The "Lean, Clean, Green" Machine: Sri Lanka's 2018 National Budget

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On November 7th, 2017, then Minister of Finance, Mangala Samaraweera presented his first budget[1] to the Parliament of Sri Lanka. The theme of the Budget – 'Blue-Green' – symbolic of the coalition government, emphasised Sri Lanka's commitment to the post-2015 Sustainable Development Agenda and the Sustainable Development Goals (SGDs) as the source of the principles embedded in the National Budget 2018 (Minister of Finance 2017, p. 4). The 'blue-green' title has dual meanings in the Sri Lankan context. It symbolises the official colours of the two political parties in the coalition government formed in 2015 – the Sri Lanka Freedom Party (blue) and the United National Party (green) – and aligns with (at least in rhetoric and symbolism) the contemporary global model of "sustained", "environmentally sound", "socially inclusive economic growth"[2] (United Nations Environment Programme 2014; United Nations Environment Programme 2012). The budget of 2018 was an explicit invocation of the 'environment' as a political and economic rationale for restructuring the economy and shifting the direction of how land and ocean resources are used.

Budget Speech

The Finance Minister started off his Budget Speech by mentioning the devastating national debt crisis "bigger than the Meethotamulla garbage dump" (Minister of Finance 2017, p. 2), and the need to raise government revenue for debt servicing (ibid.). This juxtaposition – between the island's biggest garbage dump, a major environmental (and a humanitarian)[3] concern, and the country's national debt amounting to US$62 billion (2015 estimate, Ministry of Finance 2016) – is strange. At the outset, one is led to believe that the budget is about 'green growth', where the emphasis is on decarbonising the economy, with extensive investment in resource efficiency and renewables.

In the Finance Minister's Budget Speech, however, Meethotamulla, the collapse which in 2017 marks a serious environmental catastrophe, is merely a metaphor to describe Sri Lanka's debt crisis, and to rally support for the top-most national priority—easing the debt burden and economic growth. Using this metaphor which should embed a sense of crisis, reminds us of Habermas's Legitimation Crisis, where he juxtaposes a medical 'crisis' with an aesthetic notion of crisis from theories of drama. Portraying financial crises in a medical sense, where crises are reduced to certain (selected) symptoms, is common practice. In the Budget 2018, the major symptom of choice is the increasing national debt. In the language of the Budget, the debt crisis of Sri Lanka is treated much like a medical crisis, an "aim condition requiring the correct application of technically defined policies" (Habermas 1976, p. 1-4; Davies 2012, p. 317). The attempt to objectify (in the literal sense too) the debt crisis invites pathways for problem-solving interventions. In theories of drama, however, "a crisis occurs when subjectivities confront each other and can only move forward by modifying their own subjective conditions–otherwise, the subject either remains mired in its own contradictions or it ceases to be" (Davies 2012, p. 317).

In this blue-green budget, environmental issues such as climate change and resource scarcity are confined to a discussion about the cost of adverse climatic conditions on the Gross Domestic Product (GDP) (Minister of Finance 2017). The challenge posed by prolonged droughts, frequent floods and landslides is framed as an impediment to economic growth, rather than an issue of the island's ecological limits or the impact of climate change on people. Here, the blue-green economy is brandished as a promising new strategy for the GDP Olympics, ushering in "unrestricted economic growth to achieve the upper-middle income level by 2025" (ibid. p. 4) and a way out of the looming national debt. It is presented as a technocratic solution to a technical, *not a political,* problem, where the politics of the financialisation processes underpinning the budget are entirely suspended.

The *politics* of Sri Lanka's economic crisis, however, do not disappear, much like the subjectivity of a patient in a medical crisis. The politics of our debt/economic/financial crisis is likely to be visible when the subject itself must be changed or transformed (much like resolving a crisis in theories of drama): an issue this budget, and much of the reflection on our economy, assiduously avoid. The enthusiasm surrounding the blue-green economy overlooks very disparate estimates of the levels of economic growth and natural resource use the island can sustain, and how much is needed to reduce poverty. Also missing is any engagement on who will benefit from the blue-green economy. It depoliticises the social relations of the economy. This is by design, as financialisation precludes any confrontation or reflection on the political, economic and social relations necessary to sustain financially driven capital accumulation. The depoliticisation of economic relations "is an extension of the practical and cognitive processes behind finance" (Davies 2012, p. 318). Examining the National Budget 2018, the blue-green focus and the political-economic implications of this conceptual framing is useful in demonstrating how this depoliticisation takes place.

Green-Grabbing

The deployment of the 'green', 'blue' and 'environment' in the National Budget 2018 can be viewed through the theoretical lens of "green grabbing" (Fairhead et al. 2012). The idea of green grabbing falls within the large body of literature that critically looks at the natural environment under neoliberal capitalism.[4] Barbesgaard situates green grabbing as a framework that emerged with the salience of the 'green economy' and market-driven solutions to protect the environment and address climate change (Barbesgaard 2016, p. 1). Green grabbing is a term coined by the Guardian journalist John Vidal, which refers to the "appropriation of land and resources for environmental ends" (Vidal 2008; Fairhead et al. 2012, p. 238). 'Appropriation' in this context, is used to describe the "transfer of ownership, use rights and control over resources" from segments of society which include the poor into the hands of the wealthy and powerful (Fairhead et al. 2012, p. 238). It is a central plank in the processes of accumulation and dispossession (Harvey 2003; Harvey 2005; Harvey 2006). Appropriation implied in green grabbing draws on rich historical debates centering on shifts in control of natural resources dating back to Marx's elucidation of primitive accumulation[5] – the processes that shape class distinctions between capitalists and labourers.

