

Sri Lanka : Relevant Issues For Development Research In The 1990's -

(Prepared By Dr. Ponna Wignaraja, Coordinator, United Nation University South Asian Perspectives Project)

This article is excerpted from a Report to the International Development Research Centre of Canada. The study was conducted by a steering committee. The members of the Committee included, Dr. Ponna Wignaraja, Dr. Gemini Corea, Godfrey Gunetilleke, N. M. M. I. Hussain, Prof. B. Hewawitharana, A. S. Jayawardena, Prof. W. D. Lakshman, M. D. D. Peiris, Charita Ranwate, Dr. Nimal Sandaratne, Susil Srinwardana and Tisserane Gunasekera among others.

The various economic, social and political issues identified in the three separate reports and referred to in the previous chapter, (Poverty Alleviation-Final Report on an action Programme the report on Administration reforms and report of the Presidential Commission on Youth) which has led to Sri Lanka's current multifaceted crisis of Development and Democracy, provided the point of departure for the deeper analysis of these issues by the Steering Committee. The challenge was to deepen the analysis and to identify the critical elements in a sustainable development strategy and democratic polity, which could help to reverse the steady slide of the country into anarchy and societal collapse.¹ It was accepted right from the outset that the research capacity on which a more coherent strategy could be built needed to be vastly strengthened. Even the limited recommendations of the three Commissions in relation to poverty alleviation, dolution of power and ensuring the relevance of the education system would require more and a qualitatively different kind of research for effective implementation.

From this point of departure, in the discussions of the Steering Group, and attempt was made to go deeper into the interrelationship between these issues identified which were manifesting themselves simultaneously and contributing to deepening the multifaceted crisis. They

were: (a) the poverty crisis, with poverty reproducing itself; (b) the cultural conflicts, with the ethnic issues in the forefront; (c) the generation gap, taking the form of a challenge to the system and youth militancy; (d) the ecological crisis, which was predatory on nature; (e) the erosion of democracy, which in turn made for fragile state structures which were unable to mediate these various tensions and manage the emerging crisis; (f) the gender conflict, where poor women had a double burden to cope with; (g) the population crisis; and finally (h) the adverse consequences on Sri Lanka of various international and regional developments, ranging from adverse terms of trade to the crisis in the Middle East which has exacerbated the internal national crises. All these crises manifested themselves simultaneously and required a carefully studied response on the part of the state and the people, particularly because of a highly literate and aware populace, who had been experimenting with democratic forms and adult franchise from the 1930's. The inability to control the external factors and the continuous incorporation into a global system over which Sri Lanka by itself had little influence, meant that even greater care was required in the internal process to independence, a good and stable society and mutual inter-dependence, regionally and globally.

On the positive side it was recognised

that Sri Lanka was an example of a poor country which had demonstrated unusually high standards of human development (according to the POLI index as well as UNDP's recent Human development index), even at relatively modest levels of growth. Though the country was poor in major natural resources such as iron, coal and petroleum, it was endowed with other resources which could be harnessed for sustainable development. These resources ranged from land resources for both subsistence and export crops to resources from the sea, to other mineral resources, rainfall and water resources and most importantly human resources. A reasonable rate of domestic savings, which could be increased, and the possibilities of the inflow of external capital meant that capital itself would not be a major constraint. There was a local knowledge system, which when supplemented by external technical assistance could provide a very wide range of cost effective technological choices. The culture reinforced values such as simple living and thrift and provided a strong knowledge base.

With these points of departure in mind, the perspective from which the Steering committee proceeded was that a sustainable development effort in Sri Lanka needed to be people centred, participatory, environmentally sound and culturally relevant. A corollary to this was that such a development pathway could be evolved with the available internal and external resources, to avoid the sharp contradictions that have arisen from past efforts.

Three distinct phases in Sri Lanka's past development effort were identified. Though the economy continued to remain a classic case of "dependent capitalism", in each of these phases there were conflicting development interventions, with differing emphasis on state and/or market mechanism in organising the process.² This was coupled with attempts at putting a state subsidised safety net under the poor and delivery of some inputs to them under state auspices. substantial inflows of external assistance supplemented domestic savings after 1977. The overall impact of these varied efforts was neither vigorous growth, nor effective distribution accord-

ing to the principles of equity, nor the creation of a welfare state. On the contrary, sharp contradictions began to emerge, with polarisation of the people and reproduction of poverty, youth alienation, ethnic conflict and environmental degradation. To cope with these problems there was increased centralisation of decision power, particularly in the 1980's and an erosion of democracy which had been initiated as far back as 1931 with adult franchise. All these factors gradually culminated in the multifaceted crises currently being experienced in the country, and an erosion of the resource base - human and material - which was essential for reversing the process. Even the substantial inflow of external resources into Sri Lanka could not prevent the steady slide into social unrest, violence and near societal collapse.

