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CASTE AND THE MARKET

Gail Omvedt

**ETHNO-POLITICAL REGIONALISM :
UNPACKING THE DEVOLUTION
PACKAGE**

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LEFT-RIGHT, LEFT-RIGHT

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**REGIONAL COUNCILS :
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LANKA UNDER PA RULE

Tisaranee Gunasekara

AN APOLOGY

D. L. O. Mendis

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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POLARISATION

Mervyn de Silva

"In one case, for practical purposes only two parties share the parliamentary seats; the one assumes the entire responsibility for government; the other limits itself to the free expression of criticism in opposition; a homogenous and powerful cabinet has as its disposition a stable and coherent majority. In the other case a coalition between several parties, differing in their programs and their supporters is required to set up a ministry, which remains paralysed by its internal divisions as well as by the necessity of maintaining amidst considerable difficulties the precarious alliance on which its parliamentary majority is based" — Maurice Duverger in POLITICAL PARTIES.

On May 18, four constituent parties of the Peoples Alliance - the LSSP, the Communist Party, the DVJP and the SLMP, - met at the SLFI to discuss the current political situation. The minister of Science and Technology, Mr. Bernard Soysa, the veteran Sama Samajist leader, chaired the meeting. According to the political correspondent of the SUNDAY LEADER, the Minister of Fisheries, Mr. Indika Gunawardena, who was absent, has indicated that he "supported the initiative".

Economics in command. The mounting crisis in the PA can be attributed to the alienation of the SLFP's Left-inclined allies who have been steadily disillusioned by a leadership firmly committed to the IMF - World Bank's strategy of "structural adjustment" or unable to resist the Bretton Woods twins who now dictate policy. And it is hardly a secret to any serious student of "Third World" politics that this economic strategy places an enormous burden on the wage-earner, and the lower middle-class salaried.

In such circumstances, rising discontent soon finds a natural spokesman in the trade union leadership. And that leadership belongs to or has strong links with political parties like the LSSP, the C.P. et al. With the Soviet implosion, the pro-Soviet communist movement has withered away and "front organisations" have collapsed. Sometimes the laws of nature have removed them from the Sri Lankan political scene. The Cambridge-educated Pieter Keunaman was one of the last survivors of the pro-Moscow camp, while Cabinet Minister Bernard Soysa remains the last member of the Trotskyist Old Guard in Parliament. It was the General Secretary of his party, Mr. Batty Weerakoon MP, who was quoted by the SUNDAY LEADER:

"We have a struggle within the PA. There is a group in the PA which wants to continue with the UNP policies. We were not elected to carry out UNP policies" said the General Secretary.

In short, there is a clash of views between the PA's Left and the PA's Right on the fundamental issue of economic strategy. To put it bluntly, we see two formations of the PA on a collision course.

Comrade Vasudeva, the last of the Trotskyists, hard-line and defiant, is the eye of the storm. "Since my reply to the President's Mirihana speech was published in the YUKTHIYA, I have got many threatening calls - obviously from her supporters who consider that it is their job to do so, I presume" the Trotskyist MP told the SUNDAY TIMES. The report, with a picture of Mr. Nanayakkara, was headlined 'VASU DEFIES THREATS, DENOUNCES CBK again'. The Sunday Times reader must

surely wonder what sort of mis-alliance is the Peoples Alliance.

The point is that these public exposure of ideological and policy differences must surely confuse not just the voter

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THE IDEAS MAGAZINE

and reading public, but the administration, meaning the public service. Politics is an open field, but economic policy must be clearly conceived and firmly pursued.

President Kumaratunga has a model in mind - South Korea, an Asian "tiger". For the Trotskyist Vasudeva, South Korea has (pretty much) one party, one newspaper and one radio station! She has also reminded us that in South Korea those who use the strike weapon are "dealt with firmly, and sometimes imprisoned". If that is what the President wants, "she must seek a fresh mandate", says Vasu.

The real problem however is inflation. The rising cost of living has made life for the wage-earner and the middle-class salaried increasingly harsh. This is an oppressive burden for the public servant. It is the mounting pressure from these articulate, politically conscious sectors that is gradually isolating a regime led by a politician who swept the presidential polls with an unparalleled 63% vote.

But it was the selfsame PA which had to struggle to reach 50% at the local government polls in March. It was such a shock that Professor G.L.Pieris, the authoritative, if self-appointed spokesman of the PA lost his cool..... all because the deputy editor of the state-owned OBSERVER had dared to write that "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. The UNP was summarily dislodged from its previous domination of local authorities but picked up a solid 41.25% vote to the PA's 49.7%". That single word BUT got the Observer's deputy editor, Lakshman Gunasekera into serious. Within 24 hours, Prof. Pieris had replied to the OBSERVER in the front page of the DAILY NEWS, the morning daily of the selfsame state-run LAKE HOUSE! The PA's "true percentage" was 51% of the total vote, he said, since the votes of the PA-supported Independent Group should be added!

Mr. Gunasekera is now a "missing person". More significant however was the knee-jerk reaction of the

former Colombo University vice-chancellor. His extraordinary reaction betrayed a loss of self-confidence. The VASU intervention and his disclosures, particularly about threats, is another sign of the changing political scene. It is NOT as if the Opposition is growing

strong, but that the PA., a loosely-knit 'alliance' of diverse groups, is under increasing pressure, and seems to be rattled. It is a process where economics, inflation most of all, is in command. In politics, one can, if clever, fudge or con. Not, alas, in economics.

Waiting 39

Lankarama

An ancient city

IS not like a patch of anonymous jungle

Harried by War

There may have been no understanding earth

To soak up the blood

That once ran on cobbled streets

Or the polished slabs of palace courtyards

Or the sacred stone paving round great Stupas

Dark hosts closing in

From North, West & East, greedy for pillage

Would have left the squares and parks certainly too untidy

For those Greek and Phoenician tourists

And those Chinese philosophers

Searching for commentaries on the Sutras.

Love, were we troubled in our Sansaric memory

That we returned

Again and again to this beautiful Stupa

With its sad legend of a King fleeing with his two Queens

Abandoning one at this spot to save the other

Building this Stupa in her memory when he regained his kingdom.

Each time we offered flowers here and watched

The spirals of incense curl round the carved stone pillars

We wondered whether even this Stupa could atone

For such casual desertion.

U. Karunatilake

SCENARIO 2005

SRI LANKA COUNTRY REPORT

Tisarane Gunasekara

Fast Forward. The Year is 2005. Sri Lanka, its economy and its people are still convalescing after a yet another bloody and destructive election - this time the first Parliamentary poll held under the new (1998) constitution. The result was a foregone conclusion - one more victory for the PA under the leadership of Chandrika Bandaranaike Kumaratunga who is now in her second term as the country's executive Prime Minister. The election campaign held no surprises - the PA was on the offensive and the UNP refused to defend itself or its activists. In fact nothing could rouse the UNP from its self imposed stupor - not the increasingly lethal attacks on its supporters; not the widespread and blatant rigging on the polling day; not even the torching of its headquarters, Srikotha, the day after the elections. The election was pronounced unfair and unjust by everyone from foreign observers to the local media. There were only two exceptions - the PA which said it was free and fair and the UNP which alternated between a tight lipped silence and inaudible, incoherent mumblings.

The election is followed by the usual debates as to when and how the slide began. When and how did sluggish growth turn into stagnation? When and how did increasing cost of living and decreasing welfare result in a rapidly accelerating process of povertisation and pauperisation? When and how did elections cease being hotly contested battles and become political blitzkriegs with the PA goose-stepping over increasingly apathetic opponents? And when and how did the UNP lose the will to capitalise on the socio-economic trends and popular discontent; to fight, to resist and to win?

Opinions vary but there is a growing consensus that the Rubicon was crossed in 1997/98. The period of '97-'98 contained many landmarks - the local government elections, mid term

Parliamentary polls, the referendum on the devolution package and the new constitution, first ever elections to the newly formed regional councils and the privatisation of a number of state assets including some important public utilities. It was one of those periods in history when everything is in a state of flux. 1932 - 34 in Germany was one such period. Allan Bullock in his biography of Hitler says that "far from being inevitable, Hitler's success (in 1933 - TG) owed much to luck and even more to the bad judgement of his political opponents and rivals"; and that Hitler was aided by 'the division and ineffectiveness of those who opposed him' (Hitler - A Study of Tyranny). In '97-'98 Chandrika prevailed not because she was a strong leader but because all those who opposed her were weaker than she was. However wrongheaded she may have been on important issues of economic development and social progress, she was perfectly clear on one thing - the need for staying in power by whatever means necessary. Her luck consisted in the fact that her main opponent possessed no such clarity and was indeed uninterested in winning elections in a hurry - certainly not until the Party has been remoulded in his own image and the voters are so fed up with the existing government that their allegiance can be won without making any 'populist' promises pertaining to their living standards.

When President Chandrika decided to go for mid term polls in order to increase her one seat majority in Parliament prior to the promulgation of the new Constitution which abolished the Presidency and brought her back into the House, the UNP was far from ready for such a titanic battle. The PA went all out, intent on winning. The UNP however continued to look inwards and sideways in its search for enemies. While the PA concentrated on the election, the UNP gave priority to its dealings with the British and EU mediators, various LTTE contacts and numerous aspirant 'facilitators' in an effort to

initiate official bi-lateral negotiations with the Tigers. This was also with a view to winning elections by having the minority vote delivered.

Not that the UNP would have conducted an all out campaign even without this preoccupation - because the party was still in a self imposed comatose state caused by the 'Ratnapura syndrome'. *Comme il faut* became the Party's new creed. Priority was given to avoiding even the most remotely possible clashes with the PA - a difficult task considering the PA's absolute determination not to allow the UNP to raise its head democratically. Rallies, poster campaigns and other election activities were kept to a minimum and the UNP leadership imposed a six o'clock (p.m.) curfew on the rank and file. The countless acts of violence against the UNP, even when such violence resulted in the gruesome deaths of party activists and supporters, were ignored or downplayed. The funerals went unattended by the UNP leaders. No effort was made to democratically counter the PA initiated violence or the widespread instances of election malpractices. The UNP also stood steadfast in its refusal to make any election promises to the people with an obduracy which would have made Baalam's Ass look a veritable epitome of flexibility.

The new policy of handing over the selecting of Parliamentary candidates to the UNP-Professionals Group accorded a basic university degree or its equivalent in any field - specially Business Management - more importance than years of political activism at the grassroots level. As a result many loyal, popular, dedicated and experienced party activists of long standing were relegated to the side lines while new comers were given precedence simply because they happen to be "professionals", peaceniks or eco-feminists. The 'new look' UNP's 'young Conservative' type candidates were expecting British and American standards at a Sri Lankan election conducted by the PA and Chandrika

Bandaranaike Kumaratunga. Most of these ladies and gentlemen abandoned their electorates and their voters and fled to the relative safety of the metropolis the moment the PA election campaign became less than orderly, soft spoken and well mannered - which happened fairly early in the day. Since there was hardly any resistance from its chief contender - in fact there were hardly any UNP polling agents visible - the PA romped home, winning a comfortable majority in the new Parliament.

The next item on the PA's agenda was the new constitution cum the power sharing package. Hitler became the chancellor of Germany using legal means, though he had not succeeded in winning more than 37% of the votes in a free and fair election. That was because his centrist and leftist opponents were divided and incapable of seeing the magnitude of the danger the rise of Nazism represented. Instead of doing everything to keep the Nazis out of power, the leftist and centrist parties in Germany continued to play at politics as usual - with disastrous consequences for themselves, for Germany and the world. *According to a Mitofsky Research International poll conducted in 1997, more than 50% of Sri Lankans were opposed to the main proposals contained in the PA's devolution package. Yet the government succeeded in winning the referendum and pushing the package through the new Parliament. Why?* Because there was no entity, no individual to co-ordinate and lead the anti-package forces.

Fearful of losing Tamil votes and even more so of incurring the ire of the West, the UNP gradually ceased even its sporadic criticisms of the package. In fact it took a stand that the package didn't matter since it wasn't acceptable to the Tigers and what mattered was negotiations with the LTTE. (Though the PA may have agreed to hold separate referendums on the new constitution and the devolution package if the UNP made a strong enough demand, the UNP made no such request. The PA therefore went ahead and held a single referendum on both the package and the new constitution). This enabled the UNP to effectively stay out of the package battle and the referendum. Politically and organisationally the anti-package forces therefore became leaderless. The vacuum was filled by extremist Sinhalese elements whose intemperate language and ludicrous extremist stands embarrassed the majority of moderate Sinhalese. The linking of the package with the new Parliamentary constitution sowed confusion and dissension within the ranks of anti-package forces. The PA, meanwhile,

conducted the pro-package politico - propaganda battle with determination and cohesion, departing from non violent practices whenever it was perceived necessary. The anti-package forces were so dispersed and divided that they were even unable to co-ordinate the appointing of polling agents to polling booths - thereby leaving the field wide open for election malpractices. The impossible therefore became the reality - the package was approved at a referendum marked by low voter turnout and blatant acts of rigging.

