

Sri Lanka: Economic Development - An Alternative Perspective

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Since 1977, Sri Lanka has been following uninterruptedly neo-liberal economic policies. The change of government has had no major impact on them. Forty years period is long enough to assess the correctness of economic policies. During this four decades (1977- 2019), total production as measured by Gross National Product (GNP) has increased substantially and as a result, per capita income has reached US 4000 dollars mark. So Sri Lanka has moved from poor country category to lower middle income category. One may argue that this is a remarkable achievement. Many families have either a motor bike or a small car. Almost everyone has a mobile phone. Poverty in traditional sense is not visible.

However, as we all aware averages do not tell the entire story and are oftentimes misleading. Let us have an example. If annual per capita income is US\$ 4000, the average annual income of a four-member family is US\$ 16,000, approximately, Rs. 2,848,000. So the monthly income of the family is approximately Rs 237,000. According to Income and Expenditure Survey, the monthly income of an average 4 member-family is much lower, about Rs 65,000. A substantial number of families receive a monthly income lower than Rs. 65,000. So family indebtedness has increased. The number of hours that a person should work for just survival has increased the accepted norm of 8 hours a day. Nutrition level of the population has lowered. People are generally complaining as they are not happy of their lives. The quality of nature -land, water and sea- has declined. Indebtedness has so far led to 179 suicides. So what looks hunky dory at surface level does not tell the story in its totality.

Questions to be Asked

Are we allow to continue these neoliberal policies? Will the continuation of these policies take us out of the present impasse? It is clear that the major contenders for power - United National Party led coalition and the Sri Lanka Podujana Peramuna led coalition- want to continue with the present economic policies backed by the tride -International Monetary Fund, World Bank and the World Trade Organization. Do these policies represent the interests and aspirations of the lower rung of the Sri Lanka society? No, on the contrary, they served the local and international rich elites. If we look at economic development from the perspective of the workers, peasants, fisherfolks,

marginalized people and the like, we have to find an alternative. Alternatives emerge from praxis. Many in the peoples' movement are still suffering from TINA syndrome. Some tend to think that alternatives exist, but they are not practical in the present international context. So first we should escape from this trap and start to believe that realistic alternatives exist and fighting for them makes them practical.

Alternatives that are Possible

The first and foremost we should move away from the system of exchange value production. *In place of the production of exchange value, the country must move to a system of use value production.* The most important use values include food, clothes, shelter, transport, health goods, education, culture products and entertainment.

1. Food and beverages: In order to have food autonomy, we need in sufficient quantities rice, red lentils, vegetables, onion, fruits, spices and oil and fish and meat products. Out of this list, except, red lentils, and garlic, all other items may be locally produced organically.
2. For a person to wear clean, smart and aesthetically designed cloths and garments may be produced locally may be with some imported raw materials and machines. In this sector we may export some products.
3. Every family should be ensured decent housing with water and electricity. Sri Lanka may move gradually non-fossil energy production.
4. A quick, comfortable, regular and reasonably priced public transport can reduce fossil fuel imports and consumption. People have the right to keep private vehicle if they are ready to bear its operating cost.
5. Rigorous implementation of Senaka Bibile proposals and public hospital and health care system with some essential imports may contribute to provide better health system. As far as this is concerned mere improvement of the public health system would be adequate.
6. There has been a breakdown of our education system in the last 40 years. Education system should be free, less differentiated and holistic. It should be catered to critical thinking and technical and professional training.
7. Publicly funded program of culture production would help to create a "new person". Culture products should be available at reasonable price.
8. People need like food, clothes and shelter entertainment. So maximum working hours should not exceed 8 hours day. Cheap hotels, vacation centers should be made available.
9. Imports: Some imports are necessary and unavoidable. Imports should be allowed classifying them in three categories. (1) no import duty (2) 10- 100 percent import duty (3) more than 100 percent duty.

Secondly, *we propose to gradually move away from the system of capital to a system "beyond capital"*. Capital is above all a social relation that situates machines, instruments and money in a dominant position above and over living labor. Placing capital goods such as computers, machines, and other instruments in the process of use value production in itself reduces their position in the labor process. Instruments are being in use from time immemorial. Nonetheless, under present

system, it is machines and instruments that controlled us in the process of production determining the speed and rhythm of work. In short it is not the fisherman who controls the fishing rod, but fishing rod starts controlling the fisherman.

Thirdly, *the process of production is controlled and steered by the associated producers*. This may be done through multiple ownership and management systems, such as small ownership, cooperatives, producer collectives, state and so on. There have been many examples for successful collective ownership and management all over the world even under the constant threat of capital.

Fourthly, the present system kills our environment, *so we propose the protection and improvement of our eco system which is under serious threat by system seeking profit*. Environment has been made subservient to capital accumulation process. Organic farming, non- or reduced fossil fuel-based energy production, recycling and reusing would be the solution for serious threat to humanity and to existence of all life forms. This policy goes with the very advise given by Arhat Mahinda to King Devanam Piya Tissa. Arhat Mahinda emphatically warned the king that he (the ruler) was not an owner of the land, he was a just guardian so that it is his duty to protect the land and its vegetation. What Marx had informed about the environment is exactly an improvement what Arhat Mahinda said. Marx writes: "Even a whole society, a nation or even all simultaneously existing societies taken together, are not the owners of the globe. They are only its possessors, its usufructuaries, and like boni patres familias, they must hand it down to succeeding generations in an improved condition."

Adopting these four principles, we offer a new definition for economic development. Sri Lanka has been seeking to reach US\$ 100 billion level of total production. We argue that all Sri Lankans can be given a better living standard with less than US\$ 100 billion GNP. According to Income and Expenditure Survey average family with 4 members needs a monthly income of about Rs 55,000 to have a reasonable living. Suppose a new economic system gives an opportunity for average family to get Rs 100,000 a month the annual income should be Rs 1,200,000. Assuming that there are 9 million family units in the country, the country needs an economy with total GNP, less than US\$ 70 billion. So each family with new economic system gets better standard of living and better of quality of life. Not only that we offer another dimension to economic development. We not only maintain the existing ecological balance we leave an improved environment for next generation.

Capital will definitely resist this economic program. Hence it needs new social forces that benefits from it to struggle for the new system.

Sumanasiri Liyanage

P.S.

- Written for Ceylon Today:
<http://ceylontoday.lk/news-more/34114>

- The writer is a retired teacher of political economy.