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## **RESISTING GLOBALIZATION? : SOCIAL MOVEMENTS AND CIVIL SOCIETY IN SRI LANKA**

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### **Abstract**

Globalization reflects a situation where the factors of production have become increasingly mobile. Capital moves freely and technology and information diffuse almost instantly across national boundaries. Corporations move their bases of operation to lower cost production areas. Raw materials are rapidly transported from their source to processing and production sites thousands of miles away. States in South Asia are, in varying degrees of intensity, participating in this growing process of integration of their national economies into a global world economy. When globalization first became a buzzword, the emphasis was on its inevitability and largely on the benefits of the phenomenon. These benefits were chiefly, but not solely economic. Openness to the international market, and the harnessing of foreign investment and trade, in concert with new technologies, promised a new impetus for development and growth. The benefits of globalization have increasingly been in doubt. An integrating part of the globalizing process is sometimes perceived as the dislocation and exclusion of large number of people. There is a popular apprehension of being left behind while global civil society and liberalization engulf the world. This paper looks at the resistance and lack of resistance that has been meted to globalization in Sri Lanka.

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## Introduction

States in South Asia are, in varying degrees of intensity, participating in a growing process of integration of their national economies into a global world economy. Certain global trends are often highlighted as characterizing the 1990s and the beginning of the new century. The character of the nation-state too is believed to be mutating as the workings of the global economy undermine the sovereignty of national governments. New forms of allegiance are believed to be emerging which seek forms of organization beyond national sovereignty. An underlying idea in this paper is that globalization, just like history or power does not flow in one direction. Globalization has become, to a certain extent, a post-colonial folk ideology. Many studies of globalization tend to see a unidirectional and generally exploitative flow from North to South. We must, on the contrary, increasingly draw our attention to the multilateral character of relations and developments that are subsumed in the term globalization. A more sensitive and measured approach to globalization will indeed help us grasp some of the complexities of the process in South Asia where globalization does not necessarily imply homogenization or Americanization. One of the features of globalization in South Asia is its limited nature. The resistance meted against it in Sri Lanka has been even more limited.

This paper looks at the resistance and lack of resistance that has been meted to globalization in Sri Lanka. In the first section, it analyses the limitations and mythologies surrounding globalization and the nature of cultural globalization in South Asia. The second part of this paper explores the emergence of social movements resisting globalization, while the third section explores the reasons for the weak response to globalization by civil society groups especially NGOs in Sri Lanka.



## **I. Globalization in South Asia: limits and mythologies**

### ***Historicising Globalization***

In the 1960s social scientists were enamoured with a concept that in many ways resembled globalization: like globalization it purported to describe vast and significant changes, it was easily understandable and became a media favorite. Today, however, loaded to a point it does not convey any meaning, it is rarely used in academic discussions: will 'globalization' meet the same fate as 'modernization'?

The question that needs to be addressed first is: whether globalization is a new phenomenon, marking a qualitative change from the past in South Asia or whether it is merely the quickening of past trends in the process of capital accumulation on a global scale. On the one hand, it has been argued very strongly that what we are seeing is essentially the resumption of a process that took shape at the beginning of this century, but was interrupted by the two world wars. Others contend that the specificities of the current phenomenon mark a qualitative change from anything known before. This raises the familiar question of the point at which changes in quantity – in this instance of scope, depth and pace – constitute a change in quality.

Arjun Appadurai provides us with elements of an answer when he highlights two meanings to the word 'globalization'. First as a socio-economic formation and second as a term of folk ideology in journalism and in the corporate world. In both senses, though, it marks a set of transitions in the global political economy since the 1970s. During the next decades multi-national forms of capitalist organization began to be replaced by transnational, flexible and irregular forms of organization. Labour, finance, technology and

technological capital began to be assembled in ways that treated national boundaries as mere constraints or fictions<sup>1</sup>.

