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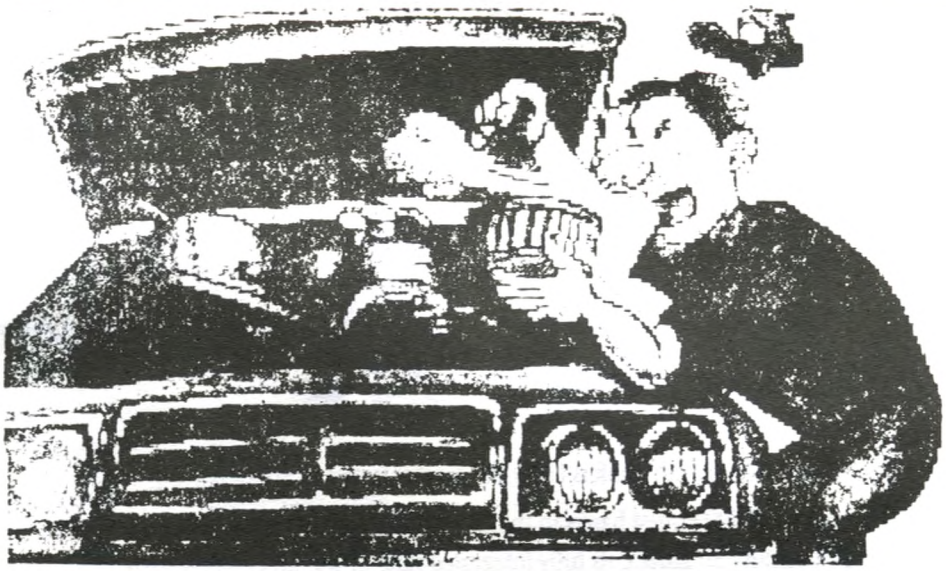
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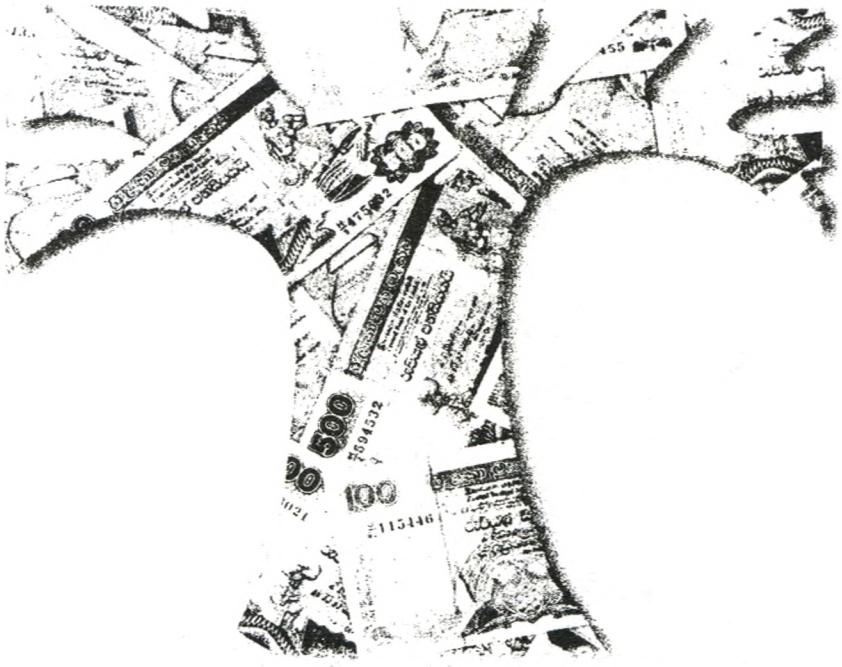
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Editor: Dr. Lakshman Ranasinghe

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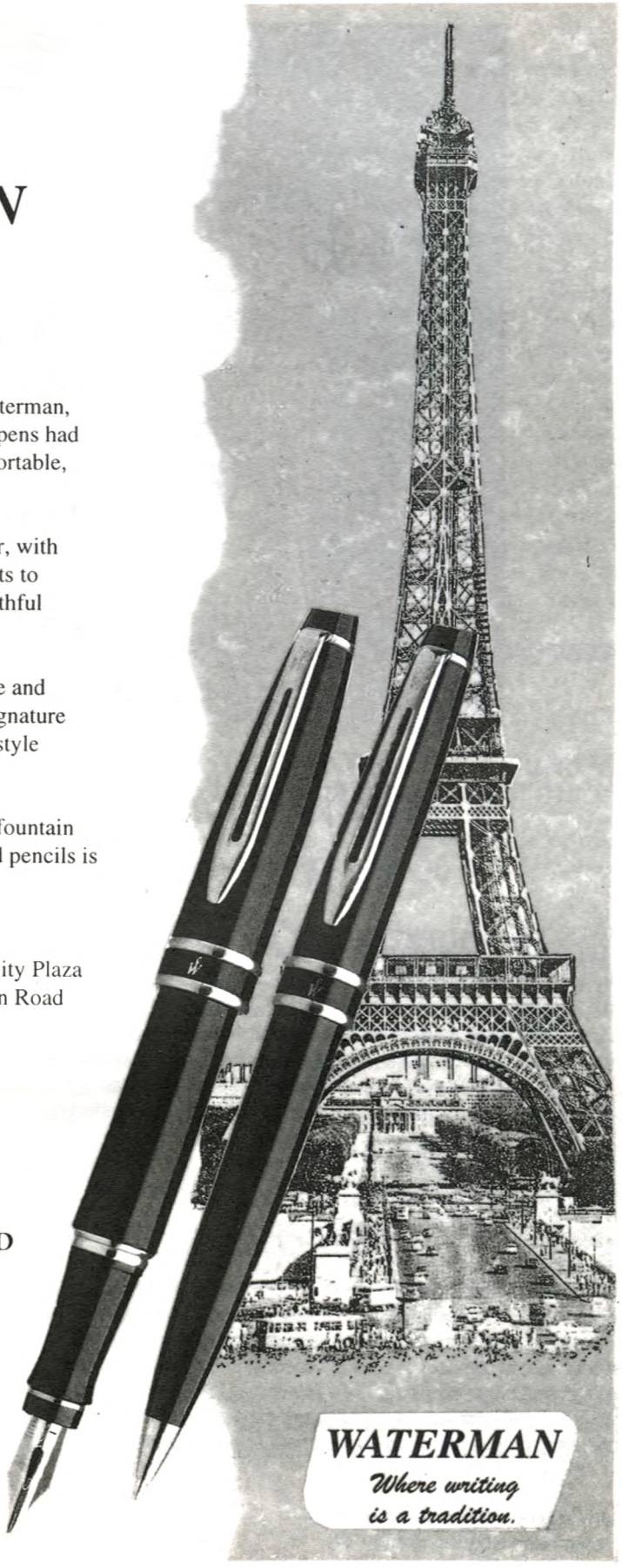
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from the Editor.....

THE DECLINE OF PUBLIC ADMINISTRATION AND GOVERNANCE

"Paradise" was liberated, with freedom and independence, in 1948. It would, however, be too simplistic to assert that the status of "Paradise Lost" has now been reached. But recent events and writings clearly indicate that something is seriously wrong with almost everything. Lectures and seminars have been abundant, - dealing with (a) what is wrong, (b) what went wrong, (c) who is responsible and (d) what the solution is, - expressing opinions as varied as their exponents. Commissions and "Packages" have made attempts at providing solutions, resolutions and devolution. Views on a unitary state, federalism and devolution have all exposed their advocates and adherents. In the recent past even the professionals called for a National Government, in a desperate effort to enable decision makers to put their shoulder to the wheel and regain "Paradise". Debate and dialogue of a decade have done no more than bring us closer to the new Century and Millennium without rectitude or substantial rectification or gain. Effort must, nevertheless, be relentless, and a few comments worthy of consideration are penned for the avid analyst to ruminate upon.

In the second semester to 1997 a seasoned senior (retired) administrator and author, Mr. M. Somasunderam, set out a chronological deposition, with thought provoking details and comments, on the history of public administration in Ceylon/Sri Lanka, covering a period in excess of 160 years. He categorised administration before the British as pre-modern. His presentation of events and ferments was so lucid that it left no doubt as to what he intended to convey by modern administration, introduced by the British in the 1830's. His facts, reasoning and arguments were so impressive that we decided to attempt to recapitulate them in the following paragraphs.

The British concept of a Senior Management Group (SMG) to constitute the political/administrative interface for government, and policy formulation, for the public sector of Ceylon was influenced by the Colebrooke-Cameron reforms in the 1830s, and the British introduced the first open market policy, - to free inputs of labour, land and finance, and, promote individualism in production for mass consumerism, - thereby locking Ceylon into (and thus capitulating it to) the then growing Western world market. The upper echelons of the Ceylon Civil Service (CCS), who were British, constituted the SMG and were both "steerers and rowers" of the administration and economy. It was their "business" to "level the playing field, where the players were entrepreneurs, owners, managers and executives", - all British. Ceylonese functioned as service providers, from the sidelines. A policy of capitalism got entrenched. At a lower level the rest of the CCS was committed to social support, to actively sustain the peasantry, not by dole alone, but through poverty alleviation and active state support and intervention, - for example, in the repair and restoration of irrigation works, dams and channels. This period and stage of public administration involved "socially concerned monopoly capital".

The Northecote-Trevalyan reforms in the 1850's introduced a competitive examination for recruitment into the CCS, "foregoing the chit system of appointment". As a management resource the CCS was cultural capital, - with knowledge, skills and expertise. Its privileged incumbents were handsomely rewarded with status, pay and benefits. Recruits were given intensive instructions, through appropriate programmes. Corruption was rare and usually summarily rectified, within the service. The first enclosure movement, defined as the forced expropriation of social property for individual or private benefit, found implementation through the Waste Lands Ordinance, but few in the CCS benefited from it.

The second stage of the SMG, in which several Ceylonese were admitted into this meritocracy, coincided with the introduction of the Donoughmore

Constitution in the 1930s; it provided for universal adult franchise, which introduced a challenge, with new elected leaders, but they worked together in "a unique exercise of social engineering" that provided complimentary health, education and social welfare, with resurgence of agriculture and food production.

In the Soulbury phase, independent Ceylon took on the development initiative *sans* risk-taking private capitalists or managers or modern technology or skilled labour. The CCS was abolished in 1963, and state owned public corporations were established. Overnight, bureaucrats became State entrepreneurs. The earliest among them were solid-state S.M.G. with a background that enabled them to interact, with skill, pragmatism and wisdom, with their new political masters, in national building within a pluralistic society with varied ethnic, racial and cultural groupings. Chauvinistic concerns were down - regulated. What was right had to be above political meddling and debate, and cultural capital (SMG) prevailed over political capital (the elected representatives).

In the third stage, the SMG, with the abolition of the CCS, had "a reputation of mythical proportions". After 1963 the higher echelons in administration could draw from outside the management service. In 1966 the Minister of State appointed a journalist as Secretary to the Ministry. In the 1970s a politician was appointed as Government Agent of Jaffna. The Public Service Commission, which androgogically safeguarded public administration from political meddling, was abolished in 1972. SMG salaries were compressed on arguments of equality, and other benefits were pruned. Systematic induction training was discontinued. Individual applicants and candidates canvassed politicians for desired postings, - "dealership replaced leadership". Seniority and merit were relegated to history. The steel frame of the SMG "developed metal fatigue", and nation building was jostled by individual concerns of survival, empowerment and enrichment.

In the second enclosure movement, after 1977, "social property and the family silver" were privatized at low prices, or spirited away. While the first enclosure movement built up a national asset, the second disposed of national wealth. "Bribery, commissions, kickbacks and influence peddling" were commonplace. A new class of brokers emerged to be "the conduit for international capital to take over productive social assets - barter trade in the political bazaar".

Now it is the era of henchmen. The SMG were "steerers" but these " *henchaiyas* " are steers (castrated bulls). *Henchaiyas* and henchmen are synonymous here. In the present decade, aspects of public administration, its mission, role and responsibilities have become matters of public discussion and debate.

The fourth stage of SMG (in the new Millenium!)is eagerly awaited, and demands are for gearing the economy, improving management, inter-weaving cultural identities, participation in the information revolution, movement from a Western oriented global economy to a regionally oriented one, - development of the playing field for private enterprise participation, alleviation of poverty, enhancement of the environment, improvement of human rights (and obligations) and re-vitalization of public administration for and "with the 5 Es: economy, efficiency, effectiveness, equity and entrepreneurship". Fiscal responsibility, incorruptibility, performance (excellence) and problem-solving, decision-making never merited more attention and insistence. SMG appointments are best made on contracts which clearly define performance review, - permitting removal from the post for poor performance and not for victimization.

(Mr M. Somasundaram is Editor of *The Third Wave: Governance and Public Administration in Sri Lanka.)*

Dr. Lakshman Ranasinghe

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ADDRESS AT THE CEREMONIAL INDUCTION OF THE PRESIDENT OF THE OPA*

*Prof. W. D. Lakshman***

Some months ago my long time friend Dr. Joel Fernando requested me to participate in his induction ceremony as the new President of the Organisation of Professional Associations. I considered it a great honour to be requested to be the Chief Guest on such a grant occasion pertaining to the apex organisation of Sri Lanka's galaxy of professional associations. Though I was not sure whether I deserved that honour I could not refuse to accept the kind invitation coming from someone like Joel who was a good friend for as long as three decades. I cannot quite remember when and where I first met him, but remember that this first encounter turned into a long meeting. Since then, it was occasionally that we met each other but these were interesting occasions for discussion and dialogue because of shared values.

Joel, as we all know, is a medical professional, operating largely in the area of family health and community medicine and, of course, social/political intervention activities. Perhaps, as a result of this particular specialisation, or due to the nature of his up-bringing or due to the type of his acquaintances and associates or due to a combination of these factors, Joel has impressed me as different from the prototype of his profession - interested and concerned with social issues and problems, capable of analysing and diagnosing those problems and recommending solutions to them with a high degree of social commitment and political insight. The write-up in today's Daily News about his Induction Ceremony, a write-up which I believe was drafted largely by Joel, would stand testimony to this statement.

These are indeed qualities that are rare among any professional group, let alone the medical profession. I am indeed happy to be here to see him inducted as the new President of the OPA. I wish him well and hope he will have the ability and courage to guide the activities of the OPA in the coming year in such a way as to give the Organisation a new direction and to guide it to be of greater service and closer relevance to the community than in the past.

The valuable role professions and their associations can and should play in the modern society, cannot be over-emphasised. The dictionary meaning of "Profession" is that it is a vocation, especially one that involves some branch of advanced learning or science. Except in expressions like "the oldest profession" or "the professional agitator", the word "professional" is normally used to imply something or someone which/who is highly rated and worth emulating. Expressions like professional behaviour, professional conduct, professional writer or a professionally executed action indicate how professions and professionality are viewed by society. The professions could be considered as occupying the apex position in any society's wealth of human resources or the stock of its human capital.

Being an economist, professionally, I am tempted to use this important gathering of Sri Lanka's professional classes to make a brief comment on their role in the country's path to economic and social development. I would use as the point of entry to this discussion the economist's views on human capital in economic development. Human capital has come to occupy a significant place in discussions of the causal factors behind economic growth and development as a result of the perceived inadequacy of earlier explanations based on the inputs of physical capital, labour and also land which go into the production process. A series of statistical studies dealing with a number of developed countries have attempted to explain the factors behind economic growth by looking at the contribution of physical capital and labour.

These studies have found that there is a large "residual" that cannot be explained through these two inputs. Part of this residual may be due to improvements in the quality of physical equipment that had gone into the production process. But it was viewed that, more significantly, improvements in intangible human qualities were responsible for this residual. This is what has come to be described as human capital - the technical, professional and administrative skills which determine the capital absorptive capacity of a society.

Human capital involves a variety of things: knowledge and skills - knowledge about the availability of natural resources, alternative production systems and techniques and how things could be organised to achieve best results from available resources; the

** 14 th December, 1995.*

***Vice Chancellor, University of Colombo*

necessary skills of doing this; abilities to understand existing market conditions and opportunities and the skills to make use of these opportunities to the society's benefit; the ability to create the necessary institutions and to operationalize these institutions effectively. It is the accumulation of these elements of knowledge and skills and their further advancement (human capital formation), which, along with the accumulation of physical capital, guide a country on the path to modernization and development. The role of educational and training systems in the process of human capital formation is well known. The magnitude and the quality of available human capital determine the capacity of the system to absorb physical capital equipment and technology for human development.

Some human resource problems of developing countries are due to a surplus of certain types of labour (rapid population growth and unemployment and underemployment of unskilled labour). The solution, at least partly, to these problems lies in acceleration of physical capital formation. But another type of human resource problem affecting these countries would stand in the way of such physical capital formation by pulling down the system's absorptive capacity. The problem here is a severe shortage and not a surplus affecting development prospects of these countries: the shortage of persons with critical skills and knowledge, underdeveloped organisations and institutions to mobilize human effort and the lack of incentives for persons with skills to apply these skills for personal as well as social benefit.

The professional classes of a society are indeed at the apex of its stock of human capital. The cases of the co-called High Performing Asian Economies including Japan, which were able to build up highly competent professional classes through systematic programmes of training and retain these professional classes for national service, are well documented. Also well documented is the fact that these countries were able to insulate their professional classes (including the technocracy and the bureaucracy) from political pressures. If proper policies and strategies can be designed and implemented, and adequate resources are allocated for the purpose, it is probably not difficult for a country to build up competent professional cadres. What is most difficult, within a rapidly globalizing world economy and society, is to retain them for the service of the nation. Brain drain is indeed a significant problem area in much of the third world.

Sri Lanka obviously has had it share of the brain drain problem as one would realize if one pauses to consider the numbers of doctors, engineers, accountants, scientists, economists, statisticians, academics and so on serving in foreign countries. Yet the educational and training systems in place continue to produce them in large numbers every year though, as is common with every generation of professionals, the ones occupying senior positions now tend to lament that the new products are of lower quality. This statement is not intended at all to belittle the problem of brain drain. I believe that it is a major problem. Yet if I leave it out, then I see a three-fold problem Sri Lanka faces in respect of its professional classes today:

1. The socio-economic and political system is unable to absorb the professionals the education and training system produces in an effective manner: the question of the inadequacy of other conditions to bring about accelerated expansion and growth;

2. The inability of a large part of our professional community to build up an autonomous existence, independent particularly of the contemporary political pressures; and

3. The failure of again a large part of our professional community to adjust to the existing realities of life in the society they live in.

Here I come to the conclusion of my brief presentation on this important occasion. I have commented that your new President is a professional who is concerned with social issues and problems, capable of analysing and diagnosing those problems and recommending solutions to them with a high degree of social commitment and relevance. Although, of the three problem areas I have referred to above, No. 1 is beyond the powers of any single profession or even a professional association to resolve, Nos. 2 and 3 are not, to a large extent. Let me again wish that the newly inducted President of this apex body of Sri Lanka's Professional Associations will have the courage to address the problems of the country's professional classes and to guide them to fulfil their due role in the advancement of our society

Thank you for the opportunity given to me to share a few thoughts with you.

INDUCTION SPEECH OF THE PRESIDENT

Dr. I. Joel Fernando's address following his induction as President of the OPA for 1995/96

The Vice-Chancellor of the University of Colombo, Prof. W.D. Lakshman, Guest of Honour, Past President of the OPA, Dr. Shelton Cabraal, Engineer Lloyd Perera, our immediate Past President, distinguished Past Presidents, ladies and gentlemen,

Today I stand before you as the 15th President of this Organisation, and I pledge before the distinguished Past Presidents, the Members of the Forum and the Executive Council of the OPA and this distinguished gathering, that I will uphold the Constitution of the Organisation in all my activities for the Organisation.

The OPA was founded on 29th April 1975. Today it is the apex body of 31 Member Associations, with a membership of over 27,000 professionals. In the past 20 years, the OPA has engaged in many activities that had a direct benefit for the professionals and the community at large. I will first focus on some of the more recent activities of our Organisation which had an impact on the national and political life of our country. I will then take up some of the major challenges that we are facing today in our country and place before you the OPA response to these challenges.

In 1988, during the tenure of the Past President Surath Wickremasinghe, who is here, we presented national policy proposals to the two leading political parties that had governed this country since independence.

In 1989, when the country was in turmoil, as you are all aware, and Dr. D.R. Karunaratne was the President at that time, amidst all the controversy, we had our Human Rights Unit working. Amidst threats, we opened the doors and received submissions from many persons, irrespective of political affiliations. We kept the professional community informed of human rights violations at that time.

In 1990 Mr W.B. Jayasekera was the President, who is here, and he took a deep interest in the different sectors of Government and examined critically the policies that were being implemented. Unfortunately, we could not continue that exercise systematically.

Then in 1991, during the presidency of Dr. Lionel Dassanayake, a Foreign Policy Advisory Group was constituted by the OPA. It was recognised by the Government, and this Group submitted a substantial report after several years of deliberations. I am told that the present Minister of Foreign Affairs and the adviser on Economic Affairs to the present President, were both members of this advisory body at that time, under a different Government.

In 1992, the OPA formed a Public Interest Protection and Litigation Committee. Usually, it is the opinion of many people that professionals belong to the elite and that they are not interested in what happens to the people out there. But this is not so. In this country, we have a very strong tradition of public education, and in that tradition I cannot imagine how professionals can be considered to be of that order. They are, in fact, concerned about the welfare of the people who have invested in their education.

Then in 1993, we placed proposals, for the first time, before the Parliamentary Select Committee on Constitutional Reforms. Again, it was at that time during the previous government, we made far-reaching proposals on curbing the excessive powers of the Executive President. We called for a Second Chamber, where sober opinions could be expressed by the professional community without party biases. We called for guarantees on fundamental rights and freedoms, and freeing public administration from sectarian politics. At this stage I must acknowledge with gratitude the contribution of two Past Presidents, Mr. W.P. Gunatilleke and Mr. Nath Amarakone, our first President, who did pioneering work in putting these ideas together in our Constitutional Reforms Proposals.

In 1994, the National Election year, we mobilised our professionals island-wide in an "Election Watch", to ensure free and fair elections. As you all know, it was one of the most peaceful elections we have had in the recent past, and we were able to change the Government, without much violence and abuse of State power, after 17 years. Currently, we have submitted a Memorandum to the present Government's Committee on Constitutional Reforms. We extend our fullest co-operation to the present Government in the Constitution making process. We hope that a Constitution will be evolved, that will satisfy the aspirations of all citizens of Sri Lanka to live in peace and harmony as free and equal citizens.

Now, what are the major challenges we have to meet? I think there are four challenges. First and foremost,

we have to find a just and peaceful solution to our Ethnic Problem. Second, we have long experience of politically elected Governments, and we have to prevent the misuse of political power. Third, we have to secure balanced social and economic development. Fourth, we have to convert an ineffective bureaucracy into an efficient people-oriented administrative service.

The ethnic problem : To achieve lasting inter-ethnic peace and harmony, we have to look beyond the present Political Package on devolution of power. An attitudinal change is required among all ethnic groups - attitudes that favour bi-lingualism, equal sharing of resources, mutual trust, which must replace the currently hardened antagonistic attitudes. Legal mechanisms must be instituted to fight discriminatory practices against minority communities, be they on race, religion or caste. Such mechanisms should be affordable as well as accessible to every citizen irrespective of income or social status. We professionals have an important role to play, first, by changing our own attitudes, by objectively analysing the problems of minority groups; and, second, by seeking constitutional guarantees for all citizens to live as equals.

We are studying the proposals for devolution of power and intend participating in the national discussions on this subject. We will identify and support measures which are just and fair, based on a solid understanding of our people, culture, land and resources.

Misuse of political power : Misuse takes place in many countries. The many Commissions that are sitting now are a reminder to us of what happened during the previous regime. We hope the present regime will not misuse political power. Our view is that there is a need for more effective mechanisms to prevent misuse of political power.

Some of the proposals that the OPA has put forward before the Parliamentary Select Committee on Constitutional Reforms are: a Second Chamber or Senate elected on a non-Party political basis; a Multi-Party Committee system in Parliament under the Chairmanship of respective Ministers; State Commissions comprising persons with professional and technical expertise to advise the Legislature and facilitate well-informed decision making. These are measures which we feel should be in our Constitution. They will definitely help us to prevent misuse of political power by Party politicians.

Balanced social and economic development While the responsibility for social development falls within the scope of national governments, today the direction and thrust of economic development are determined globally. We have with us today our Chief Guest, Prof. Lakshman, who, I hope, will enlighten us on some of these implications. I am no economist, but it is well known that the world economic order is determined by powerful bodies like the World Bank, the International Monetary Fund and the World Trade Organisation. Decision making in these bodies is monopolised and controlled by a few rich countries. Even the United Nations and its development agencies have little or no say in the working of these bodies that determine global economic and trade policies. Debt-ridden developing countries like Sri Lanka have no option but to follow the free market, privatisation, export led growth model advocated by decision makers of global economic policies. Will this dispensation result in balanced social and economic development, or, will it result in the rich getting richer at the expense of the poor within the country and drain our limited resources to the richer countries, further impoverishing our country?

The OPA could assist the Government in the search for better economic and trade policies that will benefit our people maximally. The country needs appropriate pro people-oriented policies to develop our economy. We must prevent the exploitation of our national assets by transnational Corporations and their global monetary interests.

Ineffective bureaucracy : The Government may have well-meaning policies for the benefit of the people, but their implementation could be stifled by an ineffective bureaucracy. Some areas where the actions of the bureaucracy, in Sri Lanka in particular, can be questioned are: (1) Ignoring technical evaluation reports. For example, the recent saline scandal in the Health Ministry. (2) Drawing up terms of reference for foreign funded projects without adequate consultation with relevant technical experts who know the subjects. (3) Not subjecting their policy implementation work to proper monitoring and evaluation by competent bodies and persons. (4) Interpreting human resource development in terms of their own benefits, in respect of foreign fellowships, training courses, etc. Perhaps, more could be added to this list by my professional colleagues.

What can the Government do to correct this dismal state of affairs? The desire to correct this *status quo* has been articulated by none other than the Head of State herself. Many Ministers too, have lamented about the difficulty in correcting this situation. The OPA could mobilise a wide range of expertise to offer the Government independent views; intervening in

disputes between technical experts and the bureaucracy; drawing up terms of reference for foreign funded projects; advising on human resources development and criteria for selection of officers for training abroad. Many professionals and all of us at the OPA are willing and able to help in this matter. But an institutional framework is required, which will allow us to function without being labelled as being committed to Party politics. If unbiased professional advice is required, the best way for the Government to do so would be to establish the necessary institutional framework that would enable professionals to give unbiased professional advice based on professional knowledge and special competence.

To achieve this end, the OPA calls upon the Government to give recognition for a more legitimate and realistic role for the OPA in monitoring policy implementation and evaluation of policies.

I have placed before you some of the recent achievements of the OPA in the national scene, the major challenges, as we see facing our country and the people, and the OPA responses to these challenges. All our efforts to create a better Sri Lanka will be of no avail if violence and terrorism remain in our society. Let us all work together to defeat violence and terrorism by eradicating their causes, and establish lasting peace in our country.

