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Pravada in contemporary Sinhalese usage has a range of meanings which includes theses, concepts and propositions.

TOWARDS OPENNESS IN ECONOMIC POLICY MAKING

Do the people in this country have no right to information regarding the economic policy decisions that are being made and implemented, presumably for their benefit, by the government? Should not the people be kept informed about the agreements that the Sri Lankan government frequently enters into with foreign governments and international agencies on matters of economic policy? Should economic policies essentially be made in utmost secrecy?

We raise these questions because both the government and the international agencies which together make economic policy withhold from the public vital information about the basis of their decisions and their consequences for the economy of this country. We are not economic nationalists arguing for an autarkic economic policy nor slogan-mongers accusing this government of selling the country to the imperialists. We are, however, deeply concerned about the highly arbitrary and secretive manner in which the World Bank, the International Monetary Fund and the Sri Lankan government are implementing a particular set of economic measures that will surely have profound implications for the economic, social and political future of this country. These measures are being carried out without any form of informed public discussion and debate. The criticism and dissent that may arise from such discussion and debate are stifled by withholding economic policy information.

At least the World Bank and the IMF are a little more candid in this matter than our own policy planning bureaucracy and politicians. They don't hide the fact that they

have a global agenda. They publicly state their policy objectives. Even a cursory glance at the annual World Development Reports of the Bank would give one an adequate sense of what bankers and funders in Washington, DC are up to. All these non-philanthropic creditors take great pride in publicising the fact of aid conditionality.

Assistance tied to strict conditionality on the implementation of economic reforms is a key phrase in the lingua of the aid bureaucrats. The Third World and Eastern European countries, confronted with unprecedented economic difficulties in the context of a triumphant capitalist world market, have no option but to agree to stabilisation and structural adjustment programmes proposed by the Bank and the Fund as preconditions to economic assistance. Hence the world-wide drift towards the marketisation of economies that had, for different historical reasons, kept themselves away in varying degrees from 'free' market capitalism both at home and at the global level. Now of course, there is not even a partial escape from capitalism.

Capitalist development is not necessarily a bad thing. As Marx, who has provided the best and most clinical account so far to appear on the inner working of capitalism, once said, capitalism, during a certain phase of its development, is a historically progressive force. At the same time, capital and market forces are a juggernaut; they are now being activated in the Third World by the twin-engines of stabilisation and adjustment, generally in such a way as to crush the many gains of post-war welfare states in the region.



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OPENNESS

Consider the salient elements of the present strategy of globalising market relations of which the Sri Lankan economy is also to be an integral part. The state is moving away from the production sphere of the economy and private capital is being promoted as the engine of growth. Almost all state ventures are being totally or partially privatised, including those that have traditionally provided social and infrastructural services. The latter includes transport, telecommunications, health, and to some extent education. The public sector of employment is being severely slashed. Expenditure on social subsidies by the state are limited to an upper ceiling of 3.5% of the GDP. It is true that state-centric capitalism in Sri Lanka, and in other parts of the world as well, on which the welfare state was based, has failed. Yet, is an untrammelled free market the only alternative that will ensure growth? Wouldn't the shift towards the market create economic, social and policy dislocations of grave magnitude? What are the guarantees that the new reforms would not end up in social and political catastrophe?

Probably, the wise men of the Bank and the Fund will tell us that they have fall-back plans in case their programmes go astray. The local implementors of their programmes will also hasten to assure us that they are well-versed in the art of social and political engineering. Well, let us believe them for a moment. Still, we, the people, should be told the truth about the economic situation, the possible alternatives and the suggested reforms. Ultimately, it is the people who will either enjoy the successes of these reforms or suffer from their failures.

An informed public discussion is of utmost importance. Only then will alternative and more workable and socially realistic proposals, even within the stabilisation and adjustment programmes, be allowed to emerge. There is hardly any reason why policies towards a 'free market' should not be brought under the free scrutiny of an informed public.

The crux of the matter, nevertheless, is that public information on economic reforms is hard to come by. They are not available and no effort is being made to make them available either. Whenever an opposition MP gets hold of some documents and quotes them in Parliament, government spokespersons are quick to deny the existence of any conditionality. Or else, as recently happened, when a newspaper published reports of aid conditions, the government hastened to contradict it, but not to really provide readers with the information necessary for a reasoned judgment. We are told, for example, in a document called *Public Investment 1991 - 1993* put out by the Ministry of Finance and Plan Implementation and describing in detail the individual items of the government's programme of public investment, that "The Policy Framework Paper negotiated with the World Bank and the IMF contains the principal measures which would help achieve this objective" (p.1). This Paper which presumably lays down the parameters of basic economic policy is not freely available to the public in Sri Lanka.

'Denial of reports and the suppression of information' seems to be the name of the game. Why be shy about conditions? It is known to everybody that submission to

conditions laid down by the most powerful financial institutions of the now omnipotent Western capitalism is the fate of even the once mighty once Soviet Union. Why, then, hide the terms of aid-conditionality and invoke false notions of 'sovereignty' and 'anti-colonialism'?