The literature on green grabbing sits within a dynamic debate on "land grabbing" that focuses on how the appropriation of land for commercial purposes is presented with an 'environment-friendly' or 'green' label (Borras et al. 2010). As noted by Fairhead et al. (2012), the commercial acquisition of land, and in the case of green grabbing, of natural resources, is portrayed as a way of achieving environmental protection and the concept and the rhetoric of 'green' is mobilised in the process (p. 239). This appropriation of natural resources is identified among the key dimensions of accumulation by dispossession propelled by neoliberal economies or states (Harvey 2003) because it involves a restructuring of policies, rules and control over the access, "use and management of resources, in related labour relations, and in human-ecological relationships, that may have profoundly alienating effects" (Fairhead et al. 2012, p. 239).

It is important to embed the 2018 National Budget in the broader trajectory of the state in managing the island's land and labour. The full realisation of the neoliberal economic reforms during the two terms of former President Chandrika Bandaranaike Kumaratunge (1994-2004) ushered in an economic vision of constructing modern, urban hubs catering to, and engaging with, global markets. The decisions on investment and divestment in successive state budgets have moved towards reorganising economy and society, paving way for an incremental realisation of this broader vision. Prime Minister Ranil Wickremesinghe's brainchild, *Vision 2025*, which, to a great extent, has influenced the 2018 and 2019 Budgets, marks only a continuity of this trajectory, though some proposals, especially those on land reform, are articulated with utmost urgency relative to previous policy.

In this paper, we show how the 2018 Budget depoliticises issues of redistribution, by unpicking its stance on land, agriculture, transport and the fisheries. This paper is structured in two sections: in the first section, we look at the measures that have been advanced explicitly under the 'environment' umbrella (such as land, agriculture, transport and fisheries) and their political-economic implications; and in section two, we contrast this rhetoric with the absence of the 'environment' in what seems to be the priorities of the 2018 Budget.

What is different in the 'blue-green' framing of Sri Lanka's Budget to similar efforts in other countries is that the broader process of 'selling nature to save it' are not coupled with valuation efforts that also take the carbon storage and capture abilities of coastal ecosystems to fight the climate crisis. The 'crisis' here is debt, and the environment (land and water) is only useful insofar as it can be subjected to market-based mechanisms. The Budget marks a step towards aligning with the global discourse and practice of 'Blue Growth' (coined during the World Ocean Summit in 2015) which has produced new (and unlikely[6]) alliances converging around how land and aquatic resources should be organised and managed. While the former Finance Minister rationalised the blue-green budget as a win-win-win in the pursuit of 'sustainable development' entailing pro-poor, conservation-sensitive (blue-green) growth, it contributes to a serious misdiagnosis of socioeconomic issues concerning the vast majority of classes in Sri Lankan society.

What is 'green' and 'blue'?

Total government spending had marginally declined from 28.62% of GDP in 2017 to 28.05% of GDP percentage in 2018. The title "blue-green" implies a conservationist framing, and hence greater investment in protecting land and aquatic resources. However, the budget allocations on sectors classified as closely associated with environmental risk and ecological imbalance decreased compared to previous years.

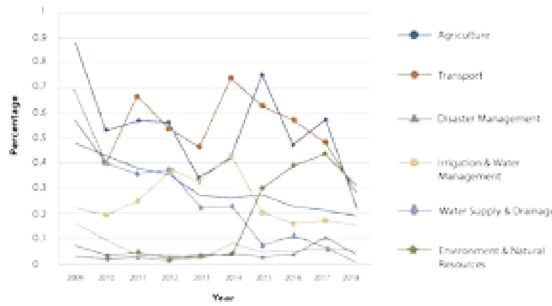

Figure 1. State Expenditure on 'Blue-Green' Sectors as a % of the total Budget (2009-2018)[7]

As shown in Figure 1 and 2, there is a significant decrease in the allocations for agriculture, transport, disaster management, power and energy, and environment and natural resources. Agriculture, a sector in which ecological imbalances and climate change matter, has experienced the steepest decline in state expenditure (see Figure 1 and 2). Despite the importance of the agricultural sector to the country's economy, with a contribution of over 7.5% of the GDP and over 30% of employment (Central Bank of Sri Lanka 2017a; 2017b), there is gradual divestment from agriculture from 2014. Spending on agriculture has been on the decline for decades, however, after 2015, the budget allocation for the sector has decreased by nearly 75%.[8]

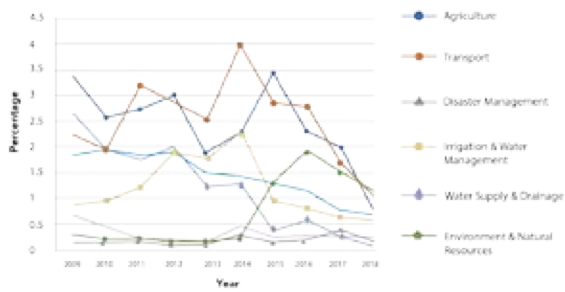

Figure 2. State Expenditure on 'Blue-Green' Sectors as a % of GDP (2009-2018)[9]

A reflection on the political economy of the gradual divestment in agriculture is necessary here. For decades, agriculture has been neglected in Sri Lanka and many other developing countries as they were attempting to emulate the growth track of East Asian countries. Most governments that came into power after the liberalisation reforms in 1977, but particularly after 1994, have compromised investment in agriculture at the prospect of achieving faster economic growth vis-à-vis exports. The neoclassical economic principle here is that of "comparative advantage" (Ricardo 1821), that countries should specialise and develop comparative advantage at producing a particular good, and over time, the opportunity costs of producing the goods will decrease.

