

# 15 YEARS OF ECONOMIC REVIEW

In the early nineteen-seventies the People's Bank had a large and varied clientele. Some sections of this clientele it served exclusively i.e. to the exclusion of other banks. This was so, for instance with the cooperative societies, pawn broking, the rural banks and a large number of state corporations.

This was quite a community, but was not recognised as such. What is more, very little was known of its particular interests and its relationship to the larger community. Relationships with the customer were governed by rigid rules, which were almost wholly designed to protect the bank and were, many, times hard on the customer. Such hardships flowed largely out of ignorance and lack of acquaintance between bank and customer. Something had to be done to overcome this lack of communication.

But this was only one aspect of the problem. The early nineteen-seventies were a period that was totally different from today. World capitalism was in grave crisis in this period, largely as a result of the formation of a consortium of oil producers and the steady rise in oil prices. As a result the World Bank and the IMF sat harder than ever on the underdeveloped countries. The latter were driven to the most desperate measures to produce food for their people and accumulate resources for the maintenance and development of their economies.

It was in this context that the

decision was taken to set up a research unit in the People's Bank and commence publication of an economic journal. As for research units, there were others either already in operation, like the Industrial Development Board, or in the offing, as in the case of NERD. The People's Bank, however, had accumulated a wealth of information about consumers and industrial and agricultural producers which cried out for collection and classification. This constituted an important base on which, with assistance from outside the bank, a more adequate picture of the economy could be constructed.

Hector Abhayavardhana

As for the "Economic Review", the intention was to serve three kinds of readers. The first was the clientele of the bank. For this purpose great stress was laid on the Sinhala edition of the "Review". There were some 350 Multi-Purpose Cooperative Societies functioning, all served by the People's Bank. There were, in addition, 90 Rural Banks as early as April 1971.

The second category of readers was drawn from the staff of the Bank itself, and possibly the staff of kindred banks. I have no reliable evidence of the extent of its success. This much can be said, however. A number of serious students of the country's economic problems sprang

up from among the younger bank staff. And if one glances over the pages of the "Economic Review", one will find an amazing number of fine articles on rural problems, many of them based on original research, contributed by staff members. One felt that that alone justified production of the "Review".

But if the "Economic Review" had been aimed purely at these two categories, it would have served a very narrow interest. Our purpose, however, was to serve a much larger readership. This would demand many more features, prominent writers and good writing. It was estimated that a journal confined to the service of a narrower interest could not sell more than a maximum of 2,500 copies (2,000 in Sinhala and 500 in English) A much larger circulation was necessary. Actually, there had to be a third category of general readers attracted by the quality of the journal's contents. I was perhaps over-optimistic and thought of a 10,000 circulation. I remember we thought particularly of providing a quarterly review of the economy, written by a panel of Lecturers in Economics at the Peradeniya University. Arrangements were complete for this, but at that time political developments in the country made it necessary for me to resign from the Bank.

Actually, I had very little to do with the real work connected with the "Review", especially since I left the Bank even before the second number had been published. But I have retained my interest in it throughout these fifteen years and have appreciated the fine work that went into it. I notice the new

*Continued from page 3*

format that it has assumed, which has brightened its form and content. And I do hope that it will continue to function as a competent and authoritative journal.