THE WALL STREET JOURNAL.

The Politics of Preference Stifle Sri Lankan Growth

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1483 words
28 May 1992
The Asian Wall Street Journal
PAGE 10
English

When I returned from witnessing a particularly bloody stretch of fighting in which hundreds of Tamil civilians died, a Sinhalese Buddhist hotel clerk in Colombo professed little sympathy for the dead.

"Are they fighting for their rights, or for what is not rightly theirs?" he asked. "That is the important question you must answer." The problem, the clerk continued, was that the minority Tamils had jobs and status out of proportion to their numbers. This hurt the Sinhalese majority. Even in this hotel, he maintained as he ticked off Tamil names in the hotel's employee directory, the Tamils had "more" jobs than they should.

The clerk's knee-jerk proportionalism underscores an important dimension to **Sri Lanka**'s ethnic conflict, which has claimed more than 60,000 lives in nine years of fighting. The fragmentation in **Sri Lanka** has historical roots in many of the same issues of economic, political and social equity that vex other multiethnic societies.

Independence from Britain in 1948 left Ceylon (renamed **Sri Lanka** in 1972) with strong political institutions and a promising industrial infrastructure, but it also left cultural wounds. These wounds were particularly deep in the Sinhalese Buddhist community, which comprised 75% of the population. Many Sinhalese nursed a majority-with-a-minority-complex, feeling politically inferior to a tiny, yet powerful, Westernized elite. More, the 18% Tamil minority enjoyed, person for person, greater economic success and status than the Sinhalese.

In 1956, Buddhist nationalists were swept into power on promises to restore the supposed "just and proper order" of Sinhalese superiority. Sinhalese nationalism did rectify some of the disfiguring legacies of colonialism. But it also encouraged ethnic divisiveness and ruined the country's economy and intellectual life.

Sinhala replaced English as the country's only official language, and Sinhalese benefited from numerous preferential policies. Quotas were implemented in the civil service, allocating jobs to members of each ethnic community based on strict proportionalism.

The government also nationalized much of the private sector, creating large, inefficiently run state corporations, such as those that controlled the tea, rubber, coconut, fertilizer, ceramics and tire industries, as well as transport, shipping and telecommunications. Many of these basically became Sinhalese hiring halls.

The effect of large-scale nationalization was, naturally, economic decline. In the tea industry for example, in the early 1970s, inexperienced Sinhalese managers presided over the deterioration of tea estates; with no incentive to stay because of employment discrimination, many experienced Tamil managers went to competitors in Indonesia and Kenya.

In the schools, only Sinhalese students were given instruction in Sinhala, which limited prospects for Tamil and English speakers. This divisive language policy left Sinhalese and Tamils without a common tongue to address issues that stood between them, or to build a common national identity. Sinhalese nationalists revamped the teaching of Sri Lankan history, turning it into a tool to restore Sinhalese self-esteem.

In the universities, a quota system was instituted which admitted Sinhalese students over more qualified Tamils. At the time, some intellectuals warned about lowering standards and the abandonment of merit. Nationalists silenced them with arguments that standards were a synonym for the privileges of the old elite.

Other academic reforms created politicized courses in Sinhala arts, language, history and culture, giving short shrift to Tamil accomplishments. English was dropped as a graduation requirement. The new order on campus also yoked academic scholarship to Sinhala Buddhist ideology, which discouraged academics from challenging myths of Sinhalese cultural primacy. Those brave enough to challenge

these ideas often found themselves the victims of a Buddhist backlash. In the 1980s, for example, those intellectuals who dared to echo the great Sri Lankan historian K.M. De Silva's claim that an ancient Tamil kingdom once existed in the north of the island became the objects of bitter public vilification. Sinhalese ideologue K. Wijetunga accused them of being Western-oriented "traitor historians."

