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“When the First Camel in a Caravan stops...It is the Last camel that gets the beating”

– Ethiopian Proverb

As a Nation that was supposed to have got her ‘Independence’ was already on a ‘course’ in a preset direction carrying the traditionally identified merchandise, just mechanically. What was ready was carried and there was no need for sophistication.

The wartime need to have a quiet and a peaceful land of people who knew that there was a war only through the few men who fought for their masters while the majority of the people lived in the rural regions where subsistence agriculture sustained them leaving only a small fraction who had to be looked after and rice - the staple food, was somehow provided through a disciplined ‘cooperative system’ for the distribution of the essential items. The First Crisis in Independent Sri Lanka came up connected to that when the imported rice was offered at a higher price. From the beginning, rice was a problem and a lot of enthusiasm could be seen with reopening of the ancient rice growing areas.

The need for food imports required valuable foreign exchange and the ‘power’ needed in development had to come in as petroleum and that too needed dollars. Traditional Exports could not cope up with the required volume and it had to be done only through a carefully planned Import Substitution Programme as well as an Export Promotion Programme. We did not have both as they were never targets.

BOGUS SENSE OF WELL-BEING

The strategic move by the British Government then, to bear the cost of through a measure of welfare while trying to keep a large number of people from grumbling, especially at a time a world power was in the making to challenge the Western Capitalist approaches to find development through the promotion of Free Trading as a gateway for the markets for their exports.

That strategy of providing ‘rice’ - the staple food of Sri Lanka became a very sensitive issue and weekly rice ration that became possible only through subsidies provided in the government budget could be removed only in late 1970s, but continued in wider and in different kinds of welfare measures. Although we seemed to have very conveniently forgotten, the government that had tried something more genuinely towards the aim to make the nation stand on its feet through import substitution and export promotion, was defeated very convincingly in a landslide victory, by a leadership that bolstered free trading and privatization. That started the beginning of the end, a process that was based on a system of Free Trading that ate up all the Foreign Exchange Reserves that had been created by the socialist leaders led by late Madame Bandaranaike. The stiff opposition created by her son and uncle who saw to it that all those socialist leaders were sent out from the important positions they held in the government. That was how our fate was sealed and all the others who came after that became so misled by the outward appearance created by the extravagant attitude fostered by the false values of Free Trading.

We are being punished now for the sins committed by those who had the responsibilities in the past. What happened in the past is only in the Information form. But what we go through now is reality. We feel it. We need

NATIONAL ECONOMY CAUGHT BETWEEN ACCOUNTABILITY AND RESPONSIBILITY



Sri Lankan currency

Central Bank of Sri Lanka

solutions. For the past problems we cannot give solutions. But those past problems shall give us solutions.

That can be done by understanding our own mistakes...Because...Mistakes are the Best Teachers.

Merry Making is over...The neglect that had been right throughout for a period of over seven decades, our Nation had been compelled to wander aimlessly while living in situations made to trust and believe. With scholars made in the Western Economic Environments, the most of them excelled in those affluent surroundings. They could diagnose all the ailments accurately and the prescriptions also looked very professional, and faultless. They recognized the patterns and then theories were formed.

The few nationalistic exceptions who also had the same basic background but with the understanding they got with the Marxist interpretations, tried to move our nation towards a somewhat controlled system, like what India did then. India being a large economy could achieve efficiencies while we being a very small nation had only one option and that was to become

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MISUNDERSTANDING ECONOMICS

Unlimited Freedom, led our economy into an organised chaos, while trial and error became the ‘name of the game’ to have a system that boasted about the ‘survival of the fittest’. The need to solve the most essential element of economic development – the ‘investment capacity’ was allowed as Foreign Investment while we had to give the required logistic ‘environment’ and that itself became an unavoidable need and the Development

Loans came that way. Borrowing started increasing to unbelievable magnitudes and all those came with hidden and open preconditions. The IMF and World Bank became tougher and the Westerner Financiers did not like Chinese investment here.

CHECKMATE

The ambitious and adventurous plans implemented paved the way for corruption that became an inseparable feature and all those who had the responsibilities gave the phenomenon a blind eye and it became a system.

The undisputed Master brains who believed the best way was to open as wide as possible and our thinkers who lived mentally in those affluent economies gave the finishing touches, and we got the ‘open economy’ and along with the changes which were interpreted as development came all the maladies and we have now got the most corrupt environment with a terminal ‘peptic ulcer’, which does not heal.

We have become a Trading Nation that has failed miserably and the whole nation has got used to Free Trading (Meaning Free Imports) and we have become a Nation of No Shortages and never bothered about the justification.

The ‘False Sense’ of well-being led to an unrealistic appearance of affluence and the abuse of Foreign Exchange led to the steady erosion of reserves and the inflow of foreign exchange became only a subject discussed in the Central Bank, which also had lost the grip.

IMPACT OF COVID-19 AND ITS VARIANTS

If CORONA /COVID-19 did not come this would have continued undetected.

The biggest blunder our Governments had done was the absence of a planned recovery programme to get ready for the repayments of loans. We had allowed Chinese Investment on a big way but did not take seriously the commitments we had towards the Western Lending System, and the IMF stamped its feet.

All the hi-speed transactions first got slowed down and then came to a halt.

Now, we understand how Free Trading finally works. For a long time, the banks did not open LC s as in the past. We did not worry about that sign which was a clear indication of not having Foreign Exchange. Now they have stopped that openly with no pleasantries.

We can imagine the plight when all the Petroleum Imports have come to a standstill. That affected the total transport scene, and then, it has now affected even the LPG Imports hitting every household in the country.

Free economy has now turned into a vicious mad dog which has started biting everyone and everything around. All are bitten and no one is spared. Even the tycoons created cannot solve their problems while the paupers, who do not have a tomorrow in their future, are the worst hit.

Corruption has become the most used word now, out all those who were there in the remote past are dead and gone. Some who were there can be seen still around, but they do not admit and own the magnitude of the problems. The whole Nation is clueless and lost as we have forgotten how to be rational.

It has become a problem and the whole nation has someone to blame. All the issues are very clear and very loud. But the roots have been forgotten.

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