NEWS

Sinhala development model, but western funds

Mahinda Rajapanse's vision for Sri Lanka involves traditional cultivation, not modernisation

SRI LANKAN President Mahinda Rajapakse has dismissed western models for development that give precedence to industrial growth and outlined a strong agriculture based development model influenced by traditional Sinhala Buddhist doctrine.

"We must have a Sri Lankan model," he told Forbes magazine in an interview on Friday, August 28. "I prefer it to be agriculturally based. If you can be self-sufficient in food, then the industries will come," Rajapakse said.

Sinhala Buddhist socio economic doctrine favours small farms run by peasant households, most of whom will resort to traditional technologies of cultivation.

An idealised and harmonious society centered on the tank, the temple, and the paddy (rice) fields is the most desired form of a Sinhala Buddhist national existence, according to a leading scholar. Rajapakse's vision of a strong agriculture based developmental has its roots in this doctrine, the Buddhist scholar said.

The implementation of this model in the past decades entailed the transplantation of large number of Sinhalese peasants to 'border areas' of the northeast, leading to colonisation of Tamil traditional homelands, he added.

In addition to dismissing socio economic development through industrialisation, Rajapakse, in his interview with Forbes, also rejected the need for a conventional political solution to resolve the decades long ethnic conflict.

The President suggested that improved economic conditions would be sufficient to address Tamil grievances.

"Without development, there won't be peace; we must develop the economy," Rajapakse said.

Reconciliation with Tamil communities in the island's north and east, he added, meant providing basic needs to them such as electricity, water, shelter, education.

"They (the Tamils) want to start their paddy fields, go back to their farms," he said.

Belittling the grievances of a Nation that has lost tens of thousands of people in a brutal war and is being incarcerated en-masse, by suggesting their grievances are just economic is not the way for reconciliation, said a Tamil political commentator, responding to Rajapakse's comments.

Meanwhile, whilst countries across the globe turn towards increased communication, improved transportation and open access to build their economy, Sri Lanka is following its President's vision in the opposite direction.

For example, the country will "not open up closed roads" despite defeating the Tamil Tigers because this could "cause the economy to collapse" claimed the country's Prime Minister.

"Do you remember what happened to the Soviet Union under Gorbachev? He opened the roads immediately and what happened? The entire country collapsed. We can't afford to do that," Ratnasiri Wickramanayake told a business forum in Colombo, according to Lanka Business Online.

Reflecting government policy, even the major A9 highway linking Jaffna to the south, which was opened to much fanfare nearly six months ago, has seen little traffic as vehicles are denied permission to travel along it.

Sri Lanka is not only rejecting Western development and modernisation models, but also its investment, reports noted.

Sri Lanka ranked 111 out of 179 on economic freedom according to the Heritage Foundation's Index of Economic Freedom.

The Index slammed the country for its roadblocks to foreign investment, its financial system and its opaque property laws. With scores of ministers and 10 to 15 per cent of the workforce employed by the government, Sri Lanka was one of the world's most administered countries, the Index said.

Transparency International placed it between India and Pakistan as one of Asia's most corrupt economies.

The World Bank measured the ease of doing business around the globe and ranked Sri Lanka 102nd out of 181 countries, knocking it for its tax regime, legal system and permit processing.

However, despite shunning western models of development and modernisation, Sri Lanka still seems to crave Western money, noted a Tamil commentator, referring to increased tourism developments.

Whilst making it difficult for western investors to invest in the island, Sri Lankan government wants to increase revenue it receives from tourism, as this is seen as an industry that would be compatible with Sri Lanka's development model, requiring no industrialisation or open access.

Sri Lanka has embarked upon building a 175 million dollar luxury tourist resort in the offshore tracts of the Dutch Bay in Katpiddi, according to reports.

The narrow stretch of land between the Dutch Bay and the Indian Ocean will have 60 chalets and 20 villas in the first phase, costing 1000-1500 dollars per night and will have 80 villas in the second phase to be sold to Arabs, Europeans and Sri Lankans as holiday or retirement homes.

The Katpiddi region of the North Western Province was part of the Tamil homeland and even now is a territory of Tamil speaking people.

Neil de Silva, chairman of the project refused to say how much the investors paid for the land to the local people. The resort, expected to be ready in 2011 will be managed by International luxury hotel chain Six Senses.

'Likely to lose' GSP+

THE European Union is unlikely to renew GSP+ concessions to Sri Lanka, a leaked report suggested.

A confidential 130-page report obtained by The Economist concludes that Sri Lanka has "failed to honour important human-rights commitments, and is ineligible for GSP Plus." The report, by EU investigators, said that there was "complete or virtually complete impunity in Sri Lanka" and referred to the IDP internment camps as a "novel form of unacknowledged detention". It includes allegations that government backed paramilitary groups were involved in "child abductions, torture and killings of civilians".

The Economist commented that "rarely has a government soiled its reputation as dramatically as Sri Lanka's".

The EU ambassador to Sri Lanka, Bernard Savage declined to comment on any of the findings of the report. "The full text of that has been made available to the Sri Lankan authorities. Once we have gathered all the reactions, particularly those of the Sri Lankan government, the report will be finalised within a short time," he told the new magazine.

Sri Lanka's Trade Ministry released a statement admitting it was "very unlikely" that they would keep hold of the GSP Plus concessions. S Rannugge, secretary in Sri Lanka's Export Development and International Trade Ministry, confirmed that the review highlighted human rights abuses and torture allegedly carried out by the Government.

Colombo has been under scrutiny from Western nations, following the final phase of the 25 year civil war.

The manner in which the war was fought, with reports of thousands of civilian deaths, left Sri Lanka facing heavy criticism for its tactics.

Sri Lanka's admission into the GSP+ program has been under review since October 2008, after increasing pressure on the EU to investigate human rights abuses.

Since then, investigators have been refused entry into the country and categorically rejected by the Sri Lankan Government.

GSP+ allows Sri Lanka to export over 7,200 items to the EU duty free, it being the only country in South Asia to have this privilege. Companies such as Marks & Spencer's have benefitted from this the most, allowing them to import low cost garments into their European stores tax free.

Continued on p15

Sri Lanka hits back

SRI LANKAN officials have responded angrily to reports that the European Union may withdraw the GSP+ concessions that Sri Lanka is currently entitled to.

"Western countries should remember that economic power has shifted from the west to the east," said Palita Kohona, Sri Lanka's new ambassador to the UN. "New markets open up in the east. Our friends China, India, Japan, Korea, Iran … a whole range of countries [can help]," he was quoted as saying.

The comments followed increasing speculation that the GSP+ program, worth around £1 billion in trade concessions, would be cancelled for Sri Lanka.

"Sri Lanka has enough friends around the world. You have to realise that financial resources and power is no longer concentrated in one part of the world" continued Kohona. "We can handle the loss" said the diplomat, who was recently refused a visa by the British High Commission.

Dayan Jayatilleka, who was until last month, Sri Lanka's Permanent Representative to the United Nations in Geneva, disagreed with Kohona's comments.

"The cold hard fact is that we need GSP+ far more than the EU needs to give it to us", wrote Jayatilleka in a newspaper column. "It is not our right or entitlement; it is what it is: a concession... conditional upon certain things because we sought eligibility upon certain claims and obtained the concession in the first place upon those claims and promises."

"Frankly, if you are asking someone else for their money or preferential access to their markets, you cannot really demand it

Continued on p15