

# Resisting the Nationalist Right's Framing of the Economic Alternative

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**G**iven the design of the Budget for 2023, it is unlikely that Sri Lanka's working people will see relief anytime soon. The current Wickremesinghe-Rajapaksa government has dismissed, for example, the notion of a food subsidy outright. Instead, it remains committed to the vacuous rhetoric of creating an 'entrepreneurial' culture. Considering the scale of the economic crisis, however, the reality is that if relief is not delivered soon, as a range of progressive actors have pointed out in their critiques of the Budget, then it is alarming to think about the types of living conditions that people will be forced to endure. Already painful stories of child malnutrition create a renewed sense of urgency, and an entire generation is being prepared for sacrifice on the altar of the persistent neoliberal agenda. The triggers for further political revolt are being created, even while the government tries to threaten the people's movement and suppress any possible signs of another wave of struggle.

In recent months, some of us have compared this situation to the brief period between the Great Hartal of 1953 and the election of 1956. What happened in this interval that enabled Sinhala Buddhist nationalist forces to gain the upper hand over the Left? As we now know, this process eventually reduced a predominant section of the Left to junior partnership with the Sri Lanka Freedom Party (SLFP). In the current moment, for the trade unions and other organisations of the working people that have remained committed to the wider people's movement, this is an urgent question. Whether the current government is replaced through another popular rising or an election, the point is that the miserable 'solution' it now offers is going to produce an inevitable political backlash. Determining the progressive or reactionary character of that response, however, is key.

## The Historical Construction of State Intervention in the Economy

Using the example of the 1950s, we may observe that Sri Lanka was at the crossroads of a post-war shift in not only the national but also the global order. It had to decide whether it was going to pursue continued subordination to the Western bloc or chart its own independent path. It eventually chose the latter, becoming a key member of the Non-Aligned Movement. But the forces of international solidarity were stymied by the domestic consolidation of Sinhala Buddhist nationalism. Moreover, the Left ultimately failed to push beyond a narrower focus on economic dirigisme to a wider consideration of working people's role, which would have forced it into difficult questions about both engaging and confronting State power. Sri Lanka is facing a similar situation now, with even more unfavourable global circumstances. The emerging 'multipolar' order is far from being anchored in egalitarian and democratic principles.

Issa Shivji (2020), following Samir Amin, has made an important point in this regard. He argues that there is a critical difference between the "national populist regimes" of the Bandung era of the 1950s and 1960s, and the contemporary, so-called populist regimes led by hard Right figures such as Narendra Modi and Rodrigo Duterte. As Shivji puts it, the contemporary form of reaction claims to resist imperialism by, among other things:

...[Making] fetish of 'industrialisation-as-development,' while marginalising agriculture and pillorying 'development-as-freedom.' In Africa, no doubt, we need industrialisation to develop, but development is more than industrialisation. Development, as Mwalimu Nyerere used to say, is a social process of enlarging the terrain of freedom and constricting the tyranny of necessity. (17)

This point intersects with an earlier point made by critical development economists, such as Abhijit Sen. Referring to the limitations of the Import Substitution Industrialisation (ISI) model of the post-World War II period, Sen (1997) noted that:

Domestic critics, especially Marxists, had levelled this charge continuously, and almost universally, against regimes which attempted to foster industrialisation through the agency of the pre-existing colonial state apparatus without adequately addressing certain fundamental domestic issues. Notable among these were reforms of the agrarian structure, the provision of basic needs including education and health to all, and an assault on the 'dualistic' nature of colonial economies by breaking existing monopolies and extending physical infrastructure to cover the requirements of the hinterland, not just the export sector or centres of colonial (or post-colonial) administration. (113)

It was precisely the limitation of the "Old Left" in Sri Lanka in this regard, and its difficulty in theorising the agrarian question, that led it into a blind alley by the time of its participation as junior partner in the United Front Government of the 1970s (see also Gunawardena and Kadirgamar 2021). Its narrow focus on industrialisation and a failure to engage the wider terrain of working people's politics across rural and urban areas enabled the Janatha Vimukthi Peramuna (JVP), for example, to subsequently emerge as an expression of rural discontent. The nationalist Right, now backed by a section of the pseudo anti-imperialist Left, claims to promote self-sufficiency within the earlier, State-centric model that has long been critiqued by development economists such as Sen and Marxists such as Amin and Shivji. This is perhaps what Marx meant when, following Hegel, he referred to history being repeated first as tragedy, then as farce.