The Need For A More Complex Development Strategy

While the biases for greater state control and market orientation respectively were implicit in the policy prescriptions of the two periods, 1960-76 and 1977-88, following the post-independence phase, there was no fundamental change in the system of state/private capitalism with a welfare orientation. Rather, ad hoc policies and projects were added to the system. The simplistic labels that were adjoined to these actions were insufficient to describe either the "mix" in reality or the way in which the broad policies were to be translated into detailed action plans, particularly at the micro-level. As the policy frameworks themselves became increasingly phrased in sharp dichotomies, viz:

- Import Substitution or Export promotion
- Private Enterprise or Public enterprise
- Market forces or state control
- Growth or Poverty Alleviation
- Modern vs Traditional Technology
- Big vs Small enterprises

so there was a further divergence between emerging reality and the theoretical underpinnings and justifications adjoined.

The sharp ideologically-oriented debate on these issues did not permit either a pragmatic strategy nor a coherent complex policy framework based on research

and careful study of the options. There was also little study on the methodology for evolving a more coherent approach or policy package. There was considerable "a priori" theorising based on models and practices developed elsewhere, and which did not quite fit either into the culture, the available knowledge system or the available resource base.

Research has to be initiated into the cultural dimension of economic development in Sri Lanka. There is a notable dearth of studies on the cultural factors that might be retarding economic development. Considering the relatively inadequate economic performance of Sri Lanka and other South Asian countries compared to the East Asian and south East Asian countries, the question has to be asked whether the cultural factors operating in South Asia are somehow less favourable to economic development. A whole range of questions will have to be explored. To take just one example, it has to be asked whether the caste system which has valorized hierarchy could have been a factor retarding economic development in Sri Lanka. An understanding of the cultural factors operating in Sri Lanka could be of crucial importance in promoting the attitudes and values necessary for satisfactory economic development.

Studies on the cultural impact of economic development are equally important. The process of economic development inevitably entails cultural change, which can sometimes be dangerous for being socially disruptive. The process of what might be called "modernization" tends to be seen quite often negatively in Sri Lanka, in terms of a dichotomy between "tradition" and "modernity". The relatively rapid pace of growth following on the liberalisation of the economy under the 1977 Government has too often been seen only in terms of a process leading to an acquisition and "consumerism", which are destructive of traditional values. An ongoing examination of the cultural consequences of economic growth is very necessary to manage the transition to an economically developed society.

The longer term challenge of the 1990's is how to articulate and manage a transitional pathway to social change under

these circumstances and reverse the steady slide of the country as a whole into anarchy. The requirement is for a complex mix of development strategies, not dichotomies, complemented by a dynamic mechanism for continuous monitoring and reformulation of such a complex strategy mix. The more immediate challenge is to identify the transitional path that would enable Sri Lanka to bridge the gap between the current crisis and a sustainable development pathway. A more complex development strategy needs to be articulated that can respond reasonably quickly to the problems of poverty alleviation, malnutrition, youth alienation and unemployment, and at the same time not dismantle entirely the gains from past attempts at industrialisation and modernisation.

It would be a mistake to assume that these issues can be tackled effectively without greater peoples participation and devolution of power. The system cannot any longer be managed merely by improving bureaucratic efficiency and greater centralisation of power, or by expanding and improving the managerial efficiency of the private sector alone and merely adding on a poverty alleviation programme. A major effort at mobilising, conscientising and organising people at all levels is needed, with a new accumulation process, particularly at the local level. A coherence has to be achieved between this kind of poverty alleviation strategy which is participatory, culturally and ecologically sound and a decentralised industrialisation strategy which is labour-intensive and is based on local resources. Both need to contribute to growth and equity.

Sri Lanka has to follow a certain historical path, which means that a simple imitative path based upon the end results of industrialisation models evolved in other contexts and historical circumstances, may not be directly relevant or sustainable. Sri Lanka needs to identify its own historical transition and manage this transition with a great deal of study, a conscious search for innovative options, a great deal of flexibility and attention to detail.

From the South Asian regional perspective, very little thought and research has

yet gone into the complementary industrialisation and poverty alleviation strategies which Sri Lanka and other SAARC countries can follow. A new opportunity has been presented by the emergence of the Japanese surplus and the commitment of 20% of Japanese ODA to South Asia.⁷ This raises several new policy options for south Asia. If countries like Sri Lanka are unable to formulate a sustainable development strategy as outlined, in a national context, perhaps the South Asian regional context could provide greater options. The current crisis in the Middle East with migrant workers returning as refugees, loss of migrant income, higher petroleum prices, loss of an important tea market etc would also necessitate Sri Lanka joining with other SAARC countries to take another look at the international dimensions. Sri Lanka and other SAARC countries are also totally unprepared individually or regionally for the consequences of Europe 1992. The announcement at the SAARC Summit in the Maldives of a SAARC Fund for Regional Development provides a new opportunity for in-depth consideration of these issues.