Historians have studied in depth the position of South Asia in relation to world capitalism. Among them Immanuel Wallerstein's analysis places South Asia as part of the semi-periphery in his conceptual framework of core, semi-periphery and periphery from the time of its incorporation in 1750. He argues that South Asia possessed simultaneously core like features of manufacture and industry, banking and financial management, capital accumulation and bourgeois class formation and strong state organization; but it also contained periphery-like features associated with the highly exploitative and labour intensive economies of mining, planting, peasant farming and landlord rentierism<sup>2</sup>. David Washbrook too has traced the principal outlines of capitalism in South Asia. His approach differs sensibly from the mechanistic world-systems approach of Wallerstein but the two come together to strengthen the evidence of a long history of merchant capital in the region. K.N. Chandhuri's work too has shown how in the 'Asia before Europe', South Asia was the centre of a world economy embracing most of the Indian Ocean.

Later, as a colony, South Asia was inserted into the international economy as part of the global spread of capitalism from centres in the north. There is, however, a subtle difference between the 'internationalization' of the economy during the new imperialism period and what is today referred to as globalization. While the former refers to the internationalization of trade and later on the internationalization of finance and investment, each coming in the

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1. Arjun Appadurai, 'Dead Certainty: Ethnic Violence in the Era of Globalization', *Eight Punitham Tiruchelvam Memorial Lecture*, 31 January 1998, Colombo.

2. Immanuel Wallerstein, 'The Rise and Future Demise of the World Capitalist System: Concepts for Comparative Analysis', *Comparative Studies in Society and History*, Vol 16, pp.387-415



wake of precise historical moments of capitalism, globalization refers to the complex combination of all these but more importantly one that is inclusive of a thoroughly transformed production structure, what Imtiaz Ahmed has called a 'denationalized form of production'<sup>3</sup>. This form of production involves multinational or rather transnational companies collecting resources in several countries, processing it in several other countries and finally exporting the finished products to the rest of the world.

Although transregional contacts and transnational processes have antecedents and anticipations over centuries<sup>4</sup> in the form of what we refer to as "world systems" there is a widely shared sense that there is something new about these processes and systems in the last decades. If what Karl Marx predicted when he wrote "the need of a constantly expanding market for its products chases the bourgeoisie over the entire surface of the globe. It must nestle everywhere, settle everywhere, establish connections everywhere" was not globalization, it was something that prefigured it<sup>5</sup>.

### *Features of Globalization in South Asia*

The movement in production, technology and communication, the role of capital flows across borders and the proliferation of the new formal and semi-formal functional international networks are undoubtedly real, as is their impact over South Asia. The mythology begins when globalization is presented as a novel, even, and all encompassing and inexorable movement with a necessary neo-liberal, all market logic. It takes a considerable leap of imagination to locate much of South Asia within the global village although the landscape of South Asia presents certain features of globalization.

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3. Imtiaz Ahmed, *The Efficacy of the Nation State: a post nationalist critique*, (Colombo: International Centre for Ethnic Studies 1998)
  4. Janet L. Abu Lughod, *The World System in the Thirteenth Century: Dead-end or Precursor?*, (Washington D.C: American Historical Association, 1993)
  5. Karl Marx, *The Communist Manifesto*

### The limits of globalization in South Asia :

The impression of a united and homogeneous international political economy is quite misleading especially when looking at South Asia. Quite clearly national economies in South Asia are becoming steadily integrated as cross-border flows of trade, investment and financial capital increase. Consumers are buying more foreign goods, a growing number of firms now operate in the Sub-continent where savers are investing more than ever before. When one considers, however, the markets for products, capital and workers, many discrepancies come to light. The extent of the trend towards globalization in South Asia must not be exaggerated. The limited impact of the South East Asian crisis on South Asia shows the timid integration of their economies in the global financial system. According to the World Bank, the net private capital flows to South Asia has increased from 2.2 billion dollars in 1990 to 10.7 billion dollars in 1996. This nearly fivefold increase is significant but does not compare well with the capital flows to East Asia and the Pacific that increased during the same period from 19.3 to 108.7 billion dollars. The surge in private flows is concentrated in only 18 developing countries , the largest recipients being China (24 percent of the flows) while India accounted for between 1-2 percent of all the private flows<sup>6</sup>. Capital flows to South Asia have been minute compared to those that fuelled growth in East Asia.