### **How the Nationalist Right Understands Economic Intervention**

Nevertheless, we must take such ideological manoeuvring seriously. In the context of rising global tensions, with far-Right forces gaining ground in very different parts of the world, it is imperative for the Left in Sri Lanka to stay vigilant of moves by the nationalist Right, such as the former Sri Lanka Podujana Peramuna (SLPP) coalition dissidents represented by Wimal Weerawansa and Gevindu Kumaratunga. They include pseudo anti-imperialist elements of the decayed Left such as the Lanka Sama Samaja Party, Communist Party, and the Democratic Left Front led by Vasudeva Nanayakkara.

The nationalist Right was clearly caught off guard by the tremendous popular upsurge that occurred earlier this year. Its elitist, condescending dismissal of the

people's movement as a foreign-inspired conspiracy was quickly revealed. But it is slowly regrouping. It could begin to peel away disaffected sections within the people's movement that are frustrated with the lack of any meaningful economic response from the current government. However, the nationalist framing of the economy—from pushing back against Free Trade Agreements, to opposing privatisation of State-Owned Enterprises, and, most recently, by appropriating the argument to repatriate private foreign exchange earnings—involves a very restrictive definition of State intervention. In its most problematic form, it even celebrates the 'efficiency' of the repressive apparatus of the State, including an expanded role for the military in development projects.

As we have observed above, there is a major difference between proposals for economic recovery that hinge on mass mobilisation, and which can force a debate on the meaning of democracy, and those that assume a dirigiste State can be constructed through appeals to nationalism and an exclusivist definition of community. The latter may appear to overlap to some extent with the former, insofar as they both claim to produce an alternative to the neoliberal order. But the nationalist attitude toward State intervention inevitably leads to the suppression of popular participation and the strengthening of the executive logic of State power.

Or as Shivji (2020) puts it, "the anti-imperialist rhetoric of populists is demagogic, eclectic, and selective. It is couched in the language of 'they,' the foreigners, and 'we' the indigenes, rather than seen as a class project of the working people for liberation and emancipation from the capitalist-imperialist system" (18-19). Released in September of this year, the English version of the manifesto of the Uththara Lanka Sabhagaya, the umbrella front of SLPP coalition dissidents, for example, refers on the one hand to the "failure of neo-liberal capitalism" (23). On the other hand, it argues that this and other factors entail "a threat to national security and creates a background for the emergence of a dangerous anarchic situation that can be used by foreign forces to destabilise the country" (24).

Meanwhile, neoliberals have attempted to homogenise and dismiss economic critique and alternative proposals by claiming that they all represent 'backward' forms of thinking. But the deeper question is whether forces of resistance situate themselves within the people's movement, or at a distance from it. The nationalist Right works through the language of statism while avoiding concrete questions of working people's politics, such as relief through subsidies and other measures to de-commodify people's livelihoods. To propose the latter,

and to resist austerity by highlighting its social impact, would put the nationalist political actors into direct confrontation with the current regime.

In fact, both operate on the same discursive ground of nationalism, including by appropriating symbols such as militarism, which exposes contradiction in the ideology. Meanwhile, for those nationalist political actors that are currently operating outside the government, to oppose the regime they would have to contend with underlying questions of democracy and pluralism, which instead they seek to deflect. They would also have to take seriously the question of gender, including the role of working women in protest, which would put them in an uncomfortable position in terms of the 'traditional' social hierarchies that they seek to reaffirm. The response of some to the recent wave of protests in Iran, for example, is very telling in this regard.

### **Avoiding Confusion on the Left**

Accordingly, the wider social and political implications of the nationalist Right's economic strategy are relatively clear. The danger is if the progressive Left gets diverted by its framing. This would pave the way for subordination to a new nationalist hegemony. This is exactly what happened in the period between the Hartal of 1953 and 1956, when the SLFP, which had stood at a distance from the former struggle, nevertheless sought to capitalise on the political backlash it represented. The circumstances today are even more dangerous, given the fact that unlike 1953, meaningful measures for relief have not been put in place despite an even worse economic situation. Moreover, a delegitimised government has come into power. In this context, there is a great danger that extreme xenophobic and demagogic forces can gain strength on the back of the tremendous amount of suffering people are experiencing.

Accordingly, it is imperative that the Left does not lose sight of core questions such as relief and redistribution, starting from the debate over fiscal priorities. The nationalist Right may mimic some of the broad concerns and rhetoric of the Left, from criticism of neoliberalism to opposing privatisation and supporting a narrow, if not problematic, definition of State intervention. But it is crucial for the Left to anticipate this manoeuvre and distinguish the underlying logic of its proposals from the framework of the Right. This must expand to cover a broad, political-economic understanding of the working people-led political coalition that must be assembled to transform Sri Lanka's economy. The depression, of course, has exposed the fallacy of a 'free market' operating with efficiency. Considering the vast problems, ranging from cartels monopolising processing

and distribution to the massive surge in global prices for food and energy, other responses are required. Whether capital in Sri Lanka can adapt to a new system is another question that must be addressed through analysis of the relations between its respective fractions, including exporters and producers for the domestic market.