This principle rests on another economic principle – "economies of scale" – which advances the view that mass production of a particular good will bring down its per-unit cost, and hence will deliver profits. In agriculture, what this means is that only large economic units (i.e. agribusiness) can achieve increases in productivity competitively through modern and rationalised cultivation methods, mainly with chemical inputs and the use of machinery.

Over the past decades, these principles have seeped into agricultural policy, international institutions, and private and public agricultural research that have considered small-scale and subsistence farmers as backward 'phase-out models' of a pre-industrial form of production. Despite the actual risks of neglecting agriculture (i.e. food crises that are otherwise preventable), 'grow or die' has been both the capitalist and socialist formula for progress. It is in this context that we observe economists' panic at the low labour productivity of the Sri Lankan farmer for both commercial and subsistence agricultural activities (calculated at USD737 per year, compared to farmers in Thailand whose labour productivity is estimated to be USD1,650) (Felipe 2012, p. 47).

Privatisation

Successive budgets and government policies particularly after the liberalisation reforms in 1977 have gradually reduced investment in agriculture, and privatised many of the sector's inputs of production, or have taken gradual steps to privatise as with water for irrigation.[10] One such privatised aspect is the fertiliser subsidy programme, which has weathered all budgetary cuts in agriculture, mainly for political reasons. Started in 1962 (at the onset of the Green Revolution), the fertiliser subsidy programme is a long-standing, expensive, and politically sensitive programme.

While it is widely accepted that the fertiliser subsidy has increased land productivity and encouraged farmers to expand the land under paddy cultivation, its negative environmental impact is also well-documented (Weerahewa et al. 2010, p. 1). Despite the concern over the chronic kidney disease of unknown etiology (CKDu) in Sri Lanka which has now reached alarming levels, and its link to the generous use of inorganic fertiliser, each successive government has refused to make any amendments to the fertiliser subsidy, nor how it is managed within state institutions (i.e. Agrarian Services Department, Department of Agriculture, Provincial Councils). This is because farmers, making up 1.8 million voters, have now come to depend on receiving fertiliser at a subsidised rate. Abolishing the subsidy or making any amendments to it in a way that reduces farmers' access to fertiliser is likely to have a substantial political cost. Furthermore, the well-entrenched political economy surrounding fertiliser has crystallised links between multinational fertiliser companies and their local affiliates, such that the state bureaucracy governing agriculture and the government is resistant to any changes to the subsidy. In a dysfunctional agricultural extension system (Karunaratne 2006), private companies and farmers are entrenched in an exploitative dependency relationship where high-yielding seed varieties and agrochemicals which are imported by the private companies, are subsidised by the state to reduce costs at the farmer's end.

In reading the National Budget in the context of state policy on agriculture at the national level, and the transformation in agriculture within neoliberal globalisation, the budget becomes a tool for gradually advancing defined and strongly enforced (private) rights over resources whilst containing the resistance of the voter base.

Advancing the 'privatise-or-perish dichotomy', the Finance Minister called for law reforms applicable to agricultural land, and several measures that signal the desired direction of the country's agriculture business model, such as: I) penalties in the form of taxes (14%) for backward integrated agricultural activities (Minister of Finance 2017, 13); II) pursuing PPPs in agribusiness (ibid. p. 29) (Rs50 million budget allocation; and III) incentives (exemption of Nation Building Tax) for importing advanced technology-enhanced equipment for agricultural production (ibid. p. 13).

While "backward agricultural" practices are penalised, restrictions for foreign companies to own land in the island will be relaxed by reforming the Land (Restrictions and Alienation) Act, No. 38 of 2014[11]; Rent Act, No. 7 of 1972[12]; Paddy Land Act, No. 01 of 1958; and Agricultural Lands Act, No. 42 of 1973.[13]

The deliberate foregrounding of the fertiliser subsidy is effectively deployed as political bait, masking these structural changes to property rights. The fertiliser subsidy is a manageable short-term 'carrot' to reassure the farmers that their entitlements are secured, while distracting them from the land they will eventually lose. The 2018 farmers' riot in Thambuttegama (Ada Derana 2018; Gunasekara et al. 2019) over the usage of water in the Rajanganaya reservoir, points to another axis of the state's continued effort to transform the agricultural sector vis-à-vis privatisation of resources.

The 2018 Budget and propositions for agricultural policy reforms carry the assumption that the establishment of private property rights will resolve efficiency and productivity issues. As pointed out by McAfee (2012, p. 109) the establishment of property rights is associated with minimising transaction costs and boosting "voluntary trade in environmental goods and bads", which in turn will make state intervention redundant (also cited in Barbesgaard 2016, p. 3). The proposition here is to put in place the 'right' technocratic policies for the market mechanism to take over the control of land and natural resources, which in turn is expected to create mutually beneficial win-win outcomes for all stakeholders ranging from private investors, local communities, national economies and the environment (Barbesgaard 2016, p. 3).