With the introduction of liberalisation policies in 1991, India witnessed a significant surge in private capital flows. The government policy shifted from official borrowings to foreign investment. Measures were consequently taken to attract foreign investments in the form of both FDI and portfolio investment. Indian firms were allowed to raise funds through equity and convertible

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6. Kavaljit Singh, *A Citizen's Guide to the Globalization of Finance*, (New Delhi: Madhyam Books Delhi, 1998) pp. 16-17.



bond issues in Euromarkets and portfolio investments and the Indian capital markets were allowed for Foreign Institutional Investors on registration with the Securities and Exchange Board of India. The capital inflows into India have two distinct features which sets it apart from its East Asian neighbors: first inflows into India are mostly portfolio investments and second inflows into India consist of investment in equity and debentures, which are costlier to reverse<sup>7</sup>.

The situation in Sri Lanka has comparable. Although it opted for an open market economy as early as in 1977 it did not go so far as to liberalize the capital account of the balance of payments. Until 1997 foreign borrowing was strictly controlled. In recent times, exporters with adequate foreign currency exposure have been allowed to borrow foreign funds from the funds available in the foreign currency banking units and domestic banking units of commercial banks. The scheme operated according to central bank regulations is not an open door for capital movements yet<sup>8</sup>.

Amartya Sen once likened India to a Tiger in a cage. In the case of the East Asian crisis, the cage appears to have protected the tiger. Referring to South Asia, the Trade and Development Report 1998 of UNCTAD noted that the region had escaped the fallout from the East Asian crisis because of restrictions in capital account convertibility and more limited exposure to short term foreign debt.

The economic and financial crisis in East and South East Asia has raised two kinds of questions in South Asia. First, especially in India it has brought into question a range of policies with respect to economic globalization, particularly in the financial sector and more specifically the movement of short-term private capital flows. The underlying factor behind the East Asian crisis has been traced by

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7. *Ibid.* pp.118-119

8. J.B. Kelegama, 'The Currency Crisis in East and South-East Asia', *Economic Review*, Vol 23, Nos 10-11, Jan-Feb 1998, p.31.

South Asian analysts to institutional failure in the context of financial sector liberalisation<sup>9</sup>. Second, it has raised questions about the economic and political power of the “newly industrialised economies” of Asia and the likely change in the balance of power in the region. Greater attention is also being paid to establishing appropriate macro-economic preconditions for successful integration with the world economy. One of the lessons of the South East Asian crisis for national governments in South Asia is not in the form of a reversal of the process of globalization but in the need to pay more attention to internal economic systems and policies to ensure their exposure to global forces of competition does not make them vulnerable to systemic or random shocks<sup>10</sup>. Many analysts agree that South Asia must devise a system to manage risks and its governments should have mechanisms to intervene to stabilize fiscal policy. The question is whether South Asia, a region that needs foreign direct investment and development aid will be able to resist calls for full convertibility if or when they come. Policy makers in South Asia are looking towards other countries for examples of how FDI flows could be used for the benefit of a country. Chile where short term equity flows are heavily taxed to prevent speculative activity is often cited.

The docility of South Asian governments *vis-a-vis* the demands of the Washington Consensus does not, however, augur well for the possibility of resistance by the state. In South Asia, the governments appear ever willing to accept the conditions laid out in the Washington Consensus-balanced budgets, market prices, privatisation, free trade, capital liberalisation – perhaps because under colonial rule aspects of modernity that pertained to the

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9. Murali Patibanda, Ramkanat Prusty, ‘East Asian Crisis as a Result of Institutional Failures. Lessons for India’, *Economic and Political Weekly*, Feb. 28, 1998, pp 469-472.

10. Sanjaya Baru, ‘The Asian Economic Crisis and India’, *Seminar* 473, 1999, pp. 54-58.



material sphere were accepted and absorbed by South Asian elites. South Asians are willing consumers of modernity.

#### Globalization and Culture :

'Globalization has shrunk the distances between elites, shifted key relations between producers and consumers, broken many links between labor and family life, obscured the lines between temporal locales and imaginary national attachments'<sup>11</sup>

The situation in South Asia testifies to the fact that globalization spreads beyond the purely economic. With the increase in global interactions through trade and consumption, cultures are affected in so many different ways. There is, on the one hand, a transformation of everyday subjectivities through electronic mediation. A new *imaginaire*, a constructed landscape of collective aspirations, is being created. Foreign satellites now beam images to South Asia, effectively breaking the state's monopoly over television. The existence of various diasporic public spheres, for instance, the viewing of cricket matches between India and Sri Lanka by migrants in the Gulf states show the complexity of communities at a global level. Are South Asian cultures threatened by these intrusions?

