

# Resisting the Liberal Left's Framing of the Economic Alternative

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In a recent intervention for *Polity*, Devaka Gunawardena argues that Sri Lanka's Old Left failed to theorise the "agrarian question" and had a "narrow focus on industrialisation", leading to their "junior participation" in the 1970 United Front government and the emergence of the Janatha Vimukthi Peramuna (JVP – People's Liberation Front) as an expression of "rural discontent". Gunawardena's intervention also includes an offhand dismissal of the concept of multi-polarity, due it supposedly not being anchored in "egalitarian and democratic principles".

Gunawardena's critique is in the context of the formation of the Uttara Lanka Sabhagaya (ULS – Supreme Lanka Coalition) last year, a dissident faction which was kicked out of the Sri Lanka Podujana Peramuna (SLPP – People's Front) coalition and includes the Old Left (Communist Party of Sri Lanka, Lanka Sama Samaja Party, Left Democratic Front), which he calls "decayed" and "pseudo anti-imperialist", and nationalist groups (including the National Freedom Front, Pivithuru Hela Urumaya, and Yuthukama) which he calls "the nationalist Right". Gunawardena and I would perhaps agree that the ULS represents a contemporary expression of the class alignments that gave birth to the political moments of 1956, 1960, and 1970. We disagree on just about everything else. The following is a counter to his analysis of Sri Lankan history and political economy.

## **On Agriculture, Industry, and the Old Left**

The notion that the Old Left had shortcomings in its theorising of the agrarian problem and formulation of actionable solutions is not new or ground-breaking. In fact, this view emerged from within the Old Left itself. Addressing his Marxist contemporaries in Parliament in the 1950s, Phillip Gunawardena said; "For 20 long years, we were in a political field, we were in touch with the peasantry, we organised the workers, but we failed to study things carefully and produce a plan" (2008: 134).

This is not to say that the Old Left did not study the agrarian question at all. They did and were in all likelihood the only political faction to do so in a scientific manner. P. Kandiah and G.V.S. de Silva's essays published in *The Ceylon Economist* in the 1950s are ample evidence of this. In a riposte to a report from the World Bank, de Silva (1952) quipped: "The mission obviously has not stopped to think whether the landless and impoverished population of rural Ceylon could be called 'peasants,' or whether 'pauperised petty bourgeoisie' may be the more appropriate characterisation" (1952: 30-31).

Ten years later, Hector Abhayavardhana would come to a similar analysis of Sri Lanka's rural class structure: "There were no big feudal landlords as in pre-revolutionary Russia, or in India or China of that time. The overwhelming bulk of the peasantry consisted of part-owners of small plots of land, tenants, sub-tenants, sharecroppers and landless cultivators, with little distinguishable from each other in the reality of their poverty" (2001: 178-179).

The Old Left's growing materialist understanding of the predominantly rural and petit bourgeois nature of the Sri Lankan population is precisely what pushed them to depart from dogmatism and to forge ties with the nationalist SLFP, which the LSSP saw as a petit-bourgeois party and the CP saw as a nascent national bourgeois party.

Once occupying positions of power in cabinet, the Old Left can hardly be shown to have a "narrow focus on industrialisation". As Minister of Agriculture in S.W.R.D. Bandaranaike's 1956 cabinet, Philip Gunawardena (with the assistance of G.V.S. de Silva) formulated the Paddy Lands Act, the first pro-peasant legislation in the country's history, establishing Multipurpose Cooperatives for the purchasing and marketing of agriculture products. He also pushed to set up rural development banks that would provide credit to the peasantry. His policies laid the foundation for the production of dairy, eggs, and many crops which

are now nutritional staples for the majority of the population.

Devaka Gunawardena presents industrialisation and agrarian development as if the two were mutually exclusive, echoing fruitless UNP debates of the 1950s. S.A. Wickramasinghe's 1955 policy document *The Way Ahead* (written with input from Kandiah and De Silva), summed up this false dichotomy best: "Even at this late hour cannot they see the obvious, that you cannot have one without the other?... You cannot therefore, develop agriculture if you do not, at the same time, develop modern industry" (2010: 130-131).