Sinhalese cultural nationalism created an atmosphere on university campuses that was hostile to the cosmopolitan ethos that had once nourished an erudite, nonsectarian elite. The old Western course of study may have been foreign, but it did foster liberal ideals of tolerance and pluralism, which were not to be found in a curriculum shaped by insular indigenous traditions and racial demagoguery. As a result, instead of being a vital force for ethnic rapproachment, students and their mentors were some of the most bloody-minded.

Statist economics and preferential policies for Sinhalese cut off lower-middle-class Tamils from their only avenues for upward mobility -- jobs in the civil service and university educations. Before 1956 the civil service was 30% Tamil; in 1983 the figure was 6%, and has not changed much since. A generation of disaffected Tamil youth was created, grist for the Tamil Tiger militants, who have been fighting since 1983 for an independnt homeland in north and east **Sri Lanka** they call Tamil Eelam. The nine-year struggle has been marked by massacres and terrorism that have left an estimated 60,000 people dead, out of a population of about 18 million people.

Preferential policies may have given the Sinhalese a bigger slice of the economic pie, but the economy as a whole suffered. From 1965 to 1988, the U.N. estimates that the country averaged growth of just 2.8%. The desire to boost Sinhalese status required the government to take control of the economy. By the time economic reform began in the late 1980s, two-thirds of the dozens of public corporations -- created in large part to ensure the Sinhalese a large stake in the economy -- needed state subsidies to survive.

Sinhalese nationalist economics also encouraged the provision of loans to small farmers with the idea of restoring the agrarian basis of the ideal traditional Buddhist society. By 1985, there was a 50% default rate on these loans. The effect was to waste scarce credit and to overemphasize agricultural development at the expense of industrialization.

Reverse discrimination against Tamils and the tiny English-speaking minority deprived the country of much of its managerial talent and encouraged a brain drain. While students were taught all about their traditional Sinhalese identity, they were not equipped with the hard skills needed for a developing economy. As a result, **Sri Lanka** became a basket case, with some of the worst economic indicators in the Third World. Despite a series of wide-ranging reforms over the past three years, it is still heavily dependent on foreign aid.

Not enough has been done to reverse the obvious corrosive effects of policies drafted in the name of Sinhalese hegemony. The government has pledged to give English and Tamil parity as national languages equal to Sinhala, but practical implementation has not followed. Race-based university admissions policies have been eased to allow more Tamils access, but a fixation on percentages means considerations other than merit still guide the process.

Beginning in 1989, when the economic crisis could no longer be ignored, President Ranasinghe Premadasa began to denationalize industry and to liberalize the economy. Some state corporations have been privatized, the civil service trimmed, investment taxes and tariffs lowered, and the economy opened to foreign investment. All this signalled an awareness that economies exist for growth, not as an adjunct to the Sinhalese social vision. The result was 6.2% growth in 1990 and 5% in 1991. These improvements are undercut, however, by the continuation of ethnic violence that keeps this reformed economy from realizing its potential.

Sri Lanka needs to develop an inclusive national identity and to revive the sense that society is better served by the precedence of individual rights over group rights. Such an approach is not only the fairest and most efficient way to tap people's talents, it also preempts the kind of backlash that often occurs within a group experiencing reverse discrimination.

As the example of **Sri Lanka** shows, policies to benefit a single racial group actually weaken society as a whole. The nationalization of industry, for example, may have meant a few more jobs for Sinhalese, but it also meant the creation of a distorted, protected and uncompetitive economy. In the end, this hurt Sinhalese more than government patronage could help them. The concept of individual rights, however, is unlikely to gain much force, given the strength of cultural and political nationalism on both sides.

Sri Lanka is a unique country with its own discrete historical experience. But many of the policies that fragmented **Sri Lanka** have become explosive in Malaysia, Fiji, the U.S. and other multicultural societies. **Sri Lanka**'s recent history of civil war and violence should be a warning that the politics of cultural identity can be extraordinarily divisive. Attempts to cure historical and cultural inequalities can be worse than the disease.

Mr. McGowan is author of "Only Man is Vile: The Tragedy of **Sri Lanka**," (Farrar, Straus & Giroux, 1992).