OPA RESOLUTION

15th February 1996

Over the past several months, the Organisation of Professional Associations of Sri Lanka (OPA), which is the apex Professional Organisation in Sri Lanka, consisting of 31 member associations and representing over 27,000 professionals, has been watching with great anxiety and concern, the steady deterioration of the security,ethnic harmony and the economy of the country.

Of late, the situation in the country has been subjected to careful assessment and scrutiny by the OPA, and the OPA is now of the view that it is vital that all sections of the people of Sri Lanka must get together to resolve the grave problems facing the country. As a first step, therefore, the OPA was of the view that the major political parties should, notwithstanding their political differences, place the country's interest foremost in their agendas, and, in order to display their commitment to such national interest, form a national government leading to a system of consensual politics, at this hour of national crisis.

In order to convey this carefully studied view point of the OPA to all members of the public, organisations who have the interest of the country foremost in their objectives, and the national political parties, the OPA, at its Executive Committee Meeting held on Thursday, 15th February 1996, passed the following Resolution, unanimously:

"Considering the grave national crisis that is facing the country at the current time, which is threatening its very survival, The Organisation of Professional Associations of Sri Lanka firmly resolves -
to call upon the two major political parties, namely the People's Alliance and the United National Party, to join with each other and with other recognised political parties in the formation of a NATIONAL GOVERNMENT for the purpose of averting the imminent disaster that faces the people of Sri Lanka at the present time"

The OPA earnestly hopes that this urgent plea to the political parties would be taken up by all other associations and organisations as well, and that such appeals would meet with the requested response from the political parties, and that, thereby, the first step towards national unity, reconciliation and urgent nation re-building would be undertaken.

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Inaugural Session

9th Annual Sessions of the
Organization of Professional Associations

"National Identity for Sustainable Development"

20th and 21st September, 1996.



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Inaugural Session

WELCOME ADDRESS

Dr. Joel Fernando - President of the OPA

20th September, 1996

Honourable Bernard Soysa - Minister of Science Technology and Human Resources Development, Mr A.S. Jayawardene - Governor of the Central Bank, distinguished invitees, fellow professionals:

I extend a warm welcome to our honoured guests, distinguished invitees and fellow professionals to this Ceremonial Inauguration of the 9th Annual Sessions of the Organisation of Professional Associations. Honourable Minister, we are very grateful to you for accepting our invitation at very short notice. We all know that you are a very busy person and a very senior politician who has dedicated your life to fight for the oppressed segments of our society. We deeply appreciate your principles in politics. Mr A.S. Jayawardena is no stranger to the professionals. He, again, is an internationally renowned economist who has dedicated his entire life in his professional practice to the people of this country. At present he serves as the Governor of the Central Bank. He started his career, also in the Central Bank, way back in 1958.

The OPA, now in its 21st year, is an apex body of 32 Professional Organisations with a combined membership of about 28,000 professionals. This year our theme is the need for a "National Identity for Sustainable Development". Why we selected them is because it could be considered as a climax in a series of initiatives taken by the OPA over the past few months in its search for solutions to the problems and issues facing the country. After a careful assessment of the situation in the country, the OPA realised that there was an immediate and urgent need for all sections of the people of Sri Lanka to get together to resolve the great problems facing our people. The OPA requested the major political parties, notwithstanding their political differences, to place the country's interest foremost in their agendas and form a national government. We held a series of meetings with the leaders of different political parties to express our concerns and explain our proposal for the formation of a national government. Though the political parties did not commit themselves to our proposal, they accepted our invitation and addressed the professionals explaining their positions on national issues such as the ethnic question, constitutional reforms, security situation and economy. Our proposal for the formation of a national government was welcomed and supported by the trade chambers, some religious dignitaries and many responsible citizens. Our proposal was also criticised by some as an anti-democratic move aimed at reducing the power of the legitimately elected government. Some even went further and said that it was a sinister attempt by the professionals to bring back a defeated party to power.

It is true that our politicians and their supporters take great pride in the fact that we are a democratic country. We change governments by the ballot and not by the bullet. What happens afterwards to the government of the party that wins by the ballot? The winning party at the best of times with its peak popularity usually gets less than 55% of the ballot. However, when the party exercises governing power, it transforms into a party dictatorship. State machinery is manipulated to meet party needs and satisfy party supporters. Thuggery, violence, corruption, and nepotism under party patronage become the order of the day. Emergency rule is clamped down and legitimate dissent crushed. The bullet rules till the next ballot. This may not be the scenario today with the present government. No doubt it is attempting to uphold democratic values in a country torn apart by violence.

We are happy to have with us Honourable Minister, Mr Bernard Soysa, who is very concerned about the emergency that is being clamped down in the whole country. I am sure he realises the tremendous restrictions it puts on the movements of normal law abiding citizens in their day to day activities. As professionals, we understand the plight of the present government because this country is torn by violence. Sri Lankans are busy killing each other in the war torn North. Terrorist violence and politically motivated acts of violence are spreading in the South. Our people have suffered enough under divisive and discriminatory politics. If we are to survive as a country and people, the political parties must come together. They must come together to solve the ethnic question. They must come together to stop the war in the North. They must come together to wipe out politically motivated violence and terrorism. They must come together to strengthen the democratic process. They must come together to put in place a constitution that will satisfy the aspirations of all Sri Lankans. The OPA has actively

participated and continues to participate in the constitution-making process concurrently in progress. We are of the view that the constitutions of 1948, 1972 and 1978 under which the country was governed have failed to fulfil the aspirations of our people for economic progress, social stability and, above all, for an improved quality of life. This failure has led to discontent and youth uprisings both in the South as well as the North. We have submitted a detailed memorandum to the Select Committee of Parliament on the Constitution of the Democratic Socialist Republic of Sri Lanka.

Our proposals are based on the acceptance of the following principles -

- The supremacy of the constitution;
- The independence of the judiciary;
- Constitutional guarantee of fundamental rights and freedoms;
- A bicameral legislature;
- A House of Representatives elected on the basis of electorates representing the national voting patterns;
- A House of Representatives to be divided into subject committees under the Chairmanship of the respective Ministers controlling the exercise of legislative and executive power of the State, under the relevant subjects;
- Standing state commissions of experts and professionals to monitor the functioning of various organs of state and recommend improvements, and, advise the Parliamentary committees.

These are the principles on which we have based our memorandum. Our general forum is studying the draft provisions of the Constitution containing the proposals of the government of Sri Lanka relating to devolution of power. If devolution of power is to be meaningful to the people of this country, we will have to look beyond the narrow legalistic arguments on the words "unitary" and "federal". We must identify and agree to accept the basic values and principles that will hold our people together as 'one people in one country'. Today, as we meet at this Inaugural Session of the 9th Annual Sessions, thousands of youth have died and are dying fighting each other because the country cannot provide a better option, for a more meaningful life. Thousands of displaced families drawn from all ethnic groups are suffering in silence as a result of the ongoing war. Several families hundreds of families have lost their fathers, mothers, daughters and sons as victims of terrorist violence.

Realisation of the suffering of our people does not lead us to despair. In spite of all odds, we believe in a better future. We believe that whenever people are driven to the depths of suffering, they will rise up to turn the tide of history. They are already awakening. Many are organising. There is a deep ferment in our society. We professionals will not remain as passive observers or armchair critics. We will join hands with all concerned citizens and citizens groups to ensure that a new society is in the making. We envision a new society free from poverty, unemployment, oppression, ignorance and dependence, injustice and exploitation. It will be a society built from our own multi-cultural, multi-religious heritage and the rising expectations of our own people, a society in which love, mutual respect and tolerance will guide human relationships and sustain our community.

Speech is civilisation itself. The word, even the most contradictious word, preserves contact - it is silence which isolates.

Thomas Mann

NATIONAL IDENTITY FOR SUSTAINABLE DEVELOPMENT

Mr. Lakshman Watawala

The theme of this year's Annual Sessions is, "The Need for a National Identity for Sustainable Development". Many Sri Lankans have expressed a view that a national identity has to be nurtured and a national consensus reached if Sri Lanka is to achieve sustainable development. The Annual Sessions have provided an opportunity for professionals to have active discussions to seek solutions urgently and consciously. We have organised four Technical Sessions that will discuss the various issue papers presented by eminent authors.

The first session on "A Sri Lankan Identity and Ethnic Harmony" will focus on the importance and need for a Sri Lankan identity which at present is sadly lacking, in order to have unity among the ethnic groups. The technical papers will highlight the majority concerns, the minority concerns and, of course, the most important of all, the need for a national consensus.

The second session is on "Equity in Economic Development". Economic development in Sri Lanka has been inconsistent, and in many instances changed at the whims and fancies of the politicians. Further, economic development is concentrated in a few provinces resulting in a larger sector of the country being under-developed. With the opening up of the economy in 1977, the government has emphasised that the private sector would be the engine of growth in economic development. Also, the policy of privatisation has resulted in many of the government institutions being privatised. The papers will discuss equity in resource allocation, the need for consistent policies, short and long-term plans and the impact of the liberalised imports and exports on the economy of the country.

The third session is on "Structuring Education Towards Development". It has been noted that although much emphasis has been placed on the open economy, privatisation and foreign investment, the same emphasis has not been placed in the education sector. Some of the areas that would be covered in this session is the need for English language, the language of education, education policies at universities and schools and also the need to be responsive to national needs. In many instances it has been found that although employment opportunities exist, suitably qualified and experienced personnel are not available. A number of students today are taking up professional examinations conducted both locally and overseas, in the fields of accounting, finance, marketing, personnel, computing, supply and materials management and other management areas, as these fields have a better demand for employment opportunities, especially in the private sector. The improvement of the management of the schools and universities and the updating of the curricula and courses to meet modern day needs have to be done immediately if we are to meet modern day needs. The delay in admission of students to the universities is also another problem faced by the students and a method to gainfully occupy the students during this period should be worked out.

The fourth and final session is on "Employment as a Basic Human Right". Employment is directly connected to education and training, and the criteria for selection of employment on merit basis would be discussed. In an open economy where one has to meet competition, both from the locals and the foreigners, it is essential that selection should be based on merit. This should apply both for the private and the public sectors. Also, avenues should be available for self-employment and this is another topic that would be discussed. Another more important area is the promotion of the dignity of labour where mainly in the technical fields there is a big shortage both for domestic and overseas employment.

The discussions at the fourth session will focus on the theme of the conference which is "The Need for a National Identity for Sustainable Development" and arrive at recommendations for submission to the Government. As professionals, it is imperative that we should be in the forefront in seeking solutions for national problems.

Our Chief Guest, Honourable Mr Bernard Soysa, has a wide experience, and I am sure he will be able to enlighten us much more on this very important topic. Also, we have noted that the Ministries that he is holding today are very much connected with modern day development of technology and human resource development which, I am sure, will be a good mix in order that we could take the country forward.

The Governor of the Central Bank, Mr A.S. Jayawardena, is a leading Economist, and one of the items in our theme is "sustainable development", and I am sure he will be able to lay the groundwork for our discussions in our sessions. The Annual Sessions Steering Committee includes the Chairmen of the Technical Sessions, Publicity and Publications, Fund Raising and Logistics. In the Technical Sessions a major role is played by the Chairman of the Technical Sessions, the Sub-sessions Chairmen, Authors of Issues, Moderators and Rapporteurs.

KEYNOTE ADDRESS

MR A.S. JAYAWARDENA, GOVERNOR OF THE CENTRAL BANK

TOWARDS A SRI LANKAN IDENTITY

[Mr A.S. Jayawardena is a B.A. Economics graduate of the University of Ceylon, and also an M.Sc. in Econ. from the London School of Economics; further, he has an M.B.A. from Harvard University. He has been with the Central Bank since 1958 and also, on release from the Central Bank, served in several other capacities such as the Economic Advisor and Director General, Planning, of the Ministry of Plantation Industries, alternate Executive Director of the I.M.F., Chairman of the Bank of Ceylon and Merchant Bank of Sri Lanka, and Secretary to the Ministry of Industries, Science and Technology, during which period the industrialisation policy of Sri Lanka was established, and, also Secretary to the Treasury and Secretary to the Ministry of Finance, Planning, Ethnic Affairs and National Integration.]

I had serious doubts whether I had anything valuable to say on this subject to be listened to for twenty minutes by a combined body of various professionals in this country. On second thought, I liked the idea and felt that I should lend my support to your efforts at participating in the unravelling of our problems and finding solutions to them.

Your Association has been seeking a consensus on problems and issues facing Sri Lanka. In particular, you have made a plea for all political parties to get together and form a National Government, presumably, a Government set up by all political parties on a common platform of policies, which I believe is a near impossibility in the context of competitive party politics in Sri Lanka. May be for this reason, you have now postulated the concept of a "national identity" as a necessary condition to achieving a sort of National Government or national consensus which you see as necessary for what you call, 'sustainable development'.

Sustainable development which you have implied in several places is a type of development which is acceptable to all as satisfactory and that which is achieved by means acceptable to all as satisfactory, and therefore it is sustainable in the long run, more specifically, catering to the needs of social equity, which you imply, is not adequately looked into in the competitive political system. There is an implication that there is concern for greater social equity in this form.

As you all know, there are various forms of Government, and what we call a National Government, is formed generally when nations face a threat to its existence or face a serious crisis, so that all the people submerge their differences to achieve a single overriding national objective for preserving the integrity of the nation.

The National Government of Britain during the second world war is an example. Now we should ask ourselves whether we face similar circumstances in Sri Lanka today. It is true that there has been a challenge to the sovereignty and the integrity of the nation from bands of people, but this challenge has been there for some time, and the Governments we have had so far have not wavered from their resolution to face up to this challenge. I believe there has been a fair degree of consensus between the leading political parties on this subject. If you feel that this challenge has to be faced by suppressing or submerging political differences as happened, during the second world war, in Britain, then we must get together to achieve that single objective at all costs; whether the leading political parties feel that way at this time is another matter. The fact that there

is a draft set of proposals for the resolution of the conflict which has been circulated among the people, with all sorts of diverse opinions being expressed thereupon, presents an ideal opportunity for people with national interest at heart to work towards a generally accepted solution.

This is one way by which the leading political parties could have a common approach to a national problem, but I do not see how this is feasible on a broad spectrum of policies, because that form of getting together is feasible to achieve a single or a few conspicuous national objectives. Can we attain that unanimity of objectives in relation to a whole spectrum of diverse objectives which are implied under the rubric of sustainable development? Can we achieve a broad consensus on a wide spectrum of policies which can be defined under sustainable development? After all, that term covers all aspects of social and economic policies. They are so vast and extensive one wonders how one can achieve some semblance of unity that is strong enough to suppress or submerge political party rivalries.

In most countries with multi-party political systems, there exist only small differences between the leading parties' policies. For example, the Democratic and Republican parties in the USA, or the Labour and the Conservatives in the UK. Actually, except at the margin, there is hardly any difference of policies. That reflects a long period of political evolution, because those parties have basically come to agreement on fundamentals of the political and the economic spectrum. They differ on certain outside issues. But basically, how does one run a country? What is the method of managing the economy? On most of these fundamental issues they have agreement.

Today we embrace democracy as a form of government, with all its weaknesses because there is no better form of government. Democracy, in a pluralistic society, is worked by representative government, which we elect regularly on the basis of political parties, which present alternative strategies to the people - the party with the majority rules and the other party opposes and acts as a check on the ruling party. Clearly such a set-up is preferable to a single party or a group which is generally expected in a so-called National Government, where dissensions can erupt, where dissensions that prevail may be transferred to within the government; or if it acts dictatorially, to the outside, literally to the streets.

Sometimes you might find groups which will attempt to rule this government unilaterally, creating fair amounts of dissension within. This is because you cannot reach agreement on an entire spectrum of policies. But you could reach some agreement on a few select policies. Several African governments created one-party States in their countries with the objective of achieving national unity and suppressing tribal differences and conflicts. But their record at forging national identity and unity so far have not been very encouraging. There is the example of Malaysia and Singapore where most key political leaders have formed a sort of a joint political organisation. There have been complaints about the system too, but to find how free and democratic those systems are, one has to await the verdict of history.

Let me now come to the concept of national identity which is also, I must say, a nebulous concept -not easy to define. People always tend to identify themselves with family, clan, caste, area, race, colour, physical characteristics, and so on. It seems to be the human condition that, wherever we get the opportunity, we try to emphasize how much we are different from our friends and neighbours. People sometimes identify themselves as a nation or a country when they have a common socio-linguistic cultural heritage which binds them together. These bonds must be constantly reinforced and recommitted to. If not, the innate divisive tendency of human being, 'we or us', thinking of being different from 'they and them' will assert and tend to break up the identity. What happened to the post-war Yugoslavian identity is a case in point. It did not take long for the identity to disintegrate.

So the point about a national identity is not something which can be created artificially, but is created by a whole host of cultural, social and other historical and cultural events which bind the people together. Interestingly enough you will find some other interesting glues that create a national identity from most unexpected quarters. Most of you would have seen the spirit of Sri Lankan identity being so strongly expressed in the recent cricket matches. You may have noticed how much contribution those few matches made to creating and reinforcing our national identity. In fact, the West Indian countries - those little islands - were unheard of in the world until they started playing cricket and came on the scene. And today we know what Jamaica and Barbados are, because of that. Thus, simple events also contribute to national identity, and they sometimes contribute much more than all the efforts which we make consciously with the best of intentions, to forge a national identity.

Basically, one has to identify certain fundamental areas on which the nation can reach agreement. Such agreements among political leaderships have taken place in other countries with multi-party constituencies. I would comment upon certain clearly important national areas on which I think, as an organised body, professionals can work together to develop a consensus for the political leadership, whatever the political views they hold. I am glad that you have already identified education as one. In fact, a lot of people do not realise that education is today the number one economic problem in this country. It is creating tremendous problems in the country and creating inequities in society. This is an area where the bonds of national unity can be built, where all parties can reach some consensus.

I would also suggest the area of health care because we seem to delude ourselves into the feeling that everything is alright because there are hospitals which provide some free facilities. But things are not alright which I think most of you know.

I would also look at the employment-labour relationship, not only of the problems of labour, but also the question of employment as a matter of right. Every country must be able to provide a decent standard of living and right employment to its people. But the fact that there is widespread unemployment means that we have to be concentrating on the people who are unemployed, lest they disrupt our society. That is another subject on which I think the leading political parties can agree.

Another is the important issue of the public sector *versus* the private sector. There is an erroneous belief in this country that the Government must do everything to help everybody. If a business fails, it must be rescued by the Government, and so on. This type of well meaning humanitarian approach to economic development is likely to be a burden on future development. One must be fairly clear in identifying the role of the Government and the private sector. In this area we already have a consensus of the two leading parties agreeing that the private sector has to be the main engine of economic development, and that the public sector will limit itself to creating the conditions necessary for people to engage in economic activities, law and order and infrastructure services, etc.

Unfortunately, every time this issue comes up, it becomes a bone of contention from theoreticians with pre-fixed ideas of the State as a benevolent organisation pitted against a predatory private sector. We tend to forget that at all times the private sector has produced most of the value in the country. It is time we stopped senseless debate and recognize the invaluable role of the private sector.

Colonial hangover though it may be, good fiscal control, in this country, was based on a then pooh-poohed value system which saw prudent regulation as a hurdle in an unbridled upbeat market mood.

Rajpal Abeynayake, Sunday Times

Address by Chief Guest

HON. BERNARD SOYSA, MINISTER OF SCIENCE, TECHNOLOGY & HUMAN RESOURCES DEVELOPMENT

[Hon. Bernard Soysa is the Minister of Science, Technology and Human Resources Development. He was elected to the new Parliament from the Colombo District on the 18th of August 1994. He entered Parliament in 1956. During this period he has chaired the Public Accounts Committee and has on many occasions acted as the Minister of Finance during the period 1970 to 1975. He has also been, for a long period a member of the Colombo Municipal Council. In 1988 at the first Provincial Council elections, he was returned as the Member for the Western Province. He was elected again in 1993 and was the Minister of Industries, Social Services, Probation and Childcare, and, Arts and Tourism, in the Provincial Council. As a Member of the L.S.S.P., he has participated in the freedom movements in both Sri Lanka and India and has undergone imprisonment in both countries. He had a great share in developing the trade union movement in Sri Lanka, and is the leader of the L.S.S.P. at present. He has participated in international meetings both as a parliamentarian and a socialist. He has also been at several IPU meetings, and, has served on the Executive Committee of the OPA.]

The person who introduced me made such a long reference, full of praise, about me that it reminded me of an occasion where I had to listen to Mrs. Sarathai Naidoo who was one of the leading members of Mahatma Gandhi's Party, the National Congress, and fought for many many years against the British for freedom. She was considered to be the singing bird of India because she was considered to be a wonderful speaker. At one stage where she was to give a lecture, the Chairman gave such a long introduction praising Mrs. Naidoo's virtues and her achievements and so on that, at the end of it, Mrs Naidoo got up and said, "After all that has been said about me, I really have nothing to say".

Having looked at the theme of these Sessions, as well as the subjects up for discussion, there is much that I could agree with, in what was mentioned by the Chairman regarding representations made to the Select Committee. For instance, I might mention the question of the Second Chamber. I am not against it but I will not make up my mind because I would like to see what exactly is the place it will occupy in the conduct of parliamentary affairs. Without a study of that I do not want a Second Chamber which will be a drag on legislation and be an impediment to work. I only want to see that I support it with concrete application. Since the main political question of these sessions has been dealt with by Mr A.S. Jayawardena, that is, by the Economist, I, the Politician, might try to deal with the economic questions.

While I keep going along with the present government with regard to the accepted programmes of the government, it does not mean that on occasion I cannot disagree; there is the possibility of disagreement while going along with the consensus, even at Cabinet level. While I subscribe to the positions taken up by the PA in regard to economic affairs, there are so many things in which I have reservations, which I need not express today or tomorow. I have not come here with the purpose of engaging in a confrontation with anybody. I have been engaged in confrontations all my life but there are some occasions in which I would like to avoid it. And this is one of them, because I would like to exercise what might be called with a sense of humility, a brotherly feeling towards an organisation of professional bodies. Therefore, I do not want to spoil that relationship by engaging in or marching into confrontations.

National identity is a thing that you can have without having a national government. The two are not necessarily interlinked or woven together. For instance, despite all the peculiarism of the Welsh or the people of Scotland, there is sufficient identity of the British nation that persists even today while they insist on their peculiarism. But there is no national government today. I am entirely in favour of a consensus on the ethnic matter. I am participating in the Select Committee and I have told Prof. G.L. Peiris that my intention in participating in that is, in fact, in order to achieve a censensus by consideration of the various opposing points of view and to try to see what can be done to bridge the difference and see that we get together in some form. The people of this country can get together to forget the various

particular differences while they respect and seek to develop and honour their traditions and their culture; they have every right to do so and should do so. While all that is done there is no need to engage in chauvinism, on the political front in particular. I am so far from being a chauvinist and therefore I can see these points of view with a certain deree of equanimity, and to see whether it is possible to bring about a balance. The strongest plea that one can make today is that while you can fight for your positions and struggle to get something that you believe should be incorporated in a Constitution, it is wise to avoid confrontations, and it will be wise to see whethr a consensus can be reached by negotiation.

I belong to a party which took a hammering from the people of this country and the majority community because we stood for parity of status of languages. I was subsequently accused of having given it up. I have not. Nor has my party. It will always remain in the programme of our party that there should be due consideration for the majority community as well as the minorities. But we did agree to a modified programme for participating in government. When you participate in a coalition government, you need not put the entire programme of your party into that. So, in the coalition government, the first one we participated in with the Hon. Prime Minister of today, Hon. Sirimavo Dias Bandaranaike, we did not insist on putting in all our political positions into the common programme. We had agreed on a limited alliance. We have given up our positions regarding the rights of the minorities and the rights of the majority and that there should be a national adjustment on these matters. As a person who took punishment on that question from the majority community, and from the minority communities too, in the course of the Provincial Council elections and thereafter, I have also been the target of both the JVP and the LTTE, and I have narrowly escaped on about four occasions. Therefore, I have a right to say that I stand for a bridging of these differences as soon as possible because, unless we can achieve that degree of consensus which can put an end to this war and the needless suffering and deaths, we shall not be able to attend to any of the other problems that confront us.

There is also this question of child abuse. It is there in the South and I suppose it is there in the North and the East as well. Something must be done about it. I was horrified to read the reports of UNICEF in regard to an investigation two years ago, conducted in the tourist regions of Negombo as well as Dehiwela. When a member of my party, who was talking to the mothers of those children, met the mother of a child who was engaged in selling herself for the sake of the family and asked her, "Why do you allow this child to do this thing? Don't you see that there is something wrong in doing this?", she had said, "Who else will bring Rs 250/- a day?" "How else can we get that?" Of course, there is no answer to that, at present.

While I entirely agree with a number of sentiments expressed by Mr A.S. Jayawardena, I must disagree with two concepts that the Central Bank and other people, in the Government and out of the Government, seem to accept today. I express my regret that you have adopted that very questionable phrase, "sustainable development". This is a phrase that has been foisted upon us by the World Bank, and I have resented it and I have told the World Bank people both here and abroad that I very strongly resent their attempt to foist upon us this concept. We have not been attempting to do unsustainable development ever. No country has ever attempted to do that. Not even Mr A.S. Jayawardena, when he was earlier the Principal Economist in the Government. Nobody wants unsustainable development, and sustainable here is not from the point of view that Mr A.S. Jayawardene today analysed it. Sustainable here is a question meaning whether the resources can be maintained for the purpose of continued development. That is what the World Bank means by it, and on that matter I had a quarrel with them. The fact is that they find themselves unable to provide sustainable aid today, and therefore, instead of confessing their inability in that direction, they try to foist upon us the concept of sustainable development. We have never attempted - nobody ever should attempt - anything unsustainable. Therefore, I regret that this fashionable expression has also crept unfortunately into the deliberations of the OPA.

Another thing that the World Bank and the IMF tried to foist upon us is the most patronising and contentious concept of having a "safety net" for those who do not come into your economic plans. This "safety net" idea is not really a safety net for poor people. It is a safety net for those who are managing the economy, and benefiting from it. This is really the concept, and therefore I resent very strongly these attempts of the World Bank. The whole question of economic development can be viewed from so many points of view. It will be difficult, I think, to get a real

consensus on a matter like that between the Opposition in Parliament and the Government.

In Bangladesh there are two parties that have been fiercely fighting each other. If you examine their programmes you will find that there is very little on which they disagree. If you leave aside the question of who murdered whom, there is not much difference between the programmes and activities of the two parties. But they never get together. There is no chance of their getting together at the moment and I do not see even a major disaster - and Bangladesh is a country susceptible to some of the worst natural calamities of cyclones, droughts, floods and famines - bringing these parties together. It might happen in the long, distant future in which we think of humanity as one.