Only the JVP came out well, having strengthened itself through the anti-package campaign and won over large numbers of Sinhala nationalists from the two major parties.

Once they obtained the necessary approval for the power sharing package and the new constitution, the PA moved fast to further consolidate its gains. Its aim was to win power in all the newly formed regional councils outside of the North-East. Once again an all out campaign was launched. Though there was considerable mass discontent in the country, the UNP leadership refused to reach out so as to allow the party to become a rallying point for these forces. Instead of promises based on the results of a search for new solutions for the pressing concerns of the people, the official party propaganda was dominated by vapid, vacuous utterances about the 21st Century and the information age. Sinhala and Tamil translations of the slogans of the Bush, Dole and Major campaigns were the only ones sanctioned by the UNP leaders for public use. The PA worked hard at winning the elections while the UNP worked hard at keeping the so-called 'hotheads', the 'recalcitrants', the 'hard-liners', the 'old guard' and the 'populists' in line - and preventing even the slightest criticism of the strategy of the new leadership appearing in the media. The end result was a PA victory in all regional councils except the North-East, at a manifestly unfree and unfair election. The UNP once again accepted its defeat with admirable stoicism - limiting its reaction to an exquisitely politely worded statement of protest. Once again it failed to move a no-confidence vote in the House or to file election petitions.

By the end of 1998, the PA had succeeded in pushing through the package and the new Chandrika - G.L. constitution and winning power at all levels - Parliament, Regional Councils, Pradesheeya Sabhas. However the spate of elections had caused immeasurable damage to an already weak and ailing economy. This was exacerbated by the exorbitant costs of setting up eight regional councils with their

own judiciary and police force. The end result was a depleted exchequer and a massive budget deficit, making the government more dependent than ever on the generosity of the donor community. The donors used this dependency and the resultant lack of bargaining power, to push harder on the full implementation of their radically neo-liberal agenda. The PA's 'take no prisoners' politics was followed by a similar 'zero-sum' economic policy. A massive and rapid privatisation programme (which did not spare any public owned enterprise - including the two state banks); a substantial devaluation of the rupee; a new agricultural policy which aggressively discouraged paddy cultivation in favour of the cultivation of cash crops; a wage freeze; a drastic reduction in public spending, particularly spending on tertiary education, health and welfare; total import liberalisation covering both agricultural and industrial products: these were some of the measures implemented by a cash hungry PA government in obedience to dictates of their western masters. Though there was considerable popular opposition to every one of these measures, the attempts by these various forces to rally round the UNP and secure its support proved futile. The UNP leadership had no basic problems with and thus no real criticisms of, this accelerated neo-liberal strategy. The result was that a segment of the people opposed to the government's anti people and anti national economic strategy began to look elsewhere for alternatives. The beneficiary of this was none other than the resurgent JVP.

The effects of the accelerated strategy of neo-liberalism began to be felt soon enough. The attempts to control inflation through drastic cuts in government spending came to grief - because of imported inflation resulting from the devaluation of the rupee. Higher inflation and reduced government spending created a downward spiral leading to povertisation and pauperisation. Privatisation led to more strikes and the violent suppression of some of those strikes. The pre-planned shift away from subsistence agriculture to cash crops led to the substitution of the peasant small holder by the agricultural labourer and the landless. The liberalisation of imports caused immense problems to many local producers both agricultural and industrial; the consumer was unable to benefit from this policy of removing all import barriers because of the drastic devaluation of the rupee and the resultant steep increase in the price of all imported goods. The reduction in public expenditure caused a deterioration in the quality of public services which contributed to a further decline in the living standards of the majority of people already

May 23, 1997.

APOLOGY

Two articles appeared under my name in the LG of February 15, and March 1, 1997. There were responded to by Professor K.M.de Silva in "rejoinder" published on May 1, and May 15, which I do accept as a balanced, fair, and convincing critique of what I had written. Therefore I wish to tender this unqualified apology to Professor K.M. de Silva and any others who may have suffered any pain of mind by what I wrote. I do accept that much of what I wrote was not based on objective scholarship, but on prejudice and malicious gossip, which I now deeply regret. I would like to ask that those two articles be treated as withdrawn or expunged from the record for all practical purposes, by LG readers. I also request that this apology be given maximum prominence in the very next issue of LG on June 1, 1997.

In conclusion, I do assert that Professor K.M. de Silva, whose friendship I value greatly is without question the foremost contemporary historian in Sri Lanka, recognised as such around the world. Therefore I would henceforth like to have his guidance to help me achieve a correct understanding of contemporary Sri Lanka history in the future.

Signed : D.L.O. Mendis

Copy to Professor K.M. de Silva.

ASSASSIN APPLAUDED

The May 9th episode of the TNL's 'Always Breakdown' was a shocker. How else could one describe a programme which depicts a LTTE suicide bomber as a deity to whom the Sinhalese (both the leaders and the people) pray for deliverance! A viewer should be pardoned for wondering whether this is a devious piece of LTTE propaganda, produced by that organisation's propaganda unit.

In fact, the scriptwriter, the director and the producer of the programme have gone even further than the LTTE! Tiger propaganda depicts Babu, the suicide bomber who killed President Ranasinghe Premadasa and a dozen other UNP activists on May 1st 1993 as a martyred *hero* of Tamil Eelam. But to the TNL crew behind this particular episode of 'Always Breakdown' Babu is much more exalted: he is a *God* who should be venerated and worshipped by the Sinhalese. President Premadasa is in hell, while Babu, because of his meritorious deed, has gone straight to heaven!

Perhaps it may be said that this programme should not be seriously objected to because it is a piece of light hearted political satire. This however is far from being the truth. Not only is Babu's past action of assassinating a democratically elected leader of Sri Lanka endorsed; there are repeated pleas to Babu to come down to earth to 'free the people once again' from unsatisfactory political leaders. Translated into plain language, what this amounts to is inviting the LTTE to repeat their past performance by killing a few more of our remaining political leaders!

The venomous attacks on a Sri Lankan political leader who is dead and therefore cannot defend himself; the deification of a LTTEer who was a sworn enemy of the Sinhalese, democratic Tamils and Muslims, and one committed to the defeat of the Sri Lankan armed forces and the bifurcation of our country; the endorsement of the LTTE's strategy of depriving Sri Lanka of its leaders by assassinating them - all this is symbolic of a moral and ethical degeneration that has affected a certain segment of our society. With its cowardly attacks on the dead and its veneration of the enemies of the country, this programme is an affront and insult to any Sri Lankan who is patriotic, civilised, and fair minded.

The creators of the programme endeavour to give it a radical sheen by getting 'god' Babu to berate President Chandrika for breaking her promises to the people. That this radicalism is but a veneer which hides a searing contempt for the poor is amply demonstrated by the sneering at Janasaviya and the depiction of the people, in a prolonged song, as 'welfare bums' who like to and want to live on charity.

Unpatriotic, uncivilised and anti-people; such moral turpitude - which applauds assassins - had to be seen to be believed. One cannot but wonder who is next in line for deification by the creators of "Always Breakdown": Velupillai Prabhakaran?

B. Sirisena Cooray
Chairman,
The Premadasa Centre.

CRIPPLING THE ECONOMY

Consequences of the Devolution Package - part III

Buddhadasa Hewavitharana

Prof. Hewavitharana, was advisor to Dr. N.M.Perera when the latter was the Finance Minister).

Q: Sri Lanka is ranked as one of the least developed countries. So far despite many efforts and high aims such as achievement of NIC status, the progress has been tardy. How do you think the package will change this picture? Will it be for the better or the worse?

A: I think it will be very much for the worse. For decades we have been making efforts but have failed to achieve sustained rapid growth. The package will create *new encumbrances* that could make it difficult for the economy to realise its long-term growth prospects. There is a saying in Sinhala that fits this case, "*Nikang yanna beri minihata alu kullak arang pala kiwwa wage*" - like asking a man who finds it difficult to walk to carry a winnower filled with ash as well.

The issues That were covered earlier in our discussion point to the many ways in which the package can adversely affect economic growth. Let me recapitulate these briefly before getting on to new issues. We noted that structural adjustment is a path to growth and that the centre needs to be strong for centralised decision making and at the same time be flexible in policy making so that appropriate policy-mixes could be designed to achieve the objectives and appropriate policy responses could be produced to meet the numerous challenges that come up. Policies have not only to be

made but also implemented in order to exploit the opportunities and meet the challenges that are emerging around us all the time. We saw how the package would work in the opposite direction to *reduce the strength that the centre has and also to deprive it of whatever flexibility it possesses* at a time when it is in need of more of these very attributes. The art of facilitating and promoting market forces-driven growth is a subtle one which cannot be effectively practised by a weakened centre and when decision-making on some important matters is decentralised.

We also saw that the state would find it difficult to effect the long overdue transformation from the traditional provider/distributor role to one of promoter/regulator of private sector-led growth, because of the political culture of election promises and economically irrational expenditure that would get enlivened under the package. Whereas even now the government is too large to be entirely compatible with an efficient private sector-led growth strategy, its size will increase further posing the real danger of smothering the initiative and dynamism of the private sector while eating up some of the resources it could use for investment. Instead of a rolling back of the state and good governance there could be more government, more politicisation and more "sleaze".

It was also seen that the package can have extremely negative implications for the structural budget deficit, the one problem that is impeding sustained and rapid growth because of a

populistic and competitive proliferation of subsidies and expenditures that would weaken structural budget deficit management and defeat stabilisation efforts. The manifold damage that such a turn of events could do to economic development was noted. These were the issues already covered. The new issues we have to discuss now are those pertaining to planning and economic efficiency.

Q: Before we take up these new issues could you explain why good governance is important for growth?

A: Good governance implies accountability, transparency, lack of "sleaze", efficient administration etc. Promotion of private sector-led growth in our circumstances involves privatisation processes, promotion of stock exchange, promotion of credit and finance to the private sector, award of contracts for economic infrastructure, and other measures for guiding capitalism. These by their nature open up immense possibilities for corruption among political leaders and bureaucrats. Achievement of high growth through above measures is possible even without good governance as was the experience in South Korea. But as we know, South Korea which is acclaimed as a model of high achievement in growth also had to pass the death sentence, according to their laws, on two of her Presidents who ushered in such high growth because they were found to be corrupt and stained with "sleaze". They failed to practice good governance.

I can go on and on with similar stories

from other countries. So, however difficult it may be to achieve growth through guided capitalism while practising good governance, it would always be good for the health of the political leaders to see that the possibilities for "sleaze" are minimised. My view is simply that the more decision-makers with increased powers that you will have at the sub-national levels, the greater will be the scope for corruption and "sleaze" in the context of the various adjustment measures and private sector-led growth. This would be counter-productive from a development point of view.

REGIONAL PLANNING

Q: Shall we take up planning as a critical factor in development as you have mentioned? How does the package affect the planning function?

National planning is reserved while regional planning and plan implementation are devolved to the regions. This makes difficult the formulation and implementation of a coherent national plan because it is not clear how regional planning and implementation would mesh with the national planning done by the centre. It could result in **uncoordinated regional plans** which in turn could have adverse effects on development because if a country is to move forward it has to do so on a national development strategy. The problem of **uncoordinated sub-national plans can get aggravated with the powers given to the regions to negotiate foreign loans**, grants and technical assistance. The regions which are better able than the others to succeed in such foreign negotiations can produce more ambitious plans. Another aggravating factor is politicians taking economic decisions and influencing the planning and project formulation processes. The package opens many doors for such political interferences by creating a large number of powerful regional powerholders and decision-makers.

Q: You have been directly involved in regional as well as rural development planning. What have been your experiences in regard to these problems that you just mentioned?