But above all else, to construct a coalition in which working people's concerns take centre stage will require a thoroughgoing commitment to the principles of democracy articulated within the people's movement. One angle is to imagine creative, radical democratic measures. These could include democratising Central Bank governance, constitutionalising a ban and/or restrictions on sovereign debt issuance, experimenting with new administrative mechanisms for accountability in State-Owned Enterprises that could be designed through popular involvement, and activating Provincial Councils through fiscal transfers. Meanwhile, newer possibilities of radical democracy must be reconciled with representative democracy, including the existing demands for elections, abolishing the Executive Presidency, and repealing repressive measures such as the Prevention of Terrorism Act.

In this regard, the question of democracy can no longer be separated from its economic content, including the space for people from diverse backgrounds to protest and make visible their suffering. This way of thinking is a response to those economic liberals who assume the market is suspended in the air, detached from the society in which it is in fact embedded. But it is also a challenge to the nationalist Right. We can distinguish economic liberals and the nationalist Right on an ideological level, although the reality is that there are also political actors from both camps that overlap. The main point remains that the nationalist Right, even in its ideal-typical form, rejects the connection between democracy and economic transformation. Instead, it capitalises on pseudo populist appeals to statist measures, which are stripped of a redistributive logic.

### **Conditions for Political and Economic Transformation**

A real solution to the economic crisis will require addressing immediate fiscal priorities. That includes relief for the people, along with proposing a wider transformation of Sri Lanka's social relations of production. The necessary condition for the latter is public investment, and given the current crisis, especially in the infrastructure of food production and distribution. This approach could support engagement with the constituent units of people's economic life—from cooperatives to trade unions and other

associations—that depend for their autonomy on the democratic transformation of the relationship between State and society. The most immediate blockage facing the people’s movement is the delegitimised Wickremesinghe-Rajapaksa government. But there are many more political steps involved that will require the progressive Left to stay sharp. Economic convulsions are producing cracks in the mainstream policy consensus. This may create space for an array of alternatives. But these must be carefully distinguished and evaluated in terms of the values of the Left that include egalitarianism along with ‘freedom for the one who thinks differently’.

Meanwhile, the nationalist Right will ultimately reveal its real character when defending its class interests. Or as Antonio Gramsci (1971), analysing the example of Italian fascism, put it in the epilogue to his “Notes on Italian History”:

The ideological hypothesis could be presented in the following terms: that there is a passive revolution involved in the fact that—through the legislative intervention of the State, and by means of the corporative organisation—relatively far-reaching modifications are being introduced into the country’s economic structure in order to accentuate the “plan of production” element; in other words, that socialisation and co-operation in the sphere of production are being increased, without however touching (or at least not going beyond the regulation and control of) individual and group appropriation of profit. (119-120)

He adds that regardless of its actual effectiveness as an economic alternative, this creates a “period of expectation and hope” within “certain Italian social groups such as the great mass of urban and rural petit bourgeois” thereby reinforcing “the forces of military and civil coercion at the disposal of the traditional ruling classes.” The parallels in the case of Sri Lanka are not hard to imagine, especially in the absence of a road to recovery that alleviates the tremendous sufferings of the people. Or as Shivji (2020) puts it, “Depending on the conjuncture and historical moment, the frustrations and aspirations of the middle classes to rise can lead

them to jump on fascist bandwagons or join popular struggles ...” (15).

To avert the ever-present danger of a turn to fascism, it is the Left’s duty to differentiate itself from the nationalist Right and its mystification of economic alternatives. Given the ongoing dispersal of Left forces that were historically concentrated in trade unions, parties, and other civil society spaces, it may be difficult to identify these trends in coherent form. But they continue to be represented in the ambient common sense of those activists and intellectuals trying to think through alternatives to neoliberalism at this moment. It is imperative to continue the process of ideological struggle, to refine and fashion these conceptions into a coherent programme that can resist both neoliberalism and the beguiling rhetoric of the nationalist Right and its hangers-on from the pseudo anti-imperialist Left. The latter appear to mimic some of the concerns of the progressive Left on issues such as State economic intervention. But the nationalist strategy in fact hinges on avoiding the ongoing struggle to deepen democracy through working people’s resistance to austerity and demands for redistribution. The Left must avoid fooling itself.

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