

Notes and Comments

Dilemmas of Privatization

The privatization of economic undertakings in the public sector is one of the main components of the structural adjustment programme now being implemented by the Premadasa administration. Even a partial dismantling of the state sector of the economy, as envisaged in the adjustment exercise, is no easy task, because economics is profoundly political. There is resistance to privatization from a variety of quarters; trade unions, Buddhist monks, nationalist intellectuals and opposition parties have now found common cause in opposing privatization. It has become one of the main planks in the opposition to the UNP regime, even though a clear alignment of anti-UNP political forces is yet to emerge.

The World Bank and the International Monetary Fund prescribe a sort of universal plan of action for almost all the developing countries that depend on international capital and are at varying stages of linking with the world market. The reforms encapsulated in this plan of action comprises the so-called structural adjustment programme. For the economic experts of international capital, policy prescription is probably a painless exercise; it is not so, however, for politicians in aid-recipient countries who are compelled to execute the Bank-Fund inspired economic shock-treatment which often generates wide-spread opposition and protest.

Take, for example, the predicament of Mr. Premadasa's administration in Sri Lanka. For a populist regime which has so far depended largely on policies of social benevolence to secure social legitimacy and support, dismantling the state sector of the economy, however necessary in economic terms, is a difficult step. The nature of any populist regime is that it uses the state and its economic resources not only to distribute spoils among loyal groups but also to project the state as the ultimate source of social good and well-being. The state control of the economy is therefore a necessary ingredient of populism. The structural adjustment programmes run counter to this; they are aimed at withdrawing the state from the economic sphere so that the path is cleared for the play of market forces.

Making the bureaucratic and administrative apparatus of the state smaller is also an objective of structural adjustment. This, too, runs counter to populist projects of job creation.

Populist perceptions of the state are incidentally not confined to the President of the Republic alone; they constitute the ideology of the state most prevalent and even dominant in Sri Lankan society. This social populism is in turn linked with the Sinhalese nationalist project of enhancing and strengthening the interventionist role of the state in the sphere of ethnic relations and using it as an

instrument of Sinhala domination. Hence the extreme nervousness among Sinhalese nationalist groups about the possibility of the state becoming less and less active and interventionist in the economic domain.

There are hardly any strong economic arguments advanced by nationalist statistes against privatization. All their arguments border on xenophobia and sometimes communalism and are based on cultural and ideological considerations. Take, for example, the opposition to the privatization of plantations. Its central point is that privatization would enable Indian companies to buy up the plantations and, in collaboration with Indian labour, further facilitate Mr. Thondaman's dream plan to conquer the entire upcountry.

"The Beacon of the Nation"—this is how a Bank employees' union, in its campaign against the privatization of the Bank of Ceylon and the People's Bank, has described these two state banks. Beacons or not, the political use of state banks has in recent years reached scandalous proportions. It is only recently that some massive loan scandals involving these two banks embarrassed even the otherwise thick-skinned government. The point still is that those who want the two Banks to remain in the hands of the state do not argue for freeing these financial institutions from political control, interference and abuse. They simply protest against privatization.

Will Mr. Premadasa be able to ignore these protests and carry on with privatization? He has to, given the paucity of economic policy options available to him. He, or any other person in his shoes, would not be able to disregard what the Indian opposition calls IMF-World Bank dictates. What he can do, as he appears to be doing, is merely to modify the modalities of economic reform and alter the time table a little bit.

Archaeology and Political Legitimation.

June 14, 1992 marked, according to Sri Lankan Buddhist historiography, the 2,300th anniversary of the introduction of Buddhism to the island by Arahath Mahinda. On this day, President Premadasa went to Anuradhapura, accompanied by a number of his ministerial colleagues to observe *ata sil* (the eight precepts) and to participate in many other Buddhist rituals. Among a series of state-sponsored ceremonies to commemorate this historical occasion was the ordination as monks of 2,300 boys, under the direct patronage of the President.

June 14 happened to be a Sunday. The *Sunday Observer* of that day carried a report entitled "Ashes of Arahath Mahinda Found."



The report also quoted the Director in charge of the excavation work to say that the ashes had been found in a golden casket and that it has been "proved beyond doubt by the scientific tests carried out" that the ashes were of Arahath Mahinda. An archaeological miracle with science at its service? Another article in the *Daily News* a few days later disclosed that the cremation grounds of Arahath Mahinda had been established using the latest methods of thermo-luminescent dating.