A: As the Chairman of the Planning Council of the Central Province and as the author of the Madhyama Lanka Development Plan I encountered no such problem of any undue attempts at influencing by the provincial politicians or any attempts to make me deviate from the national development strategy. I studied and mastered the national development strategy to begin with and also the sectoral development strategies and plans and there was no way the plans and projects formulated for the Central Province could deviate from any of these. It was a professional job. I set up a Planning Council of about 120 members drawn from the regional public service and from among my colleagues from the different faculties of the University, and included several experts and specialists from outside hand-picked by me and also several leading citizens of Kandy. They were put into several committees and they worked according to guidelines given by me. I consulted the Provincial Ministers, Provincial Councillors and Pradeshiya Sabha Chairmen at several meetings and workshops and got their advice and opinions. It is a plan that meshes perfectly well with the national development strategy and with the sectoral plans and programmes.

On the other hand, when I prepared "Wayamba 2001" for the North Western Province as the Chairman of the Co-ordinating Committee for NWP Planning, I could not achieve the same results as in the Central Province. This exercise was only to develop and put together some projects that came up from the provincial bureaucracy and the politicians, particularly the Chief Minister. The Chief Minister, a dynamic figure with high powers of imagination, rather relied on his own insights to develop projects and was in such a hurry that he could not even wait for any economic appraisal. Being a man of action he pushed ahead with his projects.

The problem of uncoordinated sub-national plans arise from a common failing in the decentralisation experiences of many countries in that there is often a lack of an adequate central government institutional structure and policy guidelines
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framework to bring together the many ways in which decentralisation cuts across planning, programme and project formulation and implementation. Unless adequate arrangements are made to co-ordinate and implement policies effectively across a wide variety of activities of the ministries, line agencies and sub-national authorities, some critical concerns are likely to be neglected or the effort made is likely to be wasted. To avoid these it is necessary to build up framework or matrices for policy analysis in order to explore ways of co-ordinating them.

The Policy Guidelines for Rural Development which I prepared at the request of the Ministry of Policy Planning and Implementation and the Swedish Embassy was an exercise to produce such framework or matrices for policy analysis connected with the formulation of projects and programmes. In this work I developed the concept of regional-rural development and prepared guidelines for regional-rural development planners for the formulation of projects and programmes. This was done by explaining to them the national development strategy, the current sectoral development policies and programmes and how they relate to the national development strategy. I also explained the six aspects of rural development policies and how they relate to the sectoral development policies and through them to the national development strategy. All these cross relationships and their interactions were spelt out in detail and illustrated with examples from actual experiences. With such a framework of guidelines for project and programme formulation the above mentioned failing found in decentralisation exercises can be overcome.

Q: Has your Rural Development Policy Guidelines been of practical use in rationalising sub-national planning procedures?

A: No, unfortunately not. It was prepared with a lot of effort and was highly appreciated at Oxford University where it was seen by some of my colleagues there. It was officially accepted by the

Ministry of Policy Planning and Implementation and was then put into a drawer and forgotten as is the fate of many reports that have been commissioned. People have changed at the Swedish Embassy and they too have forgotten about it.

INCREASING IMMOBILITIES

Q: Economic efficiency was mentioned as a key factor in development. Could you explain the mechanism involved and how it would get affected by the devolution package?

A: Basically, economic efficiency means producing the maximum possible output, let the output be production, employment or income, with given resources. As resources, we take here the factors of production, land, water and natural resources, labour, capital and entrepreneurship. For production efficiency these factors have to combine to form a production function in certain proportions dictated to by relative factor prices. For example, if labour becomes cheaper relative to capital then the factor proportions and the production function will be changed by substituting labour for capital meaning that the proportions of labour to capital will be increased. This will so happen because the new combination will be more profitable than the earlier one. The causes that lead to production function changes could be changes in technology and or changes in the market prices of the different factors.

Likewise, factors may combine to produce product A, but if product B becomes more profitable because of technological or market changes, then the factors will move away from product A towards product B to exploit that more profitable activity. The location of production is also decided according to profitability criteria. When the original location becomes less profitable as compared to another due to changes in technology, transport costs or market demand, the enterprise will shift to the more profitable location. It is in these ways that the factors of production get allocated, reallocated in different factor proportions among different activities and among different locations, always

seeking opportunities for higher profits. It is through this incessant process of constant allocation and reallocation that the productivity of the factors get maximised and so do profitability, output and growth.

What I just provided is a sketch of the path to growth though factor allocation efficiency. The crucial element here is **factor mobility**, meaning the flexibility with which the factors combine or recombine in different factor proportions and move from one activity to another or from one location to another. The devolution package can affect this highly desirable factor mobility by creating eight or nine Regional Councils with jurisdictions over production sectors such as agriculture and industry, and incentives such as taxation or subsidies, and various institutions. These powers can tend to inhibit the movement of goods, services and persons. For example, the ability to set up enterprises in any part of the country is conducive to development, but this is something that can get inhibited when there are eight or nine separate jurisdictions deciding on the matter.

Q: Do you imply that there is satisfactory mobility at present and that the package will destroy it?

A: That is only a part of the story. What the package is likely to do is to **destroy** some of the existing **mobilities**, but it will also increase by several folds the existing **immobilities** that have crippled the economy for so long. By creating new immobilities through institutional means it will **cripple the economy more** and retard growth more. Let me explain. What we have in Sri Lanka is a classic example of **techno-socio-economic dualism** which is a structural feature inherited from the colonial past. The economy is split into two; there is no one economy but two economies in one. It means a disintegrated economy. There is the modern/formal/organised/urban/industrial sector on the one hand, and on the other, the traditional/informal/unorganised/rural/agricultural sector. The two differ from each other in respect of scale of production, technology, factor proportions, type of labour used and the degree of market orientation. Thus it is a fractured and

a fragmented economy which hinders through dualistic barriers the mobility of factors from activity to activity or from location to location. Thus for example, credit from the modern formal sector where there is a relative abundance of capital does not flow into the capital-starved informal rural agricultural sector, and the result is two credit markets with a lower rate of interest in the former and a much higher one in the latter. The factor markets are split and several price regimes prevail concurrently for the same factor.

Such factor immobilities endemic in dualistic regimes have crippled Sri Lanka's economic growth by preventing optimum factor allocation efficiency and productivity gains. Different factors are stuck here and there at different productivity and profitability levels denoting distortions and irrationalities in factor allocation. Surely it is now evident that the package by adding new institutionally caused immobilities to the "inherited barriers of dualism" will make matters worse for the economy. No doubt, efforts have been made to reduce these barriers in various ways and they have met with some success as in rural credit schemes. To introduce new barriers is to frustrate these efforts and to impede growth more.

LAND QUESTION

Q: Exactly in what ways is the mobility of the different factors of production likely to get affected by the devolution package?

A: State lands in a region, their use and disposal, are vested with that region. The implications of this for the mobility of land in the economic sense and the optimisation of its productivity can be illustrated with Mahaweli lands. It is very necessary that the optimum returns should be reaped from these lands to the last bit because of the massive investments made in them. That would depend on a number of things including land use pattern, cropping pattern and crop-mix, cultural practices, water management and also the management of electricity and the use of power. Since Mahaweli lands straddle several provinces these

matters will fall under the jurisdictions of several Regional Councils. If their policies regarding these matters were to be pursued in an uncoordinated manner there will be no ensuring of an optimum allocation of the resources and a reaping of optimum returns. What is needed to ensure good economic management of the Mahaweli lands and the reaping of optimum returns from them is central direction and a centralised orchestration of the implementation of an appropriate policy-mix.

Take lands in general under domestic agriculture. **Paddy lands** now face a crisis in productivity. Paddy yields have plateaued after mid 1980s, there is no clear prospect of a second green revolution in the horizon and the costs of production are rising squeezing the profit margins. Complicating matters further a declining trend in world food grain prices is predicted but at the same time the FAO is forecasting an alarming food shortage in the world in the medium and the long term. Paddy is therefore truly in a crisis and facing a dilemma. Much of wet zone paddy is caught in a poverty trap or severely affected by this crisis. These lands need changes in land use and in cropping patterns, shifts to higher value crops, adoption of new farming techniques, consolidation of holdings and above all a shift from subsistence or part-time farming to commercialised farming. All this requires centralised policy making with a large measure of flexibility to respond promptly and effectively to the emerging challenges by orchestrating appropriate policy-mixes.

You will remember that centralised policy making with flexibility is one that I emphasised earlier. This kind of policy support cannot be expected when there are several jurisdictions dealing separately and in an uncoordinated manner with the relevant matters. Take commercialisation of farming. A transformation of this sort can be facilitated only with a liberalisation of the land market and the market for water rights. Despite some efforts, these are markets which have still not been effectively liberalised and that fact stands in the way of improving the allocative efficiency and the

optimising of the productivity of land and water resources. The eight or nine jurisdictions over these matters that will get created by the package could by themselves prove to be new institutional obstacles to the liberalisation of these markets. It should be noted that these new institutional obstacles to the liberalisation of land and water markets will be created at a time when land and water resources are becoming scarcer day by day. This would lead to endless disputes and tension over their allocation. It will further weaken the allocative efficiency of these resources. One may then ask - Could a Narmada type Indian interstate dispute get replicated on an inter-regional scale in the future in Sri Lanka? One may also ask - With "regionalism" taking an extreme form, will the Central Province which is the central watershed of the country develop selfishness and jealousy regarding its water resources benefiting other regions? The devolution package can foster such problems, sooner or later.

As for **state lands under the plantations**, the implications of the package are not clear. Should these be vested in the regions in keeping with the spirit of devolution? In such an event, will all the jurisdictions follow uniform policies regarding them in respect of matters such as privatisation? If they do not, regional policies could be at variance with the centre's policy. Most alarmingly, what could happen in the future, say in ten or twenty years, if a separate region is claimed for the plantations, the rumblings of which are already within our hearing?

Labour is economically as well as physically mobile. Its mobility can get severely affected by "regionalism", an irrational feeling or sentiment exploited for political purposes, which is likely to be fostered and nourished by the devolution package. Such feelings could hamper the movement of labour from densely populated areas to land-surplus areas through settlement. We already witness the difficulties that labour faces in moving out from labour-surplus estates to labour-deficit estates. We have also witnessed the people of Kolonnawa arguing against the "import" of labour from upcountry

for work at the oil installations claiming exclusive rights of employment for themselves in them on the grounds that when these installations are set fire to it is they who are on hand to put it out. People at Eppawala are protesting against the alienation of the rights to exploit and to export the phosphate deposits on grounds that such fertiliser should be used to enrich the motherland and not foreign lands. The day may not be very far when they would argue that the phosphates in the North Central Province should be reserved to fertilise the soil of the region to the exclusion of other regions.

Q: It is an accepted principle that land should be allocated to people in the localities concerned. Do you deny this?

A: No, but a better way of safeguarding the interests of the local people would be to go according to the scale of the irrigation facilities concerned. Lands irrigated by small irrigation works and by some of the medium scale irrigation works could be reserved for the people of the localities on socio-economic grounds and to enable participatory processes in planning, implementation and maintenance. Some of the lands irrigated by medium scale works and the lands irrigated by large irrigation works can be allocated to persons from land-deficit areas in the country in an equitable manner.

The traditional **migratory labour** on the south and south-west to the north and north-east in coastal fisheries is one type of labour mobility that can get affected by the devolution package.

Q: But is it not the case that coastal fisheries is a subject that would be reserved to the centre and not devolved to the regions? Therefore, how could migratory labour be impeded?

A: It is true that coastal fisheries is reserved to the centre but whether the traditional labour migration can continue under "ethno-political regionalism" that would get fostered by the package has to be viewed in the context of the enhanced police powers that are to be given to the regions. Can the police in such a setting be expected to act impartially and objectively in case of disputes? Again

Contd on page 22

FROM MARX TO AMBEDKAR: The Market Economy and Caste Discrimination

Gail Omvedt

INTRODUCTION

"I don't care what colour the cat is, as long as it catches mice" is Deng Tsiaoping's most famous phrase. There was a time when to us "radicals" it seemed to express the worst kind of capitalist revisionism! But it also can be said to express a principle of the market economy that is important for caste: indifference to persons, concern for performance rather than birth. It is the opposite of a feudal attitude which judges a person first of all by her birth. In this sense, the market is opposed to caste-based discrimination.

An editorial in *Janata*, Dr. Ambedkar's weekly, dealt with this issue in the 1930s, arguing that capitalist economic development would be hampered by the existence of caste barriers to entry into different fields. Ambedkar's position, however, was different: he reversed the issue - in order to have healthy capitalist (or other) economic development in India, caste had to be annihilated. Put in other terms, a society that assumes the majority of its population is fit only for manual labour, cannot develop. And assuring entry into jobs through birth (or through influence) is even worse in a modern, post-industrial economy of flexibility and shifting specialisations.

