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Miracle in Sri Lanka - Milinda Moragoda

The name Sri Lanka has recently become synonymous in the lexicon of the 1992 campaign with economic decline, as both Bill Clinton and George Bush have made disparaging references to us. When our name was Ceylon we were never so treated. We wonder if we too have become a victim of the sound bite.

When my country first changed its name from Ceylon to Sri Lanka, all was peaceful, and so many world leaders went along for awhile, not even knowing who we were. We started a Western-style economic revolution, but it merited only the inside pages of business newspapers. A few years ago, however, one of our "states" tried to secede from the "union," and in the ensuing civil strife, all hell broke loose. Then we got noticed.

As violence, terrorism and economic tragedy befell my country, the American public finally became aware that there was a country called Sri Lanka, and it was in trouble. All but ignored was its 2,500 years of recorded history, a population as ethnically diverse as New York City's and a strong modern record of democracy and devotion to free enterprise.

Thus it comes as no surprise that the staffs of Messrs. Clinton and Bush would use Sri Lanka as an example of an economic shambles. But it's still a shame they did so, For if the candidates could visit us today, they might find we deserve to be the subjects of a new and very different sound bite. The fact is that Sri Lanka is on the way back to resuming its place as the next Asian economic miracle.

Since 1931 every citizen of my country has enjoyed the right to vote, and all of our governments have been popularly elected. We have a literacy rate of nearly 90 percent -- higher than a number of countries in the Western world -- and our overall quality-of-life rating has won the praise of international development organizations.

Long before Eastern Europe and the Soviet Union realized the error of their systems, we threw off the yoke of central economic planning and dedicated ourselves to a free market. That popular decision by our electorate 15 years ago led to a difficult period of sacrifice and belt-tightening. We could not have imagined then that one day this noble effort by our people to emulate 'the success' of the Western democracies would be misused in an American presidential campaign as an example of a poorly performing economy.

Nine years ago our miracle was brought up short. Civil strife broke out in my country, when one of our minority ethnic groups sought autonomy. Violence and terrorism were widespread for a time, Sri Lanka was not well prepared for civil war. For decades our economy had concentrated its 'peace dividend' on economic development. Our military infrastructure was not able to cope with the terrorism. Thus, we sought the help of our neighbor India to quell the violence. But the violence grew worse, and the Indian peace-keeping force itself became another subject of controversy.

As Sri Lanka began to be noticed in the foreign press for its violence and perceived instability, foreign investors and

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tourists started avoiding the country. Tourism, a major source of foreign exchange, fell by 75 percent. Growth rates slipped dramatically to the 1.6-2.2 percent range. Prices spiraled. It was inevitable that voices would be heard condemning our flirtation with the free market.

But in their wisdom, the people of Sri Lanka once again rejected central economic planning, and returned to power the United National Party under President Ranasinghe Premadasa. The new president acted quickly to stabilize the nation's security and resolve the conflicts through consultation and consensus. He succeeded in obtaining withdrawal of the Indian peace-keepers.

However, his efforts at conciliation with rebel groups were not rewarded. Only after the government took determined measures to achieve internal security did the armed strife begin to abate. Today, life is back to normal almost everywhere in Sri Lanka, with hostilities being confined to two small areas in the north and east.

So to Messrs, Clinton and Bush we say 'All is forgiven. Welcome to Sri Lanka the next economic miracle.'

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