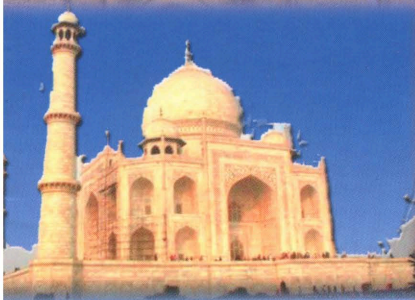
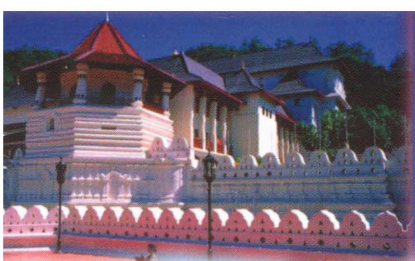
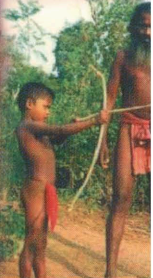
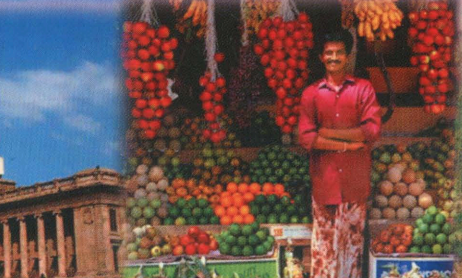
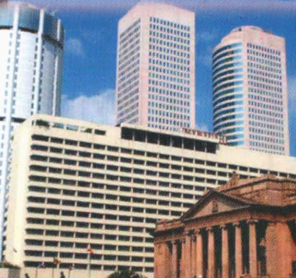


CITIZENSHIP EDUCATION & GOVERNANCE GRADE 10



Educational Publications Department



CITIZENSHIP EDUCATION & GOVERNANCE

GRADE 10

EDUCATIONAL PUBLICATIONS DEPARTMENT

First Published in 2006
All Rights Reserved

PREPARED AND PUBLISHED BY THE EDUCATIONAL PUBLICATIONS
DEPARTMENT AND

Printed by The Associated Newspapers of Ceylon Ltd,
Commercial Printing Department.

2007/E/10/89/15000

The National Anthem

Sri Lanka Māthā

Apa Sri Lankā Namō Namō Namō Namō Māthā

Sundara Siri Barini surandi athi sōba māna Lankā

Dhānya Dhanaya neka mal palathuru piri jaya bhoomiya ramyā

Apa hata sāpa siri setha sadanā jeevanaye māthā

Piliganu māna apa bhakthi pooja Namō Namō Māthā

Apa Sri Lankā Namō Namō Namō Namō Māthā

Oba ve apa vidyā

Obamaya apa sathyā

Oba ve apa shakthi

Apa hada thula bhakthi

Oba apa ālōke

Apaga anu prāne

Oba apa jeevana ve

Apa mukthiya oba ve

Nava jeevana demine nithina apa pubudu karan māthā

Gnana veerya vadawamina rāgena yānu māna jaya bhoomi karā

Eka mawakage daru kāla bāwinā

Yamu yamu wee nopamā

Prema wada sāma bheda dhurāradā

Namo Namō Mathā

Apa Sri Lankā Namō Namō Namō Namō Māthā

අපි වෙමු එක මවකගෙ දරුවෝ
එක நிවසෙහි වෙසෙන
එක පාදுති එක රුධිරය වේ
අප කය තුළ දුවන

එබැවින් අපි වෙමු සොයුරු සොයුරියෝ
එක ලෙස එහි වැඩෙන
ඒවත් වන අපි මෙම නිවසේ
සොදින සිටිය යුතු වේ.

සැමට ම මෙන් කරුණ ගුණෙනි
වෙළී සමගි දමිනි
රත්මිණි මුතු නෙව එය මය සැපත
කිසි කල නොම දිරන

— ආනන්ද සමරකෝන් —

ஒரு தாய் மக்கள் நாமாவோம்
ஒன்றே நாம் வாழ மில்லம்
நன்றே உடலில் ஓடும்
ஒன்றே நம் குருதி நிறம்.

அதனால் சகோதரர் நாமாவோம்
ஒன்றாய் வாழும் வளரும் நாம்
நன்றாய் இவ் இல்லினிலே
நலமே வாழ்தல் வேண்டுமன்றோ.

யாவரும் அன்பு கருணையுடன்
ஒற்றுமை சிறக்க வாழ்ந்திடுதல்
பொன்னும் மணியும் முத்துமல்ல - அதுவே
யாண்பு மழியாச் செல்வமன்றோ.

-ஆனந்த சமரக்கோன்
கவிதையின் பெயர்ப்பு.

FOREWORD

The objective of the Educational Publications Department is to provide textbooks of high pedagogical standards to all students in the country. It is with pleasure I write a foreword to this series of textbooks produced for Grade 10 based on the new curriculum reforms introduced to the school system from 2007 which will fulfil the expectations of our students.

By studying this textbook which covers the prescribed syllabus on the subject, the younger generation will acquire the competencies needed to build a virtuous society and to face the challenges of the unknown future.

I take this opportunity to thank the officers in the Department who worked hard with dedication and enthusiasm to meet our targets. I also wish to extend my gratitude to the Secretary, Ministry of Education and all others who gave their fullest cooperation in numerous ways.

N. Dharmasena
Commissioner General of
Educational Publications

Educational Publications Department
'Isurupaya'
Battaramulla.

Date: 18.08.2006

Direction

N. Dharmasena - Commissioner General of Educational Publications

E.F.D. Nanayakkara - Consultant - Educational Publications Department

Panel of Writers

Sugath Alahakoon, B.A. (Political Science Hns.)

Kuliyapitiya M.M.V., Gampola

A.S.D. Godakumbura, B.A. (Sociology Hns.)

K/Atabage, Udagama M.V., Gampola

Kumudu Kumari Dissanayaka, B.A. (Political Science)

A/Kallanchiya M.V., Anuradhapura

W.N.R.P. Ghanawathie - B.A. (Economics)

G/Devapathiraja National School, Rathgama

Anoma Shiyamalee Saheeb - B.A. (Political Science Hns.)

K/Teldeniya National School, Teldeniya

Translation

W.P. Jayawardhana

P.W. Wickramasinghe

Technical Advice

Visakha Jayawickreme - Assistant Commissioner of Educational Publications

Project Co-ordination

W.D. Padmini Nalika - Additional Commissioner of Educational Publications

Co-ordination Assistance

Visakha Jayawickreme - Assistant Commissioner of Educational Publications

Drawing & Illustrations

Nanila Publication (Pvt) Ltd.

Typesetting & Layout

ANCL

Cover

Menaka Sanjeevanie Thilakarathne

Educational Publications Department

Publishing

ANCL

CONTENTS

1.	Democratic Government	
1.1	Democracy:-	1
1.2	The origin and history of democratic government.	2
1.3	Direct democracy and representative democracy	4
1.4	Components of a democratic form of government.	5
1.5	The factors needed for the successful operation of democratic rule	12
1.6	The nature of the State and the government	16
1.7	Types of Government	22
1.8	The role of the states	24
1.9	The significance of the democratic government	25
1.10	Challenges of democracy	27

2.	Decentralization and devolution of power	
2.1	Introduction	28
2.2	Decentralization and Devolution of Power in modern states	29
2.3	Devolution and Decentralization of Power in Sri Lanka	37
2.4	The Composition (structure) of a Provincial Council	43

3.	Multi Cultural Society	
3.1	Let us identify the multi-cultural societies.	45
3.2	The factors which promote the creation of a multi-cultural society	51
3.3.	Multi-cultural societies and modern state	54
3.4	Multi-cultural Assimilation and Sri Lanka	55

4.	Economic systems and Economic relations	
4.1	Basic Economic Problems and Economic Activities	59
4.2	Identifying various economic systems (Capitalist, socialist, mixed-economic systems)	66
4.3	The concept of Market Economy	68
4.4	State of the present Economy of Sri Lanka and Development	70
4.5	The influence of technological advancement and globalization on the world economy and Sri Lanka	76

5.	Conflict resolution in a democratic society	
5.1	Introducing Conflicts?	83
5.2	Types of conflicts and their sources	86
5.3	Methods of resolving conflicts	89
5.4	The advantages of avoiding conflicts and amicably settling them	94

Democratic Government

1.1 Democracy:-

Democracy means the rule of the “demos” or people. The English word, “democracy” is made by joining two separate Greek words “Demos” and “Krotos” respectively. The meanings of these two words are “people” and “rule”! Hence “Democracy” means the rule of the people (Encyclopaedia Britannica - 2004).

In a democratic government both, the election of rulers and delegation of power to rulers are done by the people.

Democracy is a concept, which has been defined by different philosophers in different manners. A popular definition on democracy goes as follows -

“Democracy is the government of the people, for the people, by the people”

*U.S. President, Abraham Lincoln
Getesberg Speech - 1863*

Democracy is not something that can be produced or exportable. It is something that has to be constantly safeguarded and nurtured. There is no formula to produce a perfectly designed democracy. All that can be done is to plant the seeds of democracy in the minds of people.

“UNESCO” conference on the principles of learning to live together through peace and co-operation.

2001 July, Seoul, South Korea

Democracy is the system of Govrnment, which has constitutionally delegated power to the people directly and indirectly to participate as they wish, in the three-fold functions of government, while allowing people's freedom, rights, equality and direct democratic methods to operate without limiting them merely to the constitution.

Activities 1.1

- Collect various definitions put forward on the nature of democracy
- Explain, what is meant by democracy.

Explaining democracy, Encyclopaedia Britannica has identified three models of it.

- I. Direct Democracy: Democracy where citizens directly take part in the function of the government.
- II. Representative Democracy:
The form of democracy which functions through the representatives of the people.
- III. Free or constitutionalized democracy:
The system of democratic government which has granted the fundamental rights and manifold freedoms. It is constitutionally designed and administered by the people's representatives.

Out of different models mentioned above, the direct democracy was functioning in ancient Greek cities.

Representative democracy is functioning in countries such as Great Britain, Israel, New Zealand and in many other countries.

The free or constitutionalized democracy is operative in U.S.A., India & Sri Lanka.

Accordingly it is clear that, it is difficult to make a common definition on democracy.

Activity 1.2

1. Discuss the reasons for having many definitions on the nature of democracy.

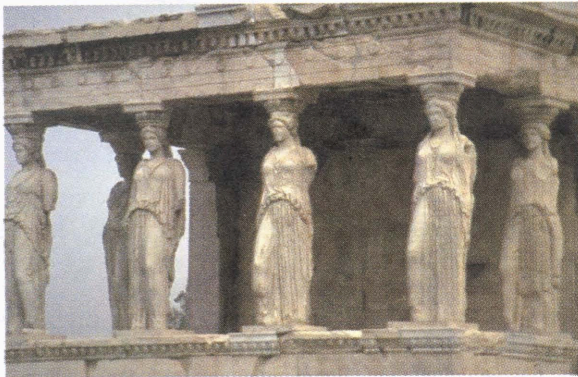
1.2 The origin and history of democratic government.

There is evidence to believe that certain features of the democratic system of government were found in ancient Sri Lanka as well. In India also there were certain Kingdoms as far back as 6th century B.C. which had governments based on democratic principles. The Kingdom of Lichchavi Kings is an example.

In the 4th century B.C. during King Pandukabhaya's time in appointing "Gamika" - the leader of the village council, majority consent was sought. In the latter periods also according to available evidence democratic methods have been used in the running of the State affairs. The Kings of that time have consulted their Ministers in taking decisions on important matters of the state. Even today the ruins of ancient royal courts where such discussions were held could be seen

Greece is considered the cradle of modern democracy. The ancient city-states of Greece were ruled on democratic principles. The citizens of such city states Athens, Sparta and many other Greek cities assembled together & took important decisions through discussions on affairs of government.

Greek City States



Porch of the Caryatids at the Erechtheion, Athens, Greece.

1.1

The Parthenon Acropolis
Athens, Greece



1.2

1.3 Direct democracy and representative democracy

Direct democracy was practised in Greek city states. Under this system all the people who were subjected to the rule, got together and made decisions on important government affairs.

Why direct democracy is not practicable in the modern world.

- * The large size of the land areas of modern states
- * The influence of population growth
- * The complex nature of modern societies
- * The practical difficulty of assembling all citizens together to take decisions on matters of government.

What happens in modern democratic states is holding elections to test the people's will and to appoint their representatives accordingly, who would take decisions on matters of government, on their behalf. This is called indirect democracy or the representative democracy.

Representative democracy means the rule done through the people's representatives appointed at an election for a specific period on the majority consent of the people.

Since all voters cannot take part directly in the affairs of government in modern democracies, people are given the opportunity in state affairs through the direct democratic devices.

According to representative democracy the section of the citizens in a state who receives the right to vote is called voters. Generally all the adults irrespective of their gender come within this group.

Activity 1.3

Make a list of qualifications needed to be a voter in Sri Lanka.

Direct democratic methods

“Referendum: Consultation of people's will on a constitutional or a legislative matter can be introduced as referendum. Sri Lanka and France are two countries where referendum is used.

Initiation: means the ability of the people to initiate or originate a certain legislative function (in other words requesting a certain law to be enacted by the legislature). Switzerland is one such country which employs this method.

Recall; the ability to recall or abolish the posts of corrupt officials or politicians is called "recall". Again, Switzerland is a country where this method is practised.

Plebiscite - What is expected through this process is to consult the people on how to solve a specific political problem. Some countries where this method is employed are U.S.A., France, Canada and Sri Lanka.

Activity 1.4

1. Collect the information on an occasion where direct democratic methods mentioned in the constitution of Sri Lanka has been employed.

1.4 Components of a democratic form of government.

Certain components of a democratic government, worth recognition.

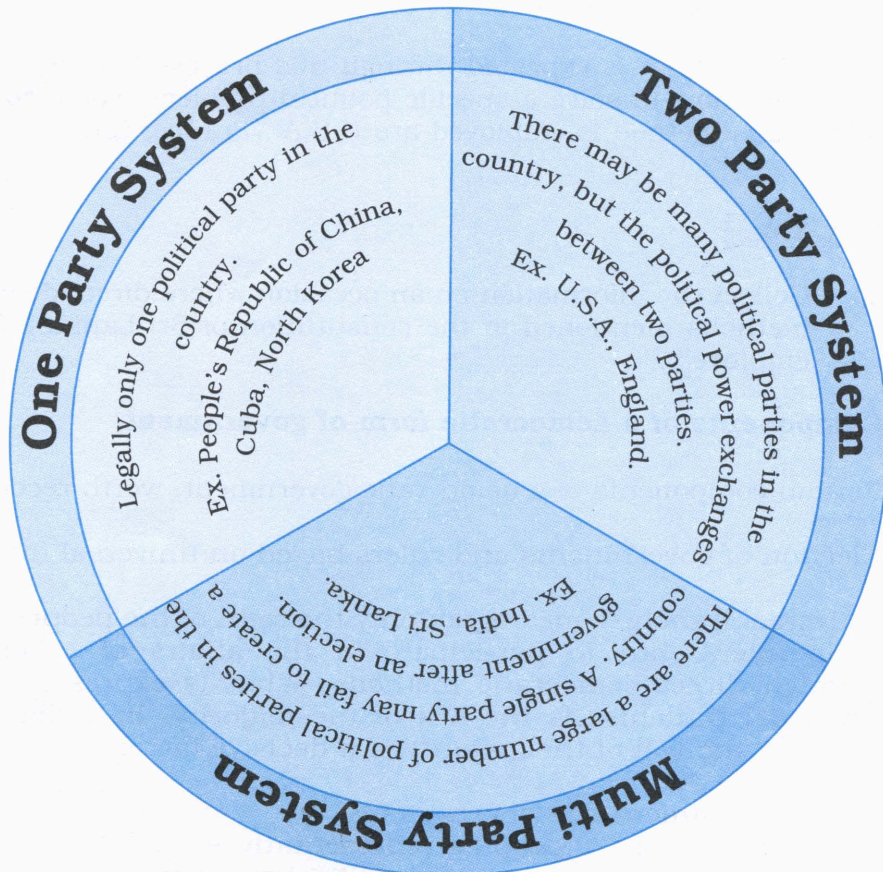
Election of governments and rulers based on universal franchise.

Universal franchise means not only the right of the people to elect their rulers, but to participate in the affairs of government through direct democratic methods. What is expressed by the universal franchise is the will of the majority. In a democratic country, the will of the majority is a decisive factor.

1. Appointment of a government
2. Appointment of people's representatives
3. Existence of a competitive political party system

A competitive political party system is an imperative for the functioning of a democratic system of government. A political party is an organization in which a group of people have assembled together, based on certain policies, with the intention of gaining political power in the country. In a democratic country there should be the opportunity for the existence and functioning of political parties which have been registered with these objectives.

Different types of political party systems could be seen in the modern world



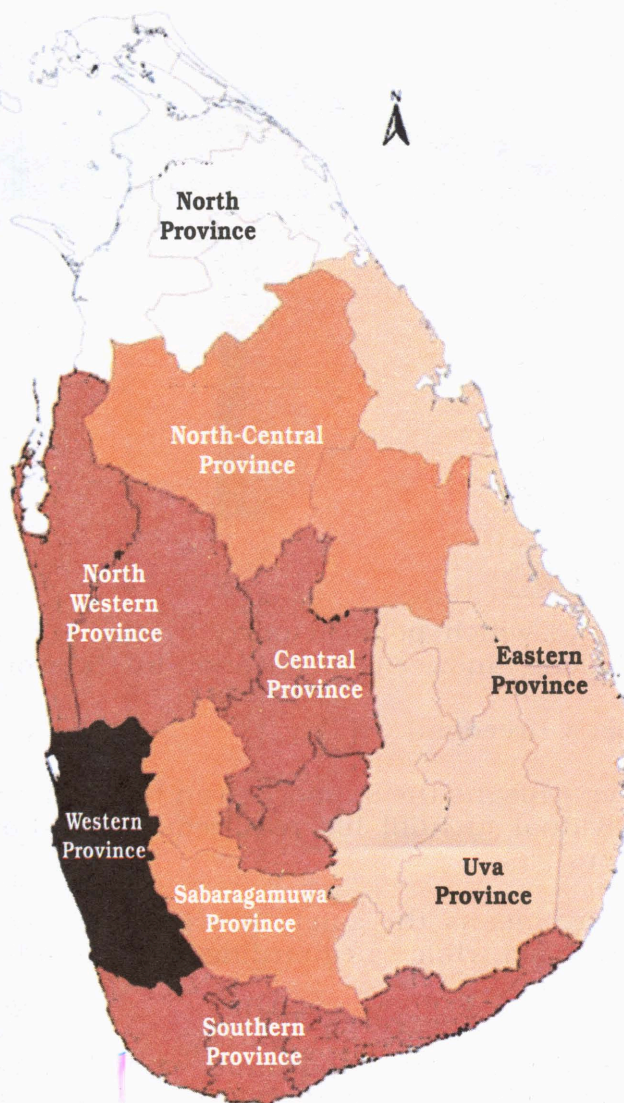
1.3

* Free and Fair elections:

In a democratic country, free and fair elections should be held at stipulated times according to the constitution. People's participation in the functions of the government is sought through the elections. In a democratic country sovereignty lies with the people and at an election they entrust their representatives to operate it on their behalf for a specific period.