The fact is that the lack of an equal exchange and equal access still hampers economic activity in India today: even today, in western Orissa, dalit women do not, like poor caste Hindu women, sell puffed rice for a bit of additional income because people will not buy from them. The inability

to even buy a cup of tea in many areas, the inability to build houses in the sections of a town which they would otherwise be able to pay for, bans on marrying the person one falls in love with - all of these are continuing caste barriers. Large proportions of the population still are bound to traditional occupations: why else did so many deaths among weavers occur several years ago when members of other castes in the same villages did not suffer - if not because they were unable to easily shift occupations? Economically, the failure to provide universal and adequate education, to create the conditions and capacities necessary "to catch mice", hampers India's advance. And this failure is not a result of any current "structural adjustment" affected unwillingness to spend on education; it has existed as unwritten policy since independence in spite of the efforts for "compulsory universal primary education" by reforms since the 19th century. It is a result of caste attitudes, of a situation in which the old Marathi saying, "in the house of the Brahmans knowledge; in the house of the Kunbis grains; in the house of the Mahars songs" sums up the outmoded caste division of labour.

This situation is today admitted by both conventional and Marxist economists. It can be put in different discourses: neo-liberals may speak of "preferences for discrimination", or institutional economists may theorise how social institutions affect the economy, while neo Marxists are more likely to speak of the market existing within a civil society which is a caste-

ridden society. This in itself would suggest that the market is not the source of the inequalities we see today, that they have to be dealt with prior to and additionally to the market. The arguments that proper use of the market itself can lead to growth which reduces poverty (even if it does not solve problems of existing inequality) seem irrefutable. But it is still worth asking what *type* of market economy will best reduce poverty.

However, we want more than just reduction of poverty: we want a liberated society. For this reason, the best beginning point, in spite of all its flaws, remains a Marxist one - for Marx, in contrast to conventional economists, at least poses the question of going forward from capitalism. At the same time, moving beyond Marx is necessary because we have to deal with the nature of the barriers to economic advance both within capitalism and for moving towards a liberated society, and (among other things) in India this requires dealing with caste. So this paper will begin with Marx and end with Ambedkar².

MARKET ECONOMY VS. CAPITALIST ECONOMY

Marx also makes a distinction that is not made in conventional economics: between a market economy and capitalism. Whereas the conventional "economic" definition of capitalism practically identifies it with the market, Marx does not - and this is important.

A capitalist economy is a market

economy, but not all market economies are capitalist. This is a distinction clearly made by Marx in the discussion of commodities at the beginning of *Capital*. This distinction is ignored but only by conventional economists but also by conventional socialists such as Karl Polanyi, for whom the market itself was destructive to society, but it is important to Marx. C-M-C is the circuit of the commodity economy (market economy), when a product is traded for cash and that in turn is used to buy another product. Capitalism, in contrast, is based on M-C-M, when money is used to buy a commodity and that is traded for money. But where merchants seek to make their profit from trade, capitalist specifically buy the commodity labour power and are able to increase their capital (M) because the labourer is able to produce more than the value of her labour power.

When is a market economy not a capitalist economy? Obviously, when there is no sale of labour power but only of commodities: that is, when all have sufficient access to the means of production so that they can produce commodities and sell them, rather than seek work themselves. Marx described this as "petty commodity production": an economy of a multitude of small owners. Capitalism, in contrast, very specifically requires proletarianisation, the deprivation of the majority of producers from the means of production (what Marxists sometimes refer to as "generalised commodity production").

What turns a market economy into a capitalist economy? Here there are ambiguous answers in the Marxist tradition. Most Marxists tend to assume that, as Lenin said, "petty commodity production engenders capitalism day by day, hour by hour" (this belief was one of the reasons for stamping even toiling peasants as "petty bourgeois"). But Marx himself theorised the matter rather differently, when he discussed the "primitive accumulation of capital". This is not simply a matter of the accumulation of funds. It meant also the accumulation of labour power, turning previously independent peasants or tribals into dispossessed wage

labourers. And here above all, violence is the midwife of history. Capitalism does not grow automatically out of a petty commodity economy; state intervention is necessary, and state intervention is based on (the legitimate monopoly of) violence.

ADVANCED COMMODITY PRODUCTION AND THE SOCIALIST MARKET

To Marx, of course, petty commodity production was a backward form and so designed to be superseded. To him, the "advance of the forces of production", meant the technologies of increasingly centralised and large-scale production, and this inevitable involved capitalist controls - until the system was taken over by the collectively organised working class.

Here I believe he was wrong. Now that the computer and no longer the steel mill is the symbol of technological advance, we can argue that technology in the era of "information society" in fact works in the interest of decentralised production, that generalised property ownership (especially "ownership" of skills as well as capital) is quite compatible with the most advanced forms of production. "Networking" and not command structures is the key term in business; "downsizing" means dispersal of employment, not its concentration. The assembly line factory with thousand of workers plugging in bolts is a rather backward form of production today. Rapid transmission of information about how to produce, and the involvement of design in every aspect means much of production is no longer at a simple "material" level. Customising and differentiation of products are the key, not "mass production" in the Fordist sense ("I don't care what colour a car they want as long as it is black"). This requires a capable, flexible, educated and self-motivated workforce and is at least compatible with very decentralised ownership of the means of production - especially if these are small desktop or laptop computers, or small plots of land capable of producing an abundance of crops whether plants or fish. Digitized is, Noolaham Foundation, level noolaham.org | aavanaham.org

production of energy through solar power and gasifiers can yield a megawatt of power - enough to allow villagers to sell to the grid rather than buy it. Compared to fossil fuels which are stored up in particular places, solar energy is diffuse and decentralised. Technology now supports the generalisation of property rather than requiring its concentration.

There are important changes implied for the relations of production. If a worker loses a job in a company and sets up at home, later perhaps in an office, with a couple of computers and runs a one-person graphics business, she or he may be making about the same amount of money as before, may be doing as much or more work. But the relations of production have drastically changed: she is now a commodity producer, not an employee.

Even with the structures of large corporations there is evidence that significant changes are going on which means that even these are no longer the dominating "command structures" previously. "Flattening of hierarchies", restructuring, giving more autonomy to local units, subcontracting, leasing of materials and equipment etc. all means that the concentration of power and the domination of employees at work no longer function as they did before.

If we imagine a series of autonomous communities, each controlling its means of production and resources, each with access to full modern information, each with mixtures of individual and "common property" internally, relating to one another through exchange more than through "command" distribution, we can have something like the model of a socialist market economy³. We should be thinking of how to move on this path, rather than imagining that giving more powers to the state is more "socialist" or more compatible with human welfare.

STATE INTERVENTION (POLITICS) AND THE MARKET

The idea propogandised by many on both the left and right that the market

economy has no role for politics and the state, or that the state is somehow "retreating" or even vanishing, seems to have very little reality. Statistics show that for almost every country in the world, the period between 1980 and 1992 saw both a growth of government expenditure as a proportion of GNP, and a growth of social spending as a proportion of government spending (See Table). This took place even in Reagan's America and Thatcher's England. Clearly some underlying process is going on: the welfare state is practically unstoppable. The question is really of its form.

Marxists tend to see the goal as "capturing state power" and then using state power to take control of the centralised forces of production. Here of course they ignore Marx's warning (after the experience of the Paris Commune) that the working class cannot simply take over the existing state. But Marx also assumed that the forces of production of the industrialism of his time, which were inherently centralising, would be essentially the same forces of production that would exist under socialism. This was a major mistake, one that has been reproduced and carried forward by almost the entire communist and socialist movement since his time. The conclusion has also been drawn, quite naturally, that any movement in the direction of state control over production is a movement towards socialism; thus almost all the left has tended to support nationalisations, state regulation, etc., however much they may criticise the fact that this is done by a state still controlled by capitalists. Socialism has been identified with state control, so that an increase in state control is seen as more progressive, if not clearly socialist.

But, a revision of the model of socialism, based on a new understanding of the emerging forces of production of post-industrial society, also leads to a revision of this. Movement towards a socialist market economy (which we might call a "social market economy") would involve use of the state to reverse proletarianisation, to strengthen the capacities and skills of the basic

producers. In other words, while much of ordinary welfare remains a stopgap measure to alleviate poverty, the primary focus of state intervention should be on increasing the assets and capacities of the poor, that is on increasing their ownership and control of the means of production. And in the specific situation of South Asian countries today, the most important means of production can be summed up as, in the broadest sense of the terms, land and education.

LAND

"Land to the tiller" has been the most basic slogan of the left. It is basically a liberal slogan: land to the tiller means the generalisation of property rights, in contrast to collectivisation which means the abolition of property. Land reform has been a historical success; collectivisation has been a historical failure. But the meaning of land reform has to be extended to include land rights for women, control over common lands (including forests) by the village community, and limitation on the rights of the central state over land itself (it was only the British raj, after all, which made the state the ultimate "owner" of all land in India).

Rather than confiscating land for development and turning it over cheaply to monopolies; rather than increasingly centralising state control over forest land so that the produce and its use is controlled by bureaucratic, inefficient and oppressive state corporations, land should be given to those who live on it: "privatisation of the commons for the poor", in Milind Bokil's phrase. Access of all village women and men to land for cultivation, for forest use, for grazing their animals, for setting up small workshop, and for homes is crucial for releasing the productive capacity of the poor, for making the market economy work. Under Indian conditions, this requires confiscating the land currently owned by the state as much or more than confiscating the land of big landlords. There are relatively few of these, and as was shown years ago by one of the famous early studies on poverty, that by V.M. Dandekar and Nilakantha Rath, land for

all could be provided (from private land)

only by setting an incredibly low ceiling. In fact, since even before independence in India, the large majority of the concrete struggles of adivasis and dalits for land have been for "government land" or "wastelands" or "common lands".

Full control and ownership over the forest land in their vicinity has been a demand of social movements based on adivasis and farmers in India - as contrasted to the "joint management" concept promoted by the government and NGOs. Forest dwellers in Madhya Pradesh, according to a recent article in the *Economic and Political Weekly*, took as the first point in their simple alternative forest policy: "All rights to the forest area in a village and the responsibility for its management should lie with the gram sabha" (Feb 15, 1997). Similarly, the National Agricultural Policy proposed in 1990 by the farmers' movement argued that all land around villages should be under village and not central state ownership, including forest land sufficient for those who still practised shifting cultivation.

One important qualification has to be made in this general policy: control of land at the village level in adivasi areas is not problematic since these are generally equalitarian communities. But for most caste Hindu villages this is not true; there was inequality of access to traditional "commons" as well as today. Thus any implementation of decentralisation of forest and waste land control has to ensure that first priority is given to deprived sections. It also has to ensure adequate provision of credit and technical advice to develop what are potentially rich but in many concrete cases actually degraded lands.

The other major extension of the concept of "land reform" is, of course, in regard to women. With the exception of Sri Lanka, the societies of South Asia are the most patriarchal in the world, with traditional caste-kinship systems that completely deprive women of property rights. Thus, giving land rights to women within the family is a crucial part of any total land reform programme.

EDUCATION

"For want of education, wisdom was lost; for want of wisdom development was lost; for want of development wealth was lost; for want of wealth the shudras are ruined". This is the most famous saying of the 19th century anti-caste social revolutionary Jotiba Phule. The tragedy of India today is that the goal of education for all which he and other social radicals put at the top of their agenda is so far from being achieved. So India has had "adult literacy campaigns" for giving some little skills to those who should have been given education as children, and will have to have more campaigns twenty years from now to do the same for those children who are not in school today (roughly one third of all rural boys, and 60% of all rural girls, according to the recent study of Jean Dreze and Amartya Sen.⁴ and the fact that the Supreme Court has recently banned child labour in "Dangerous and polluting occupations" shows how far the country is from a commitment to universal primary education: after all, children should not be labouring in even "safe and clean" industries, while adults themselves should not have to work in dangerous and polluting ones!

In today's world, knowledge - education and training - represent the most crucial important "means of production", more so than land or the even dead stored up labour power we know as "capital". (Certainly if workers are taking over factories, their skills and abilities to use whatever machinery is there are much more important than the outmoded machines that may exist). So we speak of "intellectual property rights" and "indigenous knowledge". Education must become the "property" of all as the basic prerequisite for enhancement of capacities.