In spite of the protest movements staged by Hindu nationalists against the opening up of India to pop culture, no McDonaldization of South Asia is taking place. There is a much subtler interplay of indigenous paths of yearnings and fears taken by people and things. If a global cultural system is emerging it is one made of paradoxes and resistances. Changes in dress in Sri Lanka offer a good example of the complexities of cultural flows. The most important sartorial change of the last decades has come with the liberalization of the economy and the growth of an export oriented garment industry.

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11. Arjun Appadurai, *Modernity at large: Cultural Dimensions of Globalization*, (Minneapolis, MN: University of Minnesota Press, 1996), pp. 9-10.

This has made available in the market place an entire range of western type brand name clothes, jeans, T.shirts, skirts sold at a very reasonable price. The less affluent classes have enthusiastically shed their cloth and jacket, *sarees* and sarongs for more globalized outfits. But in the face of the levelling influence of the trouser the privileged classes have invented new 'gilded costumes' to distinguish themselves whatever the cost. Handlooms and raw cotton sarongs have been given a new lease of life with the elite's return to roots. The paradox is that elite are stepping into village dress at the very moment the majority of people are stepping out. Many analysts from South Asia who perceive globalization as the history of cultural homogenization fail to see it as the way in which different societies appropriate the materials of modernity differently<sup>12</sup>.

South Asia is not only at the receiving end of globalisation it is generating globalization. For Sri Lankans or Bhutanese, Indianization may be more worrisome than Americanization. The new global cultural economy cannot be understood in terms of existing center-periphery models. India is the world largest film producer, with production figures of 700 films a year. The films made in Bombay, or Bollywood are popular in many parts of the world especially in the Middle-East and Egypt. People across the globe sing Hindi songs without knowing their meanings. In this sense, South Asia is creating an alternative globalizing arena in the cultural field. Bollywood films themselves merge the genres of western, musical and melodrama. Modernity is rewritten as vernacular globalization and less as concession to large scale national and international policies.

Through migration of South Asians to Europe and the USA, a parallel process of cultural change is going on, a form of reverse

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12. Arjun Appadurai for instance argues that globalization is a dialogue of a sort with modernity.



globalization from east to west. Hindu and Buddhist temples have sprung up in most western capitals and even more interesting forms of readings of Western churches and monuments are apparent. The Eiffel Tower is celebrated by Sri Lankan Tamil Hindus in Paris as a religious symbol of fertility while the Cathedral of Chartres has become a site of Hindu pilgrimage. Cultural flows are going to and fro, merging and breeding new sites of exchange which are far more subtle than the common understanding of globalization. While very few South Asians prefer Melrose Place to the Ramayana and even less have succumbed to the taste of burgers and Kentucky fried chicken, chicken *vindaloo* is competing with chilli con carne to become the national food in the United Kingdom.

## **II Resistance to Globalization**

### ***Social movements and civil society***

As in most countries, the resistance to globalization in Sri Lanka comes from non-state actors and associations, what is commonly referred to as civil society. Indeed, the state in South Asia has become a partner in the globalization of its economy and is not in a position to critique the institutions and policies that promote globalization.

While broadly civil society can be defined as 'society minus the state', at least three different usages can be identified, linked with very different theoretical affiliations. In the neo-conservative vision, civil society exists as a sphere autonomous from, and morally superior to the state. Civil society includes micro-enterprises, credit associations, private cooperations, bankers associations, universities, professional associations, cooperatives, trade unions, urban popular movements and rural peasant movements. Liberal pluralism, the ideology that permeates the writings and policy statements of the World Bank for instance, shares with the neo-conservatives the

assumption of a division between state and civil society but privileges the non-governmental sector as the most important component of civil society. In contrast, proponents of critical theory underline the forms of oppression and constraint that exist in this realm. Gramsci, for instance, criticises the liberal attempt to draw a clear distinction between state and civil society and insists that the two spheres are integrally connected. Civil society is understood as a sphere of indirect domination. The dominant class is able to construct hegemony by presenting its political project as embodying universal interests rather than narrow corporate interests<sup>13</sup>.