* Delimitation of the country into electoral districts:

To demarcate the electoral districts on accepted criteria, delimitation commissions are appointed. The land area, the population distribution and the composition of the population are some of those criteria used very often.



1.4 (The electoral map of Sri Lanka)

* Freedom, rights & equity:

The basis of democracy is freedom, rights & equity of the people. The people in a democratic country should enjoy them without any discrimination. Democracy cannot exist in a country without the freedom of the people, their rights and equality.



Activity 1.5

Examine, to which political party system, Sri Lanka's political parties belong (answer your question in 150 words)

* Liberty (freedom)

Liberty means the support given by outer environment to an individual to fulfil his requirements without infringing on others' rights.

Liberty means the safety provided by environment for the man to act while safeguarding his own individuality

Prof Harold J. Lasky

Liberty means the opportunity an individual has to develop his individuality without extraneous obstacles.

G.D.H. Hail

Human Rights:

The set of conditions needed by man who is a social animal to fulfil his private life is called human rights. There are many definitions put forward by knowledgeable persons on human rights.

“Rights are the conditions required by man to carry on his social life in a satisfactory manner”.

Harold J. Lasky

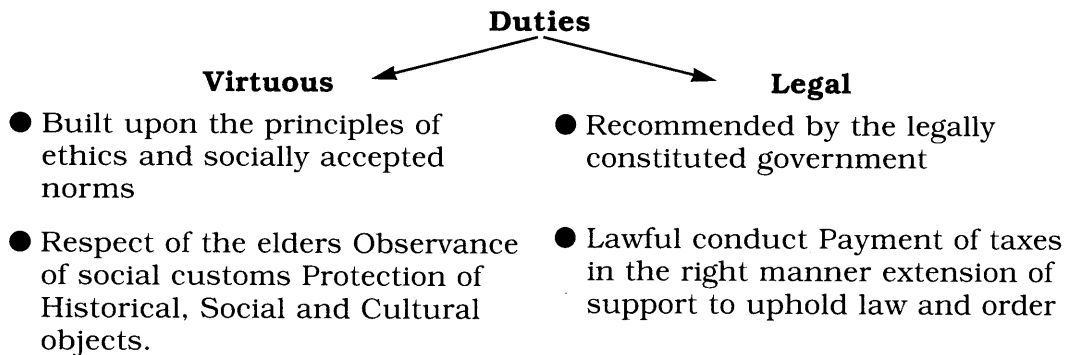
Most of the rights enjoyed today are won by man through the historical revolutions of the past

e.g. English Revolution - 1688 AD American Revolution - 1776 AD
French Revolution - 1789 AD Russian Revolution - 1917 AD

The rights won on different occasions have been compiled together and adopted by the United Nations on 10th December 1948 under the caption “Universal Declaration of Human Rights”, enabling the whole mankind to enjoy them without any discrimination.

Civil Rights	Political Rights
<ul style="list-style-type: none">* Right for life* Liberty & security of person* Freedom from torture or cruel inhuman treatment* Freedom for education* Freedom of movement* The right to marry and to raise a family* Freedom of thought conscienc and religion* Right to employment and own property* Right to create artistic, scientific and technological creations and to enjoy their results	<ul style="list-style-type: none">* Right to cast the vote* Right to contest an election as a candidate* Right to take part in the affairs of the government* Right of equal access to public service* Right of freedom of opinion & expression

The concluding articles 28 - 30 in the Declaration of Human Rights recognized that everyone is entitled to a social and international order in which these rights and liberties may be fully realised and they stressed further the duties and responsibilities the individual owes to the society.



Activity 1.6

1. "Human rights start with children's rights"
(Charter for Children's Rights) Write down five rights of the children.
2. Trace five instances, where children's rights have been flouted, from the newspapers and present them to the class.

Equality:

What is meant by equality is, that man as a social animal is an equal among others in enjoying all rights.

"Man inherits equal rights from his birth to his death.

French National Assembly 1789

An occasion where equality has been explained even better is given below.

"They did not mean to say that all men are equal in every aspect They did not mean in colour, body proportion, intelligence, growth of good character or by the social capabilities all are equal.... Man is equal in certain inalienable rights. Among them life, liberty and pursuit of happiness are included.

The impressions Abraham Lincoln had on the authors of American declaration of Independence - 1776

It is clear according to this, that every man is not equal in every aspect, but they are equal when liberty and the rights, such as life and pursuit of happiness are concerned.

In a democratic society there is the possibility to own rights such as liberty, life and equality under the divisions such as civil, economic and political in, all social activities, but it could be seen there are certain practical limitations on this.

vi. Acting in conformity with the constitution

"The constitution is the document which contains the principles underlying the composition of legislature, executive & judiciary, which are considered as the main components of government, their powers, how do they separate and the nature of relationships between them and the citizens.

Professor Ivor Jennings

Given above is one of the main introductions put forward on the nature of the constitution.

In every democratic system of government there is a constitution. It can be a written or unwritten one. What is meant by this is not essentially, that it is written or unwritten. Broadly speaking every constitution is a written one.

What is meant by an unwritten constitution is that, it was not written by a constituent assembly and not formally approved by the legislature. Example, Great Britain, Israel, New Zealand.

Generally in all other countries written constitutions can be seen.

Main features included in a constitution

1. The composition of the main components of the constitution (legislature, executive & the judiciary)
2. The functioning of these institutions, their powers and the nature of institutional relationships among them
3. Relationship between the state & the citizen
4. Fundamental rights of the citizen
5. Matters pertaining to the revision of the constitution

Constitution is the supreme document and the fundamental law of a country.

A constitution is created by a constituent assembly. Then it has to be approved by the legislature and people also should approve it with a majority vote at a referendum. This means that in a democratic country the constitution is functioning on the majority consent of the people.

3. The existence of a developed economy for the proper functioning of a democratic rule. The existence of a developed economy is essential. Such an economy is congenial for the protection of liberty, equality & other rights. It will encourage the people to work in accordance with democratic principles and the constitution of the country. However, a smaller income disparity among the people is also an important factor in upholding democratic values.
Democracy cannot exist in a country where basic human needs are not fulfilled.
4. The existence of a two party system
 - * Birth of a strong ruling party and an opposition party
 - * Ability to use universal franchise effectively and meaningfully.
 - * Party organisation becomes more methodical
 - * Maximum service for the people.

Such factors can be assured in a two party system political environment.

5. Acceptance of the majority consent while not suppressing the consent of the minority.

Since the democracy is the government of the people, its fundamental feature is the entrusting of the government to the majority. But because of this the suppression or crushing of the minority is not intended. A main feature in a democracy is to listen to the minority point of view through discussion. When majority opinion is formed discussion gets the pride of place. In other words majority opinion is formed after considering all available opinions.

- Election of rulers on the majority consent of the people at all elections
- Approval of all Acts and Bills in the legislature on the majority consent
- Acceptance of the majority consent, in taking decisions on the revision of the constitution or any existing law and in taking important political decisions.
- Through direct democratic methods the majority consent is allowed to manifest.

6. Existence of free public media

In a democratic country the right of the people to express their ideas and to listen to others' ideas or any other information is an accepted principle.

Therefore in a democratic society except under emergency conditions in all other circumstances the right of expression is safeguarded and promoted. If these rights are denied to the people, they can seek redress before a court of law.

When free media is operative there is opportunity for,

- * Creative activity (cinema, stage plays, novels, short stories, poems, music, etc.)
- * Opportunity to receive various information on world and international affairs and to appreciate and evaluate classical works
- * Experimentation on human aspirations, ideas and activities
- * Building and promoting public opinion on important issues

Public opinion is the expression of a sizable proportion of the population's individual aspirations, beliefs and points of view on an important issue as a unitary opinion.

In a democratic country, state power is guided by the people. The public, political parties, trade unions, religious organizations etc. put forward their criticisms, revisions, denials etc. on the actions of the state through open discussion, printed and electronic media such as newspapers, journals, periodicals, books, radio, television and the internet. A democratic government would take these expressions of public opinion into consideration when they act further

In receiving and supplying information to and from free public media, the media institutions as well as the public should be very responsible and assure the accuracy and authenticity of such information. This is an indispensable ingredient required for the safety of democracy in a country.

7. Upholding the Rule of Law and safeguarding the independence of the judiciary

In the civilized world when the law operates there is no discrimination for the ruler and the ruled. For both the same law is applicable and whoever that breaks the law receives the same punishment. Enforcement of law without discrimination is expected by this principle.

Rule of law means governing according to law.

1. Collect information on instances where ruler and the ruled have been treated alike when laws have been flouted in democratic countries.
2. Discuss the adverse effects that may occur due to the misuse of mass media freedom available in a democratic country.

8. Giving priority to the public welfare.

The main purpose of a democratic society is to provide services to the public. Accordingly it is the duty of the democratic government to interfere in providing necessary services to the people, needed for them to lead a better life. Poverty alleviation, providing relief when natural disasters occur and similar welfare activities are provided by the state in a democratic country.

“It is a characteristic of a democratic government to take the initiative in providing public services such as education, health and transport.”

Activity 1.8

“According to democracy, discussion is the better way in taking decisions”

With the guidance of your teacher, prepare a list of instances where decisions are made through discussion in our country.

1.6 The nature of the State and the government

We live within a state. A civilized human society cannot be found today without a state. Therefore, practically every person today lives under the authority of the state.

Government directs the administrative functions of the state. According to democratic principles, the people from time to time elect a suitable government on their majority consent to rule them.

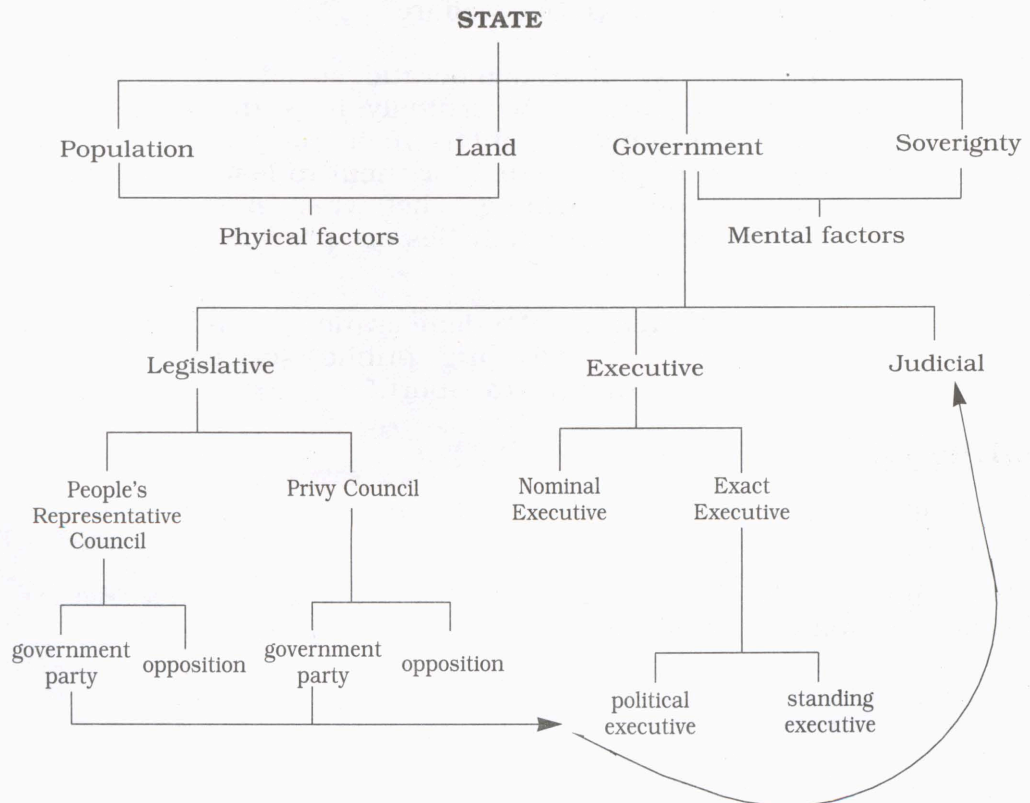
State and the government are two different institutions. this can be understood by examining the following chart

“Government is the representative who transforms the will of the people or state into policies and put them into action”

Prof. Garner

“State is the human society which has the supreme power above all other social organizations within a demarcated land area”

Prof. Harold J. Lasky



According to this diagram you can understand that the state is a stable institution with four components

- * Land
- * Population
- * Government
- * Sovereignty

Government is an unstable organization with three fold institutions. It is a unit consisting of three specialised branches, political, administrative and judicial in a state.

State	Government
Master	Servant
Complete	Incomplete
Inanimate	Animate
Has definite land	No definite land
Monotonous	Varied
Stable	Unstable

1.7 Nation State

- (a) A Nation State is an organization established by a group of people in a definite area based on cultural, linguistic and religious specialities inherited by them. This organization needs international recognition as well.

It is accepted the origin of Nation State goes back to the nineteenth century. Britain and France were the first Nation States. Then Germany and Italy transformed rapidly into National States. From there onward by the advent of twentieth century a large number of Nation States came into existence all over the world.

The factors that influenced the creation of Nation States

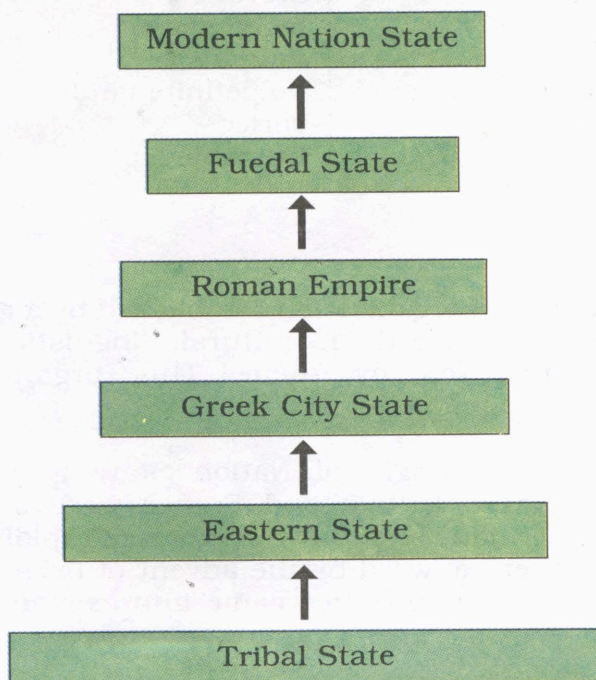
- * Christian religious reforms
- * Renaissance
- * Collapse of the feudal system
- * Industrial revolution
- * Rise of capitalism

In addition to these general factors there were special factors which contributed to the birth of Nation States in certain countries. They are as follows

- * National unity
- * Military and Naval power
- * Developed economy
- * Creative ability of the nation

These are the factors that contributed to the countries such as Britain, Portugal, Holland and France to rise up as special countries before the world.

Modern social scientists have identified the various stages through which the countries had to go in their march towards Nation State. They are as follows -



Nation State was created on the concept "One country for each nation"

Modern Nation State is the result of a developmental process which took place through thousands of years, caused by the combination of different lands, nations, religious and different linguistic groups.

There are different types of Nation States today and among them the Unitary State and the Federal state are the two major types.

(b) Unitary state and the Federal state

In identifying various types of states which exist today. It is more practicable to divide them as unitary or federal states.

Unitary State

If the constitution of a certain country is designed so as to conduct all internal and external affairs of that country by a single government then that country is a unitary state.

Every type of authority is concentrated into a single central institution in the unitary state

Prof Herman Finer

Federal State

The form of government in which its main functions are fulfilled by the central government as assigned by the constitution. While the provincial governments perform their internal functions according to the same constitution is called a federal system of government.

The system of government which allows them to act independently in their own spheres of power but which has provision for them to act collectively on certain matters is the federal system of government.

K.C. Veer

(c) The main components of the government and their functioning

Government is the institution which puts into operation the state power emanates from the legislature, executive and the judiciary.

Legislature:

The functions of the legislature is to make laws, the nature of the legislature which is elected for a specific period of time differs from country to country. The legislatures of different countries are called by different names depending on the socio-economic cultural & political backgrounds of different countries. The chart given below shows some of these differences.

Country	Bicameral	Unicameral	Period	Name
United States of America	✓	-	2 years	congress
Great Britain	✓	-	5 years	parliament
India	✓	-	5 years	parliament
Sri Lanka	-	✓	6 years	parliament



1.6 Sri Lankan Parliament

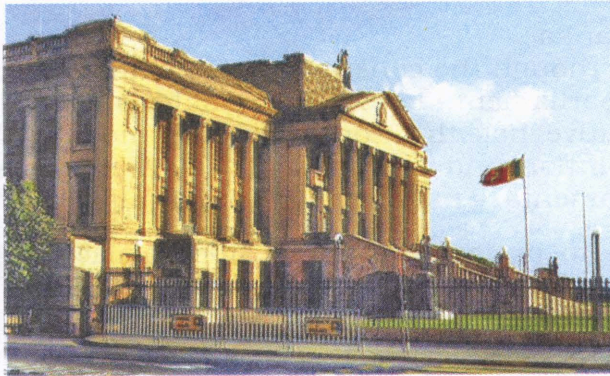
Executive

The institution which puts into operation the acts passed by the legislature is called executive. There are two methods of appointing the executive.

- I. Elects directly by the people's consent
- II. Selects from the leadership of the majority party.

Executive operates in different forms

Country	Method of appointment	Period	Name
United States of America	Presidential election	4 years	President
France	Presidential election	6 years	President
Great Britain	Parliament majority party leadership	5 years	Prime Minister
Sri Lanka	Presidential election	6 years	President



Presidential Secretariat - Sri Lanka

Judiciary

The basis of democracy is personal freedom. Personal freedom depends on the independence of judiciary. The judiciary interprets the laws enacted by the legislature and implemented by the executive. Further by resolving various types of conflicts that crop up in the country, judiciary performs the task of adjudication of justice.

Some of the conflicts that may occur in a state is given below.

- * Conflicts among citizens
- * Conflicts between citizens and organisations
- * Conflicts between citizens and the state
- * Conflicts between the state and the organisations

When implementing the powers of the three-fold institutions - different models have been adopted by different countries.

Example

1) Great Britain

Even though the three powers - legislative, executive and judicial have been entrusted to three different institutions in implementing them they have been brought together in a very subtle manner under the legislature or the parliament for practical reasons.

2) United States of America

The three powers-legislative, executive and judicial have been entrusted to three different institutions and each institution has the opportunity to work independently in their respective fields.

3) Sri Lanka

Even though the constitution has entrusted these powers to the parliament, in the last analysis the president or the executive has the upper hand in most of the affairs. e.g. dissolution and prorogation of parliament, subjection of a parliamentary bill or act to a referendum.

