

# NEEDED – A NEW STRATEGY FOR DEVELOPMENT

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Unemployment is very high in the Southern Province specially in the Matara and the Hambantota districts. Therefore what we need today is a strategy that would provide indirect employment to a larger number of people. But unfortunately this has not happened so far. Today what we see mostly are attempts to provide direct employment or the provision of loans for various self employment projects. But I think this method has failed to address the problem of unemployment successfully. The accepted concept today is that at least one individual from each family should be employed. But what the village wants is a creation of a social environment, a social background which will help a family unit to increase its income in general and which will improve the situation of the poorest sections of the society in particular.

In creating such an environment attention should be focussed on the specificities of the Southern Province. For instance it is ridiculous to set up projects to produce jujubes or jams in Hambantota. Instead projects concentrating on the production of those traditional products which the district specializes in like cotton would be more effective and would produce better results. During the British period Hambantota was considered to be one of the best cotton producing areas in the world. According to the available statistics there were 6000 acres of Cotton in the Hambantota district in 1977. Today this has dwindled to a mere 100 acres.

According to the Denham Statistical Report Galle was the district with the highest number of self employed persons. This report indicates that in the Galle district most women earned their livelihood by engaging in lace making. Today this industry is almost non-existent in Galle and is restricted to a few areas like Magolla-catering mainly to tourists. But this industry can be developed thereby creating a considerable source of additional income to unem-

ployed women in a district. But in order to compete successfully, specially in international market, these traditional industries would need an institutional framework. The aims of creating such a framework would be to:

- (i) encourage the producers
- (ii) provide the necessary facilities to the producers (financial and other assistance).
- (iii) purchase the finished or semi finished products from the local producers and sell them at competitive prices.

But such an institutional framework is not present in Sri Lanka today.

### **Under-development and backwardness.**

Not only in the Southern Province but throughout Sri Lanka one can see a link between the problems of the rural areas and various backward aspects of those societies. Here I am referring to such things as the caste problem. Though at first glance it may not seem so, such problems are very much present in our rural areas. In some rural areas one can see an inter-relationship between caste and occupation. For example there are certain new types of occupations which are restricted to certain depressed castes in some areas of the Southern Province. The majority of the people who benefitted from the handloom industry were depressed caste members. This industry presented a way of advancement specially to the women of these castes. According to the Dudley seers report during 1970/71 there were approximately 300,000 handloom machines in Sri Lanka. In 1977 the new government failed to recognise the potential of this industry. Here two constraints come up. One was that the handloom products were in most cases, of very low quality (they did smell of kerosene!) therefore were very unpopular. The second constraint was the inability to correctly identify the target group of consumers. If instead of producing for the ordinary local consumer, the indus-

try was restructured by introducing more productive methods, and with Sri Lankan and international bourgeoisie as the target, better results could have been obtained. Moreover it could have served as a great impetus to the development of the rural sector and could have helped so the depressed castes to advance themselves.

The treacle/jaggery industry is yet another industry with a great potential. The production of treacle/jaggery is the main avenue of income in certain villagers of the southern province, but unfortunately we have not made any efforts to realize this potential. If we encourage the production of good quality treacle and jaggery and pack them attractively and use modern methods of advertising, we can create a new, enhanced demand for these products; find new markets both locally and internationally; and new employment opportunities can be created, without having to make large investments.

Pottery is another example for a traditional industry which can be developed in the southern province. A large number of people specially in Weligama area earn their livelihood by engaging in this industry. It is true that there is very little demand for clay cooking utensils in the modern Society. Most people regard aluminium ware as more economical and easy to use. But if the pottery industry can be developed to produce high quality cooking utensils. If more attention is paid to the finish and the packaging it might be possible to create a considerable demand for these products in foreign (mainly western) countries – specially among high income groups. (For example if we can produce clay cooking utensils which can be used in micro ovens.

### **A new strategy**

Our strategy therefore should be to identify sectors with growth potentials and concentrate on developing these

sectors by creating the necessary institutional framework. This way employment opportunities can be created for a large number of people with very little investment. The southern province requires such a strategy.