The question is one both of quantity and quality: of making a commitment to and implementing universal compulsory primary education, and of ensuring quality at the top. In terms of general policy, it would mean a vastly increased government spending, but also a better focus of spending, more on primary education. Similarly, political commitment and government

spending does not have to mean top-down state control of schools; there should be room here for all kinds of decentralisation and private (including NGO) experimentation. For university education, a better policy would be to have overall higher student fees along with a large number of need-based scholarships - and reservations and special facilities for the dalits, adivasis, and OBCs who are so far behind.

SOCIAL MARKET TO MARKET SOCIALISM

Strategies of using the market for the advance of the poor, against the dominance of big capital and the state, can only be formulated if we free ourselves from the outmoded thinking which identifies state with socialism, market with capitalism. We also need to free ourselves from caricatures of the market spread by environmental fundamentalists who want to return to a "subsistence economy" and treat all market production (and especially export of producing for a global market) as somehow dangerous. We need to understand the kinds of distinction made by the economist Narendra Jadhav⁵, who contrasts "free market" and "open market"; or that made by Jean Dreze and Amartya Sen between state intervention that is complementary to the market, and state intervention that hampers the market. Otherwise, in the name of protecting the poor from the market, we only foster inefficient bureaucracies and force the poor to carry the burden of a privileged working class and limping public sector industries. Instead, creating a social market and moving from there to market socialism should be the pro-poor strategy of today.

At the same time, in fulfilment of Ambedkar's point made at the beginning of this paper, economic policy can be a part of the strategy for liberation, but not the only and perhaps not even the central part: a pro-poor and pro-dalit *economic* strategy is still not a total strategy of caste annihilation, and caste factors are in a sense logically and historically prior to the market and form a barrier to its development. A "caste-blind" but pro-

poor economic policy alone can provide a basis for strengthening the human and market-competitive abilities of the specially oppressed sections of society, but it cannot erase the glaring inequalities that exist between the Scheduled Castes/Scheduled Tribes and the "other" caste Hindus; it cannot for that matter bring OBCs on a par with the upper castes. This would require caste annihilation, and this in turn requires a much broader campaign encompassing cultural, social and political aspects as well.

For that matter, even for a pro-poor "social market economy" strategy to be implemented in India itself requires a challenge to caste, a challenge to brahmanic political control⁶. For the type of "market economy" being promoted in India is one in the interest of bureaucrats and industrialists, who still are predominantly upper-caste, and even the interventions of the left in trying to maintain statism represent upper-caste and bureaucratic interests. This will inevitable happen as long as the state remains a brahmanic one, is whether it has a shrewdly "humble farmer" at its head. Or a suave Punjabi, Delhi-ite.

Footnotes

1. This is a revised version of a paper for the National Seminar on Employment and Poverty of Social Groups in the context of the New Economic Policy, held at Jawaharlal Nehru University, April 3-5, 1997. I am grateful to S.K. Thorat of the Centre for Regional Development Studies, JNU, and all the participants at the seminar for the discussions, critical comments and analyses which have led to its revision. This version does not include extensive footnotes, bibliography and documentation. My excuse is that it deals with ideas and themes that can fairly easily be checked by readers of the Lanka Guardian. I use the terms "dalit" and "adivasi" rather than the more formalistic "scheduled caste" and "scheduled tribe" which were the language of the seminar.

2. Caste is not of course the only "institutional" barrier; there are also patriarchy, ethnicity, race etc. This

THE NATIONAL CRISIS : IS CONSTITUTIONAL REFORM THE ANSWER? PART 2

THE CENTRE AS SHADOW

Lakshman Jayatilleke

(Chairman, National Education Commission. The writer was also Chairman of the Youth Commission, with Prof. G.L Pieris serving as his deputy.)

THE SOLUTIONS

Instead of approaching the resolution of the national crisis through **constitutional reform**, we propose a thorough overhaul and restructuring of the administrative and management systems of Government. The new procedures and structures must ensure improved communication between the centre and the remotest areas of the country, better monitoring of the use of funds, and the direct coupling of authority with responsibility. The execution of both national and local action programmes should not be contaminated by narrow political interests.

The present emphasis on creating jobs through the expansion of the private sector will result in urbanisation or at least an increase in daily commuting to and from urban areas. This migration and commuting seriously affects the potential of predominantly rural communities and regions. They become increasingly vulnerable and even become dumping grounds of inferior goods and waste materials. The quality of life drops, and the resulting frustration and unrest of the younger generation is inevitable. The operation of trans-regional companies based in the capital city

can further aggravate the negative aspects.

Colombo and its suburbs as the hub of economic activity daily draws to itself skilled and educated manpower, electricity, agricultural produce, savings and other services from the outlying provinces to satisfy its resource needs. The other conurbations do this extraction to a lesser extent. This drawing off of resources clearly impoverishes the rural areas, and they tend to remain backward.

The negative effects of the net outflow of resources (including educated and skilled manpower) of communities and regions will only get aggravated by the increased devolution of state power. It can only be countered by a strong national government which is run by disciplined, sensitive, caring and committed people at the top. It should be supported by a competent executive arm and backed by an effective law enforcement system, mechanisms for speedy conflict resolution, and an impartial and responsive judiciary.

It must be borne in mind by everyone that economic development, *per se*, is not the solution to national problems of the kind we face today. *Development is itself a creator of pain, trauma and risk to the people.* The national problems of the kind we have now arise essentially because of the tendency to not share the pains, traumas and risks of development in a justifiable manner.

The wealth that is created by development must be used in an equitable manner for this purpose. Constitutional reform without a commitment on the part of those who have the upper hand in society is **not** the way to resolving the national crisis.

On the contrary, **better management** and a **quality-oriented leadership** will clearly bring about conditions that would improve conditions of living and working for people everywhere in the country irrespective of their sectarian allegiances. Better management implies that:

- * the organisations are able to harness the strengths of their members;
- * care and effort is put into the development of the capabilities of people; and
- * integrity, resourcefulness and self-discipline are valued personal qualities.

The leadership being quality-oriented requires that they are:-

- i. able identify and define worthwhile organisational goals;
- ii. understand their present state in relation to the goals;
- iii. able to identify the gaps between their desired state and the present state, and the strategies to minimise the gaps;

iv. they get the co-operation of others in pursuing the strategies with genuine and sustained interest.

REGIONAL COUNCILS

The setting up of Regional Councils is not a means of resolving the issue of poor management by Government.

Such a strategy is very likely to result in the proliferation of bureaucratic pyramids and cost centres. This would be clearly less efficient. On the other hand, the **empowerment of the village** is the best means of ensuring that the developmental needs of the individual are met. Empowerment of the village implies that it has a clear and active channel of two-way communication to the highest executive authority in the land.

At present this communication process is most deficient and virtually non-existent. The very democratic process that sends people's representatives to Parliament appears to have created the blocks. The representatives rapidly lose touch with their respective constituents. Political splits in the electorates are aggravated with the passage of time.

The use of physical force as a means of countering of any local opposition has become commonplace. Preservation and even aggravation of political differences, and marginalisation of people who are least influential and are in need of most help are the most prominent feature of the system. This has to be speedily and positively replaced by structures and processes of Government that will empower the village with none other than executive power that flows from the national seat of all power, i.e. the Presidency.

Such an empowerment will produce the tension that is essential within the body politic. This tension will be far more manageable and benign than the tension that would come into play between the Government and a Regional Council. The tension between the Government and the Regional Councils will for all practical

purpose cloud, and even block, the communication between the centre and the village. Our experience with Provincial Councils bears this out. Resources which could be better used in doing good to the people are likely to be wasted in power struggles.

If the proposed Regions are of comparable size to the present provinces, they too will have the ethnic and cultural diversity that is not any different qualitatively from that obtaining in the country. Hence unless the ethnic aspects of the present crisis are not addressed without resorting to segregation, the results can be tragic. Ethnic cleansing and enforced confinement of groups of people into ghettos are highly probable consequences of demarcation of regions on an ethnic basis. With modern facilities for travel, communication and the need to go even beyond national boundaries for economic advantage, ethnically determined state boundaries will fast become invalid and counterproductive.

The possession of police powers by the Regions will also result in the Central Government being impotent in enforcing its constitutional throughout the country. It will not be able to mobilise any forces to counter an armed uprising in a Region. Even if it has troops that can be deployed, they will have to be moved and logistically supported via intervening Regions. This will prove to be a nightmare for a central Government which has its base on a relatively small capital territory.

Eventually, a time will come, sooner than later, when the so-called Central Government will not have a power base and will be at the mercy of the surrounding Regions. A Central Legislature of the kind we know now will have no operational meaning. Its Members will not be able to go back to their electorates, except on terms dictated by the Regions. The Central Government, as long as it is allowed to exist, will be just a shadow.

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adversely affected by high cost of living.

Just as the strategy of neo-liberalisation caused the gap between the rich and the poor to widen, the implementation of the Regional Council system led to the increasing of existing economic disparities among the provinces. Just as the strategy of neo-liberalism benefited the haves at the expense of the have nots, the regional council system benefited the rich, more developed provinces at the expense of poorer, less developed ones. The new land policy enabled the regional authorities to sell and lease land even to foreign individuals and countries, thereby paving the way for the creation of latifundists and to the further growth of an agricultural proletariat. Meanwhile the several attempts to come to a negotiated settlement with the Tigers failed because neither the PA nor the UNP was able to accede to the LTTE's minimum political demands of a loose confederation, which far exceeded the power sharing arrangements contained in the package. Therefore the war continued - now waxing, now waning, but always there; consequently further increasing the burden on the economy and the budget.

And now, here we are in year 2005. The PA is firmly in the political saddle because of the unwillingness of the UNP leadership to challenge the government either electorally or by turning the party into a rallying point for and mainstay of the growing popular discontent. This discontent and its manifestation in strikes, pickets and demonstrations are on the rise despite the efforts by the PA to ride roughshod over any and all opposition, however timorous, however democratic. The first and faint rumblings of provincial based insurgencies, for the first time with strong roots in the peasantry, can be heard in the South and the Uva. And this time they do not look like youth insurrections with a touch of the urban guerrilla, but classic, protracted guerrilla warfare modelled on the LTTE and spearheaded by ex-soldiers with years of combat experience in the Northeast. These early warning signals are likely to go unheeded by both the PA and the UNP. Once again living in Sri Lanka begins to feel like living on the slopes of Mt. Vesuvius. Having failed to rise to challenges of the period of '97-'98, today we have little choice but to wait for the bitter harvest of that failure.

The Lankan Left Revisited (Part 2)

WHO ARE THE REACTIONARIES ?

H. L. D. Mahindapala

The 'right-wingers' too came from similar socio-economic backgrounds without, of course, propounding the ideological fads of the day. The Senanayakes, J. R. Jayewardene, and S. W. R. D. Bandaranaike were separated from their left-wing opponents only by the ideological divide. Their strength was in refusing to wear theoretical blinkers though they too were committed to improving the conditions of their people just as much as the left-wingers. As the historical record shows, *it was 'the right-wingers' who succeeded in establishing one of the most benign welfare states in the world* without going down the track of millenarian illusions. Some of them like Dudley Senanayake and J. R. Jayewardene flirted with the left-wing in their salad days. When they parted company they did not become puppets dependent on western imperialists like Chiang Kai-shek, Syngman Rhee of Korea or Bao Dai of Vietnam — all of whom became victims of the irrepressible nationalist movements. As opposed to these corrupt agents of the west, the upper-class of Sri Lanka emerged as fervent nationalists allied to the traditional cultures. Their success was in fine tuning nationalistic traditions to blend with modernity. The Senanayakes and S. W. R. D. Bandaranaike gave a leadership to the nation with a genuine commitment to liberal and democratic principles. The 'right-wing', by and large, provided the most enlightened leadership that steered the nation away from the perils that gave birth to Idi Amins, Chiang Kai-sheks, or Kim Il-Sungs of the Third World.

However, in the political jargon of the time it was fashionable to label the right-wingers as "reactionaries" and the left-wingers as "progressives". These are, of course,

convenient labels of the Marxists, invented to denigrate or praise political parties. The socialist jargon accepted unquestioningly that anyone who stood for nationalising the means of production, distribution and exchange as a "progressive". They even anointed some die-hard capitalists as "progressives" as long as they joined their bandwagon! Their basic assumption was that as long as individuals, political parties, trade unions and the state attacked the UNP and its substructure they were on their way to the nirvana of the "progressives". The fact that all such experiments in social engineering resulted in pauperising the nation and leading its people to a dead-end were glossed over, or justified in the name of the abstract man, or a vague future that was always coming round the corner without arriving at anyone's doorstep.