Depoliticisation

Two notions are depoliticised here. On one level, is the attempt to physically move a distinct segment of the population (farmers who do not own the land in which they cultivate) out of the 'public' by gradually moving towards the privatisation of land. A combination of factors underpins this displacement: I) in the absence of a long-term national plan for agriculture, highly politicised programmes such as the fertiliser subsidy, which has failed to change farmers' fortunes in any significant way, and the lack of clear, focused, and streamlined, agricultural extension services, continue to reinforce low productivity in agriculture; II) most agricultural land is state-owned but under the purview of different government institutions, and in 2016, the government revived plans to adopt new legislation providing for transferring all the State lands to a common institution named 'State Land Bank'.

Surveying and registering this information under one entity allows the state to disburse land for development when necessary. But, rendering state land as investible for development, excluding and alienating farmers who use it, cannot be achieved easily. As Tania Murray Li has observed in Indonesia, framing land as a (monetised) resource for development to the exclusion of others, requires complex and nifty "cultural work" (Li 2014, p. 592). This 'cultural work' is about normalising the negative implications of such policies by slipping them into everyday vocabulary and portraying them as inevitable or even common sense. In Sri Lanka, the import-oriented approach to addressing the increasing demand for food, the lack of a long-term national plan to ensure food security using local sources, and low productivity in agricultural production which has now reached chronic levels, are all likely components of this 'cultural work'.

Based on the sequence of events in other countries where similar processes have taken place (i.e. Indonesia, Liberia, Malaysia), the next step may include two scenarios. One future scenario is to offer tradable land titles to farmers (currently cultivating on non-tradable state land). Such a step would play well into populist electoral politics, where individual politicians or a government are generous benefactors ensuring people's 'right to land'. Once tradable, the new owners would have the option of selling the land to private investors who want to 'develop' the land. If the short-term returns of farmland are low (which is currently the case), farmers are likely to sell it. The second future scenario is to render the assembled land under the State Land Bank as 'frontier,' 'marginal,' or 'underutilised' land, visible and available, for global investment (Skanthakumar 2012). David Demeritt (2001) calls this "statistical picturing", where the current uses of the land are entirely discounted, ignored, and homogenised under the new label—their underutilisation.

This label has already entered Sri Lanka's budget discourse, and in the 2018 Budget "underutilisation" is used in reference to state land currently used for paddy and poultry farming and timber production (Minister of Finance 2017, p. 23-24). Juxtaposing such labelling with proposed reforms to land ownership and use policies (discussed above) signals that the 'cultural work' of displacing a distinct class of people from their land has already begun. The 2018 National Budget opens a window for us to see how such deeply contentious policies are insidiously advanced, stripped completely of their politics.

The second notion that is depoliticised in the proposed land and agriculture policy reforms in the 2018 Budget, is production itself. This is slightly more abstract and is intrinsically tied to the ubiquitous presence of financialisation in the 2018 Budget. Access to finance is presented as the new way of social organisation. Sectors ranging from waste management, housing, tourism to "Enterprise Sri Lanka" loan schemes, are offered loans, an effort that compels people to orient their activities around securing access to finance. The line between the producer and the consumer is blurred and homogenised here, or "only internally differentiated with regard to their creditworthiness" (Davies 2012, p. 320).

Production is framed as a demand for investment, and exchange is purely represented by market prices. For example, the farmer (producer) who is not able to innovatively respond to the demand with the right product at the right price, is instantly reduced to an unskilled labourer, in the face of large-scale agribusiness. Food sovereignty – people's access to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture systems – is excluded in the 2018 Budget.

All producers of food are instantly homogenised here, discounting entirely the role of traditional knowledge in producing healthy, organicfood and the importance of consuming indigenous varieties of fruits and vegetables encouraged by practitioners of non-allopathic and integrative forms of medicine. This is in stark contrast to the realm of production, which is one of difference; in this realm, activities are shaped by producers' different abilities, skills, and needs, and the activity itself is dynamic and transformative. All that becomes irrelevant as finance sterilises this 'difference' both practically and cognitively (ibid.). Furthermore, it obscures and depoliticises 'work' (of women and men) that goes into production. The 2018 Budget's considerations for reforming agriculture and land in Sri Lanka, we contend, are framed by discourses of economic necessity, leaving little-to-no space for foundational reconsiderations of how we relate to ecology and how we redistribute. The deployment of the 'environment' here, we argue, is simply aesthetic dressing.

'Green Vehicle' Policy

We now move on to discussing the 'green' vehicle policy, and its implications for transport. The vehicle policy, starting with the lofty ambition of powering all vehicles by non-fossil fuel sources by 2040 (Minister of Finance 2017, p. 7), offers tax incentives for electric cars, penalties for high-end fossil-fuel consuming vehicles, and better loan terms for those purchasing domestically assembled electric three-wheelers, cars and buses. Simply put, the idea is to boost consumption of non-fossil-fuel vehicles, and collect revenue (by way of taxes) from those using fossil-fuel run vehicles with a large engine capacity. Sri Lanka buys US$6 billion worth of petroleum products every year, accounting for 24% of all imports (Samaratunga 2014, p. 39). While the promotion of alternative technologies to reduce the dependence on fossil-fuel is welcome, the state's idea of 'green' transport stops there. The conversation is not extended to improving public transport – buses and railways – used by over 51.9% of the population (Hiranand 2016). In the framework of the United Nations Environment Programme (UNEP), 'green transport' is central to the green economy. Transport, to be considered 'green' not only has to reduce greenhouse gas emissions, air pollution, noise and space consumption, but also reduce poverty and support economic growth (Bongardt et al. 2010).