It is a strange irony that the donors are now talking about good governance, openness of administration and public accountability, and are yet silent about the highly secretive processes of economic decision making in the recipient countries. *The World Development Report of 1991*, issued by the World Bank, carries a chapter called 'Re-thinking the State'. Among other things, it talks about the need for democratic reforms in developing countries in the context of stabilisation and adjustment. "Democracy," asserts the Bank, "could make reform more feasible in several ways. Political checks and balances, a free press, and open debate on the costs and benefits of government policy could give a wider public a stake in reform. The need to produce good results in order to be re-elected could help, rather than hinder, economic change: it increases 'governments' incentives to perform well and keeps predatory behaviour in check."

Nice re-thinking. Yet, there still is a hitch. Will the Bank tell us everything about their negotiations, exchanges of ideas and memoranda and agreements with Third World governments whose potentially predatory behaviour the Bank wants to check by democratic political reforms? Will they themselves encourage 'open debate on the costs and benefits of government policy'?

The other day, some of us in Colombo had the privilege of listening to Ms. Maureen O'Neill, the Director of the North-South Institute in Canada, one of the leading aid disbursement think-tanks of the Canadian government. She told her audience that development assistance provided by Canada and, by implication, other Western donor countries, is now directly tied to political reform. She termed the new phenomenon 'political conditionality in development assistance'. In it is a clear emphasis on internal political reforms to

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OPENNESS

be undertaken by aid-receiving regimes. She also made the remarkable point that the old notion of the sovereignty of nation-states is no longer relevant in the current world context. To quote Ms. O'Neill: "The international community has an obligation to act for the relief of human suffering." She also invoked her Prime Minister's statement at Harare: "Canada will not subsidise repression and stifle democracy." Intervention in the internal affairs of aid-receiving countries? Let us have no misconceptions about the nature of the emerg-

ing global politico-economic order. So far, they have made the economic decisions; they will in the future make decisions about political reforms as well.

The point, however, is that Ms. O'Neill and her colleagues in aid-disbursing agencies appear to conceptualise democracy in the developing world solely in terms of what they and their electoral constituencies conceive as democratic. They do not yet think that it is the right of people in aid-receiving countries to know how these decisions are being arrived at and trans-

lated into economic and political programmes. The right of people to be informed of economic policy-making is obviously not included in their concept of good governance, accountability and re-thinking the state.

The Sri Lankan Government, foreign donors and the international financial agencies must accept that it is the people's fundamental right to participate in making the economic and political decisions that regulate their lives and that, for this purpose, full disclosure is absolutely essential. **P**

LETTERS

BLACK AND WHITE

While congratulating you on your first issue of *Pravada*, may I ask for a small corner to dissent from Neloufer de Mel's critique of Nadine Gordimer? To begin with, I wonder how adequate the blanket term 'liberal' that she uses as a characterisation of Gordimer's political position, which includes acceptance of the necessity of black majority rule in South Africa. Further, Gordimer in her fiction not only, in Neloufer de Mel's words, 'problematizes the space that white South African liberals occupy' but also explores the contradiction of being a white South African Communist (*Burger's Daughter*).

However, the more important questions I wish to raise concern the way in which Dr. de Mel uses her political categories to evaluate Gordimer's work as fiction. She criticises Gordimer for 'marginalising the

black experience in South Africa'. This criticism would have been legitimate if the novelist had written about white people's relations with each other, ignoring the reality of apartheid - which, of course, no one can accuse her of doing. The crucial sentence in Dr. de Mel's critique that invalidates her approach is where she complains that Gordimer's exposure of the political ambivalence of the privileged white liberal 'falls short of what is needed as a political programme in South Africa' (her emphasis). Without making a 'manichean dichotomy' between art and politics, I must suggest that a political programme is one thing and a novel another, and that one cannot judge the latter by the demands one would make of the former. One can write a political programme as a theoretical construct, but for the creative writer there is no substitute for experience.

Neloufer de Mel herself quotes Nadine Gordimer as saying that the one thing the white person 'cannot experience is blackness — with all that implies in South Africa'. If Gordimer had tried to write fictionally of black experience, she would have come a cropper as surely as Neloufer de Mel would, in spite of her intellectual position, if she tried to produce a novel about peasant life in Sri Lanka. In these circumstances, does her criticism of Gordimer amount to anything more than saying that the latter made the mistake of being born white in South Africa? If we want the black experience rendered creatively in literature, we must go to black writers; let us not demand from Nadine Gordimer what she has, wisely, not attempted to do.

Reggie Siriwardena
Colombo 4

Neloufer de Mel responds:

I have read with interest Mr. Siriwardena's criticism of my article on Gordimer, and welcome the opportunity to make some comments in response, especially as Mr. Siriwardena raises broader issues which go beyond my particular piece.

First, two clarifications of the terms I use: My use of the word 'liberal' follows the many critics who have referred to

Gordimer throughout the years as one - a description she has never contested.

'Marginalizing' a particular group implies more than that group being completely left out or excluded from a work. In fact, the more insidious form of marginalization takes place when a group is included but in a devalued way, when it literally inhabits the margins of the text. Generally speaking, this phenomenon is more trou-

bling when it is evident in an entire *oeuvre* and not just in a single text.

Thus the criticism of Gordimer for marginalizing the black South African has little to do with whether her books contain black people or not, but how they are portrayed. As illustrated in my article, *July's People* provides a good example of how the black

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