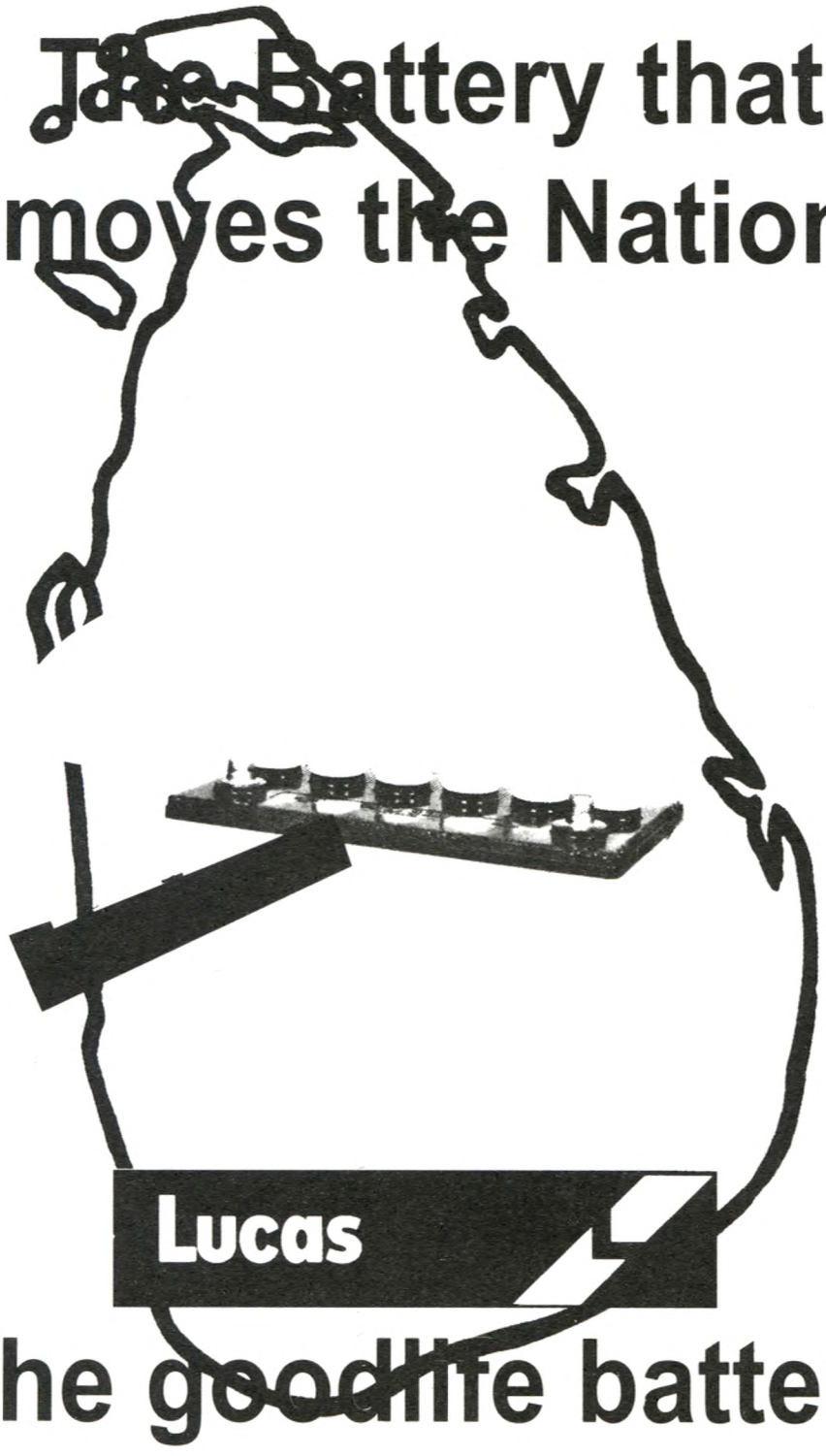
Now that I am here with the professionals and being allowed to talk to them, there is one thing that I would like to make an appeal about - and that is, 'professionalism'. We often talk about professionalism, and that something must be given a 'professional character'. What do we mean by that? It is the improvement of the methods by which you are trying to do what you are doing, as well as efficiency in regard to the services that you are going to give. From that point of view you have a tremendous contribution to make, particularly in the fields of economics and trade. If you look at this scene from a professional point of view, it is the necessity of improving quality right from manufacture up to the point of sale/trade. As an organisation of professional associations the OPA can set about that. You can initiate programmes to educate the public on the need for quality. I am trying to do it in a small way at the Sri Lanka Standards Institution. The Standards Institution is looked upon by the business world as a punishing institution - that they come and discover something and make it difficult for you to import or produce, and sell, by discovering that there is something wrong somewhere. The Standards Institution is not there for the purpose of punishment but for the purpose of enhancing quality in regard to goods and services.

I do not want to comment on the major subjects of today because there are so many angles from which one can view them. There was reference made to the West Indies. The things that united the West Indies was cricket and the university. Despite the unity broguht about by these two agencies, th Islands of the West Indies remain very much separated in political and economic activities, despite attempts to form a regional grouping for purposes of trade.

The Chancellor of the Exchequer in Britain said, "There are three things not worth running after - a bus, a women and a new economic theory. Wait a little and another one will come along soon".

I have now come to a stage of life in which when I look back I see three different stages. The first is that when I met people in public they said,"Why, don't you know me? You and I were in school together?" or "We were on opposite sides in a school debate", or "I met you the other day at such and such a school function". Then, some years passed and in public life I met people who said, "Sir, I think you knew my father very well", or "My mother was in school with your sister". Now has come a stage in which they say, "I think you know my grandfather very well". I want to make an appeal as one of the oldest persons in this audience, to ask of you to concentrate your capacities for educating the public of this country on professional standards and professional ethics.

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KEYNOTE ADDRESS

Godfrey Gunatilleke

TOWARDS A SRI LANKAN IDENTITY

[Mr Godfrey Gunatilleke is the Vice Chairman and Chief Executive of the Marga Institute and a founder member of the Institute. He has directed and participated in many inter-disciplinary programmes of social science research covering key economic, social and political problems in Sri Lanka and the Asian region, from 1972 onwards. He graduated from the University of Ceylon in 1948 and entered the Ceylon Civil Service in 1950. He has served in senior public positions from 1950 to 1972. He was the Deputy Director of Land Development from 1954 to 1960, Director of State Industrial Corporations from 1960 to 1965, Chairman of several State Corporations during the period 1960 to 1967. From 1965 to 1972 he served in the Ministry of Planning and was a Director of Plan Implementation and Project Evaluation, the Additional Secretary and thereafter the Special Advisor and Member of a Team co-ordinating and directing the preparation of the Five Year Plan - 1971 to 1975. He took early retirement in 1972 to establish and work in the Marga Institute. This is historic because the Marga Institute is a creation which has contributed extensively in development studies and in multi-disciplinary studies. He was Consultant to the ILO World Employment Programme in 1973 and 1974, undertook several assignments as Special Advisor to the Secretary General, UNCTAD, Consultant to the UN and co-ordinated the programme on Asian Migration to the Middle East in 1983 and 1989. He is a Consultant to the World Health Organisation and, was a member of the Global Advisory Health Research Committee, 1989 to 1992, was president of the Association of Development Research and Training Institutes in Asia and the Pacific - 1991 to 1993, and Visiting Fellow of the Institute of Development Studies, Brighton. At present, a member of the Board of Trustees of the International Food Policy Research Institute in Washington, a Member of the WHO Task Force on Health in Development and member of Boards of several Government bodies and commissions including the Institute of Policy Studies, the Human Resources Development Council and the National Resources, Energy and Science Authority. International and National Awards include the Eisenhower Fellowship USA, the Health For All Medal awarded by the World Health Organisation and the (National Honour) Deshamanya award for distinguished service awarded by the President of Sri Lanka in 1994, and Vishwa Prasadini Award in 1996 for yoeman service rendered to the nation. He is the author of several publications including Welfare and Growth in Sri Lanka, the Ethics of Order and Change, Planning in Uncertainty, Health and Development in Sri Lanka, Social Security in Sri Lanka, Government Policies and Nutrition in Sri Lanka, the Pugh Cornell Lecture 1989 (in Cornell University) Liberalisation and Development in Sri Lanka.]

In discussing the need for a national identity for sustainable development we need first to define the nature of the problem we face in evolving a Sri Lankan identity and then attempt to identify the nature and substance of our national identity. The development of a country requires a cohesive national effort, an effort which is capable of unifying the people around national development goals and sustaining itself over the long-term. The sense of national identity provides the foundation for such national cohesion and collective will. It helps to resolve the internal political and social conflicts; reconcile competing interests such as those of workers and employers within the larger framework of national interests and above all motivates the healthy competition at the international level, thereby establishing standards of national excellence.

The problem of national identity in Sri Lanka has to be first seen in its historical context. National identity, as we recognise and understand it today as the identity of a population within clearly demarcated territorial boundaries, is a relatively modern phenomenon. It is an integral part of the sovereign nation state which emerged in Europe with the breakdown of feudalism and the growth of economic activities which required new and more integrated forms of social and political organisation. Feudal identities based on region and habitation were looser. They often depended on the way in which kingdoms and fiefdoms had arisen and were organised around a shared history of co-existence, a common language, a common religion, a common cultural heritage. National identity has grown out of these more localised group identities. Of these ethnicity based on a common culture and language appears to be the strongest force for creating and sustaining group identity.

The process of evolving and sustaining a national identity varies widely and takes different forms in different countries. One could make a crude typology of national identities. First, there is the group of countries in Asia and Europe with long histories. Among them we find those with homogeneous national identities - Japan comes to mind readily where ethnicity, language and history are common to the nationals of the country. Other countries in this category would be some of the Scandinavian nations. The large majority of nations in this group, however, have societies which are multi-ethnic, often multi-linguistic, and also multi-religious, and the national identities have been formed through widely varying processes. Second, there is the group of migrant nations in the American and the Southern hemisphere which have absorbed a wide range of nationalities and cultures. The process of migration and the near genocide of the indigenous identities however have enabled the early settlers to sustain a linguistic homogeneity which is one of the principal characteristics of their national identity. Where two linguistic and ethnic groups had established themselves and their cultural identity at about the same time in the new habitat, as in Canada, the problem has become more complicated. Third, there is the group where the national territorial units contain strong tribal identities as in Africa which pose a different set of problems for national identity.

Sri Lanka has its own pattern of group identities out of which we need to shape and fashion the Sri Lankan identity. If we start from the bottom, the local identities - the village, the *gama* - continue to be strong; the identity of the region - the South, Kandyan, Jaffna Batticaloa - is still able to mobilise group loyalties; the identity of caste has not disappeared; we view it with disfavour on account of its socially discriminatory character in inter-caste relations; but within the caste it provides supportive networks. However, we do not regard these as posing major problems for forging of national identity. These can breed attributes of parochialism, narrow group interests which may hold back the growth of a truly national outlook which places the smaller loyalties within the interests of the larger group; but the values which make for identity, the local loyalty, the nurturing of the local sub-culture, the group value system, can contribute positively to the formation of national identity; these smaller identities can be managed and reconfigured in the larger national identity.

The identity which demands a much larger space include a well-defined place in the polity and tends to come into conflict with other identities has been the ethnic and religious identity at all times in almost all societies. In Sri Lanka the three main ethnic identities which have to form part of a Sri Lanka identity are the Sinhalese, the Tamils and the Muslims. A number of other smaller ethnic identities do not post the same problems for national identity in a similar manner. These identities contain many of the small group identities that have been mentioned. This pattern is further diversified by the presence of four major religious identities - Buddhist, Christian, Hindu, Muslim, with the first three cutting across the ethnic identities. But the ethnic identity by its very nature becomes the primary organising group identity within which the smaller identities grow. The problem of national identity in Sri Lanka is that of creating a larger Sri Lankan identity which can contain the ethnic identities and gain their sincere allegiance and commitment.

The basic elements, the fundamental characteristics of such a unifying national identity which transcends the ethnic identity are well known and are demonstrated in the lessons that history provides. The national identity must first give the cultural space to each ethnic identity to exist and flourish as a distinctive way of life. Second, the ethnic identities must have the political and economic space to participate with full equality of citizenship within the national economy and polity as a whole; third, an ethnic identity must also be able to develop freely within the local or regional boundaries within which it constitutes the majority. A nation which is ready to recognise these principles can create the foundations of allegiance on which a true national identity can be built.

Historically, one approach to the question of national identity in a multi-ethnic society has been the approach of integration where the majority ethnic group assumed the dominant role politically, culturally and economically. An approach of this type has engendered civil wars, violent internal divisions which continue over long periods even where superior force has prevailed. Ethnic and regional identities continue to assert themselves and have to be finally accommodated through sharing of political power. The divisions and conflicts generated initially by this approach are deep-seated and required a long process of reconciliation. On the other hand, countries which have begun by developing systems in which unity provides for diversity, have been able to create more viable and stronger national identities in which the constituent ethnic identities related to

each other, ethnic conflicts can be better managed and resolved and the national identity developed more harmoniously.

Unfortunately, Sri Lanka falls into the former category. The path which we took which has plunged us into violent conflict makes it more difficult to achieve the ideal of a national identity which transcends and unifies ethnic identities. But this national identity is not an abstract legal concept. A national identity which motivates a people has its links with history; it must have cultural substance. The concept of national identity is intrinsically linked to culture, religion and language. How do we then configure the national identity for Sri Lanka ,within its own historical realities and ethnic balance? The Sinhalese identity comprises about 74% of the total; the Sinhala Buddhist identity comprises about 70% and perceives itself as the primary identity for the country. The demographically smaller ethnic identities fear that such a concept of national identity will not leave adequate political and cultural space for their own identities. The majority fear that the disposition of power which the minorities seek will result in the loss of the natural centrality of their culture in the Sri Lankan society -a centrality that is the inevitable product of their size and demographic weight, as well as their history.

Their insecurity is reinforced by the fact that the Tamil minority is ethnically part of a much larger population group in the neighbouring country. The evolution of a Sri Lankan identity which transcends ethnic identity has floundered on these ethnic perceptions and relationships.

There are several facets to the development of a Sri Lankan identity. First, we need a secular political identity in which all ethnic identities have a deep commitment to a democratic polity in which there is an equitable sharing of power and have the collective will to protect and strengthen democratic institutions. The democratic vision rooted in the empowerment of the people must be the secular foundation of the Sri Lankan identity.

Second, we need a collective vision for the development of the country in which all ethnic communities are partners and are motivated to work together to build a dynamic modern Sri Lanka for the 21st Century.

And third, we need a cultural and spiritual vision in which on the one hand space is provided for all ethno-cultural identities and their part in the national identity, and on the other the Sinhala Buddhist culture and sources of spirituality enjoy their natural centrality. Within such a framework the co-existence of the four major religions could be a profoundly unifying influence for a Sri Lankan identity in cultural, political and territorial space.

Session 1 - A Sri Lankan Identity and Ethnic Harmony

MAJORITY CONCERNS

*S.L. Gunasekera, P.C,**

I find to my surprise that the topic for discussion at this session - "A Sri Lanka Identity and Ethnic Harmony" has been bifurcated into two sub-topics: Majority Concerns" and "Minority Concerns". The terms "Majority" and "Minority", in the context of this topic, presumably mean the Sinhalese on the one hand, and the Tamils, the Moors, the Malays, the Burghers, the Parsees, the Sindhis, the Bhoras and the members of other races or ethnic groups who inhabit our land on the other. This bifurcation seems to be based on a presumption that the Sinhalese of our land have collectively, one set of "concerns", while the Tamils, the Moors, the Malays, the Burghers, the Parsees, the Sindhis, the Bhoras and others have, collectively, a different set of "concerns" which are at odds with those of the Sinhalese, about "A Sri Lanka Identity and Ethnic Harmony". Nothing could be further from the truth.

It is pertinent at this stage to define what I understand by a "Sri Lankan Identity". To my mind, the term a "Sri Lanka Identity" connotes the acceptance by each citizen of this country of the fact that whatever his race, caste, creed or place of birth or residence may be, he, together with all other citizens, is a member of one indivisible nation - the Sri Lanka Nation that is possessed of absolute title to a 'Homeland' that stretches from Point Pedro in the North to Dondra in the South, and from Colombo in the West to Batticaloa in the East; and that every member of

** Attorney-at-Law*

that Nation is, without exception, entitled as such, to equal rights with every other member in every inch of that Homeland. The recognition of the oneness and the indivisibility of the Sri Lankan Nation and of the Homeland of that Nation is not only a *sine qua non* of a "Sri Lankan Identity", but is also, indisputably, the finest guarantee of lasting ethnic harmony.

Tragically there is no universal acceptance of such a 'Sri Lankan Identity": that is why we have, for the last twenty-four years, been embroiled in a vicious civil war which, from its lowly beginnings with the promulgation of the first Republican Constitution in 1972, in a campaign of terror unleashed by the forces of Tamil chauvinism against those patriotic Tamils in the Jaffna Peninsula who believed in a 'Sri Lankan Identity', has now developed into one of terrible magnitude which threatens the very foundation of our Republic.

If one were to examine the question of the 'Sri Lankan Identity' from the point of view of the different races that constitute the Sri Lankan Nation, I have no doubt that apart, perhaps, from an insignificant minority who constitute the 'lunatic fringe', the Sinhalese, the Moors, the Malays, the Burghers, the Parsees, the Borahs and the Sindhis as a whole, as well as a very significant number of Tamils, would have no quarrel with me over my understanding of what is meant by a 'Sri Lankan Identity'; or deny the need to foster, nurture and develop that 'Identity' which is so essential to ensure lasting ethnic harmony. It is no doubt, because of the widespread acceptance of such a"Sri Lankan Identity" that ethnic harmony exists in every part of this country that is not controlled by the LTTE. It is because of that ethnic harmony that we professionals belonging to the different races which comprise the Sri Lankan Nation can meet together as we do today, and frankly exchange views, however conflicting, on subjects however 'sensitive', in an atmosphere of the utmost cordiality and friendship.

In this background, it is my belief that the "Majority Concerns" about "A Sri Lankan Identity and Ethnic Harmony" are not merely the concerns of the Sinhalese as the majority race in the Sri Lankan Nation, but rather the "concerns" of all members of all races of that Nation who believe in the oneness and the indivisibility of the Sri Lankan Nation, and of the Homeland of that Nation. Correspondingly, the "Minority Concerns" in this regard would, according to my understanding, be the concerns of those who do not share that belief.

The ongoing civil war with its attendant macabre harvest of death, destruction, deprivation and misery, as well as the untold sufferings of the Tamil members of the Sri Lankan Nation at the several communal riots we have had the tragic misfortune to encounter until 1983, are rooted firmly in the denial of the existence of a Sri Lankan Nation that is one and indivisible, and the resultant denial of a "Sri Lankan Identity" by the malevolent and divisive forces of Tamil chauvinism led by the likes of S.J.V. Chelvanayakam. The clarion call of these forces was, and continued to be, that there exists in Sri Lanka not one indivisible Sri Lankan Nation possessed of a Homeland comprised of the entire country and a single collective right of self-determination, but two Nations, one Tamil and one Sinhalese, which are separate and distinct from one another, and that that 'Tamil Nation' is entitled to a separate and exclusive Homeland comprised of <u>at least</u> the Northern and Eastern Provinces, as well as to a right of self determination that is separate and distinct from that of the other races which constitute our Nation.

One significant feature about these claims of the divisive forces of Tamil chauvinism is their contemptuous attitude to the other minority races of the Sri Lankan Nation. Their many strident pronouncements about a "Tamil Nation" and an "exclusive homeland of the Tamils" are interspersed with unctuous utterances about the "Tamil <u>Speaking Nation</u>" comprised of he Tamils and the Tamil <u>Speaking</u> Moors in a transparently opportunistic attempt to garner the support of the Moors, who comprise 32.28% of the population of the East, to their 'cause'. In their own inimitable arrogance they have been totally oblivious to the self-evident fact that by seeking to categorize the Tamil Speaking Moors, not as part and parcel of the multi-racial Sri Lankan Nation, but as part and parcel of a fictitious mono ethnic Tamil Nation, they deny the separate ethnic identity of the Moors and have the naked presumption to unilaterally partition the Moor community into Tamil Speaking Moors on the one part and the Sinhalese Speaking Moors on the other, and to equally unilaterally 'conscript' the Tamil Speaking Moors into that fictitious 'Tamil Nation', and 'toss' the Sinhalese Speaking Moors into the equally fictitious 'Sinhalese Nation'. As for the other races who inhabit our land, the Tamil chauvinists leave them in 'limbo' and devoid of membership of a nation, maintaining a deafening silence as to whether they,

in turn, belong to separate and distinct nations, comprised of the citizens of this country who belong to each of these races and as to whether they too are possessed of separate and distinct rights of self-determination or not.

There can be no doubt that but for the indescribably abhorrent divisive politics of the forces of Tamil chauvinism, there would have been no communal riots or civil war with all their tragic consequences. If this was not so, how is it that there never were in independent Sri Lanka, any communal riots against the Moors or any other minority community.

As the propaganda machine of the forces of Tamil chauvinism, so magnificent in its mendacity would have it, their denial of a "Sri Lankan Identity", and a cause of the civil war, founded as they are, on the premise of the alleged existence of a separate Tamil Nation possessed of an "exclusive Tamil Homeland" and a separate right of self-determination in Sri Lanka, is rooted in the alleged oppression of the Tamils by the Sinhalese by the making of Sinhalese the official language of the country in 1956, the several communal riots that occurred between 1958 and 1983, the media-wise standardization of marks for admission to Universities introduced in 1974 and scrapped in 1978, and the burning of the Jaffna Library in 1981. The manifest falsity of this claim lies in the fact that the first claims to the existence of a separate Tamil Nation possessed of an independent right of self-determination and an exclusive Tamil Homeland were made when independence was in its infancy, long before any of these events had taken place. Indeed, the first articulation of the right to a separate sovereign Tamil State in a part of the sovereign territory of our land was made even before independence when that high priest of Tamil chauvinism, S.J.V. Chelvanayakam, in a speech made in Parliament on the 26th November 1947, said:

> "If Ceylon is fighting to secede from the British Empire why should not the Tamil people, if they feel like it, secede from the rest of the country?"

The only two grounds on which the Tamil chauvinists sought to justify their initial claims to separate nationhood and consequent denial of a Sri Lankan Identity were the alleged oppressive conduct of the Sinhalese members of the State Council elected in 1936 using their majority in that Council to elect a Board of Ministers composed solely of Sinhalese, and the alleged disenfranchisement of the Indian Tamils by the Citizenship Act of 1948. Neither of these claims of oppression bears examination.

While it is correct that the State Council of 1936 elected a Board of Ministers, seven in number, all of whom were Sinhalese, what the Tamil chauvinists fail to state is that the Speaker of that Council was Sir Vaithialingam Duraisamy, a Tamil; and that upon the vacation by Sir Baron Jayatilleke of his seat in 1942, Sir Arunachalam Mahadeva, a Tamil, was elected a Minister in his place.

The complaint about the alleged disenfranchisement of the Indian Tamils is nothing short of being laughable. Any newly sovereign state has the indisputable right to lay down the criteria of citizenship which carried with it, the right of franchise in that state. Accordingly, the Citizenship Act of 1948 laid down the criteria of citizenship by descent as being that a person would be a citizen by descent only if he and his father or paternal grandfather or great grandfather were born in Sri Lanka; or if he was not born in Sri Lanka, if his father and paternal grandfather, or his paternal grandfather and great-grandfather were born in Sri Lanka. Thereafter, the Indian and Pakistani Residents (Citizenship) Act of 1949 provided that any Indian or Pakistani resident of Sri Lanka, wherever he or his ancestors may have been born, was entitled to citizenship (and hence to the franchise), if he had been resident in Sri Lanka continuously (barring periodic absences up to a maximum of twelve months) since 1936 if he was unmarried, or since 1939 if he was married. It is more than doubtful whether even the most extreme of the Tamil chauvinists could explain how these pieces of legislation could, on any objective basis, be deemed to constitute oppression or the disenfranchisement of Indian Tamils who had made Sri Lanka their home.

Where then lies the cause of Tamil separatism and its attendant denial of a "Sri Lankan Identity"? It does not lie in any 'oppression' of the Tamils by the Sinhalese or in a quest for sharing power There have been but few Tamils in the Cabinet office in independent Sri Lanka only because those politicians who misled the Tamils in the guise of leading them, distanced themselves from the mainstream of national political life, ridiculed those Tamils who accepted such office as "collaborators" and those who hungered for the "loaves of office", and engaged consistently in the politics of division and the denial of a "Sri Lanka Identity".

The cause of Tamil separatism lies in the churlish refusal of Tamil chauvinists of all hues, ranging from the sanctimonious and urbane Chelvanayakam to the unabashed terrorist Prabhakaran to accept the unalterable reality that inasmuch as one race must, in a multi-racial country, constitute the majority and hence have a preponderance of its members in political office, the Sinhalese must of necessity have such preponderance in Sri Lanka. It also lies in the irrational resentment of the Tamil chauvinists to the fact that while there is a sovereign state in the community of nations that has a preponderance of that numerically insignificant and impoverished race called the Sinhalese, there is none in which the incomparable larger Tamil Race constitutes the majority. These forces which deny a "Sri Lankan Identity" and sow the seeds of ethnic discord can aptly be termed the forces of "Tamil Zionism". Proof of this is to be found not only in the several pronouncements of Chelvanayakam and others of his ilk, but also in a recent publication in Internet dated 22nd October, 1995, of an article by a LTTE spokesman, Visuvanathan Rudrakumaran, in which he, while writing about the LTTE's campaign for a separate State of Tamil Eelam stated:

> "Million *(sic)* Tamils deserve a Tamil state as a national home for the Tamils such as Israel is for the Jews all over the world"

Against the background of these facts it would be an act of indescribable naivety to even imagine for a moment that the creation of an autonomous state in the Northern and Eastern Provinces under a federal constitution would stem the tide of Tamil separatism or induce the Tamil chauvinists to accept a "Sri Lankan Identity" which they have fought for so long. On the contrary, it is inevitable that these chauvinists would rather regard the creation of such an autonomous state as being but a stepping stone to the achievement of a separate state - that would be perfectly in line with the thinking of the political progenitor of the present day separatists, S.J.V. Chelvanayakam, which was so well described by his son-in-law Professor A. Jeyaratnam Wilson in his biography of Chelvanayakam in the following terms:

> "As a lawyer and a politician he knew that goals could not be attained in a single leap; he believed in the policy of 'a little now and more later'. The 'little now' could not therefore become an end in itself , although many of the comfortable Tamil bourgeoisie interpreted the 'little now' aspect of Chelvanayakam's policy - best characterised by the ' interim adjustments ' he arrived at with Prime Ministers, S.W.R.D. Bandaranaike in 1957 and Dudley Senanayake in 1965 - as final destinations. This was far from his own interpretation of Sinhala majoritarianism. He had come to the conclusion as early as 1958 that the Sinhala leaders were 'not big enough to rule the Tamils'.