In Sri Lanka's 2018 'green' vehicle policy, despite the invocation of the state's commitment to the Paris agreement (2015) and the SDGs, both of which highlight the interconnectedness of the three pillars of sustainable development – ecological, economic and social – 'green' seems to be deployed solely as an economic growth strategy. Only 5.7% of vehicles on our roads fall under public transport, and daily, over half of the island's population are crammed into 30,000 buses (Hiranand 2016). These commuters, who are contributing members of the economy, travel to and from work under dreadful and unhygienic conditions, where they experience sexual harassment, intense overcrowding, physical distress and in some cases, respiratory problems. The Budget's vehicle policy, read in tandem with periodic proposals to implement a joint timetable for private and state-owned buses (Kumarage et al. 2009), and the proposal to increase passenger ticket prices of Sri Lanka Railways (Newsfirst 2018), carry implications for those who depend on public modes of transportation. For instance, establishing joint timetables for SLTB and private buses would bring down the revenue earned by the state-owned buses given that the number of private buses is significantly higher than the fleet owned by the government.[14] The danger is the possibility of private buses, which operate under profit-making objectives, will capture the journeys of SLTB. Over time, this may result in SLTB generating losses to the point that the government[15] may cease the public bus service altogether. Such developments indicate a shifting of costs to the public, particularly to the working class, and complete disregard of the impact of transport quality and accessibility on people's economic and social opportunities.

Furthermore, since 2014, state expenditure on transport has been gradually decreasing. However, the sharpest decline is from 2017 to 2018, and ironically as part of the 'green' budget policy (as illustrated in Figures 1 and 2). Budget allocation for the railways has also been on the decline since 2014. In 2014, railways were allocated 2.05% of the total budget which by 2018, dropped to 0.69% (nearly 60% decline). Moreover, the deliberate choice to have a green 'vehicle policy' as opposed to a green 'transport policy' underlies the classes of people benefitting from the 'green' economy.

This class of people own vehicles, live in Pradeshiya Sabhas that will, in the future, have a "Haritha Udyana (eco-friendly parks) or a green lung with a jogging track, a library, gymnasium and a roof garden for yoga, meditation or other spiritual activities": over one billion rupees is allocated for this infrastructure to help realise a "balanced mind, body and spirit" (Minister of Finance 2017, p. 9). They are the upper-middle and upper classes of the Sri Lankan society for whom tax breaks on electric vehicles matter. It is interesting to note nearly all proposed solutions to the increasing traffic congestion in the city of Colombo point in the direction of improving road capacity and not improving public transport. The shift in transport modes from public to private is not only assumed, but legitimised under the 'green' budget. Where public transport is mentioned under the 'green economy', it is only in the revenue proposals where passenger buses are charged Rs. 2.74 per day by way of the 'green' carbon tax (ibid, p. 8).

Here, public transport becomes a site of extraction; a way to generate government revenue. While the commuters contribute to state coffers, the yacht industry, catering to leisurely nautical adventures of the wealthy, is incentivised by an exemption from Nation Building Tax (NBT)[16] and the Port and Airports Levy (PAL), under the theme of "from local entrepreneurs to global leaders" (ibid. p. 22). For the state to 'tick the box for the green', funds will be extracted from the working class; while their struggles such as affordable public transport and rural-urban connectivity, will continue to be rendered invisible in plain sight. In other words, the 'green' vehicle policy of the 2018 Budget, depoliticises transport access, and equity.

'Blue economy'

We now move to the 'blue economy', which is centred upon beautifying and augmenting the coastal infrastructure, developing inland water bodies, intensifying fishing and creating special economic zones and tourism promotion. In his speech, the then Finance Minister's enthusiasm about the blue economy is reminiscent of the Gold Rush mentality. "Our ocean bed is almost 26 times the size of our landmass with enormous potential" (Minister of Finance 2017, p.10). This renders the blue economy the vast new frontier to be conquered. Most of the budget allocations under 'blue growth' are towards incentivising large-scale fishing (i.e. subsidising the cost of purchasing multi-day boats and refrigerated storage in multi-day boats) and developing and upgrading new fisheries harbours.

The emphasis on supporting large-scale fisheries carries the logic of efficiency, and signals a leaning towards a system of de facto property rights to the ocean's resources. Fisheries, a sector that plays a key role in Sri Lanka's social and economic life contributes roughly 2% to the country's GDP, employs over half a million people in direct and indirect employment (NARA 2015). Nearly 86% of the half-million fishers in Sri Lanka, use either small fibreglass plastic boats (49%) or non-motorised traditional boats (37%) for fishing; and only 9% use multi-day boats (ibid.). The state support for investing in large (55 foot-long) multi-day boats is an indication of a focus towards deep-sea fishing, yielding a voluminous fish-catch. Though the Budget 2018 is not explicit about introducing clearly defined fishing rights, underlying the 'sustainability' argument of blue growth is an effort to manage 'the race for fish', and the ensuing economic crisis. Even if state support for large-scale fishing can be argued as "strategically benign rhetoric" (Macinko 2014, p. 40; also cited in Barbesgaard 2016, p. 7), and the silence on small-scale fisheries an 'honest mistake', its unconsidered political-economic consequences are bound to have far-reaching consequences. It overlooks broader issues on social relations, power and inequality in coastal fisheries.

State spending on the fisheries industry has been on the decline since 2009, with the 2011 Budget marking the most severe reduction in expenditure (54%).[17] In 2012, there is a marginal increase in the investment in fisheries, possibly due to the introduction of the fuel subsidy for fishers. While there is a significant increase in state expenditure on fisheries in 2014 (255%),[18] spending declines in subsequent years (see Figure 1). There is a likely correlation between expenditure on fisheries and import and export trends of fish. Given the global demand for some fish varieties in Sri Lanka (i.e. yellow-fin tuna, lobster, crab, etc.) exports have been steadily increasing since 2005 (around 1,500 metric tonnes of fish per year).