If it is desired to protect the public liberty, each of these sections should be allowed to function independently.

1.7 Types of Government

Parliamentary system of government and the presidential system of government are the two important models.

(a) Parliamentary system of government:

Parliamentary government has the following features.

- (a) Parliament, which is the legislature of the country is elected for a specific period by the people
- (b) An executive which is created out of the parliament is directly responsible to the same.
- (c) A judiciary under the supervision of the parliament through the Minister of Justice.

These three institutions handle the ruling powers of their respective fields of authority, but their functioning is inter-related.

Some salient features of a parliamentary system of government is as follows:

- * Dual Executive
 - I. Nominal Executive
 - II. Political (real) Executive
- * Birth of real executive through the legislature
- * Appointment of the cabinet of ministers by the prime minister
- * Principle of collective responsibility is observed by the cabinet.
- * The power of dissolution of parliament is in the hands of the prime minister
- * Opposition becomes an important feature in running the government
- * Political party system is an indispensable feature

While the true cabinet which is the board of ministers including the cabinet is held responsible to the legally constituted parliament the nominal executive as the head of the state stays away from responsibility in a cabinet or parliamentary government.

Prof Garner

Activity 1.9

Write the names of the nominal executives in India, Australia and Great Britain.

(b) Presidential system of government.

Executive is not created out of the legislature and each component of the government exercises its powers independently under the presidential government. Some special features of the presidential government are given below.

- * Single executive
- * Executive is appointed through a presidential election
- * Separation of powers is operative
- * Executive is relatively stable
- * Executive is not held responsible to the legislature

There are presidential system of governments with several variations.

The government which has all executive powers concentrated with the President while he is made immune from the influence of legislature constitutionally, in addition to not being held responsible for his policies to the legislature and enjoying an independent existence of his own, is the presidential form of government.

Prof Garner

Parliament Executives	President Executives
<ul style="list-style-type: none"> * The leader of the party which wins the majority in the parliament is appointed prime minister * Held responsible to the legislature individually and collectively * Two types of executives - nominal and actual * In practice separation of powers at a lower level * Parliament power is supreme. 	<ul style="list-style-type: none"> * Elected as the president at a presidential election * Not held responsible to the legislature, receives advice from a board of advisers outside the parliament * A single executive exists * President enjoys power on a stable footing for a specific period.

1.8 The role of the states

The role of the state has undergone changes during the course of time due to social changes. A pioneer who promoted the concepts of democracy Thomas Hobbs (1588 to 1679 AD) stated that "Without the protection provided by the state man cannot achieve any economic or social progress". Accordingly it was thought in early times that the role of the state was to protect law and order. Among the political philosophers who put forward ideas assigning the state the role of the policeman. Thomas Hobbs, John Lock (1532 - 1704 AD) and Jean Jacques Rousseau (1712 - 1788 AD) are outstanding. The political philosophy put forward by them is called "liberalism". The economic philosophy of old liberalism is accepted as "leisses faire". What is meant by leisses-faire is that the state should not interfere in economic activities it should only prepare the background for the private entrepreneur to handle the economy freely on the demand & supply forces so that the whole economy will function properly. In other words the price mechanism will direct the economy in the right direction.

The duty of the state is to maintain law and order within the state, enabling the private entrepreneur to run the free market economy on demand and supply forces.

When the feudal state was gradually fading away allowing the capitalist system to set in with the intention of removing the obstacles which stood on capitalism's way, the philosophy of old liberalism was brought forward.

The living conditions of the oppressed people who were subjected to the ruthless exploitation got from bad to worse daily, and a religious and political opposition were growing against this resulting the advent of new liberalism.

Among the philosophers who put forward the ideas of new liberalism L.P. Hobhouse, T.H. Green, Mac Ivor and Thomas Jefferson were important. A report put forward by Lord William Beverge in 1943 stressed the fact that to eliminate ignorance drunkenness and poverty, welfare measures should be implemented without further delay. New liberalism expected to direct the people who were getting weaker, confronted with industrial capitalism at least to some extent towards the market through welfare measures.

New liberalism is the political school of thought who proposed that the people who were oppressed with the rise of industrial capitalism should be provided with welfare measures utilising the funds raised by taxing the entrepreneurs.

Due to the economic influence of welfare policies, the government sector started growing, resulting the shrinking of the private sector. The philosophy put forward to revitalise private sector and the free market system is called Neo-liberalism. Producers, Hayek, Milton Friedman, Francis Fukuyama are outstanding among the persons who put forward this ideology. Among the politicians who tried to implement this concept U.S. President Jimmy Carter and British Prime Minister Margaret Thatcher are well known.

Neo-liberalism is the theory on market economy which was put forward as the solution to the public outcry and agitation rose against the scarcity of goods and services and rising prices due to the growing inefficiency in the public sector enterprises.

It is the duty of a democratic state to resolve the problems arising due to contemporary social demands.

Activity 1.10

Discuss the changing role of the state according to the changes in social conditions. Pay special attention to the following aspects in your answer

- * Activation of welfare policy in the society
- * The emergence of a necessity for social welfare
- * Birth of a market economy.

1.9 The significance of the democratic government

Democracy is the most humane form of government, among many types of governments, in the world. The highest level of well-being that the human society can afford would be reached through democracy.



Democracy is the system of government which brings about the highest freedom and well-being which can be achieved by a human being

Activity 1.11

Identify the democratic features that can be found in the system of government in Sri Lanka, under the guidance of your teacher and list them with appropriate examples.

1.10 Challenges of democracy exists

Democracy exist to a large extent on a conceptual basis. Therefore, nowhere in the world a complete model of democracy can be found. The democracy should originate in the minds and aspirations of the people. Therefore we should nurture and develop the fundamentals of democracy by observing and practising them. Then only the challenges of democracy in the practical situations can be successfully met.

Some of the challenges faced by democracy today are given in the box below.

- * The inability for the public to get correct information due to commercialization of and rapid growth of media institutions.
- * The difficulty in holding the elections at the stipulated times in a free and impartial atmosphere.
- * Emergence of conflicts due to the competitive business opportunities as a result of unlimited freedom.

Activities 1.12

- 1) Prepare a list of countries where a considerable amount of democratic features are in operation. Account for your selection of each country.
- 2) Describe whether you have been able to lead a happy contented life with the rights you are enjoying as a citizen living in a democratic country.
- 3) Discuss the obstacles found in Sri Lanka for the smooth functioning of democracy. Propose a list of suggestions to overcome these obstacles.
- 4) Prepare a set of qualities a citizen of a democratic country should inculcate and practise. Exhibit this in your classroom.

2

Decentralization and Devolution of Power

2.1 Introduction

The task of governance of a state becomes complicated on account of reasons such as the increase in its population and the expansion of its territory. The ideas of Liberalism that swept the entire world during the 17th and 18th centuries too criticized the monarchical system of government which was a centralized dictatorial form. As a result of these developments from the beginning of the 18th century itself, the systems of government in modern states underwent change.

- i. Decentralization of power, and
- ii. Devolution of power

can be stated as two forms of action followed by these states for the purpose of integrating their regional, ethnic and cultural variations in the task of governance.

2.1.1 Decentralization of Power

The system of vesting only the administrative powers of the state at regional level without devolving its main arms of power, namely, legislative, executive and judicial powers, is known as Decentralization. Here Decentralization of power takes place not through the constitution, but through an Act passed by the Parliament or Legislature. Hence the Legislature or the Parliament is entitled to divest and amend these powers at any time. A large number of countries in the world have resorted to the system of "Devolution of Power" in devolving power to the regional levels.

2.1.2 Devolution of Power

"Devolution of Power" means vesting of a certain amount of powers specifically separated, but constitutionally held by the Central Government, in the regional administrative units. This system is mostly adopted by modern multi-cultural states. Under this system, various countries have vested in the regional administrative units, the powers held by the Central Government, in different degrees. A special feature here is such devolution of power has been effected by the constitution itself, through the system of "listing". These lists have specified separately the powers to be held by the Central Government and regional governments. Devolution of power is not done in a uniform or common manner in all the countries, and each country has performed the devolution to suit its requirement.

Activity 2.1

Explain the basic differences in the concepts of Decentralization of Power and the Devolution of Power.

2.2 Decentralization and Devolution of Power in modern states

As you have learnt in a previous lesson, modern states can be classified under two groups as unitary states and federal states, according to their structure.

A unitary state is one with a system of government where all the aspects of governance are controlled by a single central authority.

The system of government where every aspect of power is concentrated in one central authority is a unitary government.

- Prof. Herman Finer

By a federal state is meant one in which the central governing authority performs the stipulated or agreed functions while the remaining functions are performed by the state governments that form the federation.

A federal system of government is one where the component states work independently within their areas of authority, adopting strategies to work in union with regard to certain matters.

- K.C. Whearce

Main features of a Unitary Government	Main features of a Federal Government
<ul style="list-style-type: none">* There is only one Central Government* All administration is performed by the Central Government* All power is centralised* The regional administrative authorities cannot challenge the authority of the Government.* There is a difference between the representatives of the government and those of the regional administrative bodies* It is the Central Government that takes the final decisions on the powers of the regional administrative bodies.	<ul style="list-style-type: none">* There is devolution of powers between the Central Government and the State Governments.* It is the Supreme Court that resolves any problems regarding the powers of the Central Government and the State Governments.* The assent (approval) of the Central Government as well as that of the state governments is necessary to change the Constitution.* The representatives of state governments represent the Legislature of the Central Government.* There are several State Governments, and they enjoy similar powers.

It is clear from the features outlined above that the process of government in a Unitary State and that of a Federal State are different from each other. Moreover, there is also a difference between the methods adopted in vesting the administrative powers in the state governments or regional bodies. Accordingly,

- Unitary states adopt the process of decentralization of power, and
- Federal states adopt the process of devolution of power.

2.2.1 Decentralization of power in Unitary States

The majority of the nations in the world can be termed Unitary States. Belgium, Bulgaria, France, Great Britain, The Netherlands, Japan, Poland and Spain are examples of such states. Although all these countries are unitary states their composition, institutional pattern, and the mode of decentralization of power in the regional bodies differ from each other. In the process of decentralizing power, the methods followed by these countries, can be identified under three main categories.

I. The system of decentralizing power in the regional administrative bodies through conventions and not on statutory principles.

Great Britain is the best example of this type of decentralization. There the relationship of the regional administrative bodies of Northern Ireland, Wales and Scotland with the central (national) government located in London is based on the esteemed principle of regional autonomy. Even though this system has reached the level similar to the administrative arrangements that obtain in a federal state, it is not a statutory measure. Hence it does not take the form of a federal system.

II. The system of decentralizing only a few powers in the regional administrative units, and strict supervision of the regionally elected governments by the central government.

The best example for this system is the Government of France. There the regional administrative machinery is carried on by Departments and Arrondissements and their administration is supervised under a Prefect and a Deputy Prefect. These officers also serve as executive officers of regional governments.

The regional bodies called Consalís Genero comprising officers elected by vote, work under the supervision of executive officers appointed by the Central Government. Here power is decentralized through vesting the powers of the Prefect in the Consalís Genero.

III. The system of the officers dealing with regional administration being responsible to an officer appointed by the Central government.

Under this system, the administrative powers of the officers elected for regional administration by vote, are at a minimum. Here power is concentrated in the officer appointed under the central government. During Adolf Hitler's administration, this is the type of situation that prevailed in Germany. Here Hitler appointed people loyal to him as regional administrators. This is also the type of administration that operated in the People's Councils in the East European Communist Countries.

Most unitary states have decentralized power in all the methods outlined above, while still other countries conduct their administrative affairs by merging these methods in various ways.

Activities 2.2

- * Briefly state the methods adopted in decentralizing power in the Unitary States.
- * Select the method you consider most democratic out of those mentioned above, and state your reasons for it.

2.2.2 Devolution of Power in Federal States.

Under the federal system, political authority has to be devolved between two independent systems of government. However, the nature of devolution is not similar in all the federal states.

Certain countries define the powers of the central government, state the remaining powers that do not come under them as residual powers and vest them in the state governments. Still other countries define separately the powers of the central government and those of the state governments and define the powers common to both these types of government as concurrent powers.

Now let us examine how power has been devolved in some federal states.

2.2.2.1 How switzerland has devolved powers

Switzerland which was formed in the 13th Century through a merger of three remote cantons, Uri, Schewyz and Unterwalden, developed into the modern federal state by amending in 1874, the federal constitution that had been adopted in 1848. Today it is a federal state comprising 26 states known as cantons. Twenty of these cantons are full cantons and six are half cantons. Although the constitution adopted in 1874 is a lengthy document consisting of 123 articles, unlike in America the method of devolution of power in Switzerland is not clear. It is because powers about the distribution of franchise (suffrage) between the central government and the state governments have not been clearly listed. The powers of the central government can be indicated briefly as follows:

- * Foreign Affairs (including the appointment of Ambassadors)
- * Declaration of War and Peace.
- * Entering into agreements with foreign countries.
- * Defence and military affairs.
- * Communication, postal, railway, telecommunication, telephone.
- * Financial affairs.
- * Weights and measures.
- * Customs affairs.
- * Trade and commercial activities between cantons.
- * Right of publication and ownership.
- * Monopoly of ammunition (explosives) and alcohol.
- * Public Health.
- * Naval (Maritime) transport.

The powers devolved among the cantons or regional administrative units can be stated as follows:

- Education and Higher Education.
- Press control.
- Highways.
- Industries.
- Immigration.
- Prevention of infectious diseases.
- Banking.

Although the cantons have been vested with the power of dealing with matters affecting their internal affairs by the Constitution, it lacks clarity. For example, article 24 of the constitution is stated under several sub-clauses, and initially the administration and supervision of forests and the control of rivers (waterways) is delegated to the cantons, but under another sub clause (quinquies) it is stated that the administration of atomic energy comes under the Central Government. Hence, Lord Bryce has stated that the pattern of the devolution of power in Switzerland is not as clear as in other federal states.

In the American pattern the powers of the Central Government are defined and the residuary powers are assigned to the states while in Switzerland the residuary powers are vested in the Central Government. Moreover, if there are problems about the devolution of power, the decisions of the Central Legislature and not those of the Judiciary, are foremost. However, the Swiss Cantons are able to work independently with regard to the devolved powers. Today the cantons have the power to work independently, and they have implemented those powers and vested complete power in the people through direct democratic devices.

Activity 2.3

List separately, the powers vested in the Central Government and those delegated to the cantons, in Switzerland.

2.2.2.2 Devolution of power in America

United States of America which is recognized as the foremost federal government in the world was formed in 1789 with 13 states, and today it has expanded to 50 states. Power that was devolved to the Central Government and the state governments by the Constitution at the initial stages, is being concentrated in the Central Government today in certain spheres.

On account of the growth of the American political party system, and the concentration of power in the President through practical measures, today the authority of the Central Government has expanded over the powers of the states. The current wars and events leading to conflicts have made the President's powers more complex.

Although in terms of paragraph 10 of section 8 of article 1 of the Constitution, the Congress alone has the power to declare war. Today there are instances where American Presidents not only declare war without the ratification of the Congress, but also conduct war.

Sections 8, 9 and 10 of article 1 of the constitution lay down very clearly low power should be separated between the Central Government and the State Governments. Similarly in the event of there being any conflict between these powers, it will be referred to the Supreme Court and its ruling on the issue is important.

What the Central Government is entitled to do according to the section 8 of article 1 of the Constitution

- * Imposition and collection of taxes.
- * Providing security.
- * Foreign trade and external affairs.
- * Maintaining a common system of weights and measures and a financial system.
- * Providing the necessary measures for national economic development.

What the Central Government is entitled to do according to section 9 of article 1 of the Constitution

- * Prohibiting the authority granted to issue writs of habeas corpus (excluding situations of revolt).
- * Enforcement of laws with retrospective effect.
- * Obtaining funds from the Treasury outside legal authority.

What the state governments are not entitled to do according to section 10 of article 1 of the Constitution.

- * Maintaining foreign relations.
- * Issue of currency notes.
- * Enforcement of laws that affect judicial procedure.
- * Maintaining armed forces.
- * Enforcement of laws affecting imports and exports.
- * Disenfranchisement of voters on differences such as racial, religious and sex.
- * Introduction of slavery.
- * Depriving equality.

Thus the manner in which power is separated between the State Governments and the Central Government is laid down. Here, in stating what the central government is entitled and not entitled to do appears to be limiting the powers. On the other hand only what the State Governments cannot do are laid down and what they can do are not laid down. Hence when they are laid down, in addition to what cannot be done, there appears to exist what can be done without any limit. Accordingly, it appears that under the American system the State Governments are entitled to more powers than the Central Government. Moreover, in the event of effecting an amendment to the American Constitution, it has to get the concurrence of a 2/3 of votes of the Congress and 3/4 of votes of the State Governments.

Activity 2.4

Discuss the conspicuous differences in the systems of the separation of powers in Switzerland and in America.

2.2.2.3 Devolution of Power in India

India, which having been a British colony and gained independence in 1947, due to its desire to be an integrated unified state, has chosen the federal system of government. However, even though power has been devolved in India too under three lists as in Canada, it is different from the system that obtains in Canada. The manner in which power is dissolved in India under 3 lists in terms of articles 246 of its Constitution, is as follows:

List I:

Powers of the Central Government (under 97 heads)

- * Safeguarding the Constitution.
- * Management of the armed forces.
- * Foreign affairs.
- * Financial Control.
- * Major development undertakings of the country.

List II:

Powers of the State Governments (under 66 heads)

- * Protecting regional law and order.
- * Local Government.
- * Agricultural activities.

List III:

Concurrent Powers (under 47 heads). This indicates the powers common to both State Governments and the Central Government.

- * Marriage and divorce.
- * Electricity.
- * Economic and Social Planning.

Although India follows such a pattern when devolving power as a federal state, nevertheless, it can be noticed that it differs from other federal states. For, unlike in the ideal federal model, the Indian State Governments have not been vested with a wide form of autonomy. By three main articles in the Indian Constitution the powers of the State Governments have been limited.

Article 249: The powers vested in the State Governments by the Constitution can be vested in the Central Government by a 2/3 majority of the members in the Rajya Sabha (Second Chamber).

Article 250: At a time when a state of emergency is declared the Central Government can vest in itself the powers of any State Government.

Article 251: With the concurrence of two or more State Governments, the Central Government can vest in itself the powers of the State Governments, at any time requested by them.

In addition to these articles, the powers vested in the President of India too limit the powers of the State Governments. Accordingly,

Article 352: The President can declare a state of emergency during an emergency situation in the country. In such a situation the President commands excessive powers. These powers supersede the powers of the States.

Article 359: In a situation when a state of emergency has been declared, the President has the power to suspend the exercise of fundamental rights and the rule of law.

Article 360: In circumstances when the President feels that the financial stability has collapsed or on the verge of collapse, he can declare a state of emergency. In such situations too, the President can issue orders to suspend the exercise of fundamental rights and various types of liberties.