An autonomous state within a federal union would, therefore, be the "little now", and a separate state the "and more later". What havoc the creation of such an autonomous or separate state will cause to the ethnic harmony that now exists in all parts of the country controlled by the Government, and the consequences of such havoc to over half the Tamil citizens of our country who live outside the North and the East can better be imagined that described.

The forces of Tamil chauvinism do not consist only of the LTTE but also of the racist Tamil political parties such as the TULF, EPRLF, EROS, EPDP, TELO, PLOTE and the ACTC who, though despised by the LTTE, believe in the same racist policies as they, and look to the LTTE to win for them the power they seek in the North and the East, and to the Government to thereafter destroy the LTTE so that they may then enjoy the fruits of that power, but are, for some incomprehensible reason, labelled as 'moderates'. These are the diabolical forces that are arraigned against the universal acceptance of a 'Sri Lankan Identity' and the resultant consolidation of 'Ethnic Harmony' in the Homeland of the Sri Lankan Nation.

How do we defeat these divisive forces? Where the LTTE is concerned, there is, tragically, no option other than the use of military force. Where the other charlatans called 'moderates' are concerned, we have that potent but largely unused weapon called 'truth' which, of course, is anathema to the scheming 'career politician'. We have with us the facts and figures with which to prove to any but the bigot of Tamil separatism, the utter falsity of the claims of the forces of Tamil chauvinism and the fact of the prime responsibility borne by those forces for the tragedy that has befallen our Nation in general and the Tamils in particular. Yet, we have not used that impressive armoury. Why?

The answer lies, by and large, in the cupidity of our politicians in general and those of the UNP and PA in particular, and the passivity of most of the so-called

elite of this country called the 'professionals'. To the UNP and the PA, the object of acquiring political power is an end in itself, and policy not a matter of conviction, the implementation of which is the object of acquiring political power, but rater a convenient and flexible device to be chopped and changed according to the dictates of expediency which lead to the acquisition of power. The current political 'thinking' is that the Sinhalese votes being divided almost equally between the two major parties, the key to political power lies in garnering the 'minority vote'. Thus, instead of exposing the diabolical and divisive machinations of the forces of Tamil chauvinism and wooing the misguided Tamils who support such forces away from them, they pander and pay obeisance to those very forces in their all encompassing greed for power. The majority of professionals, like ostriches with their heads buried in the sands, are content to let things be as they stand, afraid to rock the boat or say or do anything that may adversely affect their personal fortunes, ignoring their paramount duty to the Sri Lankan Nation to which they owe what they have.

Politicians and professionals must emerge out of this morass. We must expose the diabolical machinations of the forces of Tamil chauvinism, whatever the cost may be. We must prove to the Tamil members of the Sri Lankan Nation that the prime causes of the sufferings of our Nation in general and of the Tamils in particular, are the vile machinations of these forces. If we are all to live as one Nation with a 'Sri Lankan Identity' and consolidate ethnic harmony, the politicians who govern our destinies and we the professionals and opinion makers of our land must, even now, realise that there are no dividends to be reaped in calling a spade a heart or a diamond a club.

Session 1 - A Sri Lankan Identity and Ethnic Harmony

MINORITY CONCERNS

T. Somasekaram*

I have been asked to present the issues under Session 1(b), as a basis for discussion, in the hope that it will lead to (c). It is an ingrained habit in the Surveying profession to 'Go from the whole to the part'. I shall adopt this method here too, starting quite far afield.

There is a wind sweeping across the world. We can see evidence of it everywhere. This is the 'Pride in One's Roots Wind'. The Blacks are proud to be Black, proudly sporting Afro hair styles, the Aborigines are proud to be Aborigines, and white Australians are queuing up in the Criminal Records Office in the UK to trace their ancestors who were banished to Australia for crimes they committed. They think they had very interesting forefathers! Whatever be the roots, one is proud of them.

It is in this light that one has to see and try to understand the human conflicts taking place in the world today. The Sikh and Kashmir problems in India, the Kurdish problem in Iraq, the Chechnya problem in Russia, the Serb Croat problem in Bosnia Herzogovina, the French Canadian problem in Canada, the Eritrian problem in Ethiopia, the Irish problem in the UK, the Israel Palestinian problem, are all examples of peoples with their own roots, struggling to establish and preserve their distinctive identities. The problem in Sri Lanka is also a problem of this nature.

Problems of Sri Lanka The problems Sri Lanka faces are multifold. Basically, they affect all Sri Lankans and are the result of gross mismanagement of our affairs from 1948 to 1996. Abject poverty, and import of food, by a nation blessed with a fertile soil and double the world average of rainfall, malnutrition, and underweight children, the highest rate of suicides in the world, 11 percent (i.e. more than one in ten) unable to read or write, extremely skewed educational facilities, high unemployment and unequal economic opportunities, concentration of power, and over politicisation of society, are grave problems all communities have to contend with. I used to be amazed that the target was Poverty Alleviation and not Poverty Eradication.

* *Former Surveyor General*

Problems of Sri Lankan Groups The Government of Sri Lanka conducts an official census once in 10 years, as is the international practice. There have been changes over the years, from 1871; the different castes no longer being separately enumerated, the Kandyan Sinhala - Low Country Sinhala difference has been dropped, etc. But we had, in the last census, taken in 1981, five categories by race and religion: Sinhala (74%), Sri Lanka Tamil (12.6%), Tamils of Recent Indian Origin (5.4%), Moors (7%), and Others (1%); Buddhists (69%), Hindus 18%), Muslims (7%), Christians (5%) and Others (1%).

There is Truth and Perceived Truth. What is relevant is perceived truth, as perceived by the different groups. The most fundamental problem affecting the groups in Sri Lanka is that there is no sense of belonging to a common nation, no sense of being members of the same team. The perceived truth is that there is a hierarchical order, a vertical division. It is not horizontal.

Minority Concerns Sri Lankan society being fractured and divided - unlike, say, Singapore, where Lee Kuan Yew created the Singaporean from an amalgam of 80% Chinese, 14% Malays and 6% Tamils -we have to look at the Majority, Sinhala or Buddhist, and the Minorities composed of all the others and their problems.

I must state that I am not very familiar with the concerns of the Moors, Indian Tamils and Others, or with the problems of the Christians, Muslims and Others, except in very general terms. I believe the Moors and the Indian Tamils have less educational facilities, and their share of public service jobs is much lower than their population percentage. I trust other professionals will deal with these Minority Concerns.

Problems of SL Tamils In point form, these are:

1. Lack of understanding among the majority that SL Tamils have problems.

2. Divisions among the majority community, resulting in alleviation of minority problems, offered by a section of the majority community, being opposed and prevented by other sections of the majority.

3. The entire gamut of the problems faced by the SL Tamil community can be summed up in one word, 'Security' or the lack of it. This has many facets - physical security, security to preserve and develop one's language and culture, the security of belonging and being considered an equal member of the family, the security of sharing power and the decision making process, the security of access to resources, the security of employment, and so on.

3.1 Physical security: Anyone who visits Jaffna now can see the immense damage done. One has memories of 1983 and the happenings on the Jaffna-Colombo road thereafter, preceded by 1977 and 1958. Floating bodies in Bolgoda and Diyawanna in 1995.

3.2 There is a wide chasm between words and deeds where language is concerned.

3.3 There has been no elected MP from the Northern Province as a Cabinet Minister since 1955, i.e. for a period of 41 years out of the 48 years since Independence. There was a suitable candidate in the last Parliament and there are supporters of the Government who are risking their lives to remain supporters, in the present Parliament. But no elected representative of the SL Tamil people in the Cabinet.

At the executive level too, the number of Secretaries, Additional Secretaries and Chairmen of Corporations, the numbers are very small.

3.4 Public service employment. The following Tables show the proportions of the different groups in the public service.

TABLE I

CENSUS OF PUBLIC AND CORPORATION SECTOR EMPLOYMENT - 1980

	Total No.	S (%)	T (%)	M (%	O (%)
Public Sector	368,849	84.34	11.61	3.33	0.72
Corporation Sector	228,531	85.74	10.67	2.56	1.03
Total	597,380	84.88	11.25	3.03	0.84

TABLE II

CENSUS OF PUBLIC AND CORPORATION SECTOR EMPLOYMENT - 1985

	Total No.	S (%)	T (%)	M (%)	O (%)	
Public Sector	406,359	85.61	9.90	0.15	3.44	0.90
Corporation Sector	322,617	85.54	9.38	1.25	2.35	1.48
Total	728,976	85.60	9.67	0.64	2.95	1.14

TABLE III

CENSUS OF PUBLIC AND CORPORATION SECTOR EMPLOYMENT - 1990

	Total No.	S (%)	SLT (%)	IT (%)	M (%)	O(%)
State Sector	198,425	91.2	5.9	0.1	2.0	0.8
Provincial Sector	222,584	87.7	7.1	0.2	4.6	0.4
Semi-Govt.	279,584	88.1	8.2	0.5	2.2	1.0
Total	700,593	88.8	7.2	0.3	2.9	0.8

Source: Report of the Department of Census and Statistics, 1985, Pages XIX and XX

Tables I, II and III show that Sri Lanka Tamils have formed less than their national percentage in the public sector from 1980 and the figure in 1990 was 7.2% compared to the population ratio of 12.6%. In other words, they have about 38,500 less jobs in the public sector than their population percentage warrants. Taking average family size of over 5, this means that about 200,000 SL Tamil people have been denied a livelihood from public sector employment. Moors and Indian Tamils have fared worse.

Session 1 - "A Sri Lankan Identity and Ethnic Harmony"

TOWARDS A NATIONAL CONSENSUS

Prof. C. Suriyakumaran *

Premises:

The following are based on two underlying assumptions, namely that:

* OPA Objective and Purpose are to look for Consensus (going beyond difference, or only noting views);
* OPA takes a Professional view of the Subject (not a partisan or 'party political view').

I. PRELIMINARY OBSERVATIONS:

(1) It would be necessary that each of the first two Sub-groups at the Session (looking at Sinhala and Tamil Concerns respectively) consider the Issues set down below (without prejudice to their raising additional Issues) during their discussions.

(2) Clearly, there could be no 'Issue", if there were no 'Past Common Strands' (in history, way of life, inter-change).

(3) If there were two Entirely Separate people, as two Countries, clearly there would be 'no Issues of internal harmony' to discuss!

(4) Certainly, there would be common conflicts. ['In history, with whom do two peoples quarrel more readily than with their neighbours'?, - a phenomenon whose divisive character should be recognised but never 'over-interpreted'].

(5) The recent decades of negotiations and discussion on the conflicts, while underlining the existence of 'differences', have also meant, by definition, that both Communities have seen each other as part of a wider 'common heritage', and were never totally separate.

(6) In the following paragraphs at Section II, therefore, the Note will set out:

A - Background Issues;
B - The Issues as they emerge during the last five to seven decades;
C - Issues that should serve towards Solution (Consensus);
D - A Framework for Solution.

A - Historical Inheritance (Background)

(1) What were the significant Historical (pre-colonial) Common Strands in Sri Lanka?
[The Shared Heritage concept].

(2) What were the Distinguishing (variant - not necessarily inimical) Strands?
[The Distinct Communities concept].

(3) What were the Initial Common Strands (National bases) in the Colonial (anti-Colonial) phase? (in particular the British phase?)
- Political
- Constitutional
- Economic
- Social
- Judicial

["Of this I am quite sure, that if we were to open a quarrel between the past and the present, we shall find that we have lost the future" (Churchill, The House of Commons, 1940].

B - The Contemporary Decades

(1) What were the Divisive Issues that emerged during the last five to seven decades, respectively, for,

- the Majority Community
- the Minority Community

- Political
- Constitutional
- Economic
- Social
- Judicial
- Educational/ Linguistic

Did the Kandyan demand for Federalism, from the early 1920s up to the Donoughmore Commission, hold any lessons?
Note that the representatives of the Tamil community

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at the Centre supported the Low Country Sinhalese on this Issue, against the Kandyans].

(2) Were there any lessons for the Present in the Political/Constitutional structure of the 1930s? (eg. the Executive Committee System)

(3) Were there any counter-lessons in the Political/ Constitutional functioning which may be said to have continued into the present? (eg. the Pan-Sinhala State Council Governments).

(4) How much did the slow erosion of the Country's Economic base during these years account for increase in Community tensions?

(5) Why did it show, in one case , as Youth rebellion (the South), and in the other , as Communal revolt (the North)?

(6) How much of neglect of Minority Cultures or social traditions (including language) in National observances contribute to alienation? [Note at the same time that the Hindu-Buddhist perceptions of each other were almost uniformly harmonious].

(7) How much were the failures on the foregoing fronts the reason -
(i) for resort , on the one hand, to State transgressions of Human Rights, and use of State military power ?

(ii) in response, for subsequent emergence of Minority resistance and rebellion ?

C - Consensus Structures

'Perceptions ' and 'Realities have both figured in the recent controversies and the efforts at Solution, rendering Consensus difficult to arrive at.

The following may therefore be raised for appropriate answers:

(1) Is the present Political System (in particular the absence of proper " participation by the Minorities in Central Government "), a vacuum or not? Several avenues have been shown:
- an enlightened Executive Committee System:
- the Conventional Second Chamber
- A (new) Chamber of Provincial Councils

(2) What should be the true contents of Devolution for Meaningful relations and satisfaction - in
- Fiscal Devolution,
- Youth Participation,
- Development ,
- Law & Order ,
- Language

(3) What should be the National Policy constituents for mutual satisfaction
- Language ,
- Land,
- Education
- Employment

[A distinguishing concept in approaching these could be between ' Equity ' and ' Equality ', the former being the touchstone and yardstick for mutual accommodation and solution].

(4) Solutions so far have been through the "political" process, [with Politics as State "Management", and Statesmanship as State "Formation"] How much of the latter have we really had, from either Community?

(5) How much has solution making [eg. The Sixth Amendment;

The Language Enactments; by force, or fiat , succeeded 'Sri' Number Plate;

Proposed Section in current or not succeeded? Package on 'Unity' of the Country]

D - Towards Solutions

At this point, in looking towards Solutions the following Issues are put down as Statements (certainly not as *obiter dicta*) for discussion towards Consensus:

(1) Imposed Solutions never seem to work, in the end. (Voluntary, participatory Solutions seem essential for permanence).

(2) The natural tendency of Minorities in countries, 'under normal situations ' (of Equity, Identity, Cultural and Economic opportunities, and Security) has been overwhelmingly to go along actively with the concept of One Country, One Nation, while clearly identifying themselves as Peoples of Communities.

(3) The failure of this 'fabric' has been traceable , historically and in experience, to a conspicuous short-fall in one or more of the foregoing 'normal situations ' of Statehood.

(4) Reactions by the Minority to the Majority as dissatisfactions, if extreme, unwise or shortsighted (irrespective of being right or wrong) exacerbate and escalate relations into Conflict, loss of Mutual Faith and, soon, a Cycle of revolt, separateness, and State reprisals.

(5) A Consensus Solution even now would be wise to address itself therefore, to the essential components of State Structure - essentially, a matter for State Leadership.

(6) Two unique factors, one Conceptual, the other 'Structural' or Constitutional, seems to lie at the base, and as key to Solution at this advanced stage in the Crisis situation. These are as follows:

(a) Many strident demands have been made on both sides, and all sides, with the phrasings invariably inciting rather than resolving.

Yet, in every strident 'demand', or every strident threat from whichever side, there is a ' Core Concern'.

These 'Core Concerns', in experience, are practically never wrong - whoever the source - and lie at the heart of any ultimate Solution .

The bottom reality is then to accept, and to see, what the 'Core Concerns ' of the two sides are - since, to repeat, they hold valid truths.

(b) In this sense, therefore, between the two Communities today, there are Two Essential Concerns (and two 'Fears') as follows:

The Majority Concern is for the Unity of the Country, which it seeks under any circumstances to ensure. Its 'Fear' is, therefore, of any possible Division of the country.

Equally, the Minority concern is for true assurances (beyond verbal) of its Security and Identity, the converse of this being its real 'Fear' of what has been termed ' Inundation by Colonisation ' - a universal desire to protect 'homestead' ('homeland' being a politically charged later derivative).

Ironically, and happily, these two Concerns, and their constituent 'Fears', on both sides, could also have been met in the past ; it being a tragedy that they were not.

(a) Unity of the Country -

True Participation by the Minorities in Central Government, if implemented from past Years, would have provided the psychological and real contents of a ' Stake' for the Minorities in One Country (with even a Devolution demand not having surfaced - the 'Forty Year Democratic folly' of having a confused Parliamentary Majority based on Issues, with a permanent Majority based on Ethnicity).
[Note that the consistent demand of the Minorities up to the late 50s or even beyond, was only for 'participation in Central Government', however confused and confrontational they were made to become by both sides.

There could be no better guarantee to the Majority Community against the division of the Country that such 'participation' by the Minorities in Central Government.

(b) The demand by the Minority Community for Identity and Security today is the result of the Country's historical short-comings and errors over the last five decades.
['Too little intelligence, too little wisdom, too little courage' - J.R. Jayawardene, 1987].

Thus the present historical juncture needs at the same time, a satisfactory structure of Devolution, simply for its true content (in the words of S.W.R.D. Bandaranaike in the 40s, the three 'decentralisations' of Democracy, of Administration and of Development).

(c) Given these two components, there could be no 'will for division', - both goals achieved by mutual volition, not by force.

(d) Also, given these two, other Issues cited earlier (such as Education, Language, Employment) may be expected to fall naturally into place .

O P A

Finally, at the end, given the auspices of these Sessions - Whither OPA? - if one may irreverently though affectionately ask, "To TEA, or to LTTE"! - by the latter, meaning not the Organisation, but the concept of OPA contributing forcefully to essential discussions and solutions.
[To paraphrase John Bruton, 'With whom does one speak peace except with the people who have been our enemies?']

Session 2 - Equity in Economic Development

EQUITY IN RESOURCE ALLOCATION

By R.A. Jayatissa *

The economic problem itself has been conceived as a problem of the disposition of scarce resources among alternative users. A number of important aspects can be discussed under this subject:

(a) Availability, use and ownership of resources;
(b) Trade off between equity and efficiency of resource allocation;
(c) Role of public policy in resource allocation and instruments used;
(d) Sri Lanka's experience (for discussion).

Resources, their use and ownership

The four major factors of production are land, labour, capital and entrepreneurship. These resources are used in the production process with given level of technology to generate incomes. The income so generated becomes a part of available resources. These are used for consumption or savings. Resources saved are available for investment which would generate additional incomes. Productive investment increases the capital stock, improves the quality of other factors of production and enhances the production capacity. This provides the basis for economic expansion. The allocation of income between consumption and savings, the present and future, is one most important decisions affecting overall economic performance. High levels of capital formation alone would not ensure economic progress. Accumulated resources should be used for high-yielding activities.

The nature of available resources, as mentioned above, keeps changing. Modern technology has made this process of change faster. The income gap between those who do not keep up with these technological changes and those who do becomes larger. The speed of economic expansion depends on how best the resources are allocated among alternative uses.

Resources in an economy generally belong to its residents. Within the geographical boundaries the ownership is divided between the private sector and the public sector. What should guide the alternative uses of resources owned by these sectors and to what extent should the equity considerations enter into the formula for resource allocation? In most countries, the governments set the priorities and guide resource allocation. But how should the government intervene? Has the government intervention been successful? These are major issues that need to be discussed. Economic reforms in the Former Soviet Union (FSU), the Baltics, Eastern Europe and many other countries point towards an increased emphasis on resource allocation through market forces and on private sector led economic growth.

Equity or Efficiency

It is common knowledge that improvement of allocative efficiency of resources promote economic growth and the standard of living. However, the benefits of growth may not trickle down to the poor segments of society. The theories of distributive justice tend to conclude that welfare of the poor groups can be improved by accelerating economic growth which would raise incomes of the poor in

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absolute terms rather than in terms of their relative share of incomes. The rate of economic expansion depends on the efficiency of resource allocation. Could we accept this as the only basis to guide resource allocation and ignore equity consideration?

There is considerable evidence that in most countries the distribution of assets is more concentrated than the distribution of incomes, and that government actions serve to increase rather than reduce this concentration. It is also possible that lack of human skills and lack of ownership of physical capital and access to inputs could hinder the income growth of lower income groups. Therefore, it is argued that greater equality in personal incomes could be achieved if ownership of private capital and access to public facilities are more equally distributed, and hence, governments should influence the allocation of wealth.

Thus, there is always trade-offs between equity and efficiency. How can we strike a balance?

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Role of Government and Policy Instruments

Promoting non-inflationary growth and employment is one of the primary objectives of all governments. Governments have a range of choices between alternative policy instruments towards this objective. However, it is important to note that the level and growth of income of various groups are determined as a part of the overall economic performance and the governments can intervene at different points in this process. Several types of intervention can be identified.

(a) Factor market: Factor prices, utilization levels and factor incomes are determined in this market. Government's intervention can influence the functional distribution of income, but it reduces the efficiency of the market.

(b) Ownership and control of assets: Changes in the ownership patterns over time are important determinants of income distribution. It is widely recognized that private ownership and control maximises the productive use of resources.

(c) Taxation of personal income and wealth: Excessive taxation discourage their optimal use.

(d) Provision of public consumption goods, or direct income transfers from state: These should be well targeted to protect only the most vulnerable groups in society.

(e) Commodity market: This is closely linked with the factor market. The commodity composition of final goods affect the demand for factors of production and factor incomes.

(f) Technology Determines the capacity output and the degree of substitutability between factors of production.

Governments can intervene in many of these areas. While the relative merits of government intervention depend on a number of considerations, some of them are clearly economic In some cases, political and institutional considerations may play a key role. However, most of the economic activities can be efficiently handled by the private sector. In order to provide a sound basis for non-inflationary growth, it is best for the governments to let the market determine the allocation of resources, except in cases where there are market failures. It is of utmost importance that governments take every possible action to eliminate price and non-price distortions affecting markets and create a conducive macro economic environment, mainly monetary and price stability, to support non-inflationary growth and employment.

Session 2 - Achieving Sustainable Growth In Agriculture and Industry

Saman Kelegama *

Introduction

The agriculture sector accounts for about 22 percent of GDP and the industrial sector for about 18 percent of GDP. Together, they account for 40 percent of GDP in the economy. The growth momentum of the agriculture sector has slowed down to about 3 percent while the industrial sector has grown above 9 percent in recent years. Although agriculture growth momentum has slowed down, the sector accounts for nearly 47 percent of employment in the country in contrast to the industrial sector which accounts for 15 percent of employment. Thus, both production and employment-wise these two sectors are vital. Moreover, the two sectors have strong linkages with the rest of the economy and their growth contributes to stimulating many activities in the economy. Thus, sustainable growth in these two key sectors is crucial for development prosperity in Sri Lanka.

Industry

1. Although Sri Lanka has substantially liberalised its economy compared to most other developing countries, the liberalisation process has not gone far enough in the factor markets (land, labour and capital). Factor markets must be efficient, flexible and responsible to changing market conditions to ensure that resources of private firms are employed in the most productive manner. Sri Lanka's labour and land markets have rigidities that impair the efficiency of the entrepreneurs in their businesses and in ensuring the optimum use of their factors for production.
2. Macroeconomic stability brought about (a) by reduction of the budget deficit, and (b) by maintaining consistency in policy making, is essential for sustainable industrial growth. The private sector will receive correct signals in a

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market economy only when the macroeconomic environment is stable. The incentives offered by the BOI and other government institutions should be consistent and continuous, rather than the offer of new incentives frequently. Sri Lanka is far ahead of most other developing countries in regard to its foreign investment policy - fiscal incentives, restriction on foreign ownership, repatriation of profits, etc. However, Sri Lanka's mediocre performance in attracting Foreign Direct Investment shows that these measures have not been effective. In fact, China and Vietnam, despite their rather confusing investment rules and regulations and less attractive incentives, are drawing much more attention from foreign investors than Sri Lanka, mainly due to their entrepreneurial dynamism and consistent policy framework.

3. Sustainable industrialisation requires a trainable workforce and readily available skills to meet the required demands. The types of skills available in Sri Lanka are supply-based and thus skills according to demand requirements are not readily available. A demand-driven skill system should get priority in policy making. Currently, the Ministry of Industrial Development is taking measures to establish a Skill Development Fund. This is a positive step to rectify the existing shortcomings in the skill system.

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4. Sustainable industrialisation requires an efficient infrastructure. The government at present relies heavily on the private sector to develop the infrastructure under BOO/BOT methods. So far, however, the private sector response in this area has not been very satisfactory. The government has established the Bureau of Infrastructure Investment (BII) within the BOI to coordinate infrastructure investments. First, as private investors try to maximise profits in the short-term, users of infrastructure services will be required to pay higher tariffs than before. Second, profit seeking investors may prefer profitable projects such as urban infrastructure development, and not less profitable investments such as infrastructure projects in rural areas. This could widen the urban-rural gap. Third, the private sector is unlikely to meet all costs necessary to control the social and environmental effects of projects that may lead to environmental pollution and social unrest. Thus, establishing an effective regulatory and monitoring framework is crucial as a principal condition for BOO/BOT investment. Such a regulatory framework should govern the activities of the BII. Moreover, capital expenditure of the government should not be reduced to balance the budget as it is a vital component in infrastructure development.

5. Given the current state of industries in the country, the tariff reform process should not be expedited to move towards a uniform tariff of 15 percent. Instead, the current tariff levels should be maintained for a longer period until local industries become more competitive. In this context, the tariff reduction schedule under SAPTA should also be closely analyzed since movement towards SAPTA by the year 2000 and consequent tariff reduction could deal a severe blow to domestic industries and introduce excessive Indian overtones into the Sri Lankan economy.

Agriculture

1. Crucial reforms are taking place in the plantation sector, which is the vital component of the agricultural sector. The new private sector management should take all steps possible to promote more value added products in tea, rubber and coconut. It is for these products that the international demand is currently increasing. If this transition is not made before the turn of the century, Sri Lanka may lag behind many of its competitors in the tree crop sector.

2. Diversification of agricultural land to other crops should be encouraged. The idea of achieving self-sufficiency in rice should no longer be the driving force behind agricultural policy. Whatever increase in production in the rice sector will come, in the future, by increasing yield per hectare and not by increasing the production area. Sri Lanka should gradually liberalise the high tariffs that are currently in operation in certain agricultural products such as potatoes and onions so that farmers could gradually adjust to becoming more competitive or switch to other competitive products.

3. For sustainable agricultural growth it is vital to strengthen the link between the agricultural and the industrial sectors. It is also vital that forced promotion of linkages should be avoided and whatever measure are taken to promote linkages should be consistent with the market economy.

In this context, necessary incentives for agro-based industries should be given priority, particularly in orchard cultivation, liberalisation of the land market and improving marketing practices.

4. The government should gradually reduce subsidising irrigation. In the existing irrigation system the operation and maintenance should be improved and farmer organisations should be encouraged to take over the operation and maintenance of irrigation systems.