In this paper, civil society is understood as a *context* within which a number of collectivities are formed and interact. Civil society can comprise formal organizations of a representative kind (parties, churches, trade-unions and professional bodies), formal organizations of a functional kind (schools, universities and mass media) and more informal social and political networks, ranging from local voluntary groups and ad hoc activist coalitions to nationally or internationally coordinated social movements.

The term 'social movements' too needs some clarification. Today many analysts would follow Anthony Giddens's approach and see social movements as the forms of collective social action which express the contradictions of modernity<sup>14</sup>. This approach, however, assumes that social movements are purely contemporary phenomena organized around social contradictions such as gender, lifestyle, the environment, racial inequality and war. It seems, in my view, preferable to adopt a broader definition of social movements that includes class based movements as well.<sup>15</sup>

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13. Laura MacDonald, 'Globalising Civil Society: Interpreting International NGOs in Central America', *Millenium: Journal of International Studies*, Vol. 23, No 2, 1994, pp. 267-285.
  14. Anthony Giddens, *The Consequences of Modernity*, (Stanford, CA: Stanford University press, 1990)
  15. Martin Shaw, 'Civil Society and Global Politics: Beyond a Social Movements Approach', *Millenium: Journal of International Studies*, Vol. 23, No. 3, 1994, pp. 647-667.



It is from the realm of social movements taken in this wider sense rather than from the sphere understood by liberals as constituting civil society i.e the non-governmental sector that a critique of globalization in Sri Lanka has emerged.

### *Trade union actions against liberalization*

In the 1990s the politics of resistance to globalization has taken the rather popular form of protesting against the privatization of state economic ventures. In Sri Lanka, the labor movement was large and politically active in the 1980s although it suffered a loss of influence after 1977 when the United National Party came into power. Before that many unions were affiliated with the Marxist parties especially the Trotskyite Lanka Sama Samaja party. The heyday of trade-unionism in Sri Lanka was the post-1956 period when strikes were a common occurrence. In 1977 Sri Lanka opened up its economy after more than a decade of import control and in the late 1970s and 1980s the old trade-unions witnessed a considerable decline. Labour rights too were seriously compromised after the sacking of 50 000 strikers on the first day of a general strike. Similarly the influence of the *Jatika Sevaka Sangamaya* (National Employees' Union) which was affiliated with the UNP increased greatly and became the single largest trade union. During the 1980s, New Left parties such as the JVP began to infiltrate the trade-union and were very influential in the late 1980s until the insurrection fomented by the JVP was violently crushed in 1989. The trade union movement too suffered from the decimation of the JVP.

Chandrika Bandaranaike Kumaratunge came to power in 1995 with a promise to the financial world that her government would not reverse the liberalization and privatization program of the previous government. The People's Alliance's political program, however, was more ambivalent about the privatization issue. Although it clearly accepted the inevitability of a market economy, it stated that

“public utilities which are essential for day-to-day life must function under government control, but with adequate autonomy for efficient management.”<sup>16</sup>

Thus, although the People's Alliance maintained its commitment to the privatization programme begun in the previous regime, its manifesto emphasized a people-oriented approach to social and political reforms. People, the manifesto argued, matter more than reasons of state. In its election manifesto, the government had stated that health, education, water, electricity, highways and railway, airports, irrigation, main state banks, and public-sector insurance establishments must function under government control.<sup>17</sup> But in February 1996 it was revealed that the government was considering the privatization of no fewer than 70 state institutions. Among the enterprises earmarked for divestment of shares were the State Mortgage and Investment Bank, the Independent Television Network, the Ceylon Shipping Corporation, and Air Lanka.<sup>18</sup> The government's inability or refusal to keep its electoral promises led in the next three years to challenges from labor and to a growing feeling that the government has duped its supporters.