In such instances the power of the Central Government supersedes the powers of the State Governments. For this reason Professor K.C. Whearce has stated that what operates in India is a unitary state containing federal features.

When amending the Indian Constitution, three types of procedures are followed depending on the nature of its articles. They are categorised as articles that are amended by a simple majority, those articles that require a two-third majority of both Houses of Parliament for amendment, and those specific articles that require 1/2 of the votes of the legislature and a 2/3 majority of votes of State Governments for amendment.

The Indian Constitution is the outcome of an attempt at standing as one single nation while at the same time maintaining the existing diversities as racial, ethnic, religious, language and cultural differences.

Activity 2.5

What factors prompted describing India as a unitary state which reveals federal features?

2.3 Devolution and Decentralization of Power in Sri Lanka

There have been certain features of the concept of devolution in the administrative set up of Sri Lanka from ancient times. Some examples of this type of devolution can be stated thus:

- * During the reign of King Pandukabhaya, (Anuradhapura Kingdom) the area of each village was demarcated, a leader of the village was appointed under the designation Gramin for the administration of each village, and he was granted the power to take independent decisions on certain matters.
- * During the reign of king Parakramabahu the Great (Polonnaruwa Kingdom), provincial rulers were appointed and they were assigned administrative powers.
- * During the early days of the British Period, the administration of the Kandyan Kingdom was carried on by a "Resident" according to Kandyan Law and the administrative system there

The foregoing examples indicate that there existed in Sri Lanka in various periods, units of dissolution of power such as Grama Sabha, Rata Sabha and Gamsabha, and that the democratic opportunities of the people that operated within those units were permitted.

2.3.1 The nature of the Decentralization of Power during the British Period and the Post-Independence Era

The Municipal Councils Ordinance can be stated as the first step towards the decentralization of power during the British Period (1865). Through this ordinance, they established the Colombo and Kandy Municipal Councils.

The British who revived the Village Councils (Gam Sabha) system in 1871 further expanded the powers of the Village Councils. by the Village Councils Ordinance of 1924.

The Executive Committee on Local Government established under the Donoughmore Constitutional Reforms in 1931 too was another landmark in the sphere of Decentralization of Power. Under these reforms, Hon. S.W.R.D. Bandaranaike who was the Minister of Local Government, took steps to further expand the powers of the Village Councils in 1938.

Urban Councils were established in 1940 and the Local Government Service Ordinance was passed in 1943.

In 1981, the District Development Council system was introduced, and under this system, an attempt was made to vest all the local government functions in 24 District Development Councils.

By the Pradeshiya Sabha Act of 1987 and the Urban Council and Municipal Council Acts of 1988, an attempt was made at decentralization of power.

Activity 2.6

Collect historical evidence available on decentralization of power and discuss them with the class.

- * Insert here a model showing the structure of an ancient Village Council or an Urban (Town) Council.

2.3.2. Devolution of Power in Sri Lanka

Speaking of Sri Lanka's experience in devolution of power, one notices that its roots go back to the 1920s. Accordingly various proposals were submitted on how power should be devolved from either the District or Provincial level and the amount (or limits) of power that should be devolved, and arguments were presented both for and against these proposals. At this time Mr S.W.R.D. Bandaranaike contributing an article for the paper The Ceylon Morning Leader on the topic "A Federal government for Ceylon", emphasized the need for decentralizing power in order to resolve the problems that arise in a multiracial country. Since then, even though similar proposals for the devolution of power came up from time to time, they went underground in the face of severe objection. At times even Select Committees were appointed to take up the issue. Particularly in 1947, Mr S.W.R.D. Bandaranaike who was the Minister of Local Government at the time had raised the issue once again. He had stressed even more emphatically the possibility of various ethnic groups to contribute towards taking decisions at regional level, through the process of the devolution of power. Here the proposals made by the Donomore Commission are very important X.

By the proposals submitted by the Federal Party since independence, a request was made for the introduction of an independent system of government for the North Eastern Provinces, the recognition of both Sinhalese and Tamil languages as official languages, and citizenship rights for Indian estate labour. In the Bandaranaike - Chelvanayagam pact that was negotiated on 26th July 1957 on the basis of these ideas, matters pertaining to Rata Sabha are indicated below:

- (1) Explaining matters in the Bill itself about the areas coming under Rata Sabha, under a schedule.
- (2) While declaring the Northern Province as one Rata Sabha region dividing the Eastern Province into two or more Rata Sabha regions.
- (3) Providing for the merger of two or more Rata Sabha regions even by extending beyond the Provincial Limits, providing for the right of dividing the areas of a Rata Sabha into smaller parts subject to the concurrence of Parliament; providing for several Rata Sabhas to work collectively for special purposes.

It had been proposed for these matters to be entrusted not by the Constitution but by a Parliamentary Act. There the following had been mentioned as the subjects to be assigned to Rata Sabhas:

- | | |
|---|-------------------------------|
| * Agriculture. | * Industries and Fisheries |
| * Cooperative Movement. | * Housing and Social Service |
| * Land and Land Development. | * Electricity |
| * Education | * Irrigation and Water Supply |
| * Health | * Roads |
| * Establishment of Colonies (Settlements) | |

However, since the majority of the population of the country protested against these proposals they had to be abandoned. Nevertheless these proposals did not lapse with that, and were reintroduced during the time of Mr Dudley Senanayake in March 1965. Accordingly the matters contained in the Dudley Chelvanayagam Pact are stated below in brief:

- X (2) * Performing the administrative and judicial activities in the North and the East in Tamil Language.
- * Establishment of District Councils, and recognizing that the power of giving directives to these councils remains in the Government.

* Amending the Land Development Ordinance and giving priority to the following matters:

- (a) When alienating lands in the North - Eastern Provinces, the landless residents in those provinces should be given priority.
- (b) The second preference is for Tamil speaking residents in those areas.
- (c) The third preference is for Tamil citizens in other areas of the island and other citizens.

In June 1968 it was decided to prepare a draft incorporating these ideas, and they were published as a white paper. However, there was no possibility of implementing these proposals. It was charged that these proposals would clearly separate the North-Eastern Provinces from the remaining provinces in the South. With this the attempts at devolving power under the District Councils in 1968, failed as with the case with the proposed Rata Sabha system in 1957.

Activity 2.7

- (a) Compare the Bandaranaike - Chelvanayagam Pact and the Dudley - Chelvanayagam Pact.
- (b) List the methods you suggest, most suitable for devolution of power.

Under the District Political Authority too established in 1973 by the United Front Government that came into power in 1970, action had been taken to devolve power. The United National Party Government that came into power in 1977, proposed a Development Council for each district in Sri Lanka under Act No.35 of 1980. By this Act, Town Councils and Village Councils were abolished and legislative and executive powers were vested in a Development Council elected by popular vote. The Tamils too showed a certain amount of agreement with this move. However, the southern political parties protested against it.

Of the 13th Amendment to the Constitution,¹⁴ devolution of power was effected under three lists.

I Provincial Council list under 37 subjects:

- * Maintenance of public order in areas determined by the Central Government.
- * Preparation of economic plans and their implementation.
- * Local Government.
- * Housing and Construction.
- * Construction and maintenance of Highways other than National Highways.
- * Social Services and Rehabilitation.
- * Agriculture and Agrarian Services.
- * Rural Development.
- * Health Services (other than Teaching Hospitals and hospitals established for special purposes).
- * Indigenous Medicine
- * Commercial activities and the distribution of food.
- * Co-operative Undertakings.
- * Land and Irrigation.
- * Animal Husbandry
- * Licensing fees on the possession and transport of intoxicating liquors.
- * Fees charged under the Motor Traffic Act.

In relation to these matters, provision of services, while maintaining law and order within each Province, and the power of enacting necessary statutes for the development, management and organization of resources was vested in the Provincial Councils.

II The list of the Central Government (Reserved List) under 16 subjects

- * All functions relating to the national defence of the country (The three armed forces and the National Police).
- * Foreign Affairs including international relations.
- * Posts and Telecommunications, Broadcasting, Television.
- * Justice, Supreme Court and the Court of Appeal.
- * National Resources, Finance and External Resources.
- * Foreign Trade, Inter-Province Trade and Commerce.
- * Ports, harbours and navigation.
- * Aviation and airports.
- * National Transport.

- * Rivers and Waterways.
- * Minerals and Mines.
- * Immigration and Emigration, and Citizenship.
- * All election matters.
- * Census and Statistics
- * National archives.
- * Work relating to national weights and measures.
- * Matters pertaining to Inter-Province Migration.

Details of the matters of national importance were stated in the Reserved List.

III Concurrent List (Common Powers) under 36 subjects.

- * Planning, including planning at provincial level.
- * Progress control of both government and private sectors.
- * Formulation and implementation of policies related to national and Higher Education.
- * National Housing and Construction.
- * Social Services and Rehabilitation.
- * Agricultural and Agrarian Services.
- * Health Planning within Provinces.
- * Irrigation.
- * Rural Development.
- * Animal Husbandry.
- * Tourist Industry.
- * Employment.

Subjects common for both the Central Government and Provincial Councils were spelt out in detail here. In this manner by the Thirteenth Amendment to the Constitution, a broad devolution of power of the federal nature was effected.

Activity 2.8

- (a) List the aspects of devolution of power introduced by the 13th Amendment to the Constitution and display the list in the classroom.
- (b) Study how these activities take place in your Provincial Council.

2.4 The Composition (structure) of a Provincial Council

The composition (structure) of a Provincial Council was determined according to population and extent (land area). The number of members of a Provincial Council was determined on the basis of one member for an area of approximately 1000 square miles and 40,000 persons of the population. In terms of section 154 of the amended Constitution, the President should give a name for each Provincial Council and determine the number of members to be elected. At the election each administrative District is deemed an electorate. Accordingly, each Provincial Council should be made up of one electorate or a maximum of three electorates. The total number of Provincial Councillors to be elected for the entire country was 455. Out of this number 437 were to be elected on the Proportional Representation System while 18 were to be chosen as bonus members. Based on the total number of votes polled by each Political Party or Independent Group, the number of members were allocated under the PR system and on the basis of the number of preferential votes polled by individual members the members of each Party or Independent group were decided.

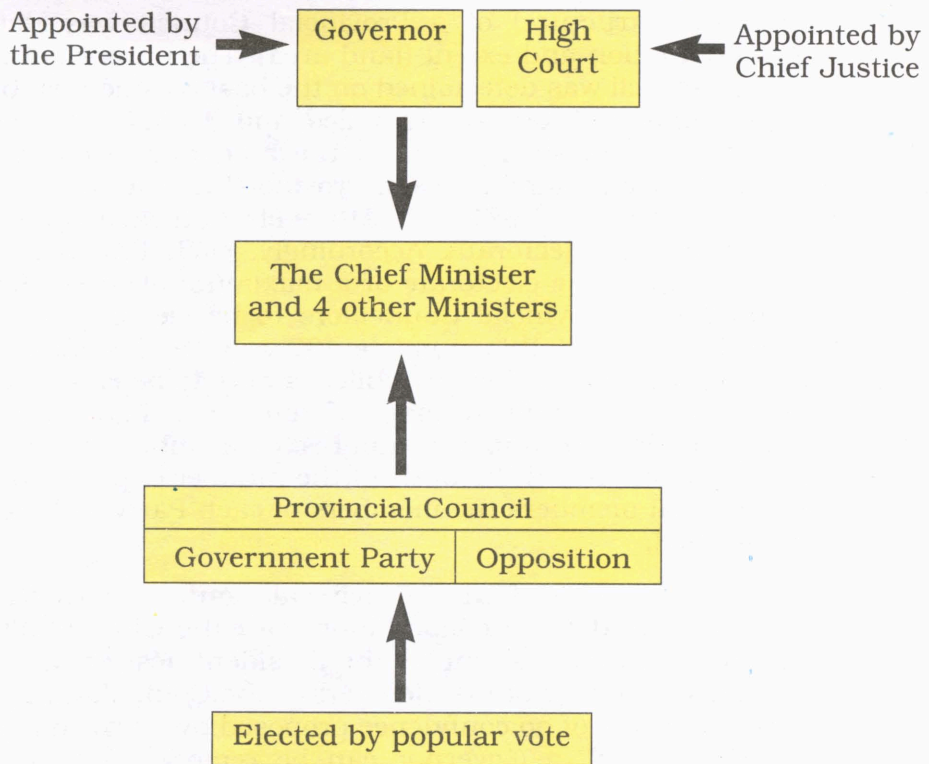
As the nominal executive of each Provincial Council, a Governor was appointed by the President in consultation with the Chief Minister. The Governor could hold office as long as the President desired or as long as commanded the confidence of the members of the Council, for a period of 5 years. Through a vote of no confidence proposed by a two-third majority of a Provincial Council, a Governor can be removed from office. The Governor can summon, prorogue or dissolve a Provincial Council after consulting the Chief Minister.

The Chief Minister is the Chief Executive officer of the Provincial Council. The person who commands the maximum confidence out of the Members of each Provincial Council is nominated by the Governor as its Chief Minister. The leader of the party that has elected more than half the number of members at the poll conducted for the purpose should be appointed by the Governor as its Chief Minister. The Chief Minister, at his discretion, should select four persons out of his members as Provincial Ministers. The Ministers including the Chief Minister are collectively responsible to the Provincial Council about their activities.

Each Provincial Council has a High Court functioning under an Attorney General and a Chief Justice.

The High Court Judges are appointed by the Chief Justice. The judicial matters pertaining to each Province are dealt with through these courts. Any person who is not satisfied with the judgements given has the power to appeal to the court of appeal against such judgements.

The Structure of Provincial Council



Since the introduction of the 13th Amendment to the Constitution, the northern and eastern provinces were merged to form one Provincial Council, and with this there were 8 Provincial Councils in operation. After sometime the President dissolved the North-East Provincial Council. Now only 7 Provincial Councils are functioning.

Activity 2.9

1. Identify the Provincial Council to which your locality belongs. Describe its structure (Composition) and note it down.
2. Discuss the way the Provincial Council System has contributed in developing your area.
3. If there are any short comings in the Provincial Council System, Suggest how you could overcome them.

Multi-cultural Societies

3.1 Let us identify the multi-cultural societies.

3.1.1 What is a culture?

Culture has number of definitions. Social Scientists, Political Scientists, Historians and Philosophers have put forward different ideas on this subject. E.B. Tyler an anthropologist has explained culture in following words.

“Culture is the sum total of knowledge, beliefs, arts, laws, traditions, evaluations and practices or habits, a man receives, by living in a society, as an individual”

- E.B. Tyler

The above-mentioned statement says our actions, thinking, aspirations and capabilities belong to the Culture.

We all have got adjusted to a socially accepted pattern of life. This adaption or upbringing is called culture.

From birth to death as an individual we behave according to our culture.

Are you talking about people, then essentially you have to talk about a culture.

Bernard Ronsenberg and Levis Koser.

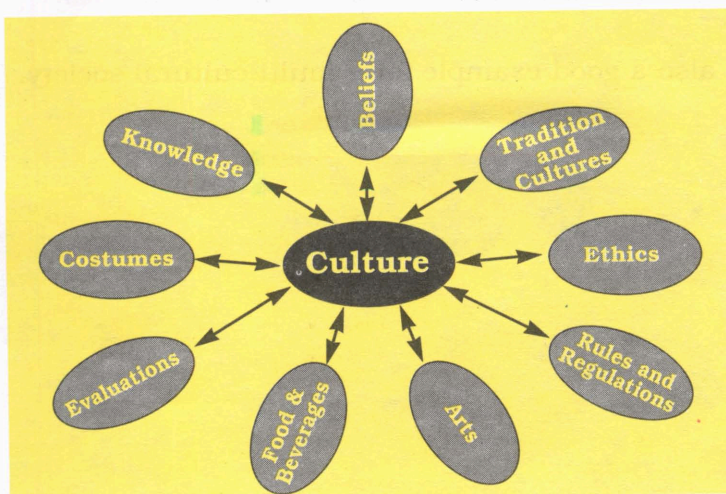


Fig. 3.1

In every society culture plays an important role for the existence of that society. Culture is a process which grows up in a society undergoing various changes throughout time.

Culture changes according to the society in which the individual lives. Therefore, in different societies cultures of their own, have been evolved



Observe the process which takes place step-by-step at a ceremonial occasion in the society, in which you participate and take down notes. Identify how all these occasions depict the culture of the country.

3.1.2 Multicultural Society

If groups of people of different cultures live together in the same society, such a society can be identified as a multi-cultural society.

In a multi-cultural society groups of people who speak different languages, observe different faiths and follow different customs & traditions, live together under the same rule. Most of the countries in the modern world can be identified as multi-cultural societies.

Sri Lanka is also a good example for a multi-cultural society.

3.1.3 The fundamental features of a multi-cultural society.

Some fundamental features common to every multi-cultural society can be identified as follows:

- * Groups of people who belong to different communities, religions, castes and creeds some times speaking different languages live under the same regime in the same country.
- * The existence of consequent set of customs, ethics and evaluations indigenous to each culture.
- * “Birds of a feather flock together” tendency among the people who belong to the same culture.
- * The realisation of targets towards social development which promote cultural unification and co-existence.
- * The probability of accusations and creation of conflicts that the dominant culture is trying to discriminate the other cultures can be seen in certain multi cultural societies.

3.1.4. Sri Lanka is also a multi-cultural society

Sri Lanka also can be identified as a multi-cultural society, with different ethnic groups who speak different languages and observe different religions.

When ethnically considered Sinhala, Sri Lankan Tamil, Indian Tamil and the Muslims are the Major Groups of People who live in Sri Lanka. In addition to them, the minorities Burghers and Malays and the Indigenous people - Veddhas, Kafris & Gypsies also live in Sri Lanka.

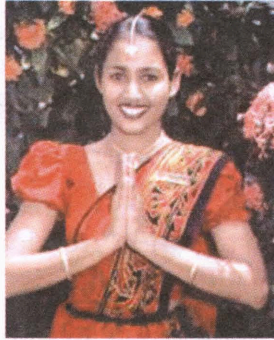
Ethnic composition of Sri Lankan Population

Ethnic group	Percentage%
Sinhala	74.0%
Sri Lankan Tamil	12.6%
Indian Tamil	5.5%
Muslim	7.1%
Other	0.8%
	<u>100.0</u>

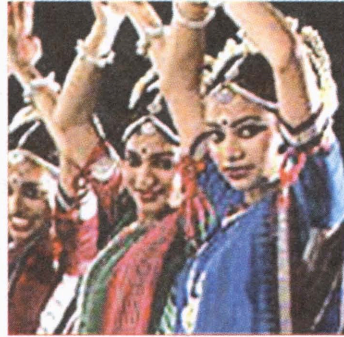
Table 3.1

Source - Sri Lanka Socio-Economic Data 2006 Central Bank of Sri Lanka.

Activity 3.1



(1)



(2)



(3)



(4)



(5)



(6)

There are six pictures above, which denote the main ethnic groups in Sri Lanka. State in your book, the ethnic group the each picture belongs.