Concluding Remarks

The liberalisation programme that has been unleashed has not gone far enough in the factor markets for effective industrial adjustment to take place. Moreover, Sri Lanka has to do much work in the area of incentives, skill development, achieving an effective regulatory framework, and in adjusting tariffs.

In the agriculture sector, the on-going privatisation in the plantation sector could be complemented by encouraging large-scale private sector activities in the non-plantation sector. For this purpose, existing rigidities in the land market should be rectified. The operation and maintenance of irrigation should be done with private sector participation. Linkages between industry and agriculture should be strengthened and BOI incentives should also be extended to investment projects in the agriculture sector.

Sustainable growth in agriculture and industry is vital for stimulating economic growth and generating employment.

Session 2 - A National Policy Framework for Imports and Exports

R.M.B. Senanayake*

1. Background

We have had an adverse balance of trade for the past 15 years with Imports exceeding Exports. Since we received large remittances from Sri Lankans working abroad, the adverse effect was countered. From 1990 we also had inflows of Private Capital which also mitigated the adverse trade balance.

In the past our exports were mainly commodities - Tea, Rubber and Coconut products, but in the last five years we have built up industrial exports. Industrial exports have now displaced agricultural exports as the major category of exports, but our industrial exports are confined to a narrow range, namely,

(1) Textiles, Garments and Leather products;
(2) Food, Beverages and Tobacco.

These two groups constitute 87 percent of industry. The Textile group accounts for 47 percent of local industrial production. Industrial Exports are high consumers of imported inputs Over 50 percent of Industrial exports are imported inputs.

There has been over 10 percent growth in industrial exports each year.

As for imports, 20 percent are consumer goods including Rice, Flour, Sugar, which have declined over the years. Intermediate goods like Petroleum, Fertiliser, Chemicals, Textiles, form nearly 50 percent and Investment goods about 29 percent.

To get back to Industrial Exports, the important items are Textiles, Garments and Leather products.

Most Garments are subject to quotas but there are also non-quota items. We have seen a real growth rate of 14.8 percent in the Textiles group in 1995. There has been a healthy increase in non-quota garment exports. Export oriented Textile manufacture also showed growth in 1995 - even expanding capacity, but textile manufacturers for the domestic market have suffered owing to tariff reduction by 10 percent, to 35 percent, and the Government permitting the sale of 10 percent imported fabrics to the local market by BOI garment factories, which paved the way for smuggled fabrics flooding the local market to the detriment of domestic textile manufacturing industry. Leather products have also grown (17 percent in 1995). The Diamond Industry exports have shown poor growth (4 percent) and Public Sector Industrial output has declined in recent years.

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2. Policy Stance

The title implies that we should practice managed trade rather than free trade. So, the first issue is, what sort of trade policy should we follow to achieve rapid economic growth ? Should we follow free trading policies or practice some protectionism? Import substitution industries were emphasised in the past and we ourselves followed it to build up an industrial base and to produce consumer goods which were previously imported. Protective tariffs were used to give these industries an advantage over imported products. This policy has been written off as a failure in many developing countries. But the East Asian NICs also started in the same way and later expanded into export promotion. It is my personal opinion that our import substitution industries failed because of two reasons:

(1) We gave protection for too long using not only tariffs but also import licensing;

(2) Many of these industries were in the Public sector and were ruined by Ministerial corruption - Ministers using the corporations as their private fiefdoms to overstaff them, controlling their pricing and investment policies and diverting them from pursuing commercial interests.

Protectionist policy also had an unforeseen effect - it discouraged exports by raising the price of imported inputs on the one hand, and diverting businessmen from exporting to producing for the local market which was more lucrative - e.g. rubber goods industries found it more profitable to sell in the local market.

3. Choice of Trade Strategies

The next issue, therefore, is whether to follow an inward-oriented or outward oriented strategy which does not discriminate between production for the domestic market and production for the foreign market. Under this policy we would produce import substitutes only if they can be produced more cheaply then by foreign competitors. South Korea, although it protected its domestic industries by tariffs, neutralised the adverse effects of protectionist tariffs on exports by giving exports incentives and an under-valued Exchange Rate. They achieved minimum distortion of trade thereby. Add as it may seem, a mixture of uniform tariffs on imports and subsidies on Exports is often closer to the ideal of a neutral trade policy than tariffs alone.

Another paradox is that the Government can increase the degree of protection to domestic producers -the rate of effective protection - by removing some tariffs . The tariffs on imported inputs for domestic industry must be removed, for what needs to be protected is the domestic value added , from foreign competitive, products.

World Bank studies have found a correlation between outward looking trade policy and high growth, and the East Asian NICs; Honkong, Singapore and South Korea were grouped as strongly outward oriented. Another group called strongly inward oriented had high rates of effective protection, direct controls and import licences with little or no export incentives and highly over-valued exchange rates. This group included India, Bangladesh and several African and Latin American countries.

But the evidence is not entirely conclusive. There is more to a successful economy than choice of trade policy. Nevertheless, the broad correlation between growth and an outward looking trade policy stands.

3.1 Why does outward orientation work?

This is the next issue. Trade policy seems to affect the productivity of investment. The World Bank Development Report of 1987 showed that there is a clear correlation between outward looking trade policy and productive investments.

Direct burdens that protection puts on an economy are losses in consumption (because consumers have to pay higher prices) and in production (because producers switch resources into making goods for the local market that otherwise they would not have made). Also, the waste tied up in an interventionist bureaucracy which uses import licenses, credit rationing, exchange control, etc. The private sector uses their time and ingenuity to manipulate the controls instead of struggling to produce goods in spite of such controls. The entrepreneurial skills get dulled without having to face competition.

3.2 What about the need to industrialise?

How are we to achieve it without protection? This is the challenge. The NiCs with their outward oriented trade policy, managed to achieve faster growth of manufacturing while the inward oriented economies did not achieve a fast growth rate.

3.3 Has Free Trade triumphed?

It would seem so since the Uruguay Round of Tariff reductions and the setting up of the World Trade Organisation to monitor free trade. Since 1947 GATT was the main forum for trade liberalisation. In successive rounds of negotiations governments have cut tariffs on an average from over 50 percent to less than 10 percent. The developed countries included services within the scope of agreement and concessions on intellectual property and foreign investment. But France and USA tried to introduce into the scope of WTO what was called the social clauses which covered workers' rights, human rights and environmental concerns.

That the west is subtly trying to re-introduce protection in the guise of labour standards and environmental standards is the view of leaders in developing countries. They are trying to justify imposition of new tariffs on grounds that labour costs are lower because labour standards and environmental standards are not being followed by developing countries.

3.4 Labour Standards and Environmental Standards

Should we allow the social clause and labour standards?

Goods produced by workers not employed according to internationally recognised labour standards. These will increase production costs and make our exports uncompetitive. Also, higher labour costs will discourage the flow of foreign investment as the advantage of low labour costs will be eroded.

Unemployment will continue to be high as exports and investment are hit. Domestically produced goods will also go up in price if wages go up due to labour standards and environmental standards. Industries will also be more capital intensive and worsen our unemployment problem.

3.5 Regionalism

There is a movement towards trading blocks. European countries have joined up in creating a single market. A North American free trade area is being created including USA, Canada and Mexico. The Japanese are concerned they will be shut out of Europe and USA. So we have the Asia Pacific Economic community being planned. Then, there is SAARC. But the progress of SAARC is slow because it is not so important for India. India has very recently applied for and obtained some sort of observer status in ASEAN.

3.6 What are the implications of Sri Lanka joining SAPTA?

The South Asian Preferential Trading Agreement: India is a large market, but we produce the same commodities, and in industrial production India is far ahead. Indian wages are below ours. The existence of economies of that scale may handicap small economies like ours and make import substitution a necessarily inefficient policy - hence, it is necessary to combine policies of protection with promoting trade within a region.

3.7 Textiles and Ready Made Garments

The Multi Fibre Agreement will cease by 2005 and there will be open competitive trading thereafter. The Sri Lankan textile industry is already suffering from exposure to imported yarn and fabrics owing to the tariff reduction to 35 percent and the release of duty free fabrics to the local market. The apparel industry cannot survive the lifting of quotas. There is a need for rationalisation of both the textile and apparel industries.

New technology must be introduced and labour must be reduced if textile industry is to survive. The apparel industry requires rationalisation into a few large companies with much greater productivity.

3.8 Anti-Dumping Provisions

A foreign firm might sell at a loss or at a price that is less than it charges in its home market. Some fear that the anti-dumping code could be used for protectionist purposes. If we are to use these provisions we need to study home costs and prices of imported products.

3.9 Finally, we have to take note that GSP - the generalised system of preference, will go. The EEC is fixing quality standards and other countries will do the same. Our manufactured exports will have to be of high quality and conform to quality standards.

4. Exchange Rate Policy

It is important to prevent over-valuation of the Exchange Rate. Whether it should be deliberately under-valued to promote exports, is another issue. But the real exchange rate should not be allowed to appreciate.

4.1 Should there be Export Incentives?

4.2 Should domestic industry be subsidized; should they be given subsidized credit?

4.3 The World Bank policy recommendation is for deregulation, removing the state from business, and privatisation, devaluation of the exchange rate, reduction of tariffs and import liberalisation. But this is different from the more interventionist policies practised by South Korea, Malaysia and Indonesia. Many argue for a more pro-industry interventionist policy, but it should be the right kind of intervention through market forces and not by fiat.

Any state intervention should be to make the firms more efficient. This is a long process. Many firms do not know what their deficiencies are. Many in the top managerial ranks of companies have inherited these positions because they were loyal to the British who placed them in charge when they left. We need a modern managerial class who know how to run their firms efficiently. Liberalisation by itself will not lead to industrialisation. Government action is required to produce a capable managerial class. Present education at the Universities is largely irrelevant and not conducive to producing such a class. Economics teaching must be upgraded making the latest books in English readable by undergraduate. The Government must also see to it that there is a not only skilled but also disciplined workforce.

How do we produce a disciplined workforce? Not by giving excessive job security and protection to workers. Labour laws make it very difficult to impose discipline and get rid of recalcitrant workers. The Termination of Employment (Special Provisions) Act must be repealed. The present arrangement for recognition of trade unions is quite adequate and there should be no compulsion on employers to recognise trade unions. Trade unions also should be required to become democratic. Outsiders, like politicians, should not be allowed to hold office. Strike decisions should be by secret ballot under the supervision of the Labour Department. Notice of strike action should be made mandatory and liable for civil suits in the case of illegal strikes. Only peaceful picketing should be allowed. Criminal acts by trade unionists should be punished.

The Government should assist industry in providing support for Research and Development. Industries with potential to grow into export industries should be given subsidies. They should be given some protection by way of tariffs or given export incentives. The Duty Rebate Scheme, the Manufacture in Bond Scheme and the Duty Free Clearance of machinery should continue.

Government must also provide subsidised credit or allow industries to borrow in foreign currency and provide cover for the exchange risks by charging a premium. Exchange controls regulating payments should be done away. Importers should be free to trade on open account. Pre-shipment credit in foreign currency should be permitted. Advance payment for imports should be allowed. Trades should be allowed to have foreign currency accounts.

There are also new activities which may not be undertaken because there is no allowance for the difficult learning process. The initial costs and disadvantages of being a late-comer because of economies of scale and difficulties in the learning process mean that some protection or subsidisation may be essential. If there is free open trade, such industries will not begin or not go beyond the very simple stage of processing. So protection for industries with potential is necessary.

5. Conclusion

We cannot go for Free Trade. Tariffs are bound only at the 50 percent level, yet the Central Bank Annual Report says that tariffs will be reduced to 15 percent by 1998. If so, subsidies will be essential for certain industries, both export oriented and those catering to the domestic market, but with good potential to grow into export industries. Tariff reductions should be phased over a longer period than presently envisaged. Rapid liberalisation will only cause several existing import substitution industries to collapse - unwarranted de-industrialisation.

Although there are adverse effects of protection on competition and efficiency, they have to be offset by other measures to stimulate competition such as early entry into export markets. Protection by itself is not conducive to efficiency. It must be combined with active government measures to promote efficiency - Government is still a large buyer of goods and services.

Macro economic stabilisation is a pre-condition for industrial development, although the way it is achieved may be debatable. With the on-going war, control of inflation will be extremely difficult. Interest rates will continue to be high, and indirect taxes, like the Turnover Tax and the Defence Levy will have to continue. These will make our export industries uncompetitive even if the exports themselves are exempted, since other inputs, particularly imported inputs, will be subject to such taxes. An early conclusion to the war is essential to develop our exports and industries.

The capacity of the Government must be improved. Today, the bureaucracy is incompetent and ignorant of the workings of a free market economy. There must be improvement in the quality of Public Administration, particularly in Economic Administration. Pre-shipment inspection should be introduced and corruption in Customs reduced if not eliminated. Otherwise there will be neither force nor fair competition. The Fair Trading Commission must be strengthened to implement competition policy. Infrastructure has to be developed, particularly roads, bridges, power plants, etc. With the present capacity of the Government, an interventionist industrial policy may not succeed, given the bureaucrats' lack of rapport with businessmen and their incompetence.

Session 3 - Structuring Education Towards Development

LANGUAGES OF EDUCATION:

Lessons of the Past and Strategies for the Future

Prof. S. Rupasinghe*

1.0 Background

With the consolidation of British Colonial rule in maritime Sri Lanka in 1798, English became the official language of the Colony pushing the national languages into insignificance. The Colebrooke Commission (1832) recommended English only as the language of education and considered the two indegenous languages - Sinhala and Tamil - as unimportant. The Morgan Committee (1867), while retaining English as the main language, also recommended that education should be imparted in Sinhala and Tamil. With the implementation of the recommendations of the Morgan Committee a dual language policy in education - English and vernacular - emerged.

While education in English was fee levying and was imparted in prestigious urban schools, it paved the way for British Examinations and higher education, both local and foreign. Education in the vernacular languages was free, but inferior, giving only a rudimentary knowledge of reading and writing and relegating those who received it to a lower position in society.

By 1944 around 11 percent of the children who attended school studied in English schools. The balance 89 percent attended either Sinhala or Tamil schools. Those who received their education in English were able to gain social mobility through professional jobs and government jobs and occupied the topmost position in society. The English educated locals were also in a position to demand for political power later, to step into the shoes of the coloniser.

Towards the end of the 19th Century and during the early decades of the 20th Century there were cries against the discriminatory system of education, especially the language medium. The demand was to make the mother tongue the language of education at least in the lower classes. The Bridge Committee (1912) recommended that the language of education in the primary section should be the mother tongue.

The social and political forces that emerged with the national movement of the 20th Century were reflected in the proposals of the Special Committee on Education (Sessional Paper XXIV - 1943) which said:

356(a) We recommend that the medium of instruction in the primary schools be the mother tongue;

(b) English should be introduced as a language subject to all primary schools where it is not the medium.

The mother tongue as the language of education entered the secondary level in the nineteen fifties - G.C.E. (O/L) in 1957, G.C.E. (A/L) in 1959 and the Faculty of Arts of the University of Ceylon in Peradeniya in 1960/61.

English, as a medium of education, dried out gradually, after 1958. Education in the mother tongue

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combined with free education (1945) led to the expansion of educational opportunity to hitherto deprived groups. Enrolment at primary level swelled in the 1940s, at secondary level in the 1950s and at University level in the 1960s.

2.0 Issues

(1) Access to English education was not uniform and there were striding regional disparities. Colombo and Jaffna had better schools and offered more opportunities for English education than other areas.

(2) The spread of places in the Universities in the 1940s and 1950s was not in proportion to the population figures for each ethnic group. Certain ethnic groups were over represented and this was largely due to the regional imbalance in the provision of educational opportunities, especially education in English.

(3) The percentage of students attending English schools increased from 11.5 in 1945 (100,482 students) to 18.3 percent in 1957 (331,132 students) after the free education scheme was introduced. Thus, free education resulted in an expansion of opportunity for English education.

(4) Even though it was expected to teach English as a subject from year 3 onwards, the programme really did not work as expected. There were wide disparities across regions and within regions. Even in 1992 there were 16 Educational Districts which did not have an average of one English teacher per school. Mannar and Kilinochchi had 0.2 teacher per school and Anuradhapura and Polonnaruwa had 0.4 teacher per school. The problem was very acute in remote and rural areas.

(5) As students sought to enter the University from two parallel media - Sinhala and Tamil - and as competition for University placement increased in the 1960s, suspicions arose between the ethnic groups about the examination process. This resulted in the standardisation of marks across these media in the 1970s, which irritated one community.

(6) Advancement of each ethnic group was determined within that group. There was less national integration and mutual understanding. Knowing and appreciation of other cultural groups and social backgrounds has been neglected by all groups.

(7) Large numbers entering higher education in the Swabasha medium and the failure of the authorities to provide standard texts and reading material, left an unfilled void in education which really affected the quality of the products. Higher education was reduced to the level of cramming notes in order to pass examinations.

(8) English as the language of education will always limit it to a few, whereas education in the national languages will provide the opportunity to a greater number and the democratisation of education. Education in English in fact created four nations.

3.0 Strategies for the Future

The most urgent need is to strengthen the present English language teaching programme in schools. At present the English language teaching programme suffers from several drawbacks as follows:

1. Shortage of competent teachers who have a positive attitude towards their profession;
2. Short supply of reading material and resource material;
3. General lack of interest among most students, to master the language.

The National Education Commission (1955) has the following actions in this regard:

* During the periods when children are learning through activities, English will be used for communication in the classroom.

* All primary school teachers will be guided through appropriate word lists, teacher guides and workshops.

* Teachers will be offered incentives for improving their English competence to a high level.

* The current English learning programme will be supplemented through -

- A scheme to get non-teachers who are proficient in English to teach English;
- Classroom libraries;
- Mobile libraries;
  - Community libraries;
  - Programmes through the media;
  - Cartoon strips;
  - Language camps.

The idea of compulsory English has been sounded for a long time. Before any attempt is made to make English compulsory, adequate steps should be taken to improve the present programme which is far below the expected level.

The restoration of an optional English medium beyond grade 6 or at G.C.E. (A/L) is a possibility. But then to recruit a sufficient number of teachers who are able to teach in the English medium will be a real problem. It will take a long time to build up a teaching force competent to teach subjects in English. Furthermore, socio-economic differences will adversely influence the choice of medium.

Even at school level, further localisation of the content of English teaching could be considered useful. Any English teaching programme should embrace the local culture and provide a rich experience to the learner.

Education in English will open the door to wider fields of knowledge and understanding in all fields of human activity. Therefore, every effort must be made to raise the standard of English both at school level and as well as at higher levels.

Session 3 - The Admission and Education Policies of our National Universities
Are we on the Right Track ?

Dr. Stanley Kalpage *

Admission Policies

Current Admission Policies

Current admission policies as described in the UGC's Admission Booklet valid for the Academic Year 1995/96, states that admission will be done on the basis of raw aggregate marks. This policy was first adopted in 1977 to replace the earlier scheme of standardisation of marks, media-wise and subject-wise, which was widely criticised.

In the case of Arts, admission is now on an all-island merit basis with the proviso that the total number admitted from any district will not be below the total number admitted for the academic year 1993/94. This would mean that the intake of Arts students is frozen at the 1993/94 level.

In courses of study other than Arts, up to 40 percent of the available places are filled on an all-island merit basis. 55 percent are allocated to the 25 administrative districts proportionately based on the ratio of the population of each district to the total population of the country. 5% are allocated additionally to each of 12 educationally disadvantaged districts proportionately based on the ratio of the population of each such district to the total population of the 12 districts. The 12 districts are:

1.	Nuwara Eliya	7.	Trincomalee
2.	Hambantota	8.	Ampara
3.	Kilinochchi	9.	Anuradhapura
4.	Mannar	10.	Polonnaruwa
5.	Mullaitivu	11.	Badulla
6.	Vavuniya	12.	Monaragala.

This basic admissions policy has remained unchanged since 1988/89 with the exception that the number of "underprivileged" districts has been increased from 5 in 1988/89 to 12 in 1995/96.

Under ideal conditions, where educational facilities are uniformly good, the best policy would be the selection of candidates in all areas of study on merit on an all-island basis. The rationale for admissions to be based on all-island merit and district merit is to ensure that the disparity in educational facilities among the districts will not be iniquitous to those who come from districts where educational facilities are still poor.

It will be clear that there is no discrimination between the ethnic groups in selecting students on all-island merit and district merit. That discrimination was removed when media-wise standardisation was abandoned in 1977/78.

*Former Chairman, University Grants Commission

In fact, the allegation of discrimination in university admissions was first made in 1970 when the United Front government made the controversial decision to admit students to the science-based courses on the basis of predetermined mark levels applicable to the three language media in which students sat the examination. For example, in the case of admission to the medical faculties, the minimum mark for entry was set at 229 for the Sinhala medium while it was 250 for the Tamil medium. The same mark level was used for the English medium, depending on whether the student concerned was a Sinhalese or a Tamil. Students of other communities who sat in the English medium had to achieve the minimum mark levels of the Tamil medium students in order to gain admission to the Medical Faculty. This method of admitting students was, however, abandoned the very next year.

Review of Admissions Policy - 1987

During the period 1977 to 1989, the University Grants Commission reviewed university admissions policy on two occasions, in 1984 and in 1987. The Committee appointed to review the university admissions policy in 1987, headed by Professor Kingsley de Silva, recommended that academic excellence should be a primary factor in securing admission to a university. The three-tier system of admission, which gave priority to equity and equality of opportunity, should be replaced by a system which restores pride of place to merit and academic excellence.

The main recommendation of the review committee was that "the merit element in the admissions formula should be given greater emphasis and a corresponding and progressive reduction be made in the district quotas we well as the quotas for educationally underprivileged districts till they are eliminated over a six to seven year period, beginning with the A/L Examination of 1988". This would have meant that by 1994/95 all admissions would be based on an all-island national merit list. This has not happened.

District quotas were originally introduced as a temporary measure in the 1970s and would now have survived for a quarter of a century. This was time enough and more for the elimination of the imbalances in educational resources which originally justified the introduction and subsequent continuation of the system.

Educational Policies

Universities, at the apex of the educational system, should aim at equipping students to taking their place as useful members of society in which they live. Differences in the nature of societies will naturally mean differences in the types of universities. In an underdeveloped country like Sri lanka, economic and social development is a primary goal. The educational policies in our universities should therefore be geared primarily to national development. This does not mean that the arts and humanities should be neglected. These disciplines would enable students to gain valuable insights into realms of knowledge which are not necessarily of direct benefit to the development process. It is a function of universities to expand the frontiers of knowledge. This is why research is as important as the dissemination of knowledge through teaching.

Universities Act No. 16 of 1968

Sri Lanka's university system today is essentially what it was after the Universities ACt, No. 16 of 1978 was promulgated. The basic structure of the system has not changed since then. Even the affiliated university colleges set up in 1991, are based on Ordinances under that Act.

The Universities Act, No. 16 of 1978, sets out clearly the kinds of institutions in the university system, namely, universities campuses, university colleges, an Open University and recognised institutions. The Act is therefore flexible enough for the setting up of different types of institutions that may be needed for providing education at university level. University policy is determined by the University Grants Commission.

Corporate Plans for University Education

During the period 1978 to 1989, a series of Corporate Plans were published by the University Grants Commission setting out the policies and programmes to be undertaken over a five year period. The last Corporate Plan available is for 1988-1992. The Universities Handbook has not been published since 1993 and the latest Annual Report is for 1993. Without a regular flow of information from the UGC to Parliament and the people it is difficult to assess the performance of the various institutions in the University System. It is the Corporate Plan which indicates the achievements in earlier years and sets goals and targets for the next five year period. The principles that guided the Corporate Plan for the 1988-1992 period are clearly set out as:

* A shift away from the humanities and social sciences in the undergraduate intake and in university education by reducing the intake into arts-based courses;

* A shift of emphasis in university education from an overwhelming concentration on undergraduate teaching to postgraduate teaching and research;

* Development of centres of excellence;

* Establishment of new academic disciplines such as anaesthesiology and microbiology;

* Expansion of Open University courses;

* A considerable expansion of technical education courses.

These principles are still valid and should be translated into suitable programmes.

Affiliated University Colleges

In November 1991 eight Affiliated University Colleges (AUCs) were established in eight of the provinces (the Northern and Eastern Provinces were considered as two Provinces). In March 1993, two more Affiliated University Colleges were established at Trincomalee and Buttala. The Orders establishing these Affiliated University Colleges state that these institutions are being established for the purpose of providing, promoting and developing Higher Education in Agricultural Sciences, the Engineering and Technological Sciences, the Humanities and Social Sciences, the Management Sciences and the Natural and Applied Sciences.

Not all AUCs teach in all areas of study. In fact, the Western Province AUC taught only mathematical science in 1993, and there were no students at all in 1994. Probably this AUC has been phased out since then. In 1994, the UACs with a fair number of students were: North Western (347), North Central (351), Northern (256), Sabaragamuwa (381), Southern (361), and Uva (271). These students are given diplomas after two years of study. A number would have completed their studies by now. Without the necessary data it is not possible to evaluate the usefulness of these courses of study.

Six of the eleven AFCs taught English in 1993-94 to some 725 students, 654 received instruction in Accountancy and Finance, 255 in Entrepreneurship & Small Business Management, 177 in Home Science, 57 in Tourism Culture, and 63 in Travel and Tourism. Whether there are supporting courses in each of these areas is not clear.

In 1995, two new universities were established by the amalgamation of certain AUCs. The North Western and North Central AUCs were brought together to constitute the Rajarata University while the Sabaragamuwa AUC was elevated to the status of a full-fledged univrsity. It is not clear whether more facilities and staff have been provided to these new universities although buildings constructed for other purposes like the Gam Udawas have been made available.

Resources for Education

In 1987, Sri Lanka spent less than 15% of the total budgetary expenditure and less than 3.0% of the Gross National Product of the country on university education. This is low in comparison with not only the developed countries but also many of the developing countries of the world. There is no doubt that there is a case for increasing this share but the increase should be for improvement of existing institutions and optimum utilisation of available resources rather than for proliferation of new institutions. Any planning therefore should place greater emphasis on consolidation, rather than on major expansion, as one of its immediate objectives. A review of the performance of the Affiliated University Colleges should now, after five years, be conducted to see how cost effective they are and whether they are performing the function they were mandated to perform. Establishment of new universities should be strictly according to academic criteria and national needs.

The admission and education policies of our national universities were, in my view, on track by the end of 1988. Since then they seem to have got somewhat derailed. It is to be hoped that they will get back on track once again.

Technical Session

Session 3 - General Education - Responding to National Needs

*Prof. Lakshman Jayatilleke**

Introduction

In this Paper an attempt is made to identify the key issues in present School Education. Some features of the education policy proposals made by the National Education Commission with a view to addressing these issues are also presented.

The education policies have also to reflect a new vision of the Sri Lankan society. Therefore they should be aimed at the realization of national goals which are considered worthwhile and befitting a nation of independent people living with dignity and freedom from fear and deprivation.

In the contemporary world the mobility of persons and the transfer of goods and services across national boundaries is an important feature. Education has to be supportive of this exchange. It has also to be designed and implemented so as to safeguard cultural values which are conducive to peace of mind and coexistence with harmony of individuals and of groups.