This basic understanding that industrialisation and agrarian reform are dialectically linked and mutually self-reinforcing was shared by others like Philip Gunawardena and William de Silva. The latter in his policy statement as Minister of Industries in S.W.R.D. Bandaranaike's government stated:

The creation of a Home market for our industry is the pivot on which the future industrialisation of our country rests. In Ceylon's context the Home market means the Peasant market. To create the Home market therefore we must substantially raise the living standards of the mass of the peasants so that they will be able to buy the goods produced by our industry (1956: 172).

It is a well-known fact of development economics that countries with the highest share of agriculture as a percentage of GDP are among the poorest in the world, while countries with the highest agricultural productivity are generally highly industrialised (Japan and The Netherlands are good examples). This is because agriculture is subject to the law of diminishing returns, leading to a Malthusian trap of rising population pressure on fragmented land and eroding soil—a point which S.A. Wickramasinghe illustrates at length in *The Way Ahead*. Modern industry, on the other hand, provides increasing returns, a higher division of labour, and the scientific and technological development necessary to uplift agriculture.

This is not to say that the Old Left had an exclusively productivist view of development. The push for Multipurpose Cooperatives, Village Committees, and Workers' Councils, all indicate some level of commitment to mass mobilisation and participatory democracy. Gunawardena may comment that many of the above policies and ideas were never implemented fully, often sabotaged by the Right. Indeed, the MEP only had 39.5% of the vote in 1956, while the LSSP and the CP together had 14.9% and did not participate in government. One could argue that early attempts at agrarian reform and industrialisation were scuttled

precisely because a large chunk of the Old Left took a 'wait and see' approach, rather than take a leap of faith with the MEP, which would have given them an opportunity to crowd out the SLPF Right-wing at inception.

As for the JVP insurrection of 1971, Gunawardena repeats that party's own propaganda that it was a revolt based on rural discontent. However, several analysts and observers at the time, including Hector Abhayavardana (1980) and Gananath Obeyesekere (1974), corroborate the impression that the 1971 insurrection was not a popular peasant revolt, but more specifically a movement of disgruntled and educated youth who sought gainful employment in the urban economy. There is no record of the JVP making any meaningful moves to reform agrarian relations. After all, these were hardly young men and women willing to resign themselves to the drudgery of agrarian labour, admirable as their revolutionary zeal may have been to some.

### On Redistributionism and Fiscal Tunnel Vision

Gunawardena argues that 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". By "the Left", I assume he hopes to be addressing a non-"decayed" and non-"pseudo-anti-imperialist" Left. I invite him to outline precisely which mass organisations and political actors this constitutes. What is their social base and what concrete influence do they have on politics in the real world? Perhaps, instead of relying on the crutch of criticism of the Old Left, this 'New', or rather, 'Liberal' Left should introspect as to why it has failed to achieve anything of substance in the decades since 1977.

The Liberal Left has to come to grips with the sheer technological underdevelopment and impoverishment of the Sri Lankan economy as a whole. This is a country where 45% of landholdings are below a quarter of an acre in size (Department of Census and Statistics 2002), where labour force participation is just 49.9% while 33.4% of the employed are own-account workers (Department of Census and Statistics 2021), and where only 10.1% of employees are unionised (ILO 2019), the vast majority of whom are in the public sector and therefore do not constitute productive workers bargaining with capital, but rather labour cartels bargaining with taxpayers. Addressing these structural issues requires moving beyond romantic and utopian notions of redistribution and vain attempts at changing social relations without, at the same time, developing the forces of production. To quote Marx (1859): "No

social order is ever destroyed before all the productive forces for which it is sufficient have been developed, and new superior relations of production never replace older ones before the material conditions for their existence have matured within the framework of the old society.”

Poverty is not socialism, and equality is not an end in itself. Sri Lanka may have the oldest liberal democracy in Asia and the best welfare state in South Asia, but the reality is that over a quarter of a million of our people have chosen, or been forced, to migrate to ‘authoritarian’ Gulf monarchies every year. Thousands more struggle to somehow make their way by hook or by crook to the centres of empire, to settler colonial countries with histories and laws far bloodier than ours. Clearly, it is not better social relations that all these people are seeking, but better material conditions.