In order to respond to the domestic demand for fish – the main source of protein in our diet – the government has been importing fish at an average of 6,400 metric-tonnes[19] per year since 2005. While foreign exchange earnings from exports offset the value of imports for years, 2014 marks a turning point where the expenditure on fish imports significantly exceeds the value of exports.[20] In 2015, Sri Lanka imported 52% more fish from foreign countries for domestic consumption compared to 2014 as a result of reduced fish-catch.[21] The price of fish has also consistently increased since 2005, at an average rate of 10% per year.[22] Here we notice the convergence of the state's import-export policy on fish and spending on the fisheries sector producing a negative outcome with regard to local prices of fish. In other words, primary producers are not receiving adequate support from the state, and the consumers pay a hefty price for their daily dose of protein.

The financial support in the 'blue economy' for multi-day boat-owners is yet another measure to increase fish production for exports—this time, by moving towards a deep sea-based mass production model. Incentives for large-scale fishing is likely to strengthen the fishing capacity of a select few boat-owners connected to distribution networks of state patronage. This may, over time, lead to a restructuring of productive forces whereby more and more capital-strong boat-owners would invest heavily in their fishing capacity in order to facilitate profit accumulation. In Denmark, similar turns in fisheries policy have led to an increase in destructive forms of fishing, including bottom-trawling (Host 2015). Strengthening capital-strong boat-owners in the long-term, coupled with a laissez-faire approach of the state towards regulating marine resources, could lead to the rampant appropriation of fisheries by a very small group of boat-owners. The focus on deep-sea fishing also interrogates the state's commitment to maintaining ecological balance. There is already substantial evidence that deep-sea fishing methods, especially those using bottom trawl gear have a severe ecological impact, and the by-catch of deep-sea species is more environmentally damaging than the by-catch of shallow-water species (Deep Sea Conservation Coalition 2011). The 'blue' fisheries and marine policies of the 2018 Budget, we contend, expand sites of extraction and appropriation to the ocean, present mass-scale fisheries as the new economic frontier, all the while masking the politics of redistribution in the fisheries sector.

Embedded Crisis and State Priorities

Harvey (2003, 2005) invites us to notice the 'sense of crisis' embedded in neoliberal governance frameworks, which in turn invites management and manipulation of this crisis. The sense of crisis embedded in the Budget 2018, as evidenced by Figures 1 and 2, has less to do with environmental concerns. While droughts, floods and landslides are mentioned in passing, it is only in the context that natural disasters stand in the way of production, and hence economic growth. The real 'crisis' embedded in the budget 2018 is the national debt. The overall proposed 2018 budget shows a marginal decline from 28.62% of GDP in 2017 to 28.05% of GDP in 2018.[23] Declining state expenditure is a trend that has been consistent since the 1990s (Central Bank of Sri Lanka 2017a). A greater component of the budget is appropriated to repaying public debt, which, by 2016 amounted to nearly 80% of the GDP (Trading Economics 2018). In his speech, the former Finance Minister is full of praise for his predecessor, whom he claims has placed the public finance management of the country on the "right track", "boldly and squarely" (Minister of Finance 2017, p. 2) by increasing indirect taxes within an austerity budget. He is convinced that the formula of austerity – reduction in state funding for public programmes – plus an increase in indirect taxes, both of which reduce the quality of life of the average Sri Lankan citizen, is advanced as the 'win-win' solution for the government to reduce its annual budget deficit.

'Green' credentials are called upon only to justify appropriations of nature (tapping into deep-sea resources by incentivising large-scale fisheries, for example) for economic activities. Emphasising the 'enormous potential' of the island's ocean bed, the push is to "harness existing activities while diversifying to others without compromising its ecological balance" (Minister of Finance 2017, p. 10). The subtext is that nature is packaged into monetised commodities and integrated into the market mechanism. The outcome would be that governance of nature will transfer to the domain of financial markets, where state institutions play an auxiliary role in facilitating market activity.

Fairhead et al. (2012) contend that this process leads to a new conceptualisation of nature, where "ontologies of nature" are replaced with "natural capital" (p. 244). This means the ocean bed, forests, rivers, other natural landscapes and animals belong to a "green box of consumptive nature", completely disconnected from the historic-ecological processes that created them (Brockington et al. 2008, p. 188; cited in Fairhead 2012, p. 244). As discussed in relation to fisheries and agriculture, these responses necessarily involve accumulation for some and dispossession for others, and legitimises bringing in new actors, as states are increasingly cast as incompetent in solving 'global' issues, requiring increased participation of non-state actors. These actors are likely to be "deeply embedded in capitalist networks" where they have a disproportionate advantage offered by redistributive investment policies and practices that are part and parcel of neoliberalised governance (Fairhead et al. 2012, p. 239-246; also cited in Barbesgaard 2016, p. 3).