The Scope of General Education

General education in Sri Lanka is that sector of education that caters to children from the age of five years to about the age at which he or she becomes a person who can act independently. Very soon regulations will be enforced which will require that every child is compulsorily educated up to the age of 14 years.

Although Sri Lanka has enjoyed a relatively high rate of literacy in the past, recent evidence shows that there is a trend towards early dropping out of school and even non-starting. Furthermore, **literacy** as a concept is undergoing change. In the Age of Information, a person should not only be able to write his name and read a few simple sentences. Literacy involves not only the use of the language of words, but also that of numbers and visual communication of various forms. The use of numbers and diagrams is particularly important in the application of Information Technology.

Reading at least a few simple texts per year, writing sentences and attempting to spell unfamiliar words and using numbers meaningfully and solving numerical problems involving addition and subtraction, are some of the features that add on to literacy. We should keep abreast of such developments in our practice.

The Custodial Function

One of the principal functions of the school is the custodial function. This is expected even in the remotest areas. The school is expected to provide a clean, safe and secure environment for the child. It must also keep him or her occupied in a way that is conducive to healthy growth. In contemporary society where both parents in many instances have to be at work during daytime, the custodial function takes on added relevance. With the increasing availability of a large amount and variety of information outside school, the child has to be made competent to select and use information for its benefit. Both the school and parents have a joint responsibility in this regard. Even in the developed countries, concern is being expressed by educators about the influence of the electronic media on growing children. This concern is not only about the content of the programmes but also about the personal habits and attitudes that are inculcated due to the medium itself.

The Primary Stage of Schooling

The improvement of quality of education in the primary stage is drawing much attention. It is the stage of schooling which gives the highest rate of return on investment in terms of benefits to society and in increasing the ability to be more productive in later life.

In Sri Lanka, primary education is the most neglected stage. It appears as if the child is taken for granted. The needs of the growing child and the fundamentals regarding child development are largely ignored. Memorizing of verbally presented information is given most attention. Social studies, science and mathematics are taught with the same emphasis as for older children. Whether the children can capture the meaning of what is communicated to them is not considered.

The ill-effects of such neglect and poor educational strategies are reaped later. One glaring ill-effect is the weakness in communicating effectively with the spoken language. Listening to capture meaning and speaking lucidly to convey ideas are two abilities that

**Chairman, National Education Commission*

are neglected or taken for granted. Low productivity, preference for white-collar jobs, lack of creativity and the crisis in values are connectable to the low quality of primary education. Close examination of the home, classroom and school which, together with the adults in them forms the child's world, shows that the totality of the messages to the child are both defective and deficient.

School demands too much of time for 'left-brain' activities. The use of both hands in a coordinated manner, development of sensory acuity, working with feeling and sensitivity, teamwork, physical exercise coupled with nourishment, time to explore the environment and gain wide experience which facilitates communication, and observing role models seem to be denied to the child. The pressure of meeting deadlines and conforming to time-tables set by adults also keep the child away from doing things from which it can gather experience at its own pace.

Creation of more Educational Avenues

About 70,000 candidates reach the minimum standard for university admission each year. Of these only about 10,000 enter the universities. More than half the age cohort leave school at the end of or before the Ordinary Level stage. Hence, the large majority of children leaving school with Advanced Level and lower qualifications need avenues for further education and training for employment.

The pressure for education and training has to be accommodated by an expansion of the facilities for Technical and Vocational Education (TVE). In this sector of education, there should be an attempt to match education and training to employment. The students should either be given specific job-related competence or be made trainable. For this purpose, the TVE institutions should either have equipment which are of the types used in industry or have strong links to enable meaningful industry-based training.

TVE institutions which gives an orientation to the younger school leaver, and institutions which offer a variety of job-related basic competencies are needed. They should be operated parallel to the traditional schools and cater to about 20 percent of children. They will not be second-class schools but will offer learning environments which are comparable to any other school. This set of schools will have a curriculum that will open out at the upper end to both further education and training opportunities, and to employment in agriculture, commerce and industry.

The Teaching Profession

The remuneration of teachers which was low in comparison to other comparable categories has now been increased. It is necessary to support them with the resources and institutional support necessary to improve their teaching practice and professional standards. A cursory examination of the field indicates the presence of a significant number of teachers who are dedicated, have high personal standards of conduct, and even give out of their own personal funds to promote learning. There are also the noticeable features of teacher absenteeism, reluctance to assist pupils in extra-curricular activities, and lack of interest in keeping abreast of developments in education in their own disciplines.

Improvement of Teacher Education is receiving attention and will also receive more resource inputs in the near future. We can expect a significant improvement of the teacher education curricular and of the physical facilities. Areas requiring further attention are the mechanisms for improving the professional status of the teacher, increasing their participation in the programmes for the all-round development of the child and the attainment of the broader aims of education such as national integration, and the achievement of better patterns of teacher deployment throughout the country.

Counselling and Guidance

Over the last few decades educational opportunities have improved throughout the country. This is reflected in the intake to the universities. Children from remote areas, from low-income families, and without discrimination on race, sex and religion, rise up to the highest levels of educational attainment. There are, however, pockets of deprivation, less in the cities but more in the rural areas and in the plantation sector. There are some programmes targeted to improve educational standards in these. But more are needed.

One key area that demands immediate attention is the counselling and guidance of children both in respect of their educational progress and the job opportunities available. This effort must spread from about the junior-secondary stage of schooling into the universities and the TVE sector. This is best done by teachers and others in the community who have the competence and are close to the school. They have to be backed by an up-to-date and detailed information base regarding educational avenues, resources and know-how for self-employment, job opportunities, and investment trends which will create future opportunities.

There have been two initiatives for compiling such information and guides for the urban sector. It is very important that attention be paid to the rural sector opportunities and the rural children who form the majority. This information will also be important and immediately useful for planners of education. Compilation of the information has to be the cooperative effort of professionals, the private sector and the national planners. The database could be supported and maintained by the National Institute of Education, the Tertiary and Vocational Education Commission and the University Grants Commission.

Funding of Education

Any improvement of education requires a minimum of additional funds. At present Sri Lanka spends an amount on Education that is low even by regional standards. We may be surviving this because of the high value that had been place on eduction in our traditions. These values are fast eroding. Hence, aspects such as transmission of culture, nurturing and caring for the young, the ethical and moral basis of society, may increasingly be given low priority.

This trend is perhaps reflected in the funding of schools. Recent surveys have shown that of the recurrent funds, the Provinces spend about 1 percent or less on supplies and consumables for schools, whilst the National Schools spend about 4 percent. This is a paltry figure considering that some schools cannot even afford to buy the chalk and paper for the teachers. Both increased funding and better management have to go hand in hand.

Closing Remarks

In this brief paper we have attempted to highlight key issues of general education and its supporting structures. We have brought into focus those issues which could be of greater interest to the professionals. It is expected that you will deliberate on them and contribute to their resolution both individually and collectively.

Session 4 - Employment on Merit : The Need of the Hour

*Prof. W.D. Lakshman**

From a macro point of view, the Sri Lankan labour market today is characterised by:

(a) A high overall rate of open unemployment;

(b) A strong element of structural unemployment in which, on the one hand, there is a scarcity of labour in some activity areas with a labour surplus in others and, on the other hand, higher than average unemployment rates prevailing among the relatively young and the relatively more educated members of the potential labour force; and

(c) High rates of under-employment in the sense of either lack of work for full time engagement or low levels of productivity and earnings in spite of availability of more than full-time work.

The above characteristics emanate, on the one hand, from the failure of the economy to create jobs at an adequate pace and, on the other hand, from the non-generation of "desirable" jobs at a sufficiently high rate. As a result, a large proportion of even the employed workers are engaged in low productivity or low income jobs. In some activity areas (e.g. the Government Sector) much of the employed labour is redundant. If this redundancy is eliminated, the problem of open unemployment may become even worse than it is.

On the whole, the labour market characteristics noted about are largely a reflection of (a) inadequate growth in the economy, thus retarding the increase in the demand for labour, in the context of, (b) expansion of the population and the upward movement in the labour force participation rates, thus increasing the supply of labour. In addition, there are factors emanating from the prevailing education system and the value system in the country affecting the pattern in employment aspirations. These are, in turn, conditioned by historical and socio-cultural factors.

The conditions of over-supply or inadequate demand in the labour market have given rise to more than one allocation mechanism to distribute the limited number of available jobs among the too many aspirants. The marginal productivity analysis, lying behind much of theorizing in mainstream economics, the major mechanism for the allocation of the

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available labour among different productive firms, any given firm increasing the workmen it employs up to the point of equation of the marginal productivity of labour with the going wage rate.

The fact that the above is too simplistic to analyse the work of an actual labour market in any real economy, is too obvious to need special elaboration here. Focusing on Sri Lankan society and its institutional and cultural peculiarities, one could easily understand how the distribution of limited available jobs is governed by different allocation mechanisms. Some of the peculiar institutional and cultural features in the society and the economy which lead to this result are as follows:

(a) The ethnic, linguistic and religious differences;
(b) Colonial history and the peculiarities of elitism and the value systems which consequently got ingrained in society, thus affecting both employers' thinking and prospective employees' job aspirations;
(c) The competitive political party system; and
(d) The peculiarities of the labour institutions in operation, including labour laws and trade unions.

All this has prevented, at the micro level, the allocation of available job opportunities purely on productivity related criteria. While the market mechanism plays a role, there are also many extra-market solutions made use of in regard to this allocation problem. While productivity considerations are unlikely to be completely ignored, in recruitment decisions, particularly in the private sector, ethnicity, religion and language are allowed to play a larger part than in a society which is more homogeneous than ours is in these respects. Candidates coming from elitist families - however defined this elitism may be - would find it easier to obtain more desirable jobs than those coming from ordinary families. Due to the democratic nature of the polity and the fact that unemployment has recently become an explosive political issue, the political mechanism has become, particularly in the public sector, a complement to the market mechanism, in the allocation of available jobs among job aspirants. Along with the above micro level considerations, one must also note the fact that at the macro level, the nature of labour institutions in operation has prevented the flexible wage solution from becoming an answer to the overall unemployment problem.

It is rational under the above conditions, for the OPA to decide that a session in this seminar be devoted to "Employment on Merit'. It appears that the planners of the Conference believe that this is "the need of the hour". The title given for my presentation here, obviously focuses on merit in the process of recruitment, but I am tempted to look at "merit" also in the process of promotion of those in employment. In both cases, "merit" is hardly an unambiguous concept. What is perceived to be "merit" is likely to vary from observer to observer and from situation to situation. An employer's concept of merit could be different from that of a prospective employee. A prospective employee, having the required academic attainment certificates, work skills and work experience, might be convinced that he/she should, on merit, get a certain job, but the employer might be looking for other attributes as well in the person to be recruited. The employer's perception of merit here presumably is a broader concept than that of our prospective employee. There could be other cases where prominence is given to family connections, the school of secondary education, religion, etc. in recruitment practices, to the neglect of personal achievements and skills. Such cases could be justifiably criticised as those disregarding merit.

The concept of merit has so far been viewed as somehow related to productivity and earning capacity of the human beings to be recruited. There could be, at a macro level of analysis, other considerations of merit as well. The prevalence of such other concepts of merit can be observed particularly in the formulation of a government's social policies. A case in point is the conflict between efficiency and social justice in respect of policy formulations. If a segment of society has traditionally been deprived of opportunities (a minority community, communities living in the remote periphery with underdeveloped physical and social infrastructure facilities, or groups disadvantaged by shackles of poverty and penury), then social justice objectives of state policy would justify a system of positive discrimination in favour of such people, even if efficiency considerations would militate against the introduction of policies of positive discrimination. Such policies are practised in many societies today and accordingly, some share of available job opportunities may be reserved for persons from such underprivileged groups. It is unlikely that those advocating a general policy of "recruitment on merit" would seriously object to measures of positive discrimination if the favoured groups have been rendered disadvantaged due to no fault of theirs.

The objections from the advocates of "recruitment on merit" are, however, likely to be very strong against

the use of the political party mechanism to distribute limited employment opportunities - a practice that has developed in Sri Lanka over the last few decades. Every major political party would be fearful of growing unemployment during its tenure of office. When the going rate of accumulation fails to increase jobs to clear the backlog of unemployment, and to employ those newly joining the labour force, a government is tempted to provide employment, at least to its political supporters, within the institutions and services under its control and supervision. This has happened in the past as a process of competition between the two major political parties which alternated in power, the party coming to power having been in the opposition for some time, offering jobs for its supporters who have been "ignored" or "discriminated against" during the earlier regime.

Another widely held perception about merit, prevalent particularly among job aspirants, is that performance in written examinations, conducted under conditions of anonymity, must be treated as the most important criterion of merit. At pre-labour-force stage, a very large proportion of the population would have got accustomed to national examinations carried out under a system of anonymity through the use of index numbers. These national examinations, GCE Ordinary and Advance Level in particular, do not have any component of direct student evaluation of a face-to-face basis, except in the case of a few subjects like dancing and music. There is, under these circumstances, a widespread suspicion about the results of any evaluation carried out in which the identity of the person to be evaluated is known to the evaluator. Up to a point, the wish of job aspirants to see that they are evaluated through written examinations under conditions of anonymity can be understood, given the extent of socio-cultural fragmentation in society. To take this wish to the extreme of complete rejection of evaluation through interview, however, is meaningless although the government has in fact gone to that extreme in some recent circulars *vis-a-vis* recruitment to certain types of jobs.

In respect of promotions, meritocracy and gerontocracy appear to be the two widely used mechanisms. The seniority-based promotion systems and the promotion systems based on measured ratings of employees in terms of performance, are both systems of promotion on "merit", although in the two cases the merit is defined differently. Both these systems of merit-based promotions have their strengths and weaknesses, but various problems may cross up when promotions are made with reference to neither seniority nor work efficiency. Sri Lanka is familiar, partly in regard to the public sector, with the adverse impacts of promotions granted on purely political considerations.

Both recruitment and promotion, if carried out with no concern for "merit", however this "merit" is defined, will have adverse micro and macro implications. Here I will focus briefly on such implications of recruitment practices which do not take into account considerations of merit. In the case of the private sector, recruitment practices are likely to take careful account of productivity, revenue and profit considerations pertaining to the individual enterprises concerned arising out of such recruitment decisions. If it is not the case, the adverse micro level impacts will be borne by private capital. Because of the soft budget constraints of public sector enterprises and institutions, however, recruitment practices which do not take merit into consideration will not put the finances of such public sector institutions into disarray. Sri Lanka is well aware of the implications of politically motivated recruitments into public sector institutions -- over-staffing, adverse motivational effects, unnecessary duplication of work, leading to overall work inefficiency and, in the case of commercial enterprises, financial losses. At the micro level these would pose serious problems of survival in the case of a private sector institution but the presence of the government to bail out public sector institutions where necessary, would permit the latter to continue at low levels of efficiency for extended periods of time. Without hard decision making at the political level, a vicious circle would prevail - political compulsions to provide employment to the unemployed, leading to the use of public sector institutions as employers, leading to inefficiency, over manning and losses of individual public sector institutions, leading to government subsidies and the resulting lack of compulsion on the part of the institutions concerned to take necessary corrective action, leading to declines in accumulation and in jobs created.

There is an implicit expression of concern when one talks of employment on merit as being "the need of the hour". Any widespread presence of employment practices which are not based on merit, whether such practices are found in the private sector or the public sector, creates serious macro-level problems. It is the persons from more numerous ordinary families who will be discriminated against in such conditions. Given the following conditions in the Sri Lanka society:

(a) Relatively more widespread levels of literacy and educational attainment;
(b) Strong political awareness of the population and its relative familiarity with various protest movements, and
(c) Greater incidence of unemployment among the relatively young and the relatively more educated.

any widespread perception that "unfair" practices are used in the distribution of whatever limited employment opportunities that are available could easily become a source of political discontent and revolt. This would further reduce the chances of achieving rapid accumulation and growth to reach near full employment conditions at a speed aspired by the people. This would force the government to continue its practice of using public sector institutions to provide jobs on political rather than merit considerations. This would further weaken the economy's growth dynamism as the government will continue to be crowding out the private sector by increasing its expenditures on the one hand, and on the other hand, the accumulation capacity of public enterprises is thereby reduced as they are forced to recruit excessive work forces. There is indeed a strong justification for the country's professional community to mount a campaign on the slogan, "Employment on Merit is the Need of the Hour".

Session 4 - Self-Employment - A Viable Alternative? Small Enterprise Development as a Strategy in A Multi-Modal Approach To Reduce Unemployment

*Chandra Munasinghe**

1.0 Policy Setting

The economic policy statement enunciated on 13th September 1994 by Hon. Chandrika Bandaranaike Kumaratunga in her capacity as the then Prime Minister, states,

"The overall development strategy we are committed to means the pursuit of sustainable human development. While promoting rapid economic growth and employment, it also distributes its benefits equitably. It ensures that rapid development, far from destroying the environment, protects and indeed regenerates it. In investing in people and developing their skills and aptitudes, it enhances their capability to pursue fruitful lives. It necessarily gives special protection to the poor, who will be mobilized to evolve viable livelihoods through the Prosperity (Samurdhi) Movement for eradicating poverty. In sum, it is a strategy which harnesses the market to social purposes."

Reduction of inflation, pursuit of rapid economic growth, the creation of productive employment opportunities and the equitable distribution of the fruits of development are the major objectives highlighted.

The Deputy Minister of Finance, Prof. G.L. Peiris, in his maiden Budget Speech presented to Parliament on 8th February 1995, reiterated that the "main thrust of development strategy must be aimed at accommodating the youthful entrants to the labour market and to maintain the cohesion of our social fabric".

2.0 Globalisation of Market Based Development

The adoption of market based development strategies by many developing and formally centrally planned economies, the deregulation and opening of international markets and the virtually free flow of goods, capital, technology, labour and ideas, leading to an overall globalization of the world economy is the scenario in which the issue of productive employment in small enterprise activity has to be discussed.

Whilst it is generally conceded that the open economy model is the best strategy for small developing countries to achieve economic growth on a fast track, the open economy growth model however, does not guarantee the economic advancement of all sectors

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of the economy in the short run. Benefits of growth have to trickle down to the poor and the vulnerable, and it is now accepted that the trickle down takes time.

The problems of poverty and unemployment have to be addressed on a shorter time frame given the need to protect the "cohesion of our social fabaric" and "to enhance the capability of the people to pursue fuller fruitful lives".

Given the enormity, complexity and diversity of the issues in promoting productive employment and reducing unemployment, self-employment cannot be considered a viable alternative. The strategy mix and the action programme necessarily has to be multi-pronged.

3.0 The Nature and Magnitude of unemployment

A profile of unemployment in Sri Lanka establishes that:

(a) Unofficial estimates of unemployed amount to nearly a million. The total unemployed as a percentage of labour force accounts for 13.7 percent of the labour force;

(b) The majority of unemployed is young and belongs to the age group of 15 to 24 years. These account for 78 percent of the total unemployed which is estimated at 843,000 for all island excluding the Northern and Eastern Provinces;

(c) The large majority of unemployed, i.e. 78 percent, is from rural areas. The unemployed rate in urban areas is, however, higher than in rural areas;

(d) Of the total unemployed, 52 percent is female;

(e) The severity of unemployment, measured by duration of unemployment, is high as 76 percent of the unemployed has been unemployed for more than 12 months continuously;

(f) 27.4 percent of the unemployed has GCE (O/L)/ NCGE qualifications, whilst a further 17.4 percent has obtained higher qualifications of GCE (A/L) and above. Hence, 44.8 percent has GCE (O/L) or above.

3.1 Job Expectations of the Unemployed

An analysis of the occupations desired by the unemployed persons establishes that a large number aspires for clerical positions and craft and related work positions. The employment aspirations of females are qualitatively higher and better defined.

Interestingly a large number has not specified the occupations desired. With supply outstripping demand and job opportunities very scarce, a large number of unemployed has scaled down their aspiration levels.

The poor in Sri Lanka have had access to a variety of free and subsidized goods and services made available through comprehensive programmes of State welfarism dating back to the '30s. This has enabled Sri Lanka to achieve a very high level of social development comparable to that of the developed world. This has resulted in creating a qualitative difference to the nature of poverty in Sri Lanka as well as to the aspiration levels among the poor and the unemployed, specially among the youth, which are on a higher plane than that of the poor countries whose human development indices are low.

3.2 Labour Utilization in Recent Years

Finally, it is also necessary to analyze the manpower absorption pattern in recent years to access the nature of the labour market demand in recent years. The Sri Lanka Naltional Report submitted to the World Summit on Social Development held at Copenhagen during March 6th to 12th, 1995, contains useful information. To summarise:

* Between 1980 and 1990, the labour force and employment increased by about 25 percent;

* The bulk of incremental employment has been in agriculture - over 55 percewnt- followed by community, social and personnel services and manufacturing;

* More females have been absorbed to employment than males;

* Public sector employment, excluding recruitment to the security forces, contracted from around 50 percent of all paid employed in the early '80s to one-third by the '90s;

* The private sector work force increased from 1.4 million to 2.23 million during the period. There was only a marginal structural shift in sectorwise composition. Agriculture still deploys over 40 percent of the worker population;

* In the '80s self-employed and unpaid family labour has increased considerably;

* The rural sector witnessed a faster employment rate than the urban, mostly in agriculture;

* The non-formal sector growth has been rapid, resulting in the percentage of casual employment in total employment increasing to 50 percent during 1986 to 1987 (Consumer Finance Survey of 1986/87) from 41 percent in '81 (Labour Force Survey).

The labour absorption pattern and characteristics of the last decade is disconcerting, as it strongly suggests saturation of labour absorption in the formal markets which has forced the unemployed into what may be termed "involuntary under-employment" in the informal sector. This raises several important issues. Are all labour so absorbed fully employed? Are factor proportions optimal? Have productivity levels per unit of labour (or of even land and other complementary factors) fallen? Are all the net increments to the employed labour force in gainful employment?

3.3 Under-Employment

In addition, large numbers of the employed are under-employed. As discussed in Section 3.3 above, the net increment to the active labour force during the late decade has been mainly absorbed into the informal sector and are very much likely to be under-employed. The under-employed can be either seasonally under-employed or are not able to find employment throughout the year in case of casual labourers and other daily paid hands. Some others may be employed in positions which are much below their professional skills/training experience. Sri Lanka National Report of the World Summit on Social Development estimates the under-employment as around 20 percent of the employed labour force. The figure may be much higher.

3.4 Medium Term Labour Force Projections

Population and Labour Force Projections for Sri Lanka published by the Department of Census and Statistics, establish that there will be around 1.5 million net new entrants to the labour market between 1996-2005 under constant participation rates. Under increasing participation rates the number will be much higher than 2 million.

4.0 Low Productivity of Small Enterprises

A major characteristic of small enterprises is low productivity caused by a large number of variables, namely:

(a) Technological backwardness;
(b) Small scale of the operations preventing "economies of scale";
(c) Organizational and managerial weaknesses;
(d) Non-competing spirit and lack of profit orientation;
(e) Adverse factor proportions;
(f) Lack of marketing approach to enterprise development.

Given relatively low levels of productivity, the role of the self-employment sector has to be re-assessed. Is low productivity inherent in the scale of operations or can it be improved? Is SMI strategy a transitory phase in the growth process or can it play a sustained role? Is it complementary to big business activity or competitive? Given the economic realities of -

(a) A bulk of the population living in rural areas,
(b) The level of technology,
(c) High levels of under-employment and unemployment,
(d) Capital scarcity and lower capital intensity of SMI,
(e) Limited markets, and
(f) The ability of SMI to complement big business through sub-contracting, purchasing, service supply arrangements, SMI have a sustained positive role to play in the economic development of Sri Lanka.

It is our contention that the major focus has to be on micro-enterprise and small and medium industries, as the major strategic thrust in reducing unemployment in the short to medium term.

5.0 Private Sector Disinclination to Invest in Rural Enterprises

Private sector participation in promotion of small enterprises can take one of three forms, namely,

(a) Direct investment in rural areas;
(b) Sub-contracting;
(c) Purchase arrangements to buy from small producers especially for export.

Principal indicators of industrial activity classified by sector 1991 indicate that the private sector dominated, accounting for 82 percent of industrial establishments employing 73 percent of the labour force producing 63.7 percent of total output, and 66.4 percent of value-added.

The private sector continues to be unwilling to move into rural areas for enterprise development due to several reasons.

Inadequate infrastructure facilities is perhaps the most important. This in its broader sense would include not only those facilities as transport and communication, power, water, repair and maintenance facilities that are required to support the enterprises, but also the lack of basic amenities and comforts of good life as schools, hospitals and entertainment. The rich tend to gravitate to the good life in the city.

The markets for the products are either foreign, in which case the economies dictate that they be located near the metropolis and the port. The local market is essentially rural in character. These preclude siting the factories in the rural hinterland.

The slow growth in the economy is perhaps the major factor which impedes the private sector from dispersing their enterprise activities all over without concentrating in urban locations, especially in the Western Province. For example, rapid growth rates experienced by tiger economies impelled the investors to go to the hinterland to take the steam off the centre and to tap the rural labour in their own setting.

What we witness today is a classic dual economy in industrial growth in which export led large scale industries have very little in common with the small industries sector catering essentially to the domestic market. Perhaps the economic dualism which traditionally prevailed between the plantation, agriculture and rural food and other agriculture root has been replicated in the industrial sector too.

Economic growth as a rule does not occur on all fronts simultaneously. Experience of the 19th Century England, the 20th Century Japan and of the more recently "tiger" economies, indicate that growth first starts in one or two leading sectors and then spreads to other sectors through economic linkages - forward demand linkages, backward demand linkages and final demand linkages. In Sri Lanka, as in a number of under-developed economies, the linkages are not strong. Very often the beneficiaries of sector growth are the overseas suppliers of machinery, raw material and intermediate goods.

6.0 Impeding Forces

6.1 Weak Demand

In assessing constraints in small enterprise development, the major factor is perhaps the inadequate demand for local produce. In addition to the fact that the markets are poor, most of small and medium scale enterprises continue to adopted a production approach - "first to produce and then strive to sell" than a marketing approach in which "market potential is identified, marketing space carved out and production then and then only commences".

Competiton from larger industries and imports have also eaten into the limited market demand. Recent surveys on small enterprise in rural areas illustrate that a large number of entrepreneurs see the competition from similar small enterprises as a more serious threat than that from large enterprises. Lack of market information, inadequate infrastructure for marketing are often other major constraints on the demand side.

6.1 Supply Constraints

Supply side constraints are numerous. These, according to small entrepreneurs, include shortage and high cost of finance, lack of requisite skills, high input costs, problems in obtaining raw material, technological backwardness and inadequate infrastructure, in that order.

6.3 Technology, an Important but Ignored Variable

A few words on technological backwardness are relevant. Most small entrepreneurs assign very low ranking to the need to upgrade technology. This lack of appreciation is partly due to the low emphasis given in training programmes to the importance of technology, also nurtured by a very strong and pervasive belief among the larger number of intermediaries involved in extension services that traditional modes need to be preserved.

