must share the responsibility for this fast diminishing prospect for peace.

It follows that there are two indispensable pre-conditions for a political settlement. First, the GSL must repeal Articles 2 and 76 of the Constitution. Second, the GSL must declare a permanent cessation of hostilities immediately. The GSL should thereafter begin negotiations with the LTTE. If the GSL attempts any other political scenario it will be a tragic exercise in self-deception, that a military victory is possible. And if the GSL is unable or unwilling to meet the two pre-conditions specified above, it must confess its incapacity to satisfy the legitimate political aspirations of the Tamil and Muslim peoples; equally it must accept the legitimacy of the Tamil struggle.

- CONCLUDED -

Contd from page 16

and Kowloon after returning the New Territories. The New Territories therefore decided the fate of Hong Kong and a century of humiliation was a comparatively short period for a nation whose history spanned several millennia.

### CONCLUSIONS

On the 1st of July 1997, China will recover Hong Kong. To China it will be a great boost to its national pride as the era of unequal treaties will be gone forever.

But beyond the pride factor is the fact that Hong Kong is today a huge metropolis of nearly 6 million people and the twelfth largest trading place in the world. It is also the leading ethnic Chinese City in the world with a sophisticated and qualified population; ahead of Singapore, Taipei and Shanghai.

It is therefore perhaps not correct to speak of a Chinese take-over of Hong Kong, but of a merger between the world's largest nation and fastest growing economy with one of Asia's most dynamic trading centres.

It would therefore be illogical for China to persecute the population of the colony since this would erode confidence in Hong Kong. A more likely approach on the part of the Chinese would be to respect Hong Kong's rights as a Special Administrative Region (SAR) as stipulated in the 1984 Joint Declaration.

Much of the negative forecasts are the result of British bitterness in having to return their last significant colony, to Asia's rising power. More significant regional powers such as the USA, Russia, Japan and South Korea are following the events with interest and a certain degree of awe. The handover of Hong Kong will undoubtedly contribute to a change in the global balance of power.

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