The Liberal Left’s focus on fiscal issues—particularly taxation and expanded spending on welfare—is today mirrored by the Liberal Right’s own prescription of fiscal consolidation combined with cash handouts. The minute details and political orientation may differ, but both sides demonstrate a rather telling lack of any positive vision for growth and prosperity. Both reveal severe shortcomings in their ability to theorise the role of finance and monetary policy in a modern economy, and how such tools can be harnessed for the development of productive forces in ways that are qualitatively different from the neoliberal use of finance capital for speculation.

### On Multi-polarity

In an interdependent and highly imbalanced world, politics is necessarily geopolitics. The Liberal Left cannot simply run from this fact, nor can it hide behind simplistic, distorted notions of ‘inter-imperial conflict’, or take a morally superior stance of ‘neither Washington nor Beijing/Moscow’. The Liberal Left needs to begin to engage with the world as it is, not how they presume it ought to be. Since the end of the Second World War, there has been only one real hegemon, one unipolar imperial power, and that is the United States, which assigns itself the world’s police and holds the exorbitant privilege of its own currency being the international reserve currency.

Even if by some miracle the Liberal Left were to come to power tomorrow and try to change agrarian relations (let’s say they kick out foreign agribusinesses) and delink from global finance capital (say, they ban the issuance of ISBs), they would then face no end of sanctions, embargos, and attempted coups and military interventions from the US and its allies. Presumably,

this would also happen in a framework of an abolished Executive Presidency, reduced military spending, and no anti-terror laws. What would these supposed Leftists then do? Where would they turn to for support?

The Old Left’s own victories between 1956 and 1977 would not have been possible without inspiration, as well as material, financial, and technical assistance from the Soviet Union and China. More recently, since the fall of the Soviet Union in 1991, every experiment at a non-neoliberal project of development has had to rely, in some form or another, on investment and trade with countries like China, or Russia, and others like Iran as well. As Vijay Prashad (2012) has argued, multi-polarity is, in some sense, an ideological successor to the Non-Aligned Movement:

Regionalism and multipolarity were at the heart of the 16th Non-Aligned Movement summit. Side deals enhanced regional economic development, and provided the basis for regional political alliances without US primacy... ‘Non-aligned’ is simply the historical word in the movement’s name. But it does not define its politics. Its emergent politics are no longer for non-alignment but for regionalism and multipolarity.

Multipolarity provides the broader framework under which people at a national level can choose their own paths of development without facing constant external intervention. Its adherents and beneficiaries therefore do not belong to any one ideological camp but do share an interest in subverting the military and financial hegemony of the US. In an essay for *Monthly Review*, Parwel Wargan (2023) argues that multi-polarity can be objectively progressive and anti-imperialist in substance:

It [multipolarity] is an antidote to the enforced imbalances in world capitalism that have characterized much of the past five hundred years, and which the unipolar moment had secured. If humanity is to have a shot at resolving the civilizational crises of our time—from pandemic to poverty, from war to climate catastrophe—it must build a foreign policy based on sovereign development and cooperation against imperialism’s subordinating drive. That cooperation, to the degree that it takes shape, becomes a profound rebuke to the divisive technologies of conquest deployed for centuries by the colonialist and imperialist powers. It runs counter to the logic of the neoliberal world order, constraining its field of movement and weakening its hold on the economies of the world’s poorer nations.

The Liberal Left must become attuned to the tectonic changes happening in the geopolitics of finance and technology. The Belt and Road Initiative (BRI), the expansion of BRICS, and the move towards de-dollarisation, all provide objective opportunities for alternative pathways of human development. To ignore such significant shifts is short-sighted at best,

suicidal at worst. One has to risk the destruction of the ‘(neo)liberal’ world order, to see a new order and a new world born. The Uttara Lanka Sabhagaya, to their credit, acknowledges the world historic movement towards multi-polarity and the urgent national task of industrialisation, while the Liberal Left clings to an infantile idealism which has failed to find any concrete expression in the real world.

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