The yen for continuing with traditional arts and crafts rests on the mistaken notion that cultural identity can be maintained only by preserving everything that is old. The technological revolution spurred on by the microchip has special relevance to small enterprises, in that thousands of smart machines are capable of giving high level of output and productivity even in small unit operations. The microchip has made most machinery and implements used by small enterprises smart and very much scale-neutral in performance. The capacity building and technology support rendered by CISIR, the NERD Centre and the National Design Centre require to be enlarged and decentralized.

7.0 Credit for the Small Enterprise Sector

Banks are constrained in their lending to the small enterprises mainly due to project viability and sustainability concerns. The markets are essentially weak and are competent for the large enterprise goods both local and foreign. In addition, most of the projects that seek loan capital are poorly designed with scant respect for market space, and in many instances, disregard even location criteria. Weak managerial and skills capacities, total lack of marketing approach, poor on owner equity contribution, are some other constraints that surface often.

8.0 Guiding Principles in Formulating Policy

According to an ILO study, Sri Lanka - Employment Promotion and the Development of Micro and Small Enterprises, a *laissez-faire* approach is inadequate. An effective policy focus requires *faire-faire* or make do orientation creating conditions for more small businesses to establish themselves and flourish. Most of the guiding principles presented below are adapted from the above study.

A number of guiding principles that should be respected in formulating and implementing policy changes are -

(a) Unity of purpose - a comprehensive strategy with a single goal.
(b) Complementary: should be built in-between policies for self employment and small enterprises and large enterprises. This is specially important in the context of a marked dual industrial structure with export oriented industrialization by large companies the main policy stance.
(c) Character of policy has to be an open ended process in which all parties can participate actively.

The economic reality is that nearly 20 years liberalization and adjustment have not been able to generate full employment in Sri Lanka. Large numbers of men and women continue to create and pursue their own businesses in micro and small enterprises.
The challenge for policy makers is how to reach this group and bring them into full participation in the mainstream of open economy activity.

New policy attention is needed in business environment, i.e. revision of the Company Law, adjusting labour regulations, tax incentives to stimulate participation of Small and Medium Enterprises in export oriented manufacture.

Media campaigns and educational programmes need to be introduced to promote entrepreneurship as a means of income earning.

Input markets need to be improved as there are considerable untapped opportunities in the countries raw material base.

Credit and finance packages need to be developed and made available in different forms to meet the enterprise requirements.

Comprehensive skills and management upgrading to improve productivity, efficiency and profitability has to be implemented principally through the private sector by -

(a) Widening up of opportunities for in-service training;
(b) Using professional business consultancy firms to supplement technology development and transfer to rural enterprises.

Identify potential growth sectors and disseminate information on market opportunities both local and overseas.

Develop marketing mechanisms as sub-contracting, purchasing arrangements, forward and backward linkage, to create a symbiosis between rural enterprises and big business.

The government will have to play an enabling and supporting role. Such intervention is justified both from empirical international evidence, and from socio-ecoomic realities in Sri Lanka of poverty, unemployment and regional backwardness.

Improving prouctivity through technological change requires not only identifying the needs and the opportunities but also support to effective transfers and adoption of innovation.
Policy changes for the output market should aim at a general improvement of the effective demand for Small and Medium Enterprise products and promote their participation in exports. Income from agriculture tend to get spent on local consumer goods to a large extent. Stimulating agricultural production and keeping crop process high will lend to increase purchasing power. Therefore, an integrated

programme for small development enterprise as a precondition requires stimulating agricultural production.

In addition, more important perhaps is that increasing agricultural production would make available larger volumes to be processed, thereby boosting local industry.

Enhanced participation in export led industrial activity will develop if adequate information reaches the entrepreneurs. A point that needs investigation is the reason for the under utilization of available information.

Policy makers have to take into consideration the fact that the regulatory environment and people's access to resources is heavily influenced by policies at province and district levels, as well as by Municipal or Town Council level policies. Hence, any programme of action has to strategise involve such bodies.

A strategy for the development of micro enterprises to absorb large numbers of unemployed and to optimise the productive resources cannot be developed in isolation. Micro economic policies and strategies of development invariably impact on the small enterprise sector through resource fund availability, input prices and through competition in the market for finished goods and services. A development strategy which can establish linkages between the main stream economic activity and the informal small enterprise sector is necessary for a sustainable, competitive and expanding small enterprise sector to develop. Policy makers very often make the mistake of identifying the small enterprise sector as an alternative option. It has to be part of the whole and a symbiosis must develop between the informal sector and the main stream.

Session 4 - Promoting Dignity of Labour

*Lalith C. Weeratunge**

Introduction

One can define dignity of labour as,

> "Worthiness or excellence in physical or mental work or excellence of such work considered as supplying the needs of a community".

Be that as it may, it is the pride of engaging in some kind of activity useful to society and through which a person could earn a decent livelihood.

A well-educated, healthy and motivated work force is necessary for positive economic growth. Such a work force would comprise citizens who are useful to the community, and it is through a formal education system that they should be prepared. In addition to the formal education system, there are many other non-formal education programmes which inculcate into persons, knowledge, skills and attitudes.

The primary purpose of the education system is to impart knowledge and skills and, more importantly, to transmit certain values. Achieving the primary purpose involves a number of subsidiary ones. These are:

(a) Equitable access to education and training;
(b) Producing the types of educational activities that equip individuals economically, socially and politically for the societies in which they live;
(c) Running schools and other institutions as efficiently as possible;
(d) Financing education in ways that are both fair and efficient.

Although the general education system finally culminates in university education for those who get there, it does not prepare young persons direct, to be engaged in a decent livelihood or, in other words, gainful employment.

The skills that students should acquire through their education can be assessed along three dimensions:

**Additional Secretary to the Prime Minister*

(i) Ability to solve a known class of problem;
(ii) Ability to apply a given technique to a new problem;
(iii) Ability to choose which technique to use, to solve a new problem.

Unfortunately, we have not been able to design a system of education which would prepare a citizen of this country to face various hurdles and crises that come their way, whilst contributing to the larger process of national development and nation building. To say the least, most of our students will not be able to solve a known class of problem (the simplest of the three abilities enumerated above.)

In centrally planned economies, basic education and health care were two of the proudest achievements. But when those economies were in transition the education system failed to keep pace with ever-changing demands of freely competitive markets. Reform of education is therefore needed, both to give workers more transferable, marketable skills and to develop informed citizens, capable of participating actively in civil society. The strategy of governments should be to reshape education to meet the demands of a new economic system without throwing away the achievements of the old.

Education System under the British

We have been subject to three colonial powers over a long period of time and some of the scars left behind seem to have had a dominant effect on the attitude and the mind sets of our people. Especially in the field of education, the craving to get into the so-called "white collar jobs" is one of such scars. The British had a period of dominance over our country of nearly 130 years. Even 50 years after independence, our system of education still seems to be on the British lines of thinking. I do not think that we have had much of a change in the policy of education as compared to then.

It is perhaps interesting to look at the system of education that the British had in place, obviously for purposes of achieving their aspirations. Their aspirations were to conduct and train a group of locals to carry out some of their tasks, under their supervision. Prof. Jayasuriya, in his book, "Education in Ceylon Before and After Independence 1938 - 1968" makes a reference to an extract from the Sessional Paper XXI of 1912. Prof. Jayasuriya quotes from a report submitted by Mr. J.J.R. Bridge, one of His Majesty's Inspectors sent from England to review the state of education in Ceylon at that time.

In his report, Mr Bridge had admitted that he was led to the irresistible conclusion that the education system "based on the needs and potentialities of less than 1/5th of its population and seeking to deal with the remaining 4/5ths in identically the same way is, as it might be expected to be, a failure and does full justice to neither element". Prof. Jayasuriya further says, "In other words, the exposure of 100% of the school going population of Ceylon to a course geared to the requirements of the Cambridge Senior and the London Matriculation Examinations attempted in Britain by not more than 20% of the school going population there, was doomed to failure".

Bridge lamented that the system failed "signally for the many" and succeeded "partially for most of the few", and called for a diversity that would meet the needs of the many. The system of education in Sri Lanka, as it existed in 1912, is thus very clear to us, based on this evaluation by an Englishman.

Present Status of Education

In today's context it is sad that the situation is no different. If we replace the Cambridge Senior by G.C.E.(O/L) and the London Matriculation Examination by G.C.E. (A/L), then we will still be able to make a good comparative evaluation. It is very evident that even today the statement of Bridge is valid by substituting the words "potentialities of less than 1/5th" by "potentialities of 2%". Unfortunately, our system of education gives credit to only book knowledge and rote learning. A period of 12 or 13 years in the general education system would not provide a conducive environment for the development of skills or attitudes. It is a very small minority who would be able to excel in the present context of education, because it recognizes only scholastic aptitude and not any other.

The process of teaching is largely "chalk and talk" and is heavily teacher centred rather than learner centred. The student has to adjust himself to the way of teaching rather than the teacher adjusting himself to the abilities and aptitudes of students. This process has resulted in a large number of students leaving the school system because they are unable to carry on with what is being done in the system. Education must impart skills that would provide students with the ability to apply techniques to new problems. In the present mode of learning, children find it most difficult to do so because they are never given the opportunity to apply themselves.

What should be done to provide opportunities for children to develop those skills that are consistent with the aptitude/s they possess? Affording opportunities to children to sharpen skills and abilities consistent with those aptitudes already identified as being possessed by students would be the best means of preparing students to easily merge with the practices that are prevailing in the world of work.

The world of work is no easy place to survive. Initially those who enter the world of work from the school system will have to adjust themselves to work ethics, work practices, norms, traditions, etc. and then learn to survive. Are we preparing our children to face this reality? If an honest response is given it would be one that would make us sad because employers in the world of work, consistently and continuously complain that the system of education that prevails does not produce people who can be readily absorbed into those slots that are in the labour market; hence, the much talked of mismatch between education and employment.

If we look at some statistics, the problem becomes crystal clear. Does every child in our population possess the scholastic aptitude required for university education as is designed today and end up with a university degree? Taking statistics of the G.C.E. (A/L) 1992 we see that a number of students admitted to universities was 9,200. Presuming that these students first entered Grade I in the school system in 1980 (there would also have been students who entered the system in 1978 and 1979 who are repeaters at the Advanced Level) the intake in 1980 to the Grade I was 357,210. It is an extremely small percentage such as 2.6% which finally gained entry to the university after 12 or 13 years of education. The balance 348,010, or, in other words, 97.4% of the children that joined Grade I in 1980, had to leave this education channel for various reasons or have not succeeded in entering the university clearing the final hurdle.

This large number of young people are those who would have had to be given an opportunity to sharpen their other skills than let them depend on scholastic aptitude. Unfortunately, our system does not take a serious view of promoting other skills and aptitudes of students.

Thus, education needs to be reformed urgently as otherwise the erosion of our country's human capital will impose high downstream costs. Ill-educated people make up a large proportion of the unemployed and poor. The East Asian economies have been able to continue with high growth rates because there has been a rapid response of the education system to changing labour markets. A shortage of necessary skills hampers enterprise restructuring and development.

An Agenda of Action

A direction towards needed changes in the education package is indicated in the World Development Report, 1996. (Please see page 9)

Central to the theme of education reforms is the value dimension of students. Today, some skills are perceived as low level and certain others as high level. As a result, vocations that require hands on, manual skills do not attract students. Courses that offer imparting of such skills do not have takers. This is alarming as the necessary infrastructure for conducting of such courses has been put into place incurring enormous amounts of money. Besides, studies had clearly indicated the needs for such skills in the labour market. A clear policy directive is necessary to launch a series of carefully thought out activities to remedy this situation.

1. Starting from the primary schools, a career guidance programme must be launched to allow students to learn and to be informed of the opportunities that are available to them. Such a programme will not only enable the students to understand the vastness of the labour market, but will also help them to orient themselves in tune with their likes and aptitudes. They will no longer be led to think that only a few vocations, such as doctor, engineer, accountant, lawyer, etc. exist, and that one must somehow achieve that status.

2. In order to promote a sense of dignity of labour, those skills that are perceived as of low level by society, need to be recognized as being important and vital for economic growth. Although reasonably remunerative, these vocations have failed to attract young persons because of the social stigma attached to these so-called "operative activities". This is very difficult to achieve as it involves changing values and attitudes of society. Nevertheless a concrete and committed programme addressed to all sections of society would enable an appreciable change to take place. In an economy where employment growth is slow, this is very essential because a large number of opportunities exist for those with

manual skills, without which the economy simply cannot forge ahead. Award schemes, incentives, and a licence to practice are seen as contributing to a massive programme of public awareness.

3. The introduction of farming and life skills to the school curriculum has been a long felt need. Students first get the feel of society at home, but their directions in life begin to solidify in the school. Exposing students to programmes which highlight manual skills, and teaching them to think for themselves, is a *sine qua non* if we are to extricate ourselves from the present mess.

Examples of Needed Changes in the Education Package

Component of the Education Package	Objective
Knowledge	Preserve the achievements of the old system but rectify the earlier under-emphasis on social sciences and law.
Skills	Assist the movement from specific skills to broader and more flexible skills better able to meet the continually changing demands of a market economy.
Attitudes	Strengthen the ability to apply knowledge in new and unforeseen circumstances. Assist the understanding that business has its place in society and hence that profits are needed to provide an engine of growth
Values	In line with the changed relationship between the citizen and the state, encourage the understanding that citizens need to take responsibility for their actions, including their choices about education, work, and lifestyle. Foster the understanding that freedom of expression is an essential and a constructive component of a pluralist society, governed by consent.

Source: World Development Report 1996

References:

Epasinghe, Prof. P.W., 1996, Article - *Dignity of Labour and the Development of Sri Lanka*

World Bank, from *Plan to Market, World Development Report, 1996*

Technical Session

ORGANIZATION OF PROFESSIONAL ASSOCIATIONS OF SRI LANKA
NINTH ANNUAL SESSIONS, 1996

CONSENSUS DOCUMENTS
Session 1:
A Sri Lankan Identity and Ethnic Harmony

Preamble

The objective is to shock the conscience of professionals on the crying need for professional commitment to establish a Sri Lankan Identity with a view to reaching consensus on:

(i) The responsibility cast on professionals, and
(ii) Optimal strategies for meaningful and deliberate interventions.

It has to be tacitly admitted that a Sri Lankan Identity is sadly lacking, and there is a growing conviction that such an identity is desirable, if not essential, for Sri Lanka to contain divisive tendencies and focus on development strategies that could be sustained in the long-term. Divisiveness is most marked in the area of ethnicity. Very real concerns exist among the majority and minority communities, which cannot simply be wished away. A special responsibility is cast on professionals to address these concerns fairly and squarely and strive to forge a national identity before it is too late.

Sri Lanka is a nation in trouble. None can say there is no cause for worry and everyone is hoping that tomorrow or the near future would be better. Can we continue much longer in the same strain? Sri Lanka is at the cross roads! It is imperative that we take stock and face up to the situation.

Have we, as professionals, taken the easy path of leaving it all to the politicians? And then, when they fail - as fail they invariably must, in the existing climate, with strong divisive forces at play, making a mockery of democracy, - not prepared to sacrifice narrow, vested or party interests for the larger good of the nation. In such a climate, the views of the majority prevail, and "majoritarianism" raises its ugly head resulting in driving the minority to 'second-class citizen' status, even if deliberate oppression is not intended. The result could well be relegating the racial minority to the status of a permanent political minority.

Majority/minority divides are manifold and it only helps to decimate a nation and destroy societal cohesion and, in the long term, retard the process of nation-building in terms of growth, equity and human development. The national question involving unity, trust, tolerance and values will never find an answer. Instead will reign disunity, mistrust, intolerance, dogmatism, chauvinism and over-simplification of serious and contentious national issues.

The need for a national identity for sustainable development cannot therefore be over-emphasized and on that band wagon fresh approaches have to be made to solve the national question and bring about overall national reconciliation and unity through processes such as -

(1) Meaningful Devolution of Power;
(2) Respect for Human Rights;
(3) Re-orientation in Education;
(4) Adopt Strategies for Poverty Alleviation;
(5) Deep analysis, development thinking and appropriate constitutional changes to meet the needs of our society, and, in the process, also strengthening and targeting areas such as -
    (a) Political Solutions *via* Constitutional Aspects;
    (b) Role of Teachers and Teacher Training;
    (c) School Curricula and Textbooks;
    (d) Enlightened Media Policy;
    (e) Participatory Development;
    (f) In-built "Checks and Balances";
    (g) Broad-based Decision Making thro' Committee Systems.

Majority Concerns

* The term "Sri Lankan Identity" connotes the acceptance, by each citizen of Sri Lanka, irrespective of his race, caste, creed or place of birth or residence, of the fact that he, together with all other citizens, is a member of one individual nation - the **Sri Lankan Nation** .

* Ethnic harmony means the cordial relationship among the different ethnic groups of citizens of Sri Lanka; ethnic grouping being identified in relation to race and not to religion or language.

* Almost the entirety of Sinhala, Muslim and Burgher communities and a good majority of the Tamil community, believe in and accept the identity of the Sri Lankan Nation.

* Majority concerns mean the concerns not only of the Sinhala community but also of all other communities, except for the small minority of Tamil separatists, although the general concept is to identify the Sinhala community only as the majority.

* The serious concern specially of the Sinhala majority community is for the unity of the country, which it seeks to ensure. The majority, therefore, fear the possible future division of the country. A little conceded now could lead to losing all unity in the end.

* There has been no real oppression of the Tamil community by the Sinhala community, although the Tamil separatists have tried to justify their claims, on this ground. The acts of oppression practised by the Sinhala community against the Tamil community, alleged by the separatists as the root cause for their claim and action, are:

  - Making Sinhala the Official Language in 1956;
  - Communal riots in 1958 and 1983;
  - Media-wise standardization of marks for University admission, introduced in 1974, and scrapped in 1978;
  - Burning of the Jaffna Public Library in 1981.

* Communal violence in 1958 and 1983 and the burning of the Jaffna Public Library were unfortunate incidents created by a few misguided individuals, and, the large majority in the Sinhala community condemn such acts. Legislative measures were adopted to rectify the adverse effect the Sinhala language policy could have had on the Tamils. There have been administrative lapses in making these fully effective.

* An important fact is that the claim for a separate Tamil State has been there even before Independence, and the alleged acts of oppression cannot be the cause for the separatists claim.

* An attempt has been made to show that the Tamil community has been discriminated against in public sector employment. On the contrary, the available figures clearly show only a shortfall of about 0.3% in this respect. This insignificant deficit also is due to the fact that many Tamils in the North are unwilling now to venture out of the area for employment. Problems of employment, land and housing are economic problems common to all communities. In fact, the unemployment rate in Hambantota and Moneragala Districts is higher than that in the Jaffna District.

* There is no real ethnic problem except for the situation created by a minority of the Tamil community by their claim for a separate State, with right to self determination. However, it is admitted that the Tamil community have a concern for assurance of its security and identity, and recognition as a distinct community within a single nation.

* Some actions of successive Governments have contributed to aggravate these fears.

* The few existing irritants for the Tamil community could be easily eliminated by effective implementation of existing legislative provisions and through well designed and implemented administrative measures. These irritants certainly do not justify the division of the country which would deny all communities a Sri Lankan Identity, and, belonging to a Sri Lankan Nation.

* Ethnic harmony can be assured if it is accepted by all that all communities should join to form one Nation. The concern of the majority is the fear of losing the concept of "One Nation" while at the same time eliminating the minority concern of insecurity and lack of identity.

Minority Concerns

Discussions focused on -

- Separate nation for Tamils?
- Insecurity suffered by Tamils;
- Reduced employment opportunities;
- Lack of recognition - no Representative in Parliament;
- Lack of identity as a distinct ethnic group.

Consensus was as follows:

(i) Cannot afford a "Two Nation Theory" - One for Tamils/One for Sinhalese.

The need for a united "One Nation" and the need to eliminate/avoid mutual mistrust.

(ii) Ensure trust/security, and a Tamil identity.

The LTTE cannot be trusted, going by their track record.

Insecurity is not only in Jaffna but everywhere.

It is significant that the actions of "moderate groups" are promoting the cause of separation.

(iii) Employment statistics provided are not sufficient to conclude that there has been racial discrimination.

Employment should be purely on merit.

(iv) Representation in the Central Government/ Cabinet is desirable through a process of power sharing at the Centre.

(v) Non-implementation of laws and agreements has contributed to many of the minority grievances. This concerns the following areas:

Language
Education
Employment

(vi) Equitable Economic Development within the country to ensure employment of youth throughout the country. This will reduce minority concerns to significant levels.

(vii) Long-term unity and integration should be aimed at, overcoming even language barriers. Sinhala, Tamil and English should be taught at Primary and Secondary school levels.

Towards a National Consensus

The final Consensus is:

(i) A national consensus should necessarily be arrived at through a balance of reason and not by compulsion. Solution would last only if presented on a voluntary basis from all sides;

(ii) Behind every concern - be it majority, minority or other, there will be corresponding concerns embodying doubts, suspicions and expectations;

(iii) Any approach towards resolutions of these concerns should also be genuine and sincere. Any proposal for resolutions should be so reasonable that all groups concerned could accept them.

In the final analysis, the following facts may be considered:

(1) Geographically, the advantage would be to remain as one country; more so, being a small island.

(2) There are common bonds and strands of culture, traditions and inter-actions that have existed between all ethnic groups.

(3) Sharing of power at the Centre on a basis of equity would go a long way to meet the most important concerns expressed by the parties to the issue. This would help guarantee the security of the minority and will also eliminate the fears of the majority regarding division of the country and would pave the way for a true Sri Lankan National Identity amongst all citizens of the country.

(4) Given the foregoing, the nature of any proposed devolution should be such that it would not be of a separatist nature but serve the universally accepted principles of democracy, guarantee free expression and internal freedom, serve the need for plural identity while preserving national sovereignty.

(5) Action should be taken to ensure the following -

- Implementation and observance of the rule of law;
- Cover all aspects, with constitutional amendments;
- Define the Unit of Devolution to suit the current problem;
- Obviate complaints of insecurity suffered by Tamils;
- Re-design the administrative structure to ensure an efficient bureaucracy.

(6) Activate meaningful action in relation to progressive betterment in the multiple disciplines dealing with:

- Human rights
- Education and related activities

- Poverty alleviation
- Media policy, and
- Participatory development.

Elmo Perera
CHAIRMAN

SESSION 2:
Equity in Economic Development

Summary of Recommendations
Equity in Resource Allocation :

1. Accumulated resources should be used for higher-yielding activities, as higher levels of capital formation alone will not ensure economic progress.

2. In order to provide a sound basis for non-inflationary growth, it is best for the Government to let the market determine the allocation of resources, except in cases where there are market failures.

3. Allocation of resources should concentrate more towards investment rather than consumption.

4. Welfare measures should be made available only to needy groups of the population, and should not be generalized.

5. Although last year's budget contained development plans, such activities were not possible due to heavy and escalating defence expenditure, together with more generalised welfare expenditure. Immediate action should be taken to correct this situation which has created inflation in the economy.

6. The Government should concentrate on setting parameters and creating a conducive atmosphere, and allow the private sector to play a very prominent role in the development process, on the other hand; the Government should intervene where there are market failures.

7. Certain projects are being carried out without proper evaluation. Proper plans should be formulated in carrying out all development connected activities by both sectors, after having identified each one's role.

8. A deliberate attempt should be made to ensure that un-equal distribution of resources and incomes are identified, and plans formulated to remedy imbalances.

Achieving Sustainable Growth in Agriculture and Industry:

1. Although the economy has been substantially liberalized, compared to most other developing countries, the liberalization process has not gone far enough in the factor markets. Measures should be taken to liberalize factor markets (labour and land) to make efficient and flexible responses to changing market conditions.

2. Consistent macro economic stability should be given high priority in policy making, to achieve sustainable industrial growth. In this regard, reducing the government budget deficit through curtailment of current expenditure is imperative.

3. The types of skill available in Sri Lanka are supply-based, and thus, skills according to demand are not readily available. A demand-driven skill system should get priority in policy making, as there is a lack of skilled manpower in industry.

4. The private sector should be actively encouraged in infrastructure development projects.

5. Measures should be taken to induce more value added products in plantation agriculture.

6. Diversification of agricultural lands, to achieve maximum productivity, should be encouraged.

7. Linkages between agricultural and industrial sectors should be strengthened.

National Policy Framework for Imports and Exports:

1. Further trade liberalization should be pursued.

2. The exchange rate should be maintained at a realistic level so as to avoid any appreciation of the real (effective) exchange rate, which would be undesirable for export growth.

3. While reducing import tariff rates, precautions should be taken in the short-term to safeguard the industries with growth potential.

4. Labour Laws need to be reviewed with a view to de-regulate the labour market.

Dr U. Vidanapathirana
CHAIRMAN

SESSION 3:
"Structuring Education Towards Development"

Summary of Recommendations

1. Regarding the failure of teaching English as a subject up to date - a modification of the plans is essential to achieve the desired objective.

2. Every possible incentive should be given to Sinhala Medium students to learn Tamil, and *vice versa*

3. The option of appearing for examinations in the English Medium should be given from the secondary school level upward.

4. Library facilities and teacher training programmes should be strengthened. Steps should be taken to inculcate the habit of reading in students.

5. The education structure and course contents should be modified and revised more frequently, in order to suit them for the fast changing economy and society, and also to gear the same for national development.

6. The admission to the national Universities should be on an all-Island merit basis. This necessitates the elimination of the existing disparity in educational facilities among the Districts or even within a particular District.

7. The existing delay in admission to the Universities should be eliminated.

8. School education should be made compulsory with three exit points.

9. It is essential to create new educational avenues and expand the facilities for Technical and Vocational education.

10. Teachers should be given incentives so that they serve with dedication.

11. Some form of counselling should be given to students at all levels.

H.D. Gunawardhana
CHAIRMAN

SESSION 4:
"Employment as a Basic Human Right"

Summary of the Recommendations

In the context of the main theme of the Annual Sessions of the OPA for 1996 - "The Need for a National Identity for Sustainable Development" - the employment factor plays a critical role in the process of national economic development. In this regard, it is pertinent to mention that the management of employment effectively provides the impetus to the national development process. More importantly, human resources are the most valuable asset of a nation. It is through an effective and meaningful employment process that our nation could ensure the optimum contribution of its people to the development process.

The three issue papers on subjects of the three Sub-Sessions generated meaningful discussion, thus providing invaluable insight into the issues involved. Each brought about strategies to be implemented to achieve desired objectives in regard to management of the employment process for sustainable development.

Employment on Merit : The Need of the Hour

* To create an adequate number of productive jobs at the required pace. To appropriately change the education system and also the value systems to meet the rapidly changing requirements of the economy.

* At organisational as well as national level, merit should be clearly defined and should be made known to all concerned. This should be adopted not only for employment but also for admission to Universities.