The Sri Lankan left would either gloss over or cover-up, with all the casuistry at their command, the monumental crimes and blunders of the socialist leaders while, at the same time, never failing to scrutinise every minutiae of the Sri Lankan leaders who had freed their people from imperialism, fought feudalism, and established one of the most laudable welfare states for the poor. *The 'right-wing' elite of Sri Lanka had pushed the frontiers of state welfarism to the limits affordable by a Third World country. They made it a model nation which balanced social welfare with democratic freedoms. But the left-wing intellectuals never acknowledged the achievements of the right-wing elite. In their terminology, the national leaders of the right, from Senanayake to Premadasa, are "reactionaries" and only their socialist comrades from Mao to Chandrika Kumaratunga are the "progressives".*

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This is partly because the left had a delusory tendency to believe in their own labels and myths. There was also an intellectual arrogance in their theoretical assumptions. They believed fanatically that history was on their side and that they alone were the prophets who could deliver mankind from their misery. The Marxists projected their parties as the chosen agents of history to establish their elusive utopia. The victorious Marxist parties assumed not only that they represented the will of the people but that the party hierarchy knew what was best for the people.

Besides, narrow dogmatism, rival interpretations of Marxism, and the growth of separate centres of communism (Stalinism, Maoism, Titoism, Castroism) turned the left into an amoeba with an inborn capacity to divide itself not for perpetuating its species but for self-destruction. In Sri Lanka, it began with Dr. S.A. Wickremasinghe breaking away with the Trotskyites to join the Stalinist Comintern. But further divisions within LSSP weakened the left movement. The left leaders were obsessed with their own power struggles. These internecine struggles reduced the primary objectives of the masses — the vanguard of their revolution — to a secondary level. The LSSP, the mother of the organised left movement, fragmented itself into splinter groups from 1942. In 1945 the Bolshevik Leninist Party of India expelled Dr. N. M. Perera and Philip Gunawardena. The BLP (I) consisted of Dr. Colvin R. De Silva, Leslie Goonewardena, Bernard Soysa etc. Later Philip Gunawardena broke away from all these groups and formed his own Viplavakari Sama Samaja Party. After 1960 came the LSSP (R) led by Edmund

Samarakkody and Bala Tampoe. These are some of the major splits that dwindled the power of the left. Reggie Perera, looking back upon the early days of the divisions within the ranks of the left leadership, would comment, somewhat cynically, that the left leaders covered up their personal ambitions and rivalries with bogus Marxist theories. Sometimes the bitter bile of Marxist rivals spilled over and splattered the Hansards with lurid details of their ex-comrades-in-arms. The Hansard contains some details of how Dr. S. A. Wickremesinghe, the leader of the Moscow wing, approached Dudley Senanayake and J. R. Jayewardene (after Hitler tore up his pact with the Bolsheviks and turned his guns on Russia) and pleaded with them to get their assistance in jailing the anti-Stalinist Trotskyites. It contains stories of Dr. N. M. Perera devouring the *Daily News* share market reports every morning in the toilet. It seemed that their hatred of each other was far greater than their collective hatred of their common enemies in the capitalist class.

As they broke up the flying fragments found their resting place in the right-wing parties they had berated and denounced from the beginning. The Gunawardena brothers (Philip and Robert) ended up in the UNP. Comrades "NM", "Colvin" and "Bernard" honeymooned with the "radala" SLFP. Of the original Marxists only Edmund Sammarakoddy and Bala Tampoe stuck to their beliefs, rejecting the tempting Cabinet portfolios. The right-wing comrades, who joined Mrs. Bandaranaike in the mistaken belief of advancing the leftward movement against capitalism, discovered, rather late, that capitalism had advanced to bury the left. When the left joined the SLFP they compromised themselves to such an extent that they had nowhere else to go when Mrs. Sirimavo Bandaranaike dumped them unceremoniously. After that they stood naked before the public without even fig leaf to cover their myths. After that it was easy to slay the first generation of fire-breathing dragons of the revolution. But there was no need to take such extreme measures. They were politically dead even before the ageing Leftists went to their graves as sad and disillusioned men who once had great dreams for themselves and the nation.

More than any external force, it was the internal divisions and the wrong twists and turns of the Left that ruined their image, their politics and their future. The

'Revolutionary' (actually radical) wing of the LSSP (Bala Tampoe, Edmund Samarakkody etc.) acted on the belief that political salvation can come only through a doctrinaire commitment to revolutionary principles, which, of course, meant no compromises with the Right, and the quasi-socialist (Dr. N. M. Perera, Dr. Colvin R. De Silva, Bernard Soysa, etc.) believed that socialism can be salvaged by compromising with the Right, which meant accepting Cabinet portfolios in the SLFP.

The unfolding events proved that both were wrong. History has shown that revolutions are few and far between. The greatest achievements of mankind have been through slow but steady evolution. Even the Sri Lankan records have established that the evolutionary process — however tardy and frustrating — has been the medium through which the nation advanced from colonialism to self-rule, from feudalism to capitalism, from a traditional society to semi-modern society, from an authoritarian society to one of the most advanced democracies in the Third World. The JVP "revolutions" that visited the nation were not only failures but retarded the growth of the nation. As for the quasi-revolutionaries of the Left, they knew beforehand that compromises with the Right would not bring any dividends to their cause, or to themselves. From a historical points of view, they were fully aware of the ruinous experiences of the Left running common fronts in Europe and elsewhere. Power-sharing with the Right led only to the strengthening of the Right-wing forces and the eventual obliteration of the Left. *Knowing* this, the Sri Lankan Left wooed and joined the feudal Right-wing in 1970! From a theoretical point of view, Dr. Colvin R. De Silva, the leading theoretician of the LSSP, had categorised the SLFP as the "Ceylon capitalist class' alternative to the UNP". So how could Marxist-Leninist-Trotskyites hope to extract the sweet water of socialism from this "alternative" rock of the capitalists? The results of this unholy marriage was seen in the next elections of 1977 when the entire Left was decimated.

In short, the history of the Marxists could be viewed as one of dragging themselves and the nation down the disastrous paths of retrogression. The strength and fascination projected by various brands of Marxism resided in its higher morality. They were presenting an ideal that was going to lift the nation a more advanced stage in history. They claimed that they were the

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redeemers and liberators. Nemesis followed them swiftly when they failed to stick to that ideal. One of the fundamental flaws that brought down Marxism in the eyes of the average individual is the abysmal failure of the practitioners to rise above bourgeois politics to the higher ideals of socialism. When, for instance, the Left joined the Centre-Right SLFP, they surrendered, bound hand foot, to the forces they had condemned as the "alternative capitalists". This surrender obliterated the Right / Left distinctions and gave respectability to the Right as a better alternative to the radicals the Left. In the process *they lost their credibility which they had built over thirty years* and were seen as collaborators and opportunists more than as liberators of the oppressed classes. Their total decimation at the subsequent elections proved that they had dug their own graves when they compromised with the class they vowed to vanquish.

Besides, they failed to improve the social conditions of the people in any way better than did of the Right-wing UNP. During their brief stay in power — both at the central or at the local government levels — the Left neither had the power on their own to implement their programmes (and they were fully aware of this limitation from the beginning as they were the dispensable junior partner), nor did the prevailing plight of a Third World economy give much room for them to initiate populist, or welfare programmes. In any case, the Right-wingers had already transformed the state into a benevolent service provider of the essential welfare needs, leaving hardly anything by way of major social reforms for the Left to initiate, or claim as their own. The only area left for them to manoeuvre was in the economy and their tinkering, in accordance with the theories in the books they read, did not yield the results they expected. *Consequently, they could not leave a lasting record of social amelioration that could rival that of the 'Right' i.e. of the UNP.*

COALITION AND SOCIAL WELFARE

Dr. Colvin R. De Silva, recapitulating the record of the Left at the height of their power in the SLFP-LSSP-CP Coalition wrote: "The Left had to fight on within the Government as best as it could, instead of abandoning the fight and leaving the field clear for the Right Wing leadership to operate. And the Left fought that fight, not without success. Witness the successful

intervention of Comrade N. M. Perera against the moves to bring in American Imperialism's military forces during the insurrection. Witness also the development of the proposed land reform into a major radical measure of land nationalisation (553,000 acres). Witness too the nationalisation of the company estates, a measure which was achieved by the Joint Committee of Trade Unions coming openly to the assistance of the Left within the Government with pressures which included the threat of a token General Strike. At the same time, it was also a measure of the weakened position of the Left in the Government that comrade N. M. Perera's drastic anti-capitalist taxation proposal could not be brought to implementation although passed by the National State Assembly. Mrs. Bandaranaike was able to destroy the Samagi Peramuna Government and the Samagi Peramuna itself before that." (P.9 — April 1971 — *A Foredoomed Ultra-Leftist Adventure.*)

For a self-proclaimed revolutionary party that promised to restructure society on the more refined principles of Marxist-Leninist-Trotskyism this is hardly a record worth writing into the history books! It is, more or less, a confession of failure, if not an apologia for their failure. Not a single measure listed here added to their political prestige, *or, more importantly lifted the conditions of the people to a significant level.* In his pamphlet, *April 1971 — A Foredoomed Ultra-Leftist Adventure*, Dr. De Silva conveniently diverts the blame on to the JVP, the Right Wing and Mrs. Bandaranaike. Never once does he pause to critically assess the failure of the strategies and the thinking of the Trotskyites. The Left intellectuals who claimed to possess the key to unlock the closed gates of history and liberate mankind were pretending that their failure was due to *others* who took the wrong turn. Besides, these quasi-revolutionaries of the LSSP who joined Mrs. Bandaranaike were forewarned and opposed vehemently, with precise and dire consequences of the impending and inevitable disaster, by the more radical-wing of the LSSP. When finally the Right-wing of the SLFP triumphed, which was always a foregone conclusion, the quasi-socialist Trotskyites had nothing to cover their political failure except to blame the Ultra-Left, the Right-wing, Mrs. Bandaranaike, the global economic crisis etc. They refused to admit that the participation of the Trotskyite "golden brains" in the Coalition government

had, in fact, accelerated the deterioration of the socio-economic conditions of the people and, consequently, they own demise.

Their theories, in other words, stood in stark contrast to the reality and, subsequently, the legacy of Left politics. Consider, briefly, the Left intellectuals who tend to romanticise the Left and denigrate the Right. Their infatuation with the Left would not make them focus on Dr. N. M. Perera, who as the Mayor of Colombo, had no compunction in burning the Borella shanties of the poor. But they would dissect every act of President Ranasinghe Premadasa who launched a massive programme of housing construction for the poor is portrayed and brand him as a "reactionary" if not a proto-fascist. Under the SLFP-Marxist Coalition — the era of the Trotskyite "golden brains" — people's basic necessities like food, clothing and shelter were reduced to a point which diminished the quality of life of the people and impoverished the nation. But Dudley Senanayake who gave free rice to the people was castigated as a "reactionary". State control introduced as a panacea for all evils by the Coalition resulted in greater mismanagement and corruption which linked the Left inextricably to the depressingly failed system. Fathers had to queue up from 3.am. to buy a loaf of bread for their children under the Coalition rule. As partners of the Coalition government the Left had to pay the ultimate price for not fulfilling their promise of making the state the Father Christmas that would bring all the goodies needed to rescue the people from their deteriorating socio-economic plight.

At the mass level Marxism was embraced as the magical vehicle that would bring in the cornucopia which the capitalist system can never hope to offer. And when they failed in this task the disillusionment turned into the total rejection of the first generation of Left-wingers. The electorate was hoping that the Left would perform better than the Right, who contrary to the theories of the Marxists, had established one of the most humane and outstanding social welfare programmes. Strange as it may seem, this entire social welfare programme was introduced mainly by the Right-wing governments of the "reactionary" UNP. It was these "reactionaries" who introduced free education, free health services, subsidised transport, free midday meals to school

children, free school uniforms, free books, subsidised or free rice, subsidies to farmers, and eventually, under the bold new initiatives of President Ranasinghe Premadasa, even free money to the poor under the Janasaviya programme. This is a record that neither the Left in Sri Lanka or many other places can boast of, considering the limited resources available to feed, clothe and house a population that grew from 8 million in the '40s to 16 million in the '90s. Ironically, if any one of these welfare measures — let alone all — was initiated by the Left, the intellectuals would have been crowing from roof-tops about the monumental socialist contribution to the welfare of the nation. Welfare measures similar to that of the UNP introduced by communist regimes are hailed as humane and liberating achievements of socialism. For instance, Castro's successful elimination of illiteracy, starting from 1959, is upheld as a remarkable achievement of socialism. Fair enough. But the Lanka Right-wing record in this area, starting from 1945, is downgraded as a capitalist class act to fulfil the 'growing needs of an industrial economy'.