Geographical Distribution of Sri Lankan Population

Population by Ethnic group and district, Census 1981, 2001

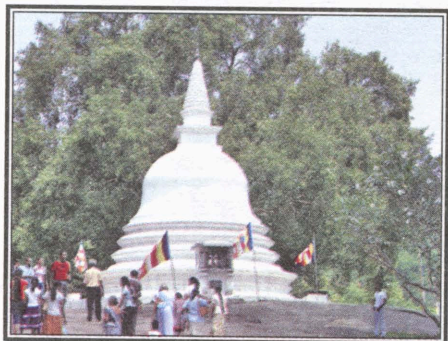
District	1981							
	Total	Sinhalese	Sri Lanka Tamil	Indian Tamil	Sri Lanka Moor	Burgher	Malay	Others
Sri Lanka	14,846,750	10,979,568	1,886,884	818,656	1,048,927	39,374	46,963	28,398
Colombo	1,699,241	1,318,835	170,590	19,824	139,743	19,688	22,233	8,328
Gampaha	1,390,882	1,279,512	48,182	5,919	37,826	8,423	8,675	2,325
Kalutara	829,704	723,433	9,744	33,659	61,159	431	762	456
Kandy	1,045,317	775,501	62,791	88,436	109,779	2,122	2,755	3,633
Matale	357,354	285,354	20,579	24,912	24,995	272	574	558
Nuwara-Eliya	603,577	254,375	76,449	257,478	12,163	696	1,135	1,280
Galle	814,531	769,343	7,271	11,068	25,878	288	188	709
Matara	643,766	606,516	4,683	13,875	16,122	205	79	306
Hambantota	424,344	412,055	2,500	284	4,899	82	4,445	79
Jaffna	830,552	6,659	790,385	19,960	12,850	383	72	115
Mannar	105,235	8,683	54,474	13,850	27,717	35	35	1,440
Vavuniya	95,428	15,794	54,179	18,714	6,505	25	34	177
Mulativu	77,189	3,992	58,209	11,215	3,651	95	19	08
Batticaloa	330,333	11,255	233,713	4,074	78,829	2,292	46	124
Ampara	368,970	148,943	77,826	1,711	161,588	697	168	357
Trincomalee	255,948	85,503	67,760	5,372	75,038	1,169	531	274
Kurunegala	1,211,801	1,125,912	14,920	6,616	60,791	562	1,259	1,741
Puttalam	492,533	407,067	32,282	2,289	49,000	440	954	501
Anuradhapura	587,929	535,834	8,026	719	41,777	228	338	1,007
Polonnaruwa	281,563	238,965	5,267	124	16,638	59	109	433
Badulla	640,952	443,024	37,520	129,496	26,600	613	1,419	2,278
Monaragala	273,570	253,572	5,345	8,859	5,312	70	183	218
Ratnapura	797,067	677,510	19,094	84,740	13,781	342	412	1,195
Kegalle	694,944	588,581	15,074	45,752	34,389	156	229	763

Religion	Percentage%
Buddhists	63.3%
Hindus	15.5%
Muslims	7.5%
Christians	7.6
Others	0.1%
	<u>100.0</u>

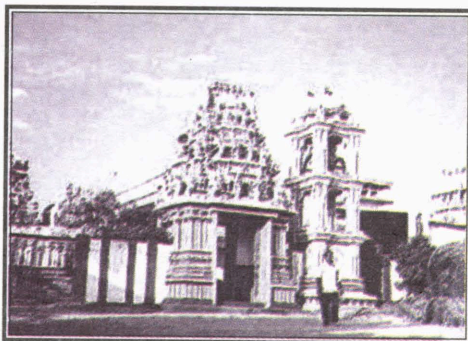
Table 3.2

Source - Socio-Economic Data of Sri Lanka, Central Bank.

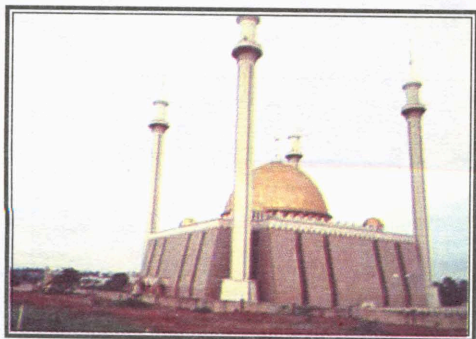
There are Buddhists, Hindus, Muslims, Christians and Roman Catholics in Sri Lanka.



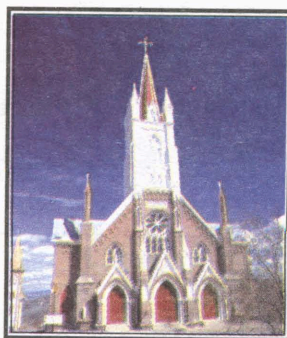
(1)



(2)



(3)



(4)

Activity 3.2

Identify the religious places in the pictures and state in your book according to the number given.

Activity 3.3

Collect information about the people of different cultures who live around you and record them in the table given below.

Ethnicity	Religion	Staple Food	Dress	Language Spoken

3.2 The factors which promote the creation of a multi-cultural society

- * None of the cultures in the world is uncontaminated. This is the general acceptance among anthropologists. According to them every culture has been influenced by other cultures. As a result of this, cultures have undergone changes and resulted in the creation of multi-cultural societies.

Let us see what are the factors that influence the creation of multi-cultural societies.

1. Cultural dominance
2. Infiltration
3. Immigrations & Invasions
4. New discoveries & Inventions
5. Development of communication and mass media.
6. Development of transportation methods
7. Globalization

3.2.1 Cultural Domination

An occasion when a strong culture invades a subdued culture, the strong culture super-imposes its all characteristics by force on the subdued culture, facilitating the birth of new cultures and thereby a multi-cultural society is born. This is called cultural domination.

For example, it can be shown, that the birth of a new cultural pattern in this country with the introduction of christianity by the Europeans, who made Sri Lanka one of their colonies.

3.2.2. Infiltration

Through infiltration certain characteristics of one culture creeps into another, through the long association of the two cultures. This is a spontaneous process and it only enriches one culture by the influence of other culture. Due to infiltration also a culture undergoes changes.

Infiltration takes place mainly under three methods.

I Direct Infiltration

An important characteristic originated in one culture spreads rapidly into other cultures because of its impressive nature.

- * Around 105 AC China first produced paper and it was rapidly accepted by other cultures, in the world simply because of its utility value.

II Mutual Infiltration

Due to the political cultural and social relationships cultural differences may develop, resulting the creation of multi-cultural societies. As a result of Sri Lankan Kings of olden days getting down South Indian Princesses as their consorts the features of Hindu Culture entered into the Sri Lankan culture.

Reviving infiltration: The assimilation of certain features of another culture to the new culture causing a revival in it. This process also influences the creation of a multi-cultural society.

With the advent of Arhath Mahinda Salient features of Buddhist Culture were absorbed into the Sri Lankan Culture of that time reviving it.

3.2.3. Rebellions and revolutions also have influenced the creation of multi-cultural societies. The new society which emerges after a revolution or rebellion tries to create a culture of its own.

Algerians gained their independence from France after a freedom struggle and in their newly established state of Algeria under a new government a new culture was created.

3.2.4. Commercialization:

Through the development of international trade a cultural exchange also takes place and it promotes multi-cultural societies.

Through the Arabian traders who came here for trade purposes, Islamic religion and various elements of their culture spread into the Sri Lankan culture.

3.2.5 Immigrations:

Due to reasons such as tourism, employment, education and repatriation, groups of people migrate from country to country or rather from culture to culture, thereby facilitating a mixture of different cultures.

During the British colonial era a large number of south Indian Tamil labourers migrated and settled down in the hill country in the estate sector. With them the South Indian Tamil Culture also entered here and became a part of Sri Lankan culture.

3.2.6. Discoveries and new inventions

The new apparatus added to the daily consumption process through technological and scientific advancement also contribute to cultural changes.

With the introduction of the tractor in agricultural activities, the part played by human and animal labour in agriculture also changed and caused changes in the socio-cultural pattern of Sri Lankan farmers as well.

3.2.7 Development in mass media and information technology.

The rapid development of mass media and information technology has influenced to introduce changes in culture. It has promoted the creation of a multi-cultural society.

- * Through items such as internet the exchange of cultural features take place rapidly.

3.2.8. Globalization

The attempt to promote all the countries in the world towards “single global village” through the development of science and technology is known as globalization. Under the influence of this process, every culture in the world is liable to change. It helps the creation of multi-cultural societies, while promoting a single world culture in the long run.

Due to the development of transport methods too, the cultural features spread from one culture to another.

Various items of food dress patterns Pattern of living which have extend into our society in recent times came through this globalization process

3.3. Multi-cultural societies and modern state

The political concept “Modern State” is a concept on the running of state affairs, which is being appreciated in the present day world. According to this concept, a state is a single nation. It implies, even though several groups of people belonging to different cultures live in the same State, all of them are considered as one nation.

In Sri Lanka several ethnic groups such as Sinhala, Tamil, Muslim and a few more minorities who belong to their own cultures live together in a single State and all of them are considered as Sri Lankans.

Modern states who honour democratic ideals, even when there are several cultural groups in them, attempt to march towards development as individual nations, by honouring those cultural identities and assimilating them together.

Almost all modern states can be identified as multi-cultural societies. Developed states as well as developing states can be seen among them. The developed countries have utilised their multi cultural nature to good effect in their economic, social and political processes.

Countries like Singapore and Switzerland have made the multi-cultural nature of their people a blessing for the development of those countries. On the theme “Unity in diversity” they have become developed countries today. In this venture they have taken steps not to harm but to honour the cultural characteristics of every ethnic group.

Activity 3.4

Collect information on some modern multi-cultural countries, not given above in the above lesson and present it to the class.

3.4 Multi-cultural Assimilation and Sri Lanka

Today every multi-cultural State tries to utilize the strength built through the assimilation of People of different cultures, who live in the society, for the development of that country.

None of the ethnic groups can improve by staying divided on religion, caste, ethnicity, language etc. If the Sri Lankan people are divided on such grounds, then, it will be a major obstacle for the development of the country.

We all are equal as human beings. As Sri Lankans, we all have similar rights. Basic necessities are common to everybody. All of us feel hunger, sorrow and pain equally. What is important is to live together realizing these common interests than living separately on narrow differences.

“All men are born free with equal rights. They should enjoy equal rights irrespective of differences such as their ethnicity, colour, gender, language religion, political ideas and nationality”.

“United Nations Universal Declaration of Human Rights”

From ancient times all nationalities in Sri Lanka have lived in harmony. The following examples will elaborate on this.

- * The Buddhist shrine, “Welgam Vihara” situated close to Trincomalee has been renovated and renamed as, “Raja Raja Perumpalli” by Chola Emperor Raja Raja in the 11th century when cholas were ruling Northern Sri Lanka.
- * Wijayabahu I who liberated Sri Lanka from the Chola yoke, built a Hindu temple for God Shiva in Kantale area and named it as, “Wijayaraja Eashvaran”.
- * King Buwanekabahu I of Yapahuwa sent a Muslim ambassador from Sri Lanka to Sultan of Egypt.

- * During the reign of Jayabahu I of Polonnaruwa the protection of the Tooth relic and the property attached to it was entrusted to the "Veliakkara" regiment which consisted of Tamils.
- * As a special feature of the Devinuwara Esala Procession a Vel Procession - a Hindu religious ritual is being held.

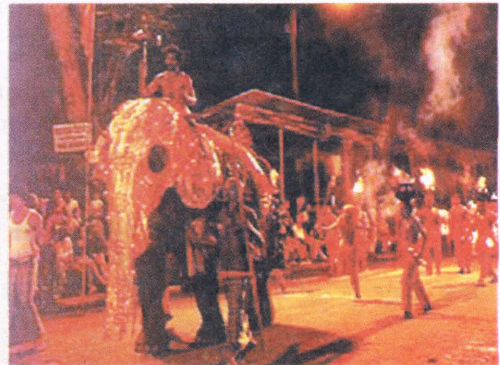
Vishnu, Kataragama, Natha, Pattini Devala Perehara too have joined the Kandy Dalanda Perehera.

The leaders who represented all the nationalities, have contributed tremendously to gain independence to the motherland.

A large number of similar instances can be traced throughout our long history. This shows that we have acted as one nation in the past.



A Hindu Religious Perehara



Kandy, Dalada Perehara

Fig. 3.5

In recent times outstanding success could be achieved by groups of people, belonging to different cultures working together in our country.

Representatives of every ethnic group in various spheres of country's life such as politics, economics and social activity could be seen today.

In such features like food, attire, language, art and sports the cultural integration can be seen very clearly. Our food habits also have evolved through the influence of different cultures. In a major meal of ours, food belonging to various cultures - eastern and western can be seen. For an example rice, bread, wadai, hoppers, buriyani, thosai, noodles and string hoppers which belong to different cultural groups are common to all Sri Lankans today.



Picture 3.6

This common ownership of different cultures could be seen in the dress and ornaments of the Sri Lankan people. Dresses which came from different cultures such as the saree, trousers, salwar, kurtha, and the sarong are generally very popular.

In our national teams of various sports, players from all ethnic groups can be seen. Mixed language properties are present both in Sinhala and Tamil languages. A mixture of several features belonging to different ethnic groups can be seen in most of the religious festivals of major religions in the country. Shrines dedicated to Hindu Gods can be seen in association with Buddhist temples, in the same premises. In the field of fine arts also this cultural integration could be seen quite clearly.

Members of all communities are engaged in every type of employment irrespective of their ethnic differences. Agriculture, fishing, commerce and professions such as education, medicine, law are good examples. In this respect, all of them contribute to the economy of the country.

In fact, what a significant event, when different people and groups of people work with mutual understanding for the happiness of every body! Under such circumstances, it is fortunate even to be a member of a multi-cultural society. Through this we get an opportunity to enjoy all the achievements gained by each culture throughout its long progress.

Peace, security and justice are the rights of every citizen in a democratic country. We must build up a united and strong country where everybody can live happily. By absorbing the unique strength of diversity, let us build up a strong single nation!

“..... being the children of a single mother - let us march forward without further delay”

This is the English translation of a line from our National Anthem. It says, it is our duty to get together and work with dedication for the future development of our country.

Activity 3.5

1. The concept “Unity through diversity” can be applied by us in the development task of our country. Prepare a list of achievements gained by us in different fields of activity through “cultural integration”.
2. “It is fortunate even to be born in a multi-cultural society” Prepare an article for a newspaper on this topic.
3. Do you know any instances, which we found difficult to live in cooperation as a multicultural society. Find reasons and suggest solutions.
4. Among your neighbours or students in your school or class there may be people, belonging to various religions. State briefly the suggestions you would take to act harmoniously and with mutual understanding.

4

Economic Systems and Economic Relations

4.1 Basic Economic Problems and Economic Activities

4.1.1 Identifying human necessities and wants

People living in a society use various things. Food, clothing, dwellings, vehicles and medicines are some of the items they use.

The items essential for man's sustenance are called necessities. Food, dwellings (shelter) and clothing are regarded as necessities. The necessities are limited and are essential for living.

'Wants' are various forms used to satisfy human needs or necessities. Wants are unlimited and increase day by day.

Goods and services are used to satisfy human needs and wants. Resources are necessary to produce goods and services. The uses of resources are not confined to one single need or want, and thus have alternative uses. Therefore, a choice has to be made in producing goods and services.

Activity 4.1

Complete the following table

Necessity/Need	Wants
1. Food 2. Dwellings / Shelter 3. Clothing	Example: Rice, bread

Man, when going through various periods in history was able to meet his requirements by using the resources available in his environment. The hunting age, the pastoral (nomadic) age and farming age are landmarks in these periods. With the passage of time, human wants, too, became complex. In order to satisfy these wants, man had to produce goods and services making use of the available resources.

4.1.2 Production of goods and services

Some of the goods and services necessary to satisfy man's needs and wants are obtainable free from the environment (without incurring a cost). For others, a cost has to be incurred. Air, sunlight, rainwater are such free gifts. There are instances when these items, too, become goods having a cost. When electricity is generated with solar cells using sunlight, and when rainwater is obtained through pipelines, they become goods with value (economic goods).

Economic goods are produced through a production process that takes place in a society. In order to effect a production process, an economy takes decisions regarding the production of goods and services. Four factors of production are used to produce goods and services. They are:

- | | |
|------------|---|
| (1) Land | (3) Capital |
| (2) Labour | (4) Enterprise (Entrepreneurship) or Organization |

By **Land** is meant the natural resources associated with the earth and the atmosphere. Accordingly, items such as mineral resources, water, livestock belong to this. The price paid for land is Rent.

Labour: The physical and mental energy expended by the people of a society in the production of goods and services is called labour. Members like workers (labourers), masons and farmers offer their physical labour while those such as doctors, engineers and technicians offer their mental energy. The payment made for labour is wages.

Capital: By capital is meant the productive aids made by man and used in the productive process. Tools and instruments, machinery and plant, water supply schemes, factors and buildings used in production and money invested are examples of capital. The payment for capital is interest.

Enterprise: Enterprise or entrepreneurship is bringing together the other types of scattered factors and taking production decisions, organizing and leading these activities. The entrepreneur performs this task by bearing future risks and the payment for enterprise is called profit.

4.1.3 Basic Economic Problems

One basic problem that affects every society is the non-availability of sufficient amounts of resources to fulfil all human needs and wants entirely. This situation is known as 'Scarcity'. Every economy in general faces the basic economic problems that arise from scarcity taken in the relative sense of the term. There are three basic economic problems:

- (1) What and how much of it to produce?
- (2) How and by whom to produce?
- (3) For whom to produce?

1. What and how much to produce?

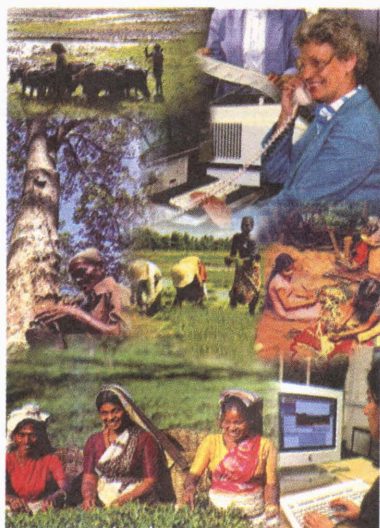
A society, will have to take such decisions.

- (1) Suppose that the block of land in which you live is 40 perches in extent. What are the things you can do on that block of land? Prepare a list.
- (2) Suppose that you wished to cultivate this block of land. What are the things you hope to cultivate there?
- (3) Out of the various things you can cultivate, if you have to decide what you choose to cultivate in what quantities, what would you choose?

Since the supply of resources is limited and since wants are unlimited, no society is able to fulfil all its wants completely. Thus, a society acts to fulfil only some of its wants in certain quantities. Therefore, the first question that arises here is to decide as to what goods are to be produced in what quantities. According to whatever decision is taken, consumer goods such as food and clothing can be produced or capital goods such as machinery or buildings can be produced; or else, luxury goods can be produced. Otherwise, certain quantities of both consumer goods as well as capital goods can be produced. A decision has to be taken as to how much of each type of these goods should be produced. Answers for these questions can be found according to the manner in which the economy is organized.