* Positive discrimination may be justified as a policy to redress problems of disadvantaged segments of society. This concept may be acceptable to resolve an imbalance between efficiency and social justice, but needs careful assessment and monitoring.

* The OPA should strongly lobby against political interference in recruitment, particularly in the public sector, through the support and involvement of its member associations.

Self Employment : A Viable Alternative

* Planned and rapid economic growth is an imperative if inroads are to be made in respect of employment, given the magnitude and the complexity of the problem.

* The foreign employment market needs to be tapped in a more constructive manner.

* An incentive package needs to be devised to persuade the private sector to go into hinterlands and rural areas to promote micro-enterprises and small/medium enterprises.

* Emphasis must be laid on enhanced agricultural productivity as this tends to increase opportunities and lower food costs.

* A development strategy, which can establish linkages between mainstream economic activity and the informal small enterprise sector, is necessary.

* Small and medium enterprises must not be treated as an alternative option, but must be combined with macro industries to form a total integrated development strategy.

Promoting Dignity of Labour

* The education system needs to be reformed, so that students can acquire knowledge, skills and attitudes that help solving problems, at least a known class of problem, and be enabled to apply a given technique to solve the problem, and, at higher levels, choose the appropriate technique to be used to solve a new problem.

* Education to be student-centred to cater to students' abilities and aptitudes, and not teacher-centred.

* Career Guidance Programmes to be started from primary school.

* Skills considered as low level by society need to be recognised as vital for economic growth and provided with incentives. Licence to practice should be introduced.

* Farming and life skills need to be brought into the school curriculum. Scholastic development to be balanced with skills development.

* Give recognition to trade organisations, and help them grow to professional status.

* Encourage organisations like the Ceylon Hotel School to assist those engaged in the culinary trade, and associated services like Stewards. If as many trades as possible could have specialised attention through such trade-oriented bodies, they could help improve social acceptance of such skills. Such bodies can promote identity and recognition. The construction industry could form an organisation to specify standards for masonry work, carpentry, etc., have a licence system to practice, and reward systems.

* As opposed to commercialised training schools, schools managed by the trade and manned by competent tradesmen, could follow, with higher courses leading to achievement of excellence in a particular skill. Social acceptance will come with excellence.

* Help reduce the differences in the hierarchy of work organisations, e.g. by having less differences in dress, pay and work environment, with, at the same time, awards and rewards in cash and kind for higher production-oriented achievements, irrespective of position in hierarchy.

M.N.J. Jayaratne
CHAIRMAN

Introduction and Activities of THE CEYLON INSTITUTE OF SCIENTIFIC AND INDUSTRIAL RESEARCH

*Nirmala M. Peiris**

The Ceylon Institute of Scientific and Industrial Research (CISIR) was established by Act No. 15 of 1955 to conduct scientific and industrial research, technical investigations and disseminate the results of such activities, thereby contributing to the nation's economic growth and development. In 1993 the Institute was restructured and a new mission and value statements were set out, together with a rephrasing of the functions of the Institute. At present the CISIR is the premier public sector scientific, multi-disciplinary research and service organisation, employing research and technical staff with a wide range of expertise, and plays a crucial role in promoting and developing industry in Sri Lanka. The Institute functions within the purview of the Ministry of Science, Technology and Human Resources Development.

Mission

The CISIR's mission is to promote technological and industrial growth through demand driven research and development and internationally competitive technical services leading Sri Lanka to NIC status.

Functions

The CISIR functions are:

* To Support industry by -
- Undertaking, on contract, testing, investigation and research for improving product quality, technical processes and methods used in industry;
- Providing technical services and consultancy, and
- Engaging in the activities of technology transfers, the adaptation of technologies, and development of new technologies;
* To conduct research to accelerate industrial technology development;
* To collect, process and disseminate useful technical information, in particular on "shelf technology", to accelerate industrial development;
* To undertake training of technical persons in areas related to the experience of the Institute;
* To undertake or to collaborate in survey and monitoring of environmental pollution and recommend remedial measures to mitigate such pollution;
* To co-operate with government departments and institutions, universities, technical colleges and other bodies in demand driven research to promote industrial technology development.

Divisions/Units

The Technical activities of the Institute are carried out by four Divisions and two Units -

* Agro and Food Technology Division;
* Chemical and Environmental Technology Division;
* Materials Technology Division;
* Process and Plant Engineering Division;
* Calibration and Measurement Unit;
* Electro Technology Unit.

The activities of the technical divisions/units are supported by (a) Promoting and marketing the Institutes capabilities; (b) Providing library and information services, and (c) Providing, developing and implementing computer facilities by the -

* Corporate Services Division;

Facilities

The facilities of the Institute include -

* Well equipped physical, chemical and microbiological laboratories with sophisticated equipment;
* Pilot plant and engineering workshop;
* Technical library with reference and lending facilities;
* In-house computer services.

Services

The Institute undertakes -

* Consultancy for industry;
* Calibration of laboratory and industrial equipment;
* Design fabrication and commissioning of industrial plant and equipment;
* Development of products and processes;
* Industrial and laboratory measurements;
* Information services;
* Repair of electronic equipment;
* Research contracts;
* Testing of industrial raw materials and products;
* Training of technical personnel;
* Trouble shooting in industry.

Head, Corporate Services Division, Ceylon Institute of Scientific and Industrial Research

Areas of Expertise

The areas of expertise of the staff include -

* Chemical based industry - agrochemicals, flavours and fragrances, industrial chemicals and products, paints and pesticides.
* Environmental pollution control - environmental examination and assessment, environmental monitoring and auditing, noise and vibration measurement and control, waste treatment and disposal.
* Food and agro based industry - cereals and legumes, coconut products, fruits and vegetables, medicinal and aromatic plants, plant biotechnology and vegetable oils.
* Industrial engineering - industrial ventilation, industrial waste management, plant and machinery, refrigeration and air conditioning.
* Material based industry - building materials, minerals and metals, paper and pulp, rubber, plastics and timber.
* Others - computer science, information management, potable and industrial water.

Information Services

The Institute houses one of the largest technical libraries in Sri Lanka maintaining its position as a leading provider of S & T information. The resources are available to the public. Membership is open to industry.

WISE INVESTMENT OF YOUR MONEY

*S. Jeyavarman**

It is important to identify underlying personal investment needs (objectives) and look for suitable investment opportunities to accomplish such needs. "Suitable investment needs" means "DO NOT INVEST IN THE SHARE MARKET IF YOU WANT YOUR PRINCIPAL SUM IN THREE MONTHS, TO BUY A HOUSE". If anyone has preconceived ideas of becoming enormously rich overnight, it is likely that he is going to be disillusioned. Search for instant wealth can trap them into high risk. Speculative ventures very often lead to disastrous results.

"Investing must be construed as a continuing endeavour, aimed at the preservation and creation of wealth, bearing in mind all necessary and incumbent risks over a period of time, for appropriate returns." There are risks associated with all types of investments. Even an investment in government backed Treasury Bills carry interest-rate risk. Interest-rate risk is the variation of interest rates during the tenure of a fixed investment. If you have invested your money in a three-month fixed bill at 17 per cent, and if the interest rate during the period moves to a higher rate, the tradable value of your bill goes down.

It is necessary to understand the risk related to various investment products, may it be stocks, long-term securities, real estate or corporate bonds. The risk is related to your investment need. Investment needs that are related to our life are, e.g.,

* To finance the post-retirement period;
* To meet medical treatment;
* To own a home;
* To meet unforeseen expenses;
* To meet higher education expenses of children.

Each of these needs would have different time periods to realise a return out of those specific investments, and the degree of risk you take would also vary.

However, with an inflationary economy we have to provide for a larger sum to meet the above financial needs. In other words, we have to realise a higher return than the compounded inflationary effect on the money value.

Having identified the needs, it is necessary to formulate a strategy to achieve that objective. A well defined plan would favour the investor with a fair chance to win. A good plan will help to improve the general level of performance of the investor.

**Managing Director, National Asset Management Limited*

In implementing the investment plan we need the right information, the necessary temperament and skills to improve the level of performance.

If you do not have the time to analyse the information and monitor your investments, you may retain an investment advisor. A good advisor will not only stimulate your mind, but also provoke you into thinking.

To be successful in investment, scan the (future) time horizon where all the action is going to be.

The objectives of investment:

To ensure -

* Safety of principal;
* A good, dependable source of income from dividends and/or interest;
* Capital appreciation;
* The protection of purchasing power in an inflationary world.

Risks Vs Return

The risk taking capacity would vary from person to person. However, in achieving his objective we have to assume risks at different levels.

Some of the factors that change risk capacity are:

1. Age
2. A regular income stream
3. Present wealth
4. Temperament, etc.

Once you understand your risk capacity you may diversify your money over a number of widely different assets, i.e. do not put all your eggs in one basket. Diversification can be across asset classes, sectors, markets and countries.

Excessive diversification can cause other problems such as:

* The need to exercise effective control over all assets;
* The possibility of losing concentration on specific assets.

Therefore, investors have the choice between being too cautious and being too risky. We can construct different portfolios between those two extreme portfolios.

The risk taking capacity and the future need would determine the type of assets you choose.

Liquidity

Keeping investments liquid is one of the basic principles of sound investment. It helps to encash - to meet unforeseen expenses. It helps to rectify mistakes or cut losses and switch from one investment to another.

However, most liquid investments give poor returns. Potentially high return investments like paintings, land, antiques, etc, have poor liquidity.

Taxation

When selecting investments, if your investment income is subject to tax it becomes necessary to look for tax effective investments, in order to reduce the overall tax burden.

Summary

1. Identify the investment objective/s;
2. Plan the investment;
3. Adopt a prudent investment approach;
4. Be conscious of diversification;
5. Monitor performance.

Accumulating wealth requires both dedication and skill. Preserving the real value of that wealth for the enjoyment of those who accumulated it, as well as for future generations requires the same attitudes.

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MANAGING HUMAN RESOURCES TOWARDS ORGANIZATIONAL SUCCESS

*P.V.D.L. Samson**

There are several issues to be addressed in managing human resources. They are as follows:

1. Procurement and development of human resources in the organizations;
2. Determination of the growth phase of the organization;
3. Determination of the National and International operating environment in which business organizations operate.

(a) The Independent Variable

The procurement of human resources in organizations depends on the organizational operating plans.

Once it is known you have to decide on the skill demand and continue to meet the demand on the fluctuations on the operating pattern from inside and outside sources.

To meet the demand from inside appropriate human resources development plans need to be introduced.

Steps are also needed to compensate for natural wastages and adequate care is necessary for corrective training and humanized outplacements.

(b) The Intervening Variable

The growth phase of the organization needs to be determined next.

The processes and relationships vary depending on the growth phase of the organization and the human resources management practices effectively implemented in one phase need to be re-adjusted to suite another phase.

Human resources specialists are required to review the HR processes when the growth phase changes, but in most instances the processes continue without change, and in this background organizational success cannot be guaranteed.

(c) The Dependent Variable

The macro environment is influenced by the organizations whilst the organizations continue to be influenced by the macro environment. In this model, organizational output in influencing the macro environment and the influence of macro environment on organizations are taken as a whole. This dual role is taken as the dependent variable.

- In the national environment, respect for human rights and individual freedom is a by-product of this duality;

- Economic liberalization and bottom line centred management styles arise from international economic management practices and national economy management;

- Open and free competition and lack of subsidies become important;

- These outcomes change the economic profile of the employees. Their terms and conditions of employment deteriorate or improve, as the case may be;

- Redundancy, loss of regular income can be an outcome;

- Employee perceptions can change accordingly, affecting the original HR plans and employee levels of motivations;

- Productivity can be affected as a consequence.

The Synthesis

- Managing human resources for organizational success is not a static process. It is a continuous process;

- The process needs to be continually monitored and evaluated by those who are managing the organization;

- This requires the following skills on the part of those who manage:

Category A

Technical Skills

To understand the business, it's scope and operational pattern;

* *Institute of Personal Management*

Observational Skills
To diagnose employee behaviour and its variations and the change in employee values and beliefs, etc.

Communication Skills
To understand other points of view and to appreciate other points of view, without being prejudiced.

Category B
Consensus Building Skills
The ability to persuade persons holding contradictory points of view to agree to a common agenda.

Boundary Spanning Skills
The ability to look beyond the parameters of organization and determine how to place the organization strategically.

Team Building Skills
The ability to get employees to think and act as a group and emerge as an innovative workforce.

Humanity Related Skills
The ability to respect people as human beings and treat them as respected individuals and allow them to realize their potential.

The Sri Lankan Management Scene

Category A
- Technical Skills, Observational Skills and Communication Skills are commonly applied by Sri Lankan Managers in business organizations.

- In the pioneer and over-ripe pioneer phase of growth these skills are adequate to manage human resources.

- In a rational state they may be barely adequate.

Category B
- Consensus Building Skills, Boundary Spanning Skills, Team Building Skills and Humanity Related Skills are less pronounced in the Sri Lankan management scene.

- Sri Lanka is basically an individual centred, power based hierarchial society, with varying perceptions about levels of social strata, and Category B skills are difficult to practice and lack support from the socio-cultural milieu.

- The challenges of a dynamic organization which continue to grow are therefore not met, and in Sri Lankan organizations a management crisis is seen, in general.

SEMINARS AND EVENTS OF THE OPA

Seminars

(i) "Constitution and the Dissolution of Provincial Councils"
16th January 1996

Speakers Mr R.K.W. Gunasekera
Mr Rohan Edirisinha
Dr. Sarath Amunugama

(ii) "The World Bank - Friend or Foe?"
2nd March 1996

Speakers
Mr T. Morison - International Monetary Fund Representative in Sri Lanka
Mr Ronnie de Mel - Former Minister of Finance
Deshamanya N.U. Jayawardena - Former Governor, Central Bank of Sri Lanka
Dr. Gamani Corea - Former Secretary General, UNCTAD

(iii) "The Present Grave National Crisis"
14th March 1996
Members of the General Forum of the O.P.A. and Representatives of the Business Community participated in this Seminar.

(iv) "Crisis in the Health Sector"
8th May 1996

Speakers Dr A. Samarasekera
Dr H.N.C. Fonseka
Dr R.P. Dayaratne
Dr Sunil Ratnapriya

(v) "Crisis in the Plantation Sector"
20th May 1996

Speakers Mr Mahendran Amarasuriya
Prof. A.D.V. de S. Indraratne
Mr V. Ramiah

(vi) "A Review of the Central Bank Annual Report, 1995"
27th May 1996

Speakers Mr A.S. Jayawardena, Governor, Central Bank of Sri Lanka
Mr R.A. Jayatissa, Director, Economic Research, Central Bank of Sri Lanka
Prof. W.D. Lakshman, Vice Chancellor, University of Colombo
Mr Patrick Amarasinghe, President, Federation of Chambers of Commerce & Industry
Mr R.M.B. Senanayake, Director/General Manager, T.A. Securities, Ltd.
Mr Maxi Prelis, Chief Executive Officer, Development Finance Corporation of Ceylon, Ltd.

(vii) "Crisis in the Power Sector"
10th June 1996

Speakers Dr Leslie Herath, Chairman, Ceylon Electricity Board
Prof. K.K.Y.W. Perera, Former Chairman, Ceylon Electricity Board
Mr Patrick Amerasinghe, President, Federation of Chambers of Commerce & Industries of Sri Lanka
Representatives from the Ceylon Electricity Board Engineers' Union

Sports and Welfare
The Annual Six-a-Side Soft Ball Cricket Tournament of the Member Associations was held at the Health Grounds on Sunday 7th July 1996. Seven teams participated, and the Bar Association of Sri Lanka, "A" Team emerged winners, and the "B" Team became runners-up. Dr. Hilary Cooray, Chairman of the Sports &Welfare Committee, Mr Upali Delpachitra and Mr E. Pararajasingham, were responsible for making this event a success.

Unveiling of Photograph of Engr. L.R.L. Perera - Immediate Past President
The photograph of Engr. L.R.L. Perera was unveiled on the 18th of October 1996 in the presence of a distinguished gathering. The Chief Guest on the occasion was Mr Thilak Wijesinghe and the Guest of Honour was Mr Denzil Senanayake, the President of the Institution of Engineers. This was followed by a reception hosted by Engr. & Mrs. L.R.L. Perera.

Foreign Affairs Study Group
The Minister of Foreign Affairs reactivated the Foreign Affairs Study Group. Dr Joel Fernando, President, OPA, was invited to serve as a Member of this Group.

Sri Lanka Convention Bureau
The President of the OPA served as a member of the Board of Management of the Sri Lanka Convention Bureau.

The Bureau organised a Workshop on Hosting International Conferences for the Presidents of the Member Association of the O.P.A. on 11th October 1996.

Presidential Commission on Disappearances
On an invitation received from the Presidential Commission on Disappearances, the President and General Secretary of the OPA presented themselves before the Commission and explained in detail the activities of the OPA Human Rights Unit which functioned in 1988/89. The Chairperson of the Commission, Ms Manori Muttetuwegama, thanked the OPA for providing the material in the OPA Human Rights Files, which documented human rights violations and the action taken by the OPA to prevent such violations.

Meetings with the Business Community
The OPA arranged a series of meetings with the business community to discuss the National Crisis, and serious problems in the economy. Leaders of the trade chambers and OPA office bearers participated at these meetings.

President Elect, Mr Lakshman Watawala, and the President of the Federation of Trade Chambers, Mr Patrick Amerasinghe, played a leading role in initating joint action between the OPA and the business community.

O.P.A. Delegations
Regarding the formation of a National Government and to obtain the views of the leaders of political parties and religious groups, and to make submissions to the Parliamentary Select Committee on Constitutional Reforms, OPA delegations consisting of the President, General Secretary and Vice Presidents, met the following:

1. Hon. G.L. Peiris - Minister of Justice and Constitutional Affairs;
2. Hon. Ranil Wickremesinghe - Leader of the Opposition;
3. Mr M. Siva Sithamparam - Former M.P. and Leader of the TULF;
4. Mr Tyronne Fernando, M.P.
5. His Grace the Most Rev. Dr. Nicholas Marcus Fernando - Archbishop of Colombo.

Commonwealth Association of Professional Centres
Dr. I. Joel Fernando, President, OPA, participated at the inaugural meelting of the Commonwealth Association of Professional Centres, held in Canberra, Australia, from the 21st to 25th August, 1996. The proposals outlined by the President in his Report were accepted by the Executive Council for early implementation.

O.P.A. Journal
Volume XVII of the OPA Journal was published this year. Dr. Lakshman Ranasinghe is working hard to publish Volume XVIII of the OPA Journal before the end of this year. Mr H.J.M. Wickremaratne was of immense help to the Editor in publishing Volume XVII of the OPA Journal.

Social Events
Taking into consideration the ongoing war in the Northern and Eastern Provinces of the Island, and the prevailing conditions in the country, the Annual New Year celebrations, the Christmas Party and the O.P.A. Club Nites were not held.

Improvements to OPA Centre
O.P.A. Building
The exterior and interior of the O.P.A. building were colour washed after nearly two years. There were major repairs done on the pipes, roof, drain and gutters.

Restaurant & Bar
The Open Garden Restaurant & Bar was further developed, with a few swings being installed, especially for the benefit of children who come with their families. The installation of the swings became a reality due to the personal efforts of Mr G.A. Hidelearatchi, Chairman of the Restaurant & Bar Committee. We thank Metropolitan Agencies, Ltd. for having provided the funds for the installation of the swings.

O.P.A. Garden and Car Park
Complaints were received from members of the OPA that when their vehicles are parked in the car park, parts were being removed from their vehicles in the night.

In order to prevent thefts taking place, extra lights were fitted in the garden and car park areas.

BPL Farm Shop

Mr Lakshman R. Watawala, Chairman of the Building Committee, has negotiated with the Bogawantalawa Plantations, Ltd. to pay a rental of Rs, 7,500/- for the Farm Shop premises. The BPL have been permitted to construct a temporary Store Room area, approximately 100 sq. ft., adjacent to the existing Farm Shop. This area is to be leased out up to the end of February 1997.

Life and Annual Members

The OPA has enrolled 42 Life Members and 18 Annual Members for year.

Enrolment of Member Associations

The Sri Lanka Council of Archaeologists was admitted as the 32nd Member Association of the OPA

Obituaries

It is with deep sorrow that we record the passing away of the following members:

1. Lieut. Cdr. Priya Lecamwasam
2. Mr D.A.a. Munasinghe
3. Dr S.A. Cabraal.

Public Interest, Protection & Litigation Committee

The Committee under the Chairmanship of Mr Elmore Perera has been very active and meeting every Tuesday of the week. Mr Thilak Wijesinghe has been of great assistance to the Chairman.

Career Guidance and Provincial Professional Circles

Mr L.J.K. Hettiaratchi, Chairman of the Committee, has got in touch with the Chief Minister, Western Province, who has expressed his willingness to assist the OPA to train teachers in charge of Career Guidance.

Induction of the New President

The first event in the calendar year 1996/97 was the Induction of the Sixteenth President of the OPA, Mr Lakshman R. Watawala. The ceremony took place on 24th November 1996, at the Auditorium of the Institute of Chartered Accountants of Sri Lanka, in the midst of a large and distinguished gathering.

The Chief Guest at the Induction Ceremony was Hon. Kingsley T. Wickramaratne, Minister of Internal and International Commerce and Food.

Hon. John Amaratunga, M.P., was the Guest of Honour, and Mr. Patrick Amarasinghe, Chairman of the Federation of Chambers of Commerce & Industry of Sri Lanka, was the Special Guest.

The ceremony was followed by a reception hosted by the President.

THE EXECUTIVE COUNCIL OF THE ORGANIZATION OF PROFESSIONAL ASSOCIATIONS 1996/1997

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President-Elect: Mr Lakshman J.K. Hettiaratchi

General Secretary: Dr Jayasiri Lankage

Vice Presidents: Mr Nivard A.L. Cabraal
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Mr H.J.M. Wickremaratne
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Mr Malwattage Nihal Bertram Pieris
Dr Vijaya Kumar
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Mr Dushyanth Mapa Wijayasingha
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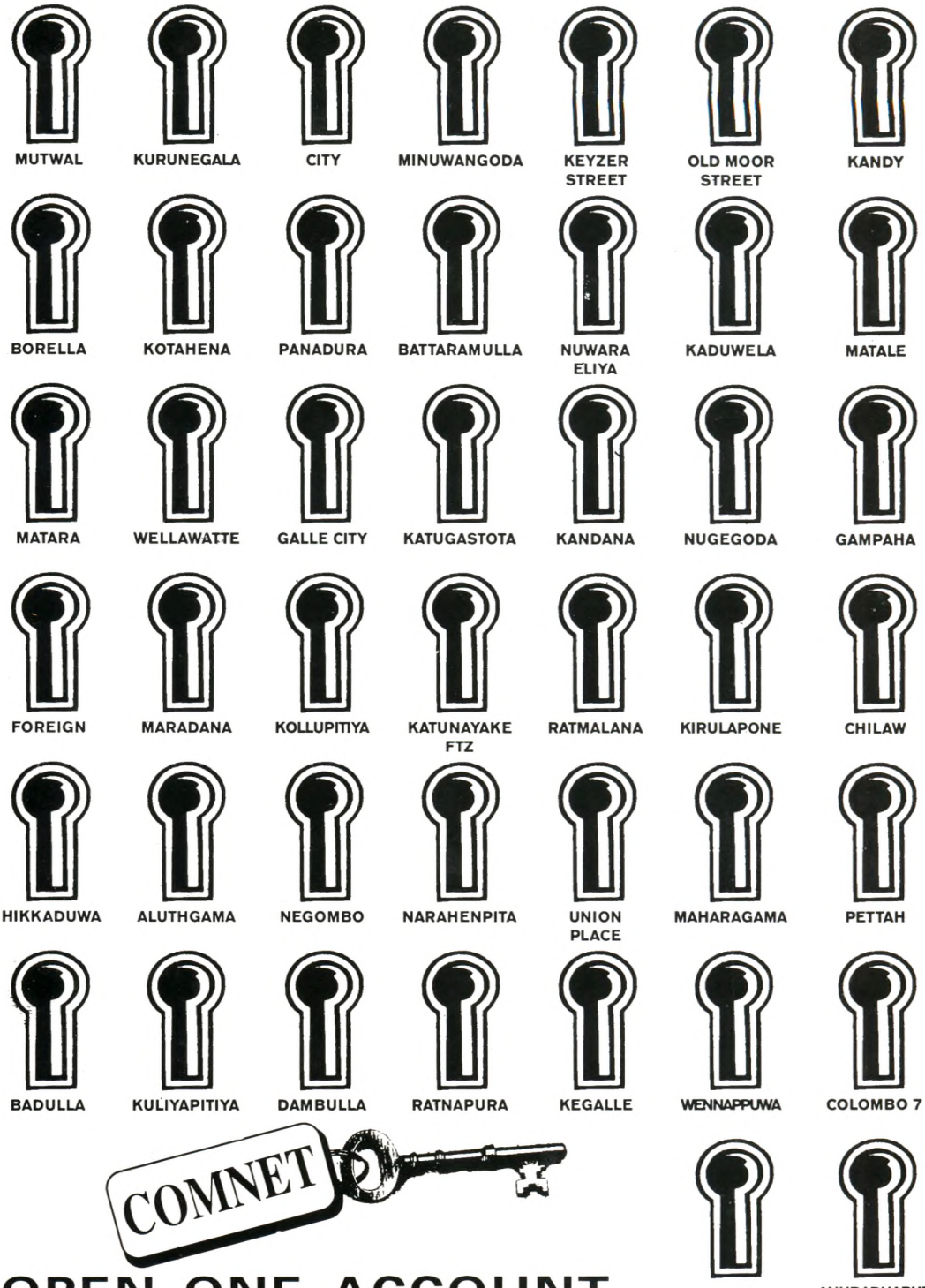
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Association of Professional Bankers of Sri Lanka
Association of Public Service Engineers
Association of Scientific and Technical Workers
Bar Association of Sri Lanka
Chartered Institute of Management Accountants
Computer Society of Sri Lanka
Engineers Guild of Sri Lanka
Government Dental Surgeons' Association
Government Medical Officers' Association
Gemmologists Association of Sri Lanka
General Dental Practitioners Association
Independent Medical Practitioners Association
Institute of Chartered Secretaries and Administrators
Institute of Chemistry, Ceylon
Institute of Chartered Accountants of Sri Lanka
Institute of Personnel Management, Sri Lanka
Institute of Supply and Materials Management
Institute of Town Planners, Sri Lanka
Institution of Engineers, Sri Lanka
Institute of Valuers, Sri Lanka
Pharmaceutical Society of Sri Lanka
Sri Lanka Council of Archaeologists
Sri Lanka Dental Association
Sri Lanka Economic Association
Sri Lanka Institute of Architects
Sri Lanka Library Association
Sri Lanka Medical Association
Sri Lanka Society for Quality Control
Sri Lanka Veterinary Association
Surveyors' Institute of Sri Lanka
The Textile Institute - Sri Lanka Section
The Institute of Chartered Ship Brokers, Sri Lanka Section

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