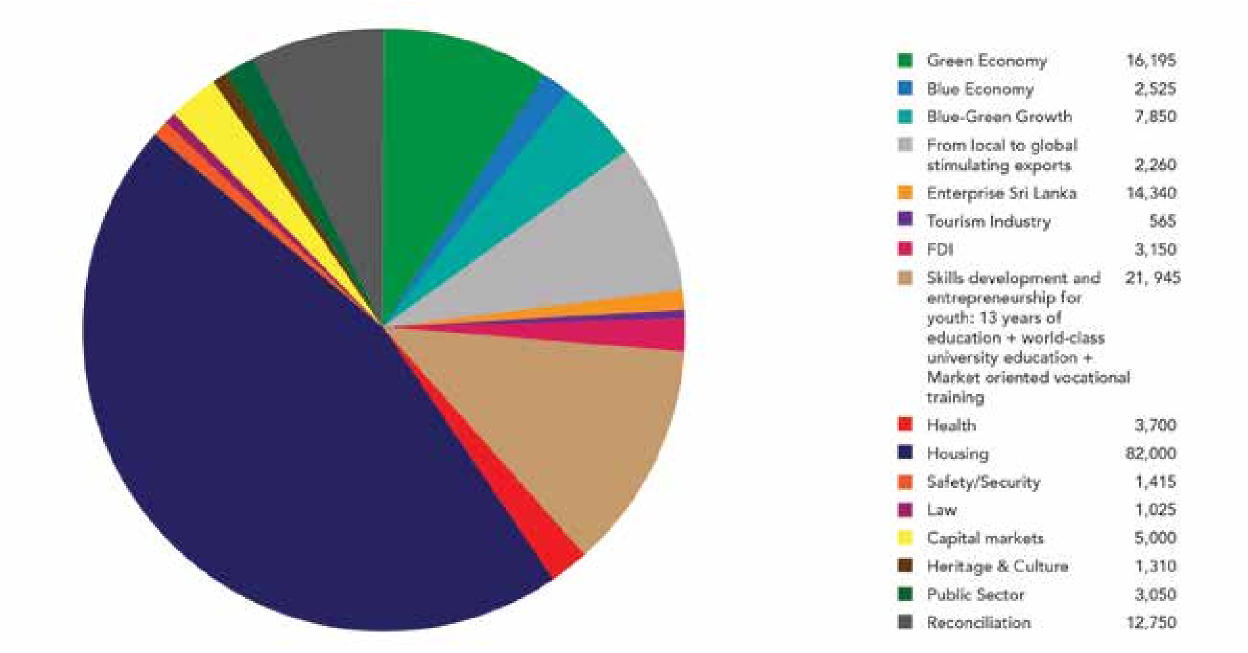

Figure 3. Budget 2018 Thematic Areas

The Absent 'Environment'

A reading of how and why the environment is deployed in the National Budget 2018 is not complete without a brief commentary on where the 'environment' is not explicitly mentioned. In fact, the 'blue-green' economy goes hand-in-hand with 'Enterprise Sri Lanka' – which promises to "reawaken the entrepreneurial spirit coming from our ancient forefathers enabling Sri Lanka to be a vibrant trading hub and encouraging all Sri Lankans to become co-owners of a country enriched" (Minister of Finance 2017, p. 5). Enterprise Sri Lanka, premised on the 'pull yourself up by your bootstraps' view of the world, is allocated 8% of the total budget (as shown in Figure 3); this is in line with the government's view to "not make people economically handicapped and entirely government-dependent" (ibid. p. 15).

The main strategy of creating the next generation of local entrepreneurs is by absorbing them into the world of credit and finance. Credit is possibly the only space where equal opportunity is granted for a variety of actors. Small and medium enterprises, micro-enterprises, agricultural and fisheries companies, women, youth, differently-abled are all targeted with credit schemes. Credit and insurance, the two largest sectors of the finance industry surface throughout the budget, under many interventions, amounting to nearly 12% of the budget.

Another strategy that complements Enterprise Sri Lanka is that of social engineering through skills development and entrepreneurship for youth. This theme is allocated 12% of the total budget and is divided into three components: 13 years of education, world-class university education, and market-oriented vocation training. The focus on skills rather than education is reminiscent of the all too familiar construction of successful neoliberal subjects whose main goal is economic entrepreneurial freedom, more specifically self-reliance (hence the emphasis on self-responsibility, agency and initiative), choice (to be realised through markets) and financial security (Verdouw 2016). These neoliberal subjects are constructed to live in the shadow of the financialised norm, evidenced by the recent introduction of the interest-free student loan scheme (for selected degree programs) by the Ministry of Higher Education & Highways (Ministry of Higher Education & Highways 2018). The underlying themes of credit, insurance, banking, entrepreneurship and skills development add up to nearly 25% of the total budget allocation indicating the state's massive investment in constructing neoliberal subjectivity.

Taken together, we contend that the explicit deployment of 'blue-green' and a comprehensive social engineering programme to construct successful neoliberal subjects in the 2018 National Budget, indicates the state's implementation of market-friendly policies in full throttle to attract investors, particularly from foreign countries. Examining the urgency created by neoliberal states in fostering an 'enabling environment' to attract foreign direct investment, David Harvey (2005) contends that bending over backward to accommodate capital amounts to a 'class-project' that systematically transfers wealth and income from the masses to a "political and economic elite minority" (also cited in Barbesgaard 2016, p. 3; see Castree 2009). Placing this in the broader development vision of Sri Lanka, which includes five urban hubs[24] with adjoining FDI-led special economic/industrial zones, tells us that the 'blue-green' budget of 2018 brings us closer to a massive reorganisation of land and labour in Sri Lanka. The packaging of this reorganisation with resounding calls for sobriety based on ecological limits is indeed nifty. The environment is deployed as a new turf to advance the discourse of economic necessity together with 'belt-tightening' measures. It moves public attention away from contentious political issues of how we redistribute, how we share surplus, how we define necessity, and how we relate to ecology.