There are many sectors, many local industries which can be developed while continuing with the current open economic policy and allowing imports. For example there are a number of milk based industries which can be developed on a small scale in the Hambantota district. The production of cottage cheese and other such milk based products on a small scale can be developed – like in Switzerland. Handloom industry and the production of varieties of exortice rice are other such areas that could be developed. We import several varieties of exortice rice like Basmati, but in the Hambantota district you find several varieties exortice rice of higher quality. But these farmers face a problem of marketing their produce as there are not enough people in those districts who are prepared to pay a high price for these exortice rice varieties. However if arrangements can be made to purchase these rice from the farmers at a reasonable price, the rice can be packed attractively and sold at supermarket since there will be a good demand for such rice among the urban rich. Lace making industry is yet another industry that could be developed. If we can make the kind of lace caps worn by muslim people, we will be able to find markets for these in the Middle East. Since ours is a small country our entire production could be marketed without difficulty.

Therefore we need intermediate institutions to make the maximum use of the demand for these traditional products in the international market also to create new markets. Such an institution can provide the necessary technological and other assistance and also help with the marketing. This kind of institution can play the role of "a half way house" by buying semi finished products from the village producers and completing the production process and marketing these finished products. Creation of such an institutional framework would provide employment opportunities to a large number of people as well. And the recent insurrection was a signal that we

do not have time to lose.

Old things fade away and are replaced by the new. But some of these old things reappears in a new form. This dialectic, this law is a characteristic feature of the economy. If we give this the due consideration it will pave the way for the development of the less industrialized countries such as Sri Lanka.

**Underdeveloped and the Caste System**

It is true that with the expansion of capitalism certain feudal practices like the caste system also faded away to a great extent. But certain traces of feudalism are still present in some of our rural areas. Certain aspects of feudalism have become integrated with capitalism.

Cast system become superfluous in certain spheres after the introduction of the Colebrook reforms. But it continued to play a role in certain other spheres. For instance even under the British until 1920, caste system was a legal factor affecting the making of appointments to the jury. This was also in the case of the Civil Service. This situation continued until 1921. This was because the British thought they should perpetuate and respect certain traditional values of the indigenous society.

Today we think that there is no caste system in this country. But it does exist, in a very subtle way. I believe that the insurrections of 1971 and 1989 were not pure class struggles and that they represented a combination of class, caste and race. There are certain villages which have been categorised on a caste basis. Some of these villages do not have even the most basic facilities. Though the oppressed castes have benefitted from the expansion of the educational facilities they account for a sizeable portion of that segment of populations which has the least educational qualifications. As a result they are inadequately represented in the economy, the administration service and other spheres. Hence a framework has to be created to enable these depressed castes to develop and an economic environment conducive for this purpose has to be created. Caste has, no place in a capitalist system.

Therefore we should adopt a strategy that will lead to the complete elimination of the caste system. Special attention should be paid to these depressed castes in the provision of employment and in the development activities.

Offering economic incentives alone is not sufficient. We need to educate our people about this problem. It is well known that there are nearly 11,000 devalegams, categorised on a caste basis, where feudal relationships prevail. Though such a system of villages might have been necessary for the survival of the temples under a feudal system, this is not so today. These Temples and Devales should be given alternate sources of revenue and the system of viharagama and devalegam should be abolished.

We should try to make our people understand the continued existence of the caste system is an insult to our society. At least there must be an open dialogue on this issue. An attendant problem is that we do not have an education system that takes the future of the country its specifications and the development needs into account. All of us Sinhalese, Tamil, if they have a knowledge of the many cultures in our society ethnic harmony can be achieved. Similarly, education can play a crucial role in the elimination of the caste system. Our children must be taught that the caste system originated in the feudal society when a certain divisions was necessary for the survival of that society and that the caste system of labour, has no place in a modern society like ours. But unfortunately present education system paves the way for ethnic, religious and caste divisions rather than unity. Therefore I believe that an open dialogue is needed today.

Our policy makers must also be made aware of these problems. Since development cannot be achieved without settling ethnic, caste and other social conflicts the elimination of caste ethnic oppression is a pre-requisite for economic development in our country.