The greatest achievement of the UNP is that they initiated and implemented all the welfare measures without sacrificing the individual freedoms, or destroying the democratic framework. The 'Right-wing' UNPers, from Senanayake to Premadasa, initiated, implemented and gradually enhanced the social welfare benefits under the democratic system which is an outstanding achievement for a Third World country. But because the welfare state did not spring from their official doctrines and because the welfare schemes were not introduced by them or their SLFP allies, the Left-wingers refused to acknowledge the Lankan Right-wing as one of the most enlightened elites of Third World.

THE ETHNIC DELUGE

The enlightened leadership of the Right steered the nation away from the perils that dogged other Third World countries. This might provoke the question : What about the north / south issue that engulfed the nation ? If they were that enlightened why didn't the Right-wing steer the country away from the north / south crisis which has blown out of manageable proportions ? A sketchy historical summary of events is necessary to assess the role

played by the Right and the Left on this issue. The starting point of this issue is seen as 1956 when S. W. R. D. Bandaranaike introducing the Sinhala Only policy. Invariably, in history these arbitrary starting points are oversimplifications of a long and winding process. Nevertheless, taking 1956 as the starting point it should be noted that it took exactly 20 years for the north to declare war on the south by passing the Vadukoddai Resolution in 1976. What happened in between is more important than the starting point of 1956.

A closer examination of events will reveal that it is not so much the Sinhala nationalism of Mr. Bandaranaike which exacerbated the north / south conflict. In fact, despite the see-sawing policies of the Sinhala leadership, events were gradually moving towards a reasonable accommodation between the north and the south. Events took a wild and a disastrous turn only after the SLFP — Marxist Coalition came into power **in 1970**. The Left-SLFP Coalition (1970-1977) will go down in history as the most divisive and destructive regime in the post-independent history of Sri Lanka. It is the "golden brains" of the Left which aided and abetted the downward spiral of the nation to the abyss of confrontation and chaos. The record proves that the SLFP-Left regime initiated a trend which undermined the (1) democratic foundations, (2) economic growth, (3) communal harmony and the (4) general welfare of the nation. **After the SLFP-LSSP-CP coalition of 1970 came the deluge.**

It swung the nation in a direction from which it never recovered even after nearly three decades. It set a trend which deviated radically from the humane liberalism of Dudley Senanayake. First, the coalitionists attacked the democratic superstructure by sealing a section of the press (Davasa Group), and taking over another (Lake House). Then it abolished the Solbury Constitution and went on to re-write a one of their own which was not only short-lived but frightened the minorities by removing Section 29 of the Solbury Constitution — a provision which was seen as the defensive mechanism left behind by the British for their protection. The Tamil communalists who were fighting to retain their privileges granted by the British saw this as a serious threat to their power base. The Tamil communalists, without ever committing themselves to the egalitarian principles of the left, once allied themselves

with the Marxist, because they advocated parity of status for languages and communal equity. Even though there was room for manoeuvring democratically the Tamils communalists pounced on the measures introduced by the SLFP- Marxist Coalition as proof of their being oppressed.

The constitutional changes and other measures of the Coalitionists fuelled the fires of communalism more than any other party in power before. Apart from removing constitutional guarantees, the Marxists went along with the introduction of standardisation which, rightly or wrongly, made the Tamils feel that it was a means of shutting higher education for their community. Nationalisation, as pointed earlier, added to their disillusionment. Rising unemployment frustrated the youth in all communities. The Tamil communalists exploited the downturn in socio-economic conditions under the Coalitionists to whip up anti-Sinhala chauvinism and promote separatism as the alternative. It is significant that the Vaddukoddai Resolution declaring war against the south to establish their Eelam was passed **under the Coalitionists rule in 1976**. This is, perhaps, the most damning statement recorded in post-independent history against the 'Marxists' who left a legacy of not only economic ruin but social — more particularly racial — divisions of the worst kind.

The marked differences in the grand rhetoric and the degenerating practices of the Marxists are visible in the short period they were in power. They looked virtuous because they did not get the opportunity to be corrupted. Once they joined the SLFP they were corrupted by power and went for political expediency discarding their cherished principles. When the Left was accused of betraying their original principles Dr. Perera argued that consistency need not necessarily be a virtue in politics. This left them in no-man's land. They were stranded in a limbo that belonged neither to the Left nor to the Right. And when they looked back, at the end of their time, they had no worthwhile, or lasting records of reforms to claim on the scale developed by the Lankan Right. Everything — from the historic achievement of independence to free education and other welfare benefits — belong to the Right who won it without going down the path of the Marxists. But, ironically, it is the Trotskyites who claim the credit for the social reforms introduced

by the Right. Unable to claim any substantial reforms of their own, they brazenly claimed credit for what the Right had done on the basis that it was their agitation that prompted the Right to introduce the social reforms! This is, indeed, a position they cannot substantiate. Their argument boils down to this : All the good that came to the nation was because of the Left even though it was the Right that initiated, programmed and implemented it - and the bad results were because the Right had no programme or the will like the Left to implement the good policies.

NATIONAL INDEPENDENCE: LEFT ROLE

Take the case of the Right gaining independence. The constitutional reform movement, through peaceful dialogue and negotiations, had been on track since the 1920s'. *The Handbook of the Ceylon National Congress*, edited by S. W. R. D. Bandaranaike, provides ample documentary evidence of the slow but sure process initiated by the Right-wing to win independence long before the Left ever came on the political scene. To claim that independence came because they shouted out the loudest falsifies the records of history.

Or take the case of free education introduced by the Right in 1945. Leslie Goonewardene comments on this issue is revealing : "In the middle of 1945 the State Council had adopted the Free Education Bill brought by the then Minister of Education, Mr. C. W. W. Kannangara. While the Lanka Sama Samaja Party certainly cannot claim credit for this piece of legislation it might be noted that, in spite of the disability of illegality, the party was not behind the times even on this question. While in jail in 1944 N. M. Perera wrote a small book entitled "Free Education" which urged the adoption of a system of free education in Ceylon " (p.25 — *A Short History of the Lanka Sama Samaja Party*). Independence and free education are two of the greatest achievements of this century and the Left, it is clear, cannot claim credit for either. So are their other claims to socialist fame.

The Senanayakes, indeed, can be considered as the founding fathers not only of independence but also of the reform movement to alleviate and elevate the

conditions of the people. While the Left commendably distributed dhal and other provisions for the malaria-stricken people it was the Senanayakes and S. W. R. D. Bandaranaike, as Minister of Health, who eradicated malaria with the help of WHO in the first experimental stages of combating the killer mosquito with DDT. It was the Senanayakes who distributed land to the poor of the south by opening up new centres of agricultural growth in the traditional lands of the Sinhala farmers. It was the Senanayakes who first established the multi-cultural state with the willing participation of minority communities. It was the Senanayakes, long before the Left, who went to jail in 1915 for their anti-imperialist stances. It was the Senanayakes who gained a seat in the UNO winning a place for Sri Lanka in the international community. ***It was the Senanayakes who established the Rubber-Rice agreement with China much against the best interests of the mighty Westerners whose policy then was to isolate China.*** It was the Senanayakes who set the tone and traditions for the democratic institutions to grow as a viable force in national politics. It was their non-ideological pragmatism that set the trend and cleared the path for liberal economics to gather momentum along with the best safety net that a small and an emerging nation could afford.

The Left objected and obstructed every move denouncing the Senanyakes as agents of Western imperialism. When, for instance, the Senanayakes launched national celebrations on the first independence day, February 4, 1948, the Left organised a mass rally at Galle Face Green to condemn it as "fake independence" ("*eeniya nidahasa*"). On this issue as in other issues, they misled the masses every inch of the way. Later, in 1960, Leslie Goonewardene, in his short history of the LSSP, wrote : "The LSSP took up the position that although legally power had been transferred, independence was a fake one on account of the economic domination of Ceylon's economy by the imperialists, the continuation by Britain of military bases in Ceylon, and the existence of a secret agreement, explicit or implicit, with the British Government. This position has undergone modification over the years, with the virtual evacuation of the bases under the MEP Government of 1956-59 and the absence of evidence of a secret defence agreement." (P. 37 — *A Short History of the Lanka Sama Samaja Party,*

by Leslie Goonewardene, General Secretary of the LSSP)

UNP AS ARCH-ENEMY

This admission is typical of the propagandistic distortions of the LSSP to attack its main target, the UNP. The LSSP was determined, by hook or by crook, with lies and half-truths, through strikes and mass agitations, through parliamentary manoeuvres and coalitions with the "alternative to the capitalist class", to destroy the UNP. ***"The Lanka Sama Samaja Party," wrote Leslie Goonewardene, "had been the only political party in Ceylon..... to call upon the masses to fight intransigently against the United National Party as the arch enemy of the people."*** He adds: ***"The Lanka Sama Samaja Party can proudly claim to having been, of all political parties, the most consistent and determined opponents of the United National Party."*** (P.27 — *A Short History of the Lanka Sama Samaja Party*). This is, partly, a side swipe at the Communist Party because he writes in a footnote : ***"The Communist Party in this (war) period characterised the UNP as a front rather than a party. While admitting that it had a reactionary leadership it nevertheless stressed that there were progressives in its ranks. This led it to decide on a policy that was in fact pro-UNP and anti-LSSP for the forthcoming election of 1947."***

Of course, the Communist Party had its own political agenda in backing the UNP during the war time. It was a time when the USSR fought alongside with the Anglo-American Allies against Hitler and, as the UNP was with the Allies, supporting the UNP was another means of the local Communist Party supporting Moscow. There were also two other reasons. First, it was also the period in which the Stalin — Trotsky struggle was at its bitter height. The local Communist Party, which was tied to Stalin's Third International, could not allow a Trotskyite party tied to the anti-Stalin Fourth International to rise as political force. Second, the Trotskyites and the Communists were vying with each other for the lion's share of the worker's votes, both in the trade unions and the electorate. The breaking of ranks was a bitter blow to the Marxist movements as a whole. It widened the rift among the Left parties and boosted the chances of the Right-wing.

The widening local rifts were also fuelled

by the emerging varieties of Marxism in the global theatre. The significant feature of the Left was that practically every major Left movement abroad found its partisans in Sri Lanka. The Moscow-wing, the Peking-wing, the Titoists in the LSSP and, finally, the "Che Guevarists" in the JVP were followers of each of the movements that rose and disappeared in the West. These international factions of Left gave not only some overseas moorings for the politics of the local Left but also an ideological cover for the deviationists to disguise their opportunistic politics as some profound theoretical issues that inevitably led to hair-splitting quarrels as to who was the legitimate heir to Marxist-Leninism. When finally the Left temporarily patched up their differences and took their last gamble in joining the Samagi Permuna of SLFP-CP-LSSP they wrote the final chapter in their brief history.

Joining the SLFP was also in keeping with the ideology of the LSSP that the UNP was the "arch enemy of the people". Was the UNP the "arch enemy of the people" ? Could they have survived in Sri Lankan politics if they were the "arch enemy of the people" ? And, finally, why did the "arch enemies of the people" grow from strength to strength and why did the so-called revolutionary vanguard of the people fade away ? As events proved eventually, the LSSP had a tremendous capacity to deceive itself, and the people to some extent, with their misleading theories and Marxist concoctions. Even intellectuals like pro-Trotskyite Regi Siriwardena and activist like Prof. Carlo Fonseka went along with the theoretical humbugger and the convoluted twists and turns of the LSSP. They ignored the failure of the Left to come up with realistic answers to the pressing issues of the nation. They overlooked the abysmal failure of the Trotskyites to deliver the goods to the people. But these intellectuals collectively agreed, in one form or another, that the UNP was the "arch enemy of the people" and from, time to time, signed public declarations — particularly on the eve of elections — to add some respectability to the Left alliances. The local intellectuals expressed their solidarity with the Left despite their betrayals and failures. These intellectuals are no better than the sentimental bandmen who played the tune as the Left titanic sank ingloriously into cold obscurity. They failed to support the national leaders of the UNP who, by any standards, would shine as one of the most enlightened and

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we have to view this issue in the context of the fact that the north and east together would control two-thirds of the coastal area. We know that for beach seine fishery on the coastline of the WP and a part of the SP is cut up into areas of exclusive fishing rights for different groups on the basis of tradition and custom. We also know how difficult it is to prevent disputes from erupting around such problems from time to time.