Archeological miracles are now commonplace in this country. A year or so ago, there was this sudden re-appearance at the Presidential Secretariat of the Vallipuram gold plate, which was long considered lost. Even the night before the Gold Plate was ceremonially presented to the President by its faithful safekeeper—in the full glare of television cameras—archeological officialdom had come on a special television program, appealing to the public to help recover this valuable historical treasure. A miracle of a sort, indeed.

Now comes the news flash of the discovery of Arahath Mahinda's ashes, 'accidentally' coinciding with the important anniversary of his historic first visit to Sri Lanka. This news, however, was not all that dazzling to those who knew the work done at the Cultural Triangle. In fact, the story of a particular political command sent out from Colombo to archeological field workers in Anuradhapura has been circulating for nearly a year; according to this story, the tomb of Mahinda had to be discovered before the Poson Poya (June Full Moon Day) of 1992. And for about six months, it has been known in Colombo that the tomb had actually been 'discovered' by archaeologists; yet the news of it had to be withheld until the appropriate time came.

What price archaeology and archaeologists in the service of politics?

The Sangha and the State

In the May issue of *Pravada*, we commented on the growing rift between the Dambulla Chapter of the Sangha and the Premadasa administration. Is this the tip of an iceberg?

Sangha-state relations today are not as smooth as they used to be. A great deal of political unrest appears to prevail among Buddhist monks and they have been expressing it in public. They have been criticising Mr. Premadasa's policies and his style of governance as well.

Not all these criticisms emanate from a politically positive direction. For example, many leading Buddhist monks are quite displeased with Mr. Premadasa because he once negotiated with the LTTE leadership and still keeps on talking about a negotiated political settlement to the ethnic question. It seems that some priestly leaders have given up their hopes of Mr. Premadasa becoming a Dutugemunu incarnate.

Another source of discomfiture among monks is Mr. Premadasa's rather liberal and tolerant attitude to other religions. He not only goes and takes part in religious rituals at churches, mosques and Hindu *kovils*, but also gives much publicity to his own multi-religious

beliefs and practices. Obviously, many Buddhist intellectuals do not feel at ease with a Sri Lankan Head of State who appears ready to consider all religions on par.

Mr. Premadasa is a ruler who uses religion for political purposes. He also depends on religious as well as animistic rituals and practices to ensure personal and political protection. Nonetheless what appears to have angered some prelates is his indiscreet use of *Bodhi Poojas* (worship of the Bodhi tree) for overtly political ends. The *Bodhi Poojas*, which are organized by political supporters-cum-charlatans and given wide publicity in the press and television, are no doubt the cause of much derision and legitimate outrage.

One aspect of Mr. Premadasa's religiosity that has offended some Sangha leaders is the parading of *dasa sil mathas* in the *bodhi pooja* processions. Rev. Professor Walpola Rahula once condemned, in front of the President himself, these 'nuns.' His point was that these *mathas* were not properly ordained nuns, but mere lay women who had misappropriated the saffron robe of the monk. A large number of Buddhist monks who are dissatisfied with the Premadasa regime have publicly denounced the parading of these nuns by Mr. Premadasa's political enthusiasts in religious ceremonies organized to 'invoke blessings on the President and the country.'

The latest evidence of this apparently tumultuous relationship between the Sangha and the Premadasa regime is centered on the tourist hotel project in Kandalama, Dambulla.

The anti-regime members of the Sangha are being supported by the opposition press, notably by *Divaina*. Mr. Premadasa's political survival is not likely to be immediately threatened by this development; yet it is a matter which he cannot easily disregard. The Sangha has always been a major source of political support for any ruler, and their patronage and loyalty is crucial for political legitimation. If they are angered, their wrath can have serious political consequences as was demonstrated by Prime Minister John Kotelawala's fall in the mid fifties. Mr. Premadasa's task, then, is to restore the strained relationships with the Sangha. Given the enormous resources available to the State and Mr. Premadasa's particular ability to create new equilibria in situations of turmoil, it would be extremely interesting to watch how the Sangha-Premadasa conflict will unfold in the future.

In Mr. Premadasa's favour, meanwhile, is the fact that the Sangha society today is a thoroughly fragmented entity without a corporate coherence. There are groups of ecclesiastical capitalists who need state patronage. There are also Sangha communities of subordinate caste groups who view with favour Mr. Premadasa's ascendancy to the Executive Presidency. Therefore, the Kandyan Saṅgha aristocracy and its regional chapters may not receive committed political support from these subordinate Sangha groups to mount an effective campaign parallel to that in the early fifties. The absence of the Malwatta and Asgiriya chapters at the all-religions ceremonies at the Gam Udawa in Buttala may foreshadow such developments.