In a sense, the very structural change in the Sri Lankan economy has killed all potential for a strong trade-union challenge to globalization or privatization. The transformation of the Sri Lankan economy since liberalization has generated an enhanced role for women in the booming manufacturing sector. This workforce estimated at 840 000 in 1996 is not unionised and in a sense is typical of the postmodern world of the 1990s. The majority of these workers in the FTZ have no long-term interests in the enterprise nor do they have any prospects at career development. The labour

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16. Election Manifesto of the People's Alliance, 1994, p. 12 *Ibid.*

17. *Sunday Times*, June 2, 1996.

18. Rohan Gunaratna, *Sri Lanka: A Lost Revolution: The Inside Story of the JVP*, (Kandy: Institute of Fundamental Studies, 1990) pp. 259-266



turnover rates are consequently very high. This type of labour force will soon become the norm in the next decades as computerisation of operations makes redundant the traditional factory worker. Trade union sources number the trade-union membership at 2.7 million people organized in 994 trade-unions. But the participation of the Communist Party and the LSSP in the People's Alliance has undermined the old leadership in the trade-union movement. The resistances that can be witnessed today are sporadic outbursts of a movement that is changing in its character. Indeed, in Sri Lanka the electoral decline of traditional Left parties such as the LSSP and Communist Party (CP) contributed to taking trade union action on an unconventional and less disciplined road. The year 1995 when the People's Alliance assumed power saw a flurry of strikes where unions members displayed often violent acts - the case of the chief executive of the Japanese firm Noritake who was locked up by the strikers was typical. The CEB workers in 1996 went on a savage strike which plunged the entire country in darkness for hours on end at the warmest period of the year and caused many hardships to the common man. Periodically, generators belonging to the CEB are blasted in the city of Colombo, actions blamed on the LTTE but that many analysts suspect is the work of trade-unionist opposed to the privatisation of the Electricity Board. In Sri Lanka as in most South Asian countries, economic globalization appears to coincide with the demise of the traditional working-class movements.

What these sporadic and violent acts against globalization reveal are endemic fears of the sudden changing of gear of the country in its attempt to limp towards the 21<sup>st</sup> century, a move spearheaded by the state, the spread of information technology, the dissemination of a new language, and the consequent upgrading of new spheres of occupation parallel to the down-grading of the public service and the former corporations that enjoyed immense privileges during the days of state monopoly. The trade union resistance to the dismantling of

the public sector and to private foreign capital shows how social forces that benefited from the former regimes of political economy feel deeply about externally induced changes while comprehending very little of the mechanisms of financial globalization that peaked in the 1990s.

### *Political Movements: against economic change*

In 1971 the JVP, a violent political movement, tried to topple the leftist government of Sirimavo Bandaranaike but failed. It resumed the effort in the late 1980s in an even more violent manner using murder, torture, and intimidation. The trigger for this resurgence was the 1987 Indo-Sri Lankan Accord, which sanctioned the use of Indian troops in Sri Lanka to quell the LTTE in the north and east. The JVP movement nearly succeeded in destroying the state institutions but was crushed by the Sri Lankan security forces working with death squads. Among the social and political movements of the recent years, the JVP is the only movement/party of the Left that has systematically critiqued the forces of globalization albeit in a unsophisticated manner. Although the term 'globalization' does not appear in their speeches and writings, the idea of global capitalism as the main threat is present.

The JVP in both its incarnations has been concerned with the external domination of the country's economy, the dependence on other countries for scientific research and technology, and the unrestricted penetration of Western values through the media resulting in an erosion and eventual loss of national identity. In the late 1980s, the JVP listed a range of problems, including the threat posed by capitalism to the culture and traditions of the Sinhalese people and the government's submissive attitude to the dictates of lending institutions. Its manifesto proposed that "a new foreign policy will be adopted to ensure the national independence and territorial integrity of Sri Lanka. In 1987-89, a primary component



of its vision of social justice was the notion of mass universal education as a basic human right. In the economic field, foreign trade, internal wholesale trade, and heavy industry would be maintained as state monopolies. Foreign banks and financial institutions would be nationalized. A radical land reform would be implemented. The ethnic problem would be dealt with by ensuring that equality prevailed among all races in education and land distribution.

The JVP took it upon itself to secure social justice among the Sinhalese by taking up arms against what it saw as an oppressive state. It argued that the Sri Lankan state since independence had been committed to welfarism—that is, to safeguard