We began this paper on the 2018 National Budget by drawing attention to the use of the Meethotamulla metaphor to describe the debt crisis of the country, and the overall framing of the crisis as a medical crisis in need of technocratic intervention. Notable areas of the Budget such as land, agriculture, transport and fisheries illuminated the aim of the Sri Lankan state to reorganise social relations governed through an interface of economic incentives. This economisation is realised through technocratisation of governance and the naturalisation of economic processes. As we have demonstrated in this paper, these processes entail depoliticisation. This process of "depoliticisation through economisation" (Madra and Adaman 2013), thwarts any reimagining of economic organisation and practice that may be needed to break from the boom and bust cycles of capitalism.

Notes

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1 Mangala Samaraweera replaced Ravi Karunanayake as the Minister of Finance in May 2017, as a result of a cabinet reshuffle. Former Minister Karunanayake is an established businessman who made a successful po litical career in the United National Party (UNP) and was named 'Best Finance Minister of the Year for Asia-Pacific' in 2017 by the 'Banker' magazine, "for his efforts to steer Sri Lanka into a new era of economic reform and change of mindset"(*Daily Mirror* 2017). Ravi Karunanayake maintained a career in the corporate sector until 1988 when he joined active politics and helped Lalith Athulathmudali to win a seat in the Colombo district in 1989. Minister Samaraweera is the son of late Mahanama Samaraweera, a lawyer from a wealthy (land-owning) family in Matara, who was Cabinet Minister of Local Government and Housing, and later Communications, during Sirima Bandaranaike's government between 1960 and 1964. Mangala Samaraweera, started his career in clothing and fashion design, and later entered politics in the 1980s, as an organiser of the Sri Lanka Freedom Party (SLFP) in Matara district. Ravi Karunanayake's tenure as the Finance Minister was short lived. He was removed from the position in the aftermath of the infamous Central

Bank bond issue (*Daily FT* 2017; *Nikkei Asian Review* 2017).

2 According to UNEP, the hallmarks of a blue-green economy include: "economic diversification based on a strong domestic financial system and partnerships to build up resilience to withstand natural and socio-economic shocks; economic approaches to improve the management of biodiversity; open data policies providing easy access to information; resource efficiency and product innovation; sustainable consumption and production and effective waste management" (United Nations Environment Programme 2014; United Nations Environment Programme 2012).

3 The 'landslide' of Meethotamulla garbage dump on April 14, 2017 was a national disaster, which caused 32 deaths with 8 more missing to-date, and affected a total of 1,765 people (Disaster Management Centre 2018).

4 This paper draws from Mark Barbesgaard's 2016 discussion on more recent literature focusing on the natural environment under neoliberal capitalism (Barbesgaard 2016, p.1-3).

5 Observing the agricultural land enclosures in 14th through 18th century Britain, Marx contends the dual-purpose of property-regimes are "converting the land into a merely commercial commodity" and simultaneously "extending the supply of free and rightless proletarians driven from their land" (Marx 1990, p. 885, also cited in Barbesgaard 2016, p. 2).

6 The Nature Conservancy, Goldman Sachs, Lockheed Martin and the World Bank took part in an Executive Roundtable discussion in New York on how to 'Invest in the Blue Economy'. A few months later at the World Ocean Summit (WOS) organised by the Economist Intelligence Unit in Portugal these actors were supplemented by the likes of Credit Suisse, World Wildlife Fund (WWF) and government officials from across the world under the heading 'Blue Growth' (Barbesgaard 2016, p. 1).

7 Based on authors' calculations. Data obtained from the statistical appendixes of Central Bank Annual Reports from 2009 to 2016. 2017 and 2018 data are based on budget allocations as stated in the approved national budgets of the Ministry of Finance.

8 The budget allocation for agriculture in the 2015 budget was 2.09% of the total state expenditure. By 2018, this allocation reduced to 0.5% of all expenditure.

9 Ibid.

10 Since 1994, there have been 15 cabinet papers address ing 'water management' the sum of which translate into market-based irrigation management systems across the island (stated by Chinthaka Rajapaksha, the convenor of the Movement for Land and Agricultural Reform (MONLAR) in Sri Lanka, in a personal interview con ducted on March 22, 2018).

11 To be amended to allow companies with foreign owner ship to own land in Sri Lanka.

12 To loosen regulation on ownership of houses and change the law on the rent to be charged on property.

13 To allow farming of alternate (non-paddy) crops.

14 Currently, the number of private buses in Sri Lanka is 25,000 compared to 6,000 owned by the SLTB (News Radio 2020).

15 At time of writing NBT is 2% of the import value, and PAL is 7.5% of the import value.

16 Authors' calculation based on data in Central Bank Annual Reports from 2009 to 2016.

17 Owing most likely to the 'Diyawara Diriya' insurance scheme, a tailor-made-scheme developed by the Bank of Ceylon (BOC) in collaboration with the Ministry of Fisheries and Aquatic Resources Development. Under this scheme, fishermen are able to obtain loans for multi-day boats, Outboard Fibre Reinforced Plastic Boats and day boats (Dissanayake 2013; The Island 2013).

18 Authors' calculations based on figures stated in the Annual Reports of the Central Bank of Sri Lanka from 2009-2016.

19 Ibid.

20 Ibid.

21Ibid.

22 However, the outright budget was projected to rise from Rs. 3.8 trillion (revised budget 2017) to Rs. 4.1 trillion (estimated budget 2018).

23 In Jaffna, Colombo, Trincomalee, Matara and Kandy.

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