There is very little appropriate on-going research on any of the issues mentioned, despite some newly created research facilities.

Democracy, Militarisation and Devolution

A sustainable development strategy as outlined above cannot be implemented without participatory democracy, which is the other side of the coin. Nation building in post-colonial Sri Lanka has encountered a number of difficulties. In recent times, there has been an unprecedented increase in lawlessness, violence and extremism, that has occurred on an island-wide basis. This problem is particularly acute in the North and East as a result of the ethnic conflict that has divided the Sinhala majority from the Tamil minority but divisions on class, caste and generations are also acute in the South. Sri Lanka's independence movement failed to provide a stage for the establishment of a broad social base that would enable the growth of a modern, secular, national consciousness among the masses. The results of this historical fail-

ure are now found in the armed actions of the Sinhala and Tamil youth; and the consequent repressive counter measures of the security forces.

The state's response to this situation has been on the one hand, a significant build up of the country's security forces with its consequent militarisation of the state, and on the other, a search for alternative democratic systems of governance resulting in a shift in policy towards devolution and the introduction of Provincial Councils and village level organisations. There has also been an intensification of the public debate on issues of social justice, equity and national consciousness. A fundamental issue in this debate is the necessity and desirability of devolved governance and decentralised administration with participation of the poor and vulnerable groups.

So far, there has been a marked lack of a strong, intellectual apparatus in this debate, with the result that the structural adjustments and processes of democratic reform have been insufficiently articulated. Devolution has three dimensions - administrative, political and economic. The current emphasis on administrative reform has not been balanced by an in-depth consideration of the economic and socio-political dimensions. Lack of research on democratisation of political structures vis-a-vis political reform, and the different models for varying units and domains of devolution, has meant a continuation of the same basic Government infrastructure even after fundamental shifts in policy stance towards devolution. New development thrusts, structures and instrumentalities for bridging the imbalance between policy and the ground reality require to be articulated and implemented as specific vehicles of achieving such political and democratic reform. Changes in policy at the top do not always seep down to lower levels of the administration.

There is also a continuing theme of a sharp divergence between policy statements and the translation of policy into action on the ground and strategies for implementation. The Provincial Council system in practice is weak. It reinforces the Central Government model and the Government Opposition dichotomy, with the Councils being viewed as mirrors of the Centre. A culture of centralisation

prevails in Sri Lanka which hinders the attempts at devolution. Yet the problem of adjustment of even the central administrative system and de-learning and re-training of administrative officers is only being superficially undertaken. Though the current crisis has resulted in an intensification of the public debate, a great deal more in-depth research and reflection is required on all issues of devolution, both in the south and in the North East, as the needs are different. The ground realities of devolution and decentralisation vis-a-vis policy posture now need to be examined in terms of effectiveness of organs of governance, emplacement of grass root mechanisms necessary for administration, fiscal budgetary requirements, transfer of key economic tools from the Centre and the local savings system.

The issue of the ethnic conflict as arguments against decentralisation needs to be examined. Research on the connected issues of devolution, decentralisation, democracy, ethnic harmony and the needs of governance with peoples participation, within the framework of a united Sri Lanka itself, need to be studied. It needs to include comparative, intracountry studies of successful pragmatic moderate models elsewhere which can provide options. A national devolution perspective that arises from the needs of sustainable regional development also needs careful research, reflection, and the working out of the implementation strategy.

Notes:

1. Sustainable development has been defined in the Brundtland Commission Report, "Our Common Heritage". However, the Steering Committee members felt that we need to define our own perspective for this Study. This has been done in paragraph three of this chapter.

2. See W. D. Lakshman in *The Challenge in South Asia: Development, Democracy and Regional Cooperation*, ed. Wignaraja, P. & Hussain, A., Sage Publications, New Delhi/Newbury Park/London, 1990.

3. In recent years, despite the food subsidies, there has been an emergence of a high degree of malnutrition. There is also an awareness that increased literacy alone is an insufficient pre-requisite for development.

4. For details, see Kelegama and Wignaraja, "Industrialization in Sri Lanka: An Overview" in Vol. II of this Report.

5. For details, see R. M. K. Ratnayake, "A Strategy For Reducing Unemployment" in Vol. II of this Report.

6. See Consumer Finance Survey, 1978/79, 1981/82 and 1985/86, Central Bank of Sri Lanka.

7. See statements made by the Japanese Prime Minister during his official visits to South Asia, this year.

8. See Ratwatte, C., "Community Participation in Planning and Implementing Rehabilitation and Reconstruction Programmes" in Vol. II of this Report.