Turning now to the allocative efficiency of **capital**, it will also be affected adversely by the same reason that impede land, and labour from attaining higher productivity and profitability levels. Some of the impediments as noted above were caused directly by the devolution package while others followed from the "regionalism" and its worst manifestation, "ethno-political regionalism" which are likely to be fostered or even formalised by it. In addition to these we see certain other features in the devolution package that can lead to a mis-allocation of capital and financial resources. The regions are to be given the power to regulate and promote **foreign direct investments** and no reference is made to any guidelines or concurrence from the centre. This could give rise to a multiplicity of criteria and incentives, some of which may not be in the national interest from the point of view of optimising allocative efficiency of foreign resources.

The powers to be given to the regions to negotiate **foreign loans, grants and technical assistance** can also lead to divergences between national interest and regional interest. The national interest is clear. Given the large gap between saving and investment, the national strategy regarding the filling of this gap and the management of the external deficit is to minimise the use of foreign commercial loans and to maximise the resort to grants, loans with strong grant elements to foreign direct investment. Grants are becoming harder to get day by day and so are foreign direct investments with the new trend of the North paying more attention to eastern Europe and not so much to the South. Hence from the national and the allocative efficiency

points of view what is needed is to ensure that the limited amount of international grants and development assistance available be allocated according to national interest and not according to any region-specific negotiation abilities or any geo-political agenda of the borrower-regions and the lender-agencies. The regions can also use tax differentials or raised subsidies to attract enterprises. Apart from causing damage to the management of the structural budget deficit and to the stabilisation effort in the manner explained earlier on, an excess of such competition can have serious distortionary effects on the economy leading to a mis-allocation of resources and a crippling of economic growth.

PUBLIC, LOCAL OR ETHNIC GOODS?

Q: How do you view these likely harmful effects of the devolution package that you just noted in respect of natural resources in the perspective of the concept of public goods?

A: There are certain national assets which are considered to be **public goods**, such as state lands, forest reserves, coastal resources and minerals. All citizens have to be assured of free and equal access to them. If the regions are given powers to limit access to them for people from other regions then it will be an economic loss to all. Therefore, it is best that they are not devolved but are retained under the centre's jurisdiction. Fears of colonisation in ethnic minority provinces need to be allayed by means other than devolving state lands to the regions. With devolution these public goods run the risk of being **transformed into local goods** in three ways. The proposed vesting of state lands in the regions itself places them at such risk. There is "regionalism" that would be nourished and nurtured. It could effect a de facto transformation of public goods into local goods either through agitation as in the above scenario on phosphate deposits or with the assistance of a partial police force as in the scenario on coastal fisheries. Then there is "ethno-political regionalism" which will not only be nourished and nurtured by the

devolution package but also formalised in some practical sense by it which can **transform public goods into "ethno-political regional goods"**.

In connection with the last, consider the fact that all "dense forest" and the "open forest" lands available to the country are now confined to the districts in the Northern and the Eastern provinces and to one outside district, Moneragala. The prospects of such forest lands which are so vital to the preservation of the country's environment being converted from public goods to "ethno-centric-regional goods" can have serious consequences for environmental issues. All the more so because under devolution, national environment is reserved to the centre and environmental protection within a region is devolved to the regions and it is not made clear as to how the two can be compatible. This can be vexatious especially when the state lands under forests are devolved and run the risk of being transformed from public good into "**ethno-political-regional-local goods**". Similar problems can arise if a spirit of "regionalism" were to prompt the transformation of the tropical rain-forests of Sabaragamuwa and the central watershed of the country situated in the CP from public goods into "regional" goods. However frightening a prospect it may be, it would be much worse if the Sinhalese or the upcountry Tamils were to think of transforming these forests into "ethno-centric-regional goods". Let me remind you that through encroachment and other means this process is already going on in the CP. When public goods are transformed into local goods in these ways there will be negative effects on their allocative efficiency and distortions will set in. Conservation of forests is a long-term interest of the nation as a whole. If these get transformed into local goods, the short-sightedness of local users would end up with the long-term national and inter-generational interests being sacrificed.

- TO BE CONTINUED -

The Local Government Poll of 1997 within a Comparative Context of a Decade of Elections - Part 2:

VITAL STATISTICS

THE CHANDRIKA FACTOR

Fortunes of the PA began changing with the assumption of leadership by Mrs. Kumaratunga who launched herself from assuming the Chief Ministership of the Western Provincial Council and through the infamous Francisco affair to sweep the Southern Provincial Council by election. At the Parliamentary Election of August 1994 the PA gained a score of +29 to the D.B. Wijetunge/ Gamini Disanayake led UNP's dismal -21. Fate took an inevitably momentous hand in the political life of this country when three months later the UNP was coerced into substituting the unknown political entity of (the assassinated) Mr. Gamini Dissanayake's widow to oppose Mrs. Kumaratunga. The PA performed the 'Grand Slam' and scored the perfect +51 with an unprecedented 61.0 percent of the national mandate secured by a Presidential candidate while grinding the hapless UNP into a submissive -51, although the latter still secured over one third of the national constituency (37.3 percent).

While it is doubtful that the feat performed by the PA at the last Presidential Election will ever be repeated, its performance at the recent LG poll summarised by a score of +30 is a substantial reduction although it is the second best electoral performance by the party at the seven hustings within the decade, just ahead of its achievement of +29 at the Parliamentary Election of 1994. The UNP, on the other hand has managed to reduce the dismalness of its performance by scoring -41, its second worst performance during the decade.

The expected average performance indicated in Table 2 is the mean performance score computed from the

first six elections. Except in the District of Matara, the UNP was 'expected' (on the strength of its past performance) to come up with either an average or modestly above average performance. Except in Colombo, it failed to live up to this expectation. The PA in comparison consistently performed better than expected in every district. However, it must be noted that the relative achievement in the districts of the southern province and in Kalutara (which are traditional strongholds of the PA) was well below what the PA achieved in Matale and Puttalam Districts (which gained 3.33 each compared to 1.0 each in the south) or Ratnapura and Dandy Districts (which gained 3.0 each).

The cumulated performance of the two parties at the past seven elections (including the LG poll of 1997) are given in the last two columns of Table 2. At the national level, the PA has a modest positive performance contrasted with the UNP's modest negative performance. District-wise, the PA's performance on a cumulative basis is negative in the three districts of Nuwara Eliya, Colombo and Gampaha, the latter, although, being a traditional stronghold of the PA. The only positive cumulative performance by UNP is in Nuwara Eliya; the Districts of Polonnaruwa, Kurunegala and Matara are each depicting a dismal score of -3.

The past decade's electoral performance of the two main parties distinctly reveal two phases of dominance; the first from 1988 to 1993 where the UNP (continuing from a decade ago) held sway until the new leadership of Mrs. Kumaratunga brought in a change of fortune for the PA from 1994 onwards. During the first phase, the UNP consistently secured more than 35.0 percent of the district mandate and

Prakshepana

secured a 51.4 percent average of the national mandate at these four elections. In comparison, the PA could only muster 39.5 percent of the national mandate and in 20 out of the 68 district-polls (i.e., 4 polls X 17 districts), it obtained less than 35.0 percent of the district mandate. But, with the advent of the second phase, the tables were turned and the PA secured an average national mandate of 54.5 percent at the last three elections with the UNP managing only 41.4 percent with 5 out of the 51 district-polls yielding less than 35.0 percent. When the two phases are amalgamated, the resultant national mandate obtained by the two main contenders is within a hair's breadth of each other; 47.1 percent obtained by the UNP and 45.9 percent by the PA.

In conclusion, one might venture to say that neither of the two main parties have ever been deprived of at least one third (or 35.0 percent) of the national mandate during the past decade at the hustings. This was unshaken even when the DUNF over-performed and grabbed 14.5 percent for itself augmenting the 'Other' parties' collection to 17.0 percent during 1993. Apart from this unusual performance, the 'Other' parties have obtained between 2 percent and 8.5 percent of the national mandate, lower at Presidential polls and swinging to the high end at a LG polls. It has always been that critical, uncommitted floating vote between 25 to 30 percent which has made the difference between a win or a loss. The one who manages to convince the large majority of this floating vote invariable carries the day and emerges in the guise of the victor. Perhaps, one should pay a tribute to this critical, floating voter population for keeping the flame of democracy alive in Sri Lanka and in a sustainable state of health.

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paper limits itself to caste and the market.

3. There is on one hand a growing theoretical discussion of "market socialism" and on the other the experience of China which describes itself now as a "socialist commodity economy"; both have to be taken seriously - even if "market socialism" is being attacked from both section of the left and the right today as a "contradictory" concept.

4. India : Economic Development and

Social Opportunity (New Delhi: Oxford, 1995).

5. S.K.Thorat, of JNU, and Narendra Jadhav, currently a director at RBI, are the only Indian economists who are working along such lines.

6. Terms such as "brahmanism" and "brahmanic" do not refer to Brahmins as a caste; the connection is very complex. Ambedkar himself distinguished clearly between being opposed to "brahmanism" and to "Brahmins".

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compassionate social reformers in modern times. The failure of the Left is also the dismal failure of the intellectuals to give the lead in directing the nation away from sterile anti-UNPism even in the later stages when the evidence was staring in their faces.

Politics basically is a commitment to responsibility — responsibility to ideology and the consequences that flow from the ideology, responsibility for the implementation of the programmes and policies in the most effective way and, finally, responsibility to that section of humanity to which politics is committed to serve. Leaving aside elusive utopias, the highest possible state of politics is reached when power is used creatively, first to alleviate suffering and second, to elevate the quality of life. Politics that fail to fulfil these conditions divert from the natural path of historical progress and run into dead-ends. Besides, such politics do not render a service either to the cause espoused or to humanity. Those who digress from these principles are forced to abandon the illusory grandiosity of the original cause and degenerate into vile politics of opportunism or adventurism. Taking a broad view of the Left movement, it is now patently clear, that one section of the Left went down the path of opportunism and the other down the path of adventurism. Even a cursory glance at the record of the Marxists in power will reveal that they never came anywhere near the wing UNP in either alleviating or elevating the conditions of the people. Whatever reforms they introduced were disastrous. Neither their dogma nor their opportunism saved them. Their attempts to manipulate the constitution, the economy, the electoral process, the media, the democratic institutions, communal relations etc., were so counter-productive that the disillusioned masses turned away from them with a vengeance. In other words, when they were put to the real test in the seats of power they failed miserably.

Table : Government Expenditure on Social Services, 1980-1994.

	Central government Budget as percent of GNP (Current)		Percent of total budget expenditure on social services		Social Spending as percent of GNP	
	1980	1994	1980	1994	1980	1994.
U.S.	20.3	22.2	48.8	52.2	9.9	11.6
U.K	36.4	39.9	43.7	52.2	15.9	20.8
France	37.3	44.9	69.4	68.9	25.9	30.9
Australia	21.5	29.0	45.5	57.5	9.8	15.5
Netherlands	48.1	50.7	62.9	69.3	30.2	35.1
Sweden	37.7	50.3	58.2	56.8	21.9	28.6
Singapore	16.2	13.4	24.1	35.9	3.9	4.8
Brazil	19.2	33.8	32.3	36.7	6.2	12.4
Guatemala	7.4	5.9	29.8	29.5	2.3	1.7
Chile	26.3	17.8	57.6	64.9	15.1	11.5
Costa Rica	22.4	28.1	62.4	61.3	14.0	17.2
Nicaragua	26.3	31.3	35.1	38.5		
Korea	15.1	16.0	22.0	32.0	3.3	5.1
Indonesia	12.2	8.9	11.8	14.4	1.4	1.3
Philippines	9.9	15.0	20.8	23.1	2.1	3.5
Thailand	14.6	11.4	28.0	35.4	4.1	4.0
Malaysia	19.9	21.4	26.8	39.5	5.3	8.4
Sri Lanka	24.9	22.3	23.6	33.0	5.9	7.4
India	11.7	14.6	5.5	9.3	0.6	1.3
Zambia	35.7	13.9	17.4	29.3	6.2	4.1
Kenya	20.0	25.3	30.3	25.7	6.1	6.5
Ghana	9.8	17.9	35.1	38.5	3.4	6.3
Egypt	39.4	34.9	22.2	29.7	8.7	10.4

Source: World Development Report, 1996, Table 14.

TO BE CONTINUED.

**Next : FOREDOOMED ULTRA-LEFTIST
ADVENTURISTS**



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the end of the union
I represent?
How will the interests
of my members be
protected?**

- Trade Unionist

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