2. How and by whom to produce?

Study the following illustration :



Production
of
Goods
and
Services

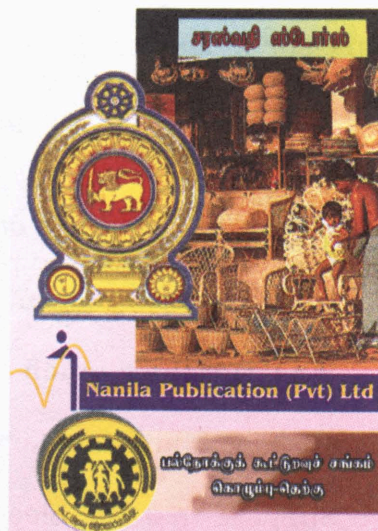


Diagram 4.1

It is clear from the above diagram that labour and machinery can be used in production, and that production can be done by various persons or institutions. Now, let us examine how this occurs in the economy.

After deciding on what goods should be produced in what quantities, the next question which the society faces is 'how and by whom to produce?' The question 'How to produce?' means the technique applied in production. Here, it has to be decided whether to use labour or capital or else in what quantities or combinations are labour and capital to be used. The appropriate technique should be decided so as to get the maximum use of the labour resources and capital resources.

'By whom to produce' means that the production process can be done by various people and organizations. Accordingly, it has to be decided whether production will be done by the Government, or by the private sector, by a local government institution or else by a co-operative society.

The private sector, too, is made up of various types of organizations such as sole proprietorships, partnerships and companies. Accordingly, here decisions have to be taken as to who should engage in agriculture, industry, fisheries and all other types of productive activities and in what degree should they engage in them.

3. For whom to produce?

Study the following illustration:

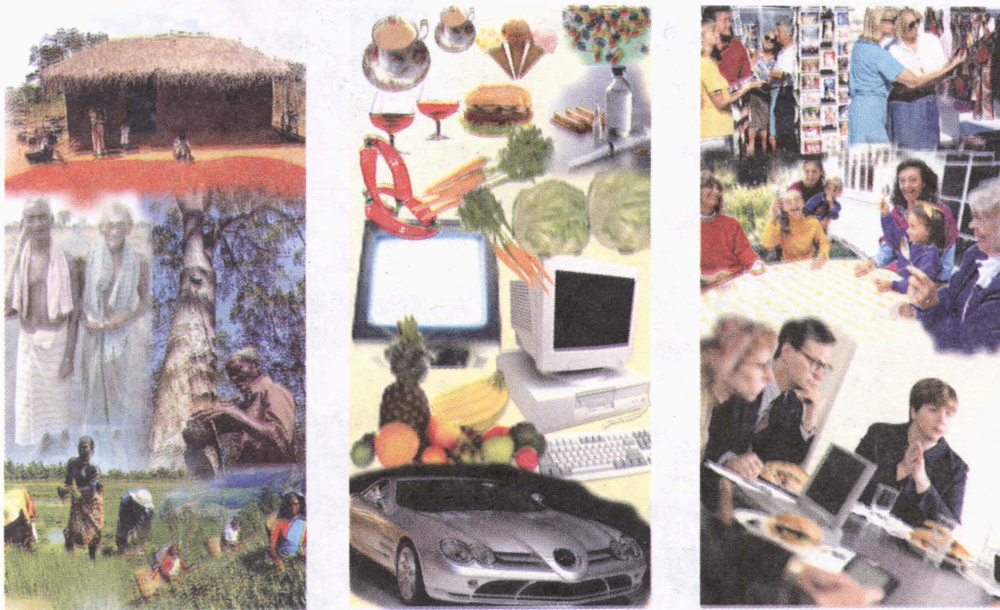


Diagram 4.2

This illustration shows how the stock of goods the economy produces during a particular period is distributed among various people who are its members. It has to be decided to whom those goods should be traded. As mentioned earlier, the amount or quantity of goods various people can obtain is also determined by the amount of income earned for the factors of production, namely, wages, interest, rent and profits.

4.1.4 Economic Activities - Definition

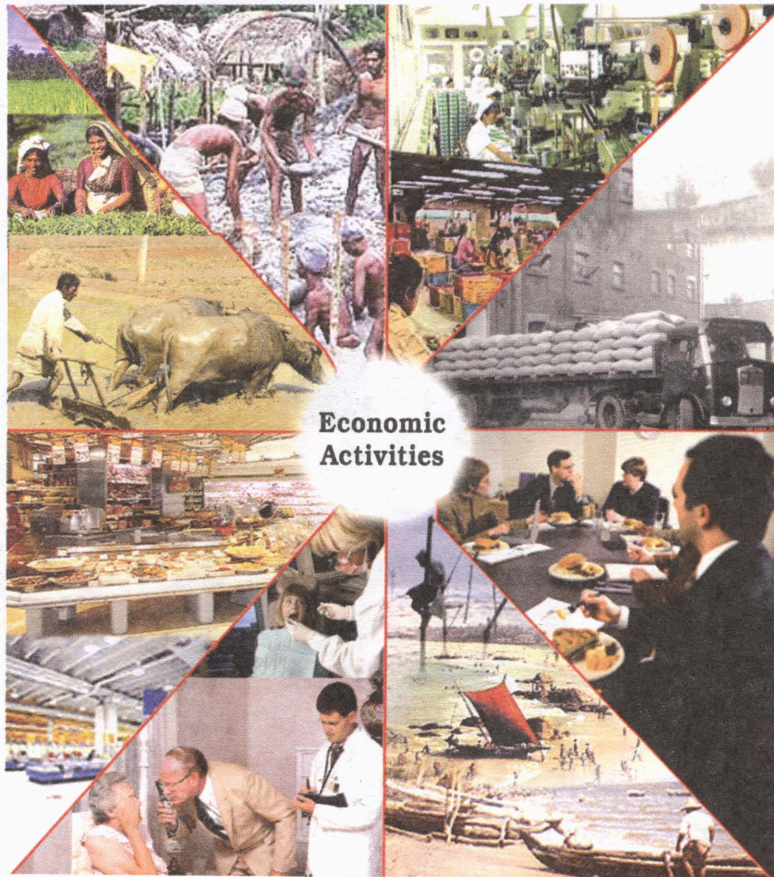


Diagram 4.3

When studying the above diagram, it is clear that a multitude of activities take place within an economy. Among them are cultivation, mining, processing, storing, trade, distribution of services and consumption.

For the purpose of fulfilling the unlimited wants in an economy with its limited resources, the activities performed by the society can be grouped under three categories, namely;

- (1) Production
- (2) Exchange
- (3) Consumption

Production : Production is the use of natural resources and changing their form or transforming them completely so as to satisfy wants. The goods produced are divided into two categories depending on their utility or the use they are put into. They can be classified as consumption goods when utilised to satisfy the consumption needs and as production goods when they are utilised in the production process.

Production of goods can be further classified as intermediate goods and capital goods according to the function performed by them. A special feature of intermediate goods is that they are absorbed in some form, in the goods that are being produced; or, intermediate goods are used to feed the goods that are being produced. A special feature of intermediate goods is that they can be used only once. An example is the use of fertiliser in agriculture. Capital goods are durable production aids that can be used over and over again in the production process. Buildings and machinery are examples.

Activity 4.2

Study the following list and complete the table given below:

Highways, tanks, anicuts, ready-made garments (apparels), fertilizer, cement, food, milk powder, playgrounds, music, agro-chemicals, buses, ships, airports, buildings, factories, shoes, yarn used to weave cloth, sheet rubber.

Type of goods	Relevant things
Consumption goods	
Intermediate goods	
Capital goods	

Exchange: The other important process or activity that occurs in an economy is exchange. In a subsistence economy, the economy produces the goods it requires, while goods are exchanged for goods. However, in modern society, goods and services are exchanged often for money in the market. At present, with technological advancement, not only money, but also types of cards that have the same value as money, namely, electronic-money is used in transactions.

The system of exchange has expanded not only within the domestic market but also to the broad foreign market. Today, a situation has arisen in which no country in the world is able to exist without exchanging goods and services with other countries.

4.2 Identifying various economic systems (Capitalist, socialist, mixed-economic systems)

An economy or an economic system is the manner in which a society is organized for the purpose of resolving the basic economic problems. The basis for the emergence of economic systems is the method of seeking solutions to the basic economic problems faced generally by economies. Accordingly, there are three types of economies or economic systems, namely,

- (1) Capitalist Economy
- (2) Socialist Economy
- (3) Mixed Economy

4.2.1 Capitalist Economy

In a Capitalist Economy, the ownership of property and resources that belong to the economy rests with the private sector. For example, all revenue earning avenues in the economy such as factories, land, hydroelectric plants, machinery and highways are owned by the private sector. In a capitalist economy, economic activity takes place based on the price system with profit motive and they are distributed among various sectors through market forces (based on demand and supply that prevail in the market). Here, for the resolution of basic economic problems, private sector institutions such as Sole Proprietorships, Partnerships, Limited Liability Companies organize in suitable manner. Here, the first and foremost motive (objective) of these organizations is to make the maximum profits.

The questions 'What?' 'How much?' 'For whom?' to produce utilizing the available resources are decided according to the 'Price System'. The entrepreneur who faces the question 'What to produce?' produces only those goods that fetch him a profit and does not attempt to produce things that do not fetch him a profit. When finding solutions to the question 'How to produce?' he chooses the technique of production that brings him the maximum profit. Here, he chooses out of the labour-intensive and capital-intensive techniques, that which has the minimum cost of production. The question, for whom should what has been produced be directed (or sold) is also determined by the Price System.

Accordingly, what has been produced is directed to the parties that have the capacity to buy them.

Since, in a capitalist economic system, priority is given to earning profit and since economic activities occur under private ownership, there is an inequality in the distribution of resources. Hence, it is alleged by some that there will emerge in society a class distinction between the capitalists and the proletariat (non-capitalists). Although the producers follow various tactics to attract the consumers towards their products, the consumer, too, has the freedom to select the goods and services of his choice.

The capitalist system is also known as the Private Enterprise System.

Activity 4.3

(1) State four basic characteristics of a Capitalist Economy:

- | | |
|---------|---------|
| 1. | 3. |
| 2. | 4. |

(2) I. Name 5 countries in which a capitalist economic system operates.

II. Mark and name the countries you named on a model world map, with the help of an atlas.

(3) Study the advantages and disadvantages of a capitalist Economy and tabulate them.

4.2.2 Socialist Economy

In countries with a socialist economic system, the ownership of the productive resources is in the government. Production and exchange are also carried out not with profit motive as the basic objective. It is done so as to maximize social welfare. Here, a centralised planning authority plans and executes all economic activities. Countries with economic systems having these characteristics are also known as those with centrally planned economies.

Activity 4.4

1. Mention 4 basic characteristics of a socialist economy.
2. Name 5 countries in which the socialist economic system functioned.
3. Look for the countries in which the socialist economic system operates, and mark them on a world map.

4.2.3 Mixed Economy

Economies with both capitalist and socialist characteristics mentioned above are called Mixed Economies. Under this system, the ownership of property and resources is with both the private and government sectors. The private sector entrepreneur works with profit motive while the government works with the motive of social welfare. Both the private and government sectors work to resolve the basic economic problems. The majority of the countries in the world have economies with these features. In certain countries, state intervention is more prominent. In certain instances, during certain periods, the influence of these two sectors can be seen in a greater or lesser degree.

4.3 The concept of Market Economy

For the last two or three decades, the tendency prevailing in the world economic pattern (order) is the market economic system. Most countries have tended to follow this system as the strategy to achieve the goal of their economic development. Some of the countries in which a socialist economic system was in operation, have changed their economic pattern and turned into market economies. Russia, China and Poland can be cited as examples of such countries. Several reasons have prompted these countries to turn market economies.

- (1) The difficulty in determining in practical terms the multitude of products that have to be produced in order to satisfy human needs and wants.
- (2) Not making any attempt at innovations due to the absence of competitiveness.
- (3) The consumer being deprived of his sovereignty (Consumer Sovereignty) which means the freedom of choice he enjoyed.
- (4) On account of the flexible nature of decision taking which operated under the prevailing system, there occurred delays in activities such as production and distribution.

The economic system in which economic decisions are taken on the basis of prices determined by forces of demand and supply (market structure) in order to resolve the basic economic problems an economy faces is called a market economy. Under this system, solutions to economic problems are sought through the price system without anybody's guidance.

The aim of the market system is personal profit. It is known as self-interest. Accordingly, only what is profitable is produced and no attempt is made to produce those goods that do not fetch any profit. Since there will be enormous profits if the market price is higher than the cost of producing goods, that course of production will be chosen. Thus resources will flow towards those sectors that fetch profits.

Harmful features of the Market Economy

- (1) Ignoring (not paying attention to) negative externalities. Negative externalities is the influence exerted by a certain production or consumption activity on a third party that is not relevant to it. Within the market system, there may occur negative externalities such as environmental pollution.

The damage caused to the environment on account of the location of a factory in a certain locality can be cited as an example.

- (2) No inclination to produce goods aimed at people's welfare, since all the entrepreneurs work only on the profit motive.
- (3) There occurs an inequality in the distribution of incomes among people.
- (4) Since there is vast advertisement to market the goods, it affects the consumer's purchasing capacity.

Activity 4.5

Explain two each of the beneficial and harmful features you can identify in a market economy.

4.4 State of the present Economy of Sri Lanka and Development

Within the economy of Sri Lanka, prior to 1977, features of a mixed economy tending towards socialist features could be noticed. Then, the public sector showed enhanced intervention in economic activities. Public sector participation in all the sectors, namely, agriculture, industry and services was prominent. Through the Business Acquisition Act of 1971, all public enterprises were further expanded. The government took action to develop industries based on local raw materials as well as agriculture with the intention of achieving economic development making the maximum use of local resources.

Significant changes were effected in the domestic economic policies after 1977. Under the market economic policy, a suitable industrial policy, for the purpose of effecting the participation of the private sector and promoting that sector, was implemented. The tariffs that had been imposed so far in order to protect local industries were removed. The taxation policy was simplified and steps were taken to provide a wide scope for free trade. For this, various incentives were offered to attract foreign investors. Steps were taken in 1998 by the Greater Colombo Economic Commission (which was renamed the Board of Investment of Sri Lanka) to establish Free Trade Zones. Accordingly, free trade zones were started in Katunayake, Biyagama and Koggala. The government by accelerating the Mahaweli Multi-Purpose Scheme, took steps to achieve the objectives of supplying water for the development of domestic agriculture, generating hydroelectricity, providing employment and providing land to the landless.

On account of the privileges and concessions granted to investors by the Board of Investment of Sri Lanka (BOI), investors were attracted by Sri Lanka from a large number of countries. Due to export incentives, and tariff concessions, and the provision of the necessary facilities for harnessing local resources and labour for industries, foreign investors came to Sri Lanka in large numbers and established their industries here. Consequent to this, the problem of scarcity of capital was resolved while new employment opportunities became available and foreign technical know-how, too, flowed in. On the domestic front, the expansion of infrastructure facilities such as the development of ports, airports, highways and telecommunication systems, further enhanced economic development.

Since the government followed the policy of privatisation by the latter half of the 1990's several enterprises and industries in the agricultural and industrial spheres have been privatized.

Following are a few examples of such privatisation :

Operation of the Privatisation Programme

Name of the state enterprise	Percentage of Privatization	Date of Privatization
Agriculture:		
Bogawantalawa Plantations Ltd	100	September 1995
Kegalle Plantations Ltd	100	October 1995
Watawala Plantations Ltd	100	January 1996
Hingurakgoda Seed Paddy Farm		
Sale of Assets		TJuly 1998
Sewanagala Sugar Plantation	100	June 2002
Industries:		
Tulhiriya Textile Mills	100	February 1990
Lanka Loha (Lanlo) Ltd.	100	October 1991
Lanka Ceramic Ltd.	100	June 1992
Ruhunu Cement Ltd.	85	January 1993
Prima Ceylon Ltd	100	June 1991
Financial Services :		
Sri Lanka Insurance	100	June 2003
Other:		
Sri Lanka Telecom Ltd	50.5	August 1997

Table 4.1

Activity 4.6

Study the Central Bank Report and other information about state sector enterprises and industries that have been privatised.

Measures taken for regional decentralization of industries since 1990 contributed towards economic development in various ways.

Examples:

200 Garment Factory Programme
Establishment of Industrial Estates
Establishment of Industrial Parks

Describe briefly how it affected the betterment of the people.

Activity 4.7

(1) Gather information about

Industrial Estates

Industrial Parks

Export Processing Zones

Export Villages

that are currently in operation in Sri Lanka and prepare a booklet containing this information.

(2) On a map of Sri Lanka, mark and name the places where Industrial Estates, Industrial Parks, Export Processing Zones and Export Villages are located.

Consequent to the changes effected in economic policies since 1977, the contribution of the agricultural sector to Gross Domestic Product (GDP) has dropped while the contribution of the industrial sector has increased. Further, the contribution of the service sector has exceeded the contribution of the industrial sector.

Contribution of the agricultural, industrial and service sectors to Gross Domestic Product (GDP)			
Year	Percentage of the agricultural sector	Percentage of the industrial sector	Percentage of the service sector
1977	26.7	22.5	50.1
1996	18.4	30.4	51.2
2004	17.9	26.4	55.7
2005	17.2	27.0	55.8

Table 4.2

Moreover, the contribution of agricultural exports to export income too, has dropped, while the contribution of the industrial sector has increased rapidly. Through the development strategies in the agricultural sector pursued since 2004, the contribution of that sector shows a tendency to rise.

Contribution of the agricultural and industrial export sectors to export income		
Year	Contribution of agricultural export sector to export income %	Contribution of industrial export income %
1977	79.3	18.5
2004	14.2	78.3
2005	18.2	78.0

Table 4.3

Activity 4.8

Referring to the Central Bank Report (after 2004), classify the items that come under agriculture, industry and services.

According to the above information, several factors contributed to the growth of the industrial sector in 2004.

Examples:

- Satisfactory performance of export-oriented industries.
- Rise in the domestic consumer demand.
- Growth in the infrastructure facilities such as telecommunications, ports and information technology.

The contribution of the service sector too is important in the rise in economic growth. Significant among them are wholesale and retail trade, hotels and restaurants, storage, communication and financial services.

In the country's march towards development, not only the economic aspect but also the socio-cultural aspects too are very important. Compared with the other developing countries, the social aspect of Sri Lanka reveals a high value. It comes close to the data about developed countries. The special focus in the twenty first century is the achievement of sustainable development.

Sustainable development is :

Through development, without limiting the ability available for future generations to satisfy their wants, they should be made to satisfy their present wants.

The government works with enthusiasm to formulate economic policies with the objective of achieving sustainable development.

At the Millennium Summit held in September 2000, world leaders joined together to draft a system of goals and targets to be achieved within a set timeframe for combating poverty, hunger, disease, illiteracy, environmental degradation and discrimination against women.

