

FOCUS ON THE ASIAN CRISIS

Our focus in this issue of *Pravada* is on the crisis in East Asia and its global implications. We also examine the possible consequences of the crisis for Sri Lanka.

Explaining the East Asian crisis itself is a complex exercise. As Janaka Biyanwila argues in his essay, purely economic explanations, which dominate the present debate, are not adequate. Biyanwila argues that by over-emphasizing the behaviour of the world and national economies in purely mechanistic imageries, most of the mainstream perspectives on the East Asian crisis have undertheorized the extra-economic sphere of power hierarchies in global economic relations.

Our selection of perspectives is somewhat representative of the attempts being made by professional economists to understand and explain why it happened in East Asia. Paul A. Volker's essay is one of the most lucid articulations of mainstream theorization of the crisis, its causes, its magnitude and its possible directions.

George Soros, in his testimony before the US House Sub-Committee on Banking and Financial Services provides a sort of insiders account. Soros lost billions in the Russian financial crisis. A Hungarian emigre with some training in Marxist economic theory, Soros sees the crisis in global terms.

The editorial voice of the *Washington Post* sounds pontifical. Yet, it is indicative of the way in which powerful policy lobbies in Washington D. C view the magnitude of the crisis, with all their fears and anxieties.

Chris Rodrigo, in contrast, argues for non-linear thinking in order to understand the complexity of the crisis phenomenon. Echoing Stiglitz, he makes a case for reforming the entire 'architecture' of the international economy.

David Dunham and Sisira Jayasuriya discuss the likely and immediate economic and political scenarios for Sri Lanka in the context of a possible global crisis. They notice a distinct passivity among Sri Lanka's policy makers in understanding and responding to an unfolding state of uncertainty. Kanishka Jayasuriya's critical reflections on the Asian values debate provides perceptive insights into the reactionary politics of the so-called East Asian miracle of yesterday. And the British Marxist Eric Hobsbawm gives us a critique of neo-liberalism.

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