Assignment 4.3

Find out the 8 millennium goals agreed upon by world leaders at the United Nations Millennium Summit held in September 2000, and note them down.

When taking action to reach the millennium goals, the economic goals of Sri Lanka too, have been adjusted to suit them. Accordingly, we can be satisfied about the achievements made in the march towards the fulfilment of development goals.

The situation regarding the development of Sri Lanka

- (1) The ratio of the poor which was 26.1 in 1990/91, dropped to 22.7 in 2002.
- (2) The percentage of children who were enrolled for primary education in 2000/2001 was 97 percent. In 2002, it increased to 97.9 percent.
- (3) In 1990, the number of deaths below 5 years of age (child mortality) was 23 for every thousand live births, and in 2001 it dropped to 23. In 2003 it dropped further to 11.1 per thousand.
- (4) The number of families who had access to pure drinking water in 1990 was 62 percent, which rose to 70 percent in 2000 and 92 percent in 2005.
- (5) In 2000, the Gross National Product (GDP) per capita was US\$ 813 which rose to US\$ 1030 in 2004, and to US\$ 1183 in 2005.
- (6) Literacy rate in 1996/97 was 88.6 percent which exceeded the 90 percent mark after year 2000.
- (7) According to the Human Development Index too, which is a modern index for measuring development, Sri Lanka is regarded as a country with medium level Human development. Out of 177 countries, Sri Lanka is the 93rd in year 2005.

The annual reports of the Central Bank of Sri Lanka indicate that in order to further the prevailing development effort, it is necessary to eradicate poverty, reduce unemployment and raise the standard of living on a sustained basis. Proposals for the achievement of desired economic development are spelt out in the governments policy declaration (manifesto). Accordingly, there are several new development programmes initiated for execution as development strategies. The following programmes can be stated as examples:

- Programme for the restoration of a thousand tanks.
- Nena Sala Programme.
- Gami Diyawara.
- Maga Neguma.
- Gama Neguma.
- Loan schemes for small and medium scale industrial entrepreneurs.
- Provision of the fertilizer subsidy.

On the path towards development, there are obstacles such as terrorist activities that have arisen within the country and the oil price hike in the world market which have to be overcome.

Activity 4.9

- (1) Collecting data from newspapers, magazines, prepare a report on new development programmes.
- (2) Deliver a speech on the theme "The problems encountered in the march towards development" and your suggestions to solve them.

4.5 The influence of technological advancement and globalization on the world economy and Sri Lanka

4.5.1 Technological advancement



A set of pictures showing the development of modern technology

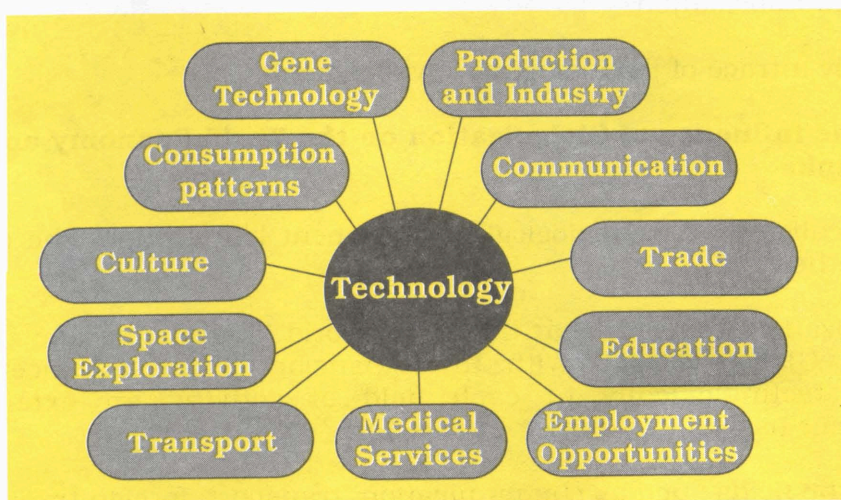
The above are a few modern products manufactured consequent to the advancement in technology. On account of technological development, it has become possible for man to perform his activities easily. Today, we find things which our forefathers did not even dream of, are available in plenty. The change that has occurred in man's thought has become the background for technology.

Man, who has come a long way from time immemorial, has acquired the technologies and facilities he is engaging in today with much effort. During the hunting, pastoral and farming ages, he experienced the basic features of technological advancement and it has been enhanced with the changes that have taken in thought. You have already learnt about the scientific and technological development that had occurred in the River Valley Civilizations and in ancient Greca / Roman Civilizations. As a result of the technological renaissance and the revival of leaning that occurred in the fifteenth century, the discovery of technology accelerated. This resulted in the voyages of discovery (discovery of new trade routes and new countries). In ancient times, man had to spend a lot of physical energy in performing his day-to-day activities, and today more convenient and time-saving methods and equipment have been discovered. Proceeding further, technology has been able to influence the entire world community in various aspects and also to make the entire universe one single global village.

Recollect a few instances when you experienced the results of technological development. Discuss them. Some such instances are indicated below:

- Watching from home a cricket match played either in England or New Zealand
- Transmitting an e-mail message to a friend
- Reading the daily newspaper from the Internet
- Using goods produced in various countries of the world are some of the results of technology.

Today, technology has strongly spread to all sectors in the community.



It is a sad state of affairs that technology has spread fast even to sectors such as the production of sophisticated military equipment and arms. As much as technology has helped to facilitate human activities, as a result of man's action on account of the advancement in technology, such as environmental pollution, escalation of world's warring atmosphere.

Assignment 4.4

With the help of your teachers, organize a debate on the topic "Technology has caused man's progress as well as his destruction".

The basic reason why the countries the world over are marching towards development is the receipt of technological knowledge and working to use them in their economic activities. Today the efficiency of the machinery and equipment produced, too, has increased rapidly.

The following are a few examples:

- Connecting the Internet for education and for the search for new knowledge.
- The production of printing machines that can print hundreds of copies of a document in a minute.
- Using the facility of Internet for medical consultation and treatment.
- The production of very minute equipments to store a vast expanse of data and information.

This is only a trace of technological advancement

4.5.2 The influence of Globalization on the World Economy and Sri Lanka

You will realise that technological advancement has brought the entire world together.

By globalization is meant that the entire world has become one single village (a Global village). With the expansion of the advancement achieved technologically in each field of activity, an extensive development has occurred in several sectors.

Through the fields such as communication, transport, foreign trade and foreign investment, countries are intergrated as one single economy. The national frontiers between countries have dwindled and they are gradually being contracted as one unit-speaking one single language, having one culture and transacting business in one monetary unit.

One can notice a rapid growth in this sphere on account of building up political ties between the countries that took the centre stage with the accelerated development in information technology that took place during the last several years. Through the development of close ties between nations in this manner, economic unity has developed among them. This has turned the entire world into one single market.

Paying attention to the world economy, one notices that the entire world is forming one single economy. For example, Sri Lanka produces tea not only for local consumption. The United States of America produces wheat, or petroleum is produced in the Middle East, not for their domestic consumption alone. These products are distributed to other countries of the world, too. Every country exchanges its products with other countries in order to satisfy their requirements. Moreover, every event that occurs within the world market influences the economies of the other countries, too. A change in the price of petroleum strongly influencing the economy of Sri Lanka can be cited as an example. This is a result of globalization.

A further analysis of the influence exerted by globalization on the economy shows that due to the opening of international frontiers through aviation services, people have got the opportunity of travelling freely. Through this free movement, people have been able to exchange their experiences with each other. The exodus of Sri Lankan labour to the Middle Eastern countries after 1977 is one example for this. Then more attention was focused on areas such as housemaids, Juki machine operators and drivers. Today, the tendency is for brain drain that is the exodus of skilled categories to go in search of greener pastures. On account of globalization, today employment opportunities are open for experts such as computer technologists, data processors, doctors, engineers have become more and more open. Now there are equal opportunities for a person in one continent to emigrate to any other continent.

Today, transactions in international trade throughout the world are carried out only in a few currencies such as US Dollar, Euro, British Sterling Pound and Japanese Yen. It is clear from this that in international transactions the world is getting used to utilizing common currency units. The countries in the European Union use Euro, a single currency, speaking only one language and making a successful attempt to combine as one single economy.

Furthermore, due to the reduction of remoteness between nations with the expansion of the world market, trade pacts and regional organizations among them have emerged. Examples of such regional organizations are European Economic Union, SAPTA Agreement, SAARC organization, ASEAN and BIMSTEC organization. Moreover, the intervention of the World Trade Organization in international transactions too, affect all the countries. The outcome of these is that the obstacles to trade have eased.

In keeping with the trends in the sphere of international economic development, Sri Lanka too, effected changes in her economic policies since 1977. In pursuance of this change in policy, private investment and multinational companies had engaged in investing in Sri Lanka and the government has provided them with various facilities and incentives. The establishment of export promotion zones too, is one step towards this end. Today, this sector functions in our country as one aspect in the process of product globalization.

A distinct tendency in the world economic order during the last few years was the globalization that occurred in the production sector. In the leading countries of the world, namely, the United States of America, Europe and Japan, multi-nationals have developed. In order to maximize the profit they followed several policies.

- (1) Keeping the cost of production at a minimum level.
- (2) Undertaking production to suit the market that undergoes rapid change.
- (3) Presenting creative products utilizing modern science and technology.

Different sections associated with multi-nationals have been established in each country. The investors in developing countries, have taken into consideration favourable conditions such as tax concessions, environmental policies and low wages when establishing their companies in these countries.

According to the Human Development Report prepared by the United Nations Development Programme (UNDP) in 2005, 57 out of 177 countries have been identified as having a high human development index. The first 10 out of those are mentioned below. They are countries enjoying maximum benefits from Globalization.

- | | |
|---------------|------------------------------|
| 1. Norway | 6. Sweden |
| 2. Iceland | 7. Switzerland |
| 3. Australia | 8. Ireland |
| 4. Luxembourg | 9. Belgium |
| 5. Canada | 10. United States of America |

All other countries having a H.D.I. above 0.830 are identified as developed countries. If the first 20 countries are taken, Japan which ranks 11th is the only Asian country among them. As a mid-developed country, Sri Lanka ranks 93rd. According to the Human Development Index, 26 countries at the lowest development level have been identified. Out of them 25 are African countries. According to this record, it is clear within the exercise of globalization the less-developed countries should further have its benefits distributed among them.

Some of the benefits Sri Lanka has reaped from Globalization can be stated thus:

- (1) Owing to the entry of the industrial sector into the foreign market, there has occurred an inflow of foreign technology and investment. The dawn of the opportunity for utilizing local resources; and providing a solution for the unemployment problem.
- (2) Getting the opportunity to find new markets for domestic agricultural produce and the rise of foreign exchange earnings.
- (3) Limiting the labour outflow to foreign countries and the dawn of various new employment opportunities for the talented.
- (4) Changing the domestic consumption pattern and the relative fall of consumer prices due to the abundance of new technological equipment and commodities in the domestic market.

- (5) Businessmen getting more facilities owing to the availability of opportunities for barter (exchange of goods) on free tariff policies within trade organizations on account of regional trade pacts.
- (6) Relationships with foreign countries have expanded due to new technological equipment and the rapid growth in the communication sector. The world has been brought very much together. New educational facilities are available and learning is eased through the Internet (Studying from home itself is facilitated). The rise in the standard of living of the people and improvement of its quality through all these developments is a beneficial effect.

Globalization blows like a wind across the world. It influences all the nations and all have to move in the direction of the wind. World leaders have attempted to find solutions to the harmful situations each country has to face in this process. With the opening of the world towards Globalization, production and the use of resources too, have increased rapidly. Therefore, more attention has now been focused on protecting the environment. Action is being taken now at the level of World Organizations to raise awareness among the people about the hazards associated with problems like HIV/AIDS which are caused by man's ignorance and indiscreet behaviour.

Assignment 4.5

Gather information about the influence of Globalization on the economy of Sri Lanka and on community life.

2. Present in a form of a table the advantages and disadvantages of developing countries with regard to Globalization.
- Suggest what you could do to avoid the disadvantageous conditions you have identified.

Conflict Resolution in a Democratic Society

From ancient times to the present day, human society has evolved through a series of unending conflicts. Today conflicts are multiplied more than in the past and have taken a more complex turn and are of a destructive nature.

5.1 Introducing Conflicts?

Human society is made up of various types of people. They are all different from one another in shape, size, intelligence, complexion, social status and even in the language they speak. These are natural characteristics one notices in humans, and these differences often lead to various types of conflicts among them. Individuals hold varying opinions on one single matter or event. These disparities form the root cause of conflicts. Those who observe the following picture may express varying opinions on it as



The human nature of holding different views on the same matter or object and refusing to recognize this situation in this manner leads to conflicts among them. The minor frictions that may arise among individuals can develop into large scale conflicts.

Activity 5.1.1

- Look at the above picture, and state your opinion about it.
- Try to understand the ideas people have regarding the same fact vary from one another.

Activity 5.1.2

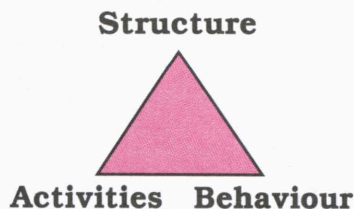
Instruct the pupils in the class to note on a piece of paper a place which they wish to visit. Get each pupil to write the name of the place too. Then divide them into groups of 5 or 6. Next instruct the pupils of each group to form a circle, holding each other by passing their arms round the neighbours neck and get them to go to the place each mentioned in the piece of paper. Resolve the conflict that ensues at this point and allow them to solve how all of them can go to the place mentioned in the piece of paper.

It is possible to explain at this stage that the individual has various goals and ideas and the possibility of reaching decisions by discussing collectively and democratically how all could achieve their goals.

The clash that occurs among two or more persons holding contradictory views, verbally, physically or using weapons is a conflict.

Thinkers and philosophers who define various types of conflicts, have expressed varying views about them. According to the Buddha a conflict is an expression of the heart and mind of the individual. According to Peter Waleenstein, A conflict is a situation that occurs between two parties or among several parties through their desire to acquire the same amount of scarce resources at the same time." Here the resources he has emphasized are land, natural resources, political power, superiority and values. Such conflicts are possible in school among pupils for the eraser, pencil, ball or chair. If these conflicts are not settled democratically they can develop into large scale catastrophic conflicts. It is because they can spread even beyond the school beginning with siblings and parents.

Galtung's Conflict Triangle



Reasons for conflict

- * Negative attitudes
- * Behaviour pattern
- * Disproportionate targets

According to Galtung a conflict can occur at any of the situations mentioned above. According to the Buddhist concept human mind is the cause for either peace or conflict.

Activity 5 - II

What are the various types of conflicts that occur among pupils within the school. What are the reasons for these conflicts? Present them in a form of a table.

5.1.1. Stages of a conflict

Some critics have seen conflict as a circular phenomenon. Others see it as a process with a sequence moving from top to bottom or vice versa. However the various stages of any conflict do not form a process moving in a certain set pattern. It is because a particular stage may occur a second time after a gap where several other steps followed it originally. The sequence of the stages of conflict can develop from simple to complex:

- (1) Indiscriminate stage - Everybody is thinking that he/she is highly superior and good. There is no rational understanding of each other. These feelings can be resolved through meeting, dialogue and discussion.
- (2) Stage of division - In this stage members of the group, based on indiscrimination, cause division among themselves and feel that they will never be able to unite. Could be solved by uniting both parties.
- (3) Stage when mutual grievances are expressed - Here each member states the advantageous and disadvantageous positions of their capabilities and skills in numerical terms. At this stage solutions can be presented through a mediator after considering the advantageous and disadvantageous positions. The less represented groups can be granted more representation.

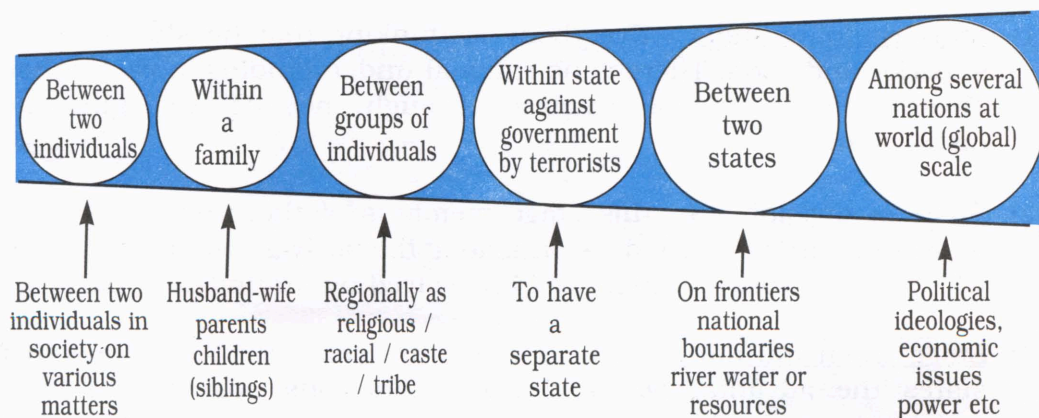
- (4) Polarization and arming stage - At this stage the aggrieved parties divide into groups. Ultimately the groups polarised in this manner begin to arm themselves. Even though it does not lead to arising a situation of violence outright, it can turn into a situation of violence and conflict, when things get out of control.
- (5) Violent conflicting stage - In this stage the rival parties feel that they can survive only by destroying their rivals. Then they purposely chase away the others and expand their power geographically. They do not participate in any form of discussion and work only towards their success, or to safeguard themselves alone.

Activity 5 III

Arrange in correct sequence the various stages of a conflict that occurred within the school. Find the reasons for missing the opportunities of solving the conflict explain the solutions you would suggest, and analyse why the conflict could not be avoided.

5.2 Types of conflicts and their sources

The philosophers who engaged themselves in a study of conflicts have classified conflicts in various forms, minute to very large scale conflicts.



Here the various types of conflicts that occur among people and their causes are indicated briefly. However, in addition to these, conflicts can be classified under other view points too. Thus we can identify the following types of conflicts-

- I. Political conflicts :- Conflicts that occur based on political ideologies or with the goal of forming a separate state. Under this category can be mentioned the conflicts that were initiated by America and the Soviet Union under their leadership; the struggle carried out by the people of East Timor in Indonesia demanding a separate state
- II. Religious conflicts :- There are several examples for these type of conflicts beginning with the Crusades that occurred in early days. Conflict between Hindus and Muslims in India; the Muslims in Ayodhya building the Babri Masjid Mosque at the site of Ramsi Kovil in Ayodhya.
- III. Frontier (national boundary) conflicts :- Conflicts that have arisen about the demarcation of frontiers (national boundaries). The conflict about the demarcation of national boundaries between Israel and Palestine.
- IV. Apartheid conflicts :- We have heard of the Conflicts between the 'whites' and 'blacks'. The conflict that occurred in South Africa are of particular significance here. Similar conflicts are arising in North America too occasionally.
- V. Conflicts about resources for economic advantages :- Conflicts about petroleum resources can be mentioned here in particular. Current conflicts between Iraq and America are mainly due to the oil resource. Conflicts targeting the capture of markets. Decline of the Soviet Union can be cited as examples.
- VI. Tribal or caste conflicts :- Tribal conflicts in African countries; Tutsis of Rwanda attacking the other tribes, conflicts in Thailand between the Northern and Western hill tribes; conflicts between Hindus and Harijans in India, are examples of this type of conflicts.

Activity 5 IV

Complete the following table according to the types of conflicts you identified

Type of conflict	Examples	causes

When examining the causes of conflict, causes such as

- I. the uneducated nature of the individual
- II. the absence of proper socialization
- III. Deficiency of intelligence
- IV. Aggressive nature which is a biological heritage
- V. Selfishness
- VI. Taking decisions through impulse without resorting to alternatives

may arise in the form of minor conflicts at personal level which may finally develop into large scale conflicts leading even to world wars.

Activity 5 V

Describe the causes of conflicts

“The origin of conflicts is aggressiveness which is a biological heritage”
Use this as the topic for a class debate, for and against on the above theme.

5.2.1 The harm caused by conflicts to the development of a country

The destruction caused by conflicts among humans to date, have been enormous. The devastation caused by conflicts that has arisen along with the advancement in modern science and technology today has escalated than ever before. Stated in general terms this damage can be described as having taken the following forms:

- Loss of life and property
- Destruction of environment and natural resources
- People becoming physically disabled; mental disorders disruption of family life, the emergence of refugee camps caused by the destitute and disturbance to the entire social system.
- Economic issues that emerge due to the degeneration of the economy of the country and the decline of the people's means of livelihood.
- Having to maintain a large army; owing to the rise of defence expenditure on the purchase of sophisticated arms development retards.
- Escalation of social clashes due to the decline in human morals associated with the degeneration of education
- Harm caused to development as a result of having to spend colossal amounts of money to reconstruct the breakdowns and destruction.

- Breakdown of amity and relationships and the growth of animosity within diversity.
- Breakdown of international relationships and investors leaving the country.

Activity 5 VI

- Select with the instructions of the teacher a conflicting situation that shocked you most and discuss the damage caused by it.
Analyse the reasons caused for that situation
- Discuss whether you could avoid that situation.

5.3 Methods of resolving conflicts

People resort to violence due to frustration caused by the failure to resolve the differences of opinion and the problems that arise in their various social relations. When they are unable to resolve their conflicts in a decent manner they return to the preliminary mental state and act to resolve them. This instinctive characteristic of the humans to resort to conflict can be remedied only by imparting the knowledge, attitude and skills necessary to resolve them through the education given to them.

In order to resolve conflicts the individual should have four basic skills. To approach the resolution of conflicts without these skills will be an obstacle for obtaining satisfactory results. These four skills are:

- I. Analysis of conflicts - Identifying conflicts as natural phenomena and analyse their causes as personal needs, fright and cause and effect principle
- II. Generation of alternatives : Recognizing that these exist not only one's own opinion but other solutions too.
- III. Co-deliberation : The ability to exchange ideas amicably with the other parties involved in the conflict
- IV. Compromise - Assisting in arriving at a final solution in an impartial manner.

Conflict resolution is building innovative and final relationships among the parties involved in a conflict. - Simon Fisher and Group.

Conflict resolution is the process of identifying a current conflict or the signs and warning of a potential and imminent conflict and taking action to prevent its occurrence. There are several aspects or components of the process of conflict resolution, namely,

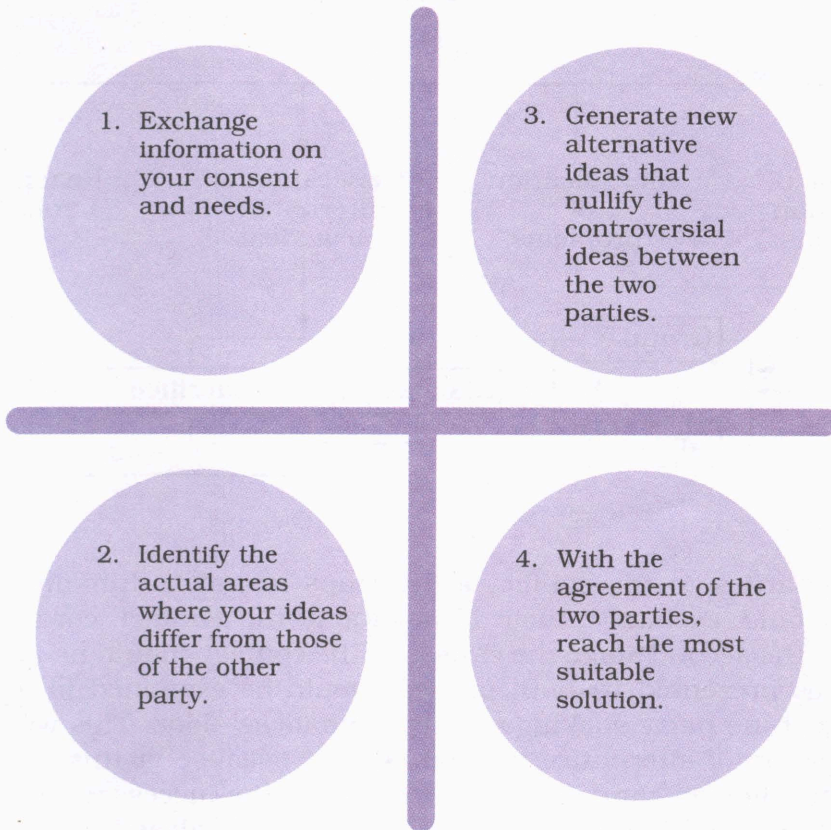
- I. Taking action to eradicate the basis of the conflict.
- II. Taking action to promote new relationships between the parties involved in the conflict.
- III. Generation of positive attitudes among the parties concerned
- IV. Prevention of the chances of developing violence or aggressive behaviour.

From olden days various methods have been followed in conflict resolution. One such course of action was to force the solution to a conflict on the parties involved. However merely because a solution is forced on the parties it will not be a true or genuine resolution of the conflict. A true or genuine resolution of a conflict goes through a process of solving the problems in a creative and non-violent manner, identifying the assessment of identity of all the parties involved in the conflict, and remedying their human needs and desires. Avoiding conflicts too is not a genuine resolution of conflicts, since such temporary avoidance can lead to the roots of conflict surfacing again. The most successful method of resolution of conflicts is to face it democratically. It provides the opportunity for the parties involved to reach a solution acceptable to both parties. The approach to resolve conflicts through direct discussion can be stated as follows:

Activity 5 VII

- I. Define conflict resolution
- II. State the basic qualities a person should have in conflict resolution.

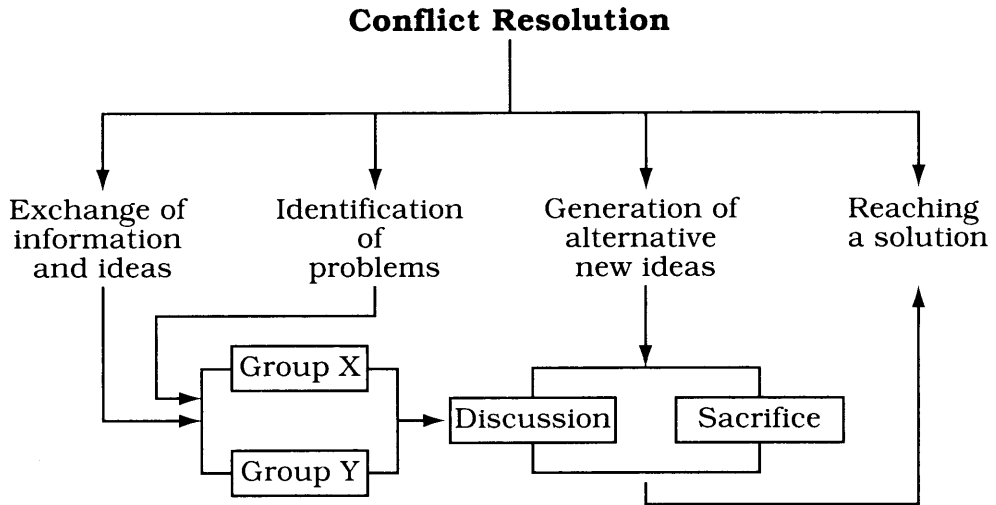
5.3.1. Approach to conflict resolution



This indicates the approach to find solutions from conflicts of a simple nature between individuals to those that extend as far as large scale world wars. Here all the parties involved in the conflict should express their willingness to find a solution to the problem through discussion. In this situation all the parties should have a sensitive attitude to

- (i) tolerate the others' views and to listen to them patiently.
- (ii) to absorb the gist of these ideas and views.
- (iii) change their stand without sticking only to their views
- (iv) to generate common new opinions working in harmony and co-operation.

The process of resolving conflicts can be clarified further as indicated in the following chart.



Here the parties to the conflict are Groups X and Y. Initially the two groups should exchange their ideas about the conflict cordially and openly. At the second stage the causes of the conflict should be identified. The causes presented by both parties should be examined in a flexible manner with no party sticking strictly to its ideas alone. This will lead to the generation of alternative new ideas. It is because at this stage both groups are flexible and prepared to make the necessary sacrifices. Ultimately, through the process of agreeing on new ideas by both parties the way is paved for arriving at a solution. Here there has not been an intervention by a mediator (arbitrator).

It is difficult to resolve a conflict which claimed several lives, devastated a substantial amount of property, and which prolonged for several years, without the intervention of a mediator. The current ethnic conflict in this country is one such incident. Here both parties to the conflict can be seen clinging hard on to their own views only. It will not be possible to find a solution to this conflict, so long as the Sinhalese community in the south clings on to the concept of unitary government and the armed Tamil group LTTE in the north clings on to the idea of a separate state.

Conflict management and conflict reconciliation are processes different from the settlement of conflicts. Actually settlement of conflicts is the satisfaction of the desires and needs of the parties involved through collective agreement. It is not forcing a solution on a certain party at any time. Conflict management does not mean giving a long-term solution to the conflict. It is the positive control of the desires and anticipations of the parties to the conflict. Here action is taken to bring together the relevant parties to the conflict through a collective process.

Settlement of conflicts is a very arduous and complex process. It is seen that most conflict resolution processes in the world (particularly, pertaining to ethnic problems) have failed and subsequently they have become much more serious, than what obtained originally, resulting in worse disasters. The best example for this is the Indo-Lanka Accord of 1987. On one hand it was a solution forced on the L.T.T.E. pressurised by India and America. Moreover, it was accepted by the UNP in the south and a few leftist parties. The Sri Lanka Freedom Party, and particularly, the Janatha Vimukthi Peramuna were opposed to it. In this context, the main party to the conflict, namely, the L.T.T.E., is seen running away from the Indo-Lanka peace accord gradually, rendering the conflict even more serious.

Now this ethnic problem has become somewhat of a long drawn out war, claiming numerous lives, destroying property and adversely affecting the country's development and disturbing community life. Thus it appears that the participation or intervention of a mediator is essential to settle it.

Towards solving the ethnic problem of Sri Lanka, Norway is involved as a mediator. The qualities of a mediator can be outlined as follows:

- I. A patient listener
- II. A credible person
- III. A person dedicated to arbitration
- IV. A genuine mediator in arbitration
- V. A person experienced in arbitration
- VI. A facilitator in solving problems

An arbitrator or a mediator is never a judge or an authority who delivers judgement. He is a facilitator in solving problems, who can understand things logically and who can explain things to others logically.

Activity 5.VIII

Perform dramatically the way the teacher resolves a conflict that occurred in the class engaging an arbitrator and involving two groups of pupils.

5.4 The advantages of avoiding conflicts and amicably settling them

The view that man is aggressive by nature is built on biological factors. Accordingly, avoiding a conflict strategically too is a superior quality in the growth of human behaviour. It is because it can prevent temporarily, a possible major disaster. Moreover, it also provides the opportunity to pave the way for the settlement of actual conflicts. However, by avoiding conflicts strategically, it will not be possible to eradicate the causes of conflict completely. Hence what we should seek is a procedure for the resolution of actual conflict. It will fetch several advantages for human society.

The best example for successful resolution of conflicts is South Africa and on the other hand Palestine and Nepal are unsuccessful examples at conflict resolution even though an approach was made towards it.

Advantages of conflict Resolution

- I. Through the relationship and co-operation that ensues following the cessation of rivalry between antagonistic parties, there occurs a new impetus which brings about human resource development and establishes national identity.
- II. The instability that resulted from the conflict now subsides and the enthusiasm and interest created generally among the community contribute to the country's development.
- III. The loss of lives and destruction of property that hitherto occurred now ceases.
- IV. The possibility of diverting the colossal amounts of money hitherto spent on arms, to the country's development
- V. The possibility of reducing the personnel in the security forces of both parties and engaging the staff retrenched thereby in the national development effort.

- VI. The cessation of the damage caused to the natural environment of the country and the atmosphere on account of conflict.
- VII. The possibility of stopping rehabilitation work and providing permanent habitats for the people. The possibility of reducing public expenditure and engaging the people in productive activities.
- VIII. Development of international relations and the growth of the influx of foreign investors.
- IX. The possibility of developing the education system that has deteriorated and collapsed and getting education to contribute towards human development and the progress of the country.

Generally speaking, within a peaceful society the country will develop and there will be generation of employment necessary for the people, production will increase and a congenial atmosphere for the people will result. It will contribute towards building a peaceful atmosphere in the country.

Activity

1. Make a note regarding advantages of conflict resolution. Give examples of countries which conflicts occurred.
2. Imagine that you have to act as a mediator in a conflict occurred in your school / village / Town.

Explain how you would act in such a situation.

3. Describe, in a democratic society, how the ruling party should act in solving conflicts.
 - Present your views to the class.
 - Discuss the views of the whole class including yours, and make a chart using the most suitable methodology.

Grade 10

1. Democratic Government (30 periods)

This component should lead to students' understanding structures and concepts of government in the context of the meaning and importance of democracy.

Competency Levels :

1. Understands the nature and evolution of democracy
2. Analyzes the main characteristics of democratic governance
Appreciates the distinction between the state and government, and the responsibilities of and to citizens
3. Internalizes the ideals of democracy.

Subject Content

- Definition of the concept of democracy
- Origins and evolution of democracy - direct and representative
- Characteristics of democratic governance
 - Election of governments on the basis of universal franchise
 - Electoral systems, and free and fair elections
 - Competitive party system
 - Participation in democratic activities on the basis of equity and freedom
 - Constitutionalism (in relation in particular to Majoritarianism)
 - The right to information and the freedom of the media

Students should study different examples of the systems discussed above, and their outcomes.

- Definition of the state and of government - concept of the republic, and its origins
- Nature of the state and government
 - (a) Forms of the state - nature of the nation state, origins and formation of nation states; basic structure of states - Unitary and Federal
 - (b) The major organs of government and their functions and powers - Legislature, Executive and Judiciary.
 - (c) Forms of Government - Parliamentary and Presidential Systems
- Role of the State - Maintaining law and order, provision of welfare, developmental activities, conflict resolution.

The historical development of the above concepts should be introduced, in the context of social changes within societies. Students should be encouraged to evaluate the necessity of particular portfolios, in the context of the above responsibilities of the state, and to discuss their importance in terms of the main functions of government

- The importance of democratic government - examination of alternative rationales of government and related political perspectives.

Debate and discussion of the above should be encouraged, with students given projects that involve research that promotes comparison and contrast.

2. Decentralization and devolution of power (15 periods)

This component should enable students to analyse structures of government in the context of facilitating achievement of governmental goals throughout a country and promoting effective administration.

Competency Levels:

1. Identifies the differences between concepts of decentralization and devolution
2. Explores structures, functions and powers of various units of decentralization and devolution
3. Evaluates the necessity of making structural changes in a modern state

Subject Content

- Introduction of the concepts of decentralization and devolution
- Examples of decentralization and devolution in modern states, with exploration of structures, functions and powers of relevant units
- Instances of structural changes in recent times in selected examples
- History of devolution and attempts at devolution of power in Sri Lanka.

Students should be encouraged to discuss the functions of government at different levels within a country, and explore allocations of power and responsibility in the context of fulfilling such functions efficiently. The rationale for devolution and / or decentralization in Sri Lanka should be examined, in the context of social needs. This should be from a historical perspective, since detailed analysis of current structures will be taken up in Grade 11.

3. Multi Cultural Society (15 periods)

This component should enable students to understand what is meant by a multicultural society, and the manner in which such societies can develop in the interests of all citizens.

Competency Levels:

1. Appreciates the nature of multicultural Society.
2. Explores the formation of a multicultural society and its basic characteristics.
3. Identifies the importance of nation building in a multicultural society

Subject Content

- Introduction of the concept of multicultural society and its basic features
- Factors behind the formation of a multicultural society
- Multicultural Society and the modern state
- Possibilities of mutual benefit and good governance through respect for other political, socio-economic and cultural identities.

Students should explore other examples of multi-cultural societies and present reports measuring success with regard to nation-building as well as productive co-operation. Examples of failure should also be explored and suggestions for improvement evoked. Role-plays to evoke appreciation of different perspectives should be encouraged.

4. Economic systems and relations (15 Periods)

This component will provide basic understanding of the nature of economic activity and organization, along with problems that arise, with special reference to Sri Lanka.

Competency Levels :

1. Understands economic activity and basic problems
2. Explores various economic systems
3. Analyses economic systems in relation to development
4. Analyses the impact of globalization in Sri Lanka.

Subject Content

- Definition of economic activity and related problems
- Introduction to various economic systems - Socialist, Capitalist and Mixed
- The concept of the market economy, and its various forms
- Present economic system in Sri Lanka in the context of development
- The relationship of the Sri Lankan economy to the world economy
- Impact of technological developments and globalization on the world economy as well as Sri Lanka

Students should be introduced to an understanding of indicators, economic as well as social, that facilitate analysis of economic systems. Individual study of different economic systems should be encouraged, with comparative case studies of other countries.

5. Conflict resolution in a democratic society (15 periods)

This component will develop understanding of conflicts that may arise within societies, and the importance of containing and resolving such conflicts peacefully.

Competency Levels :

1. Understands various types of conflicts
2. Explores positive approaches towards resolving conflicts
3. Evaluates the importance of resolving conflicts in a democratic society.

Subject content

- Introduction of conflicts
- Types and sources of conflicts
 - Political, socio-economic, ethnic
- Various methods of anticipating, containing, resolving conflicts
- The advantages of avoiding conflicts and of resolving them peacefully.

Case studies of at least a couple of other conflicts should be explored, with students making comparisons and contrasts to the Sri Lankan situation. Instances of successful conflicts resolution, as well as the opposite, should be considered. Students should engage in role-plays to facilitate understanding both of the causes of conflict, as well as the difficulties and possibilities of peaceful resolution.

CITIZENSHIP EDUCATION & GOVERNANCE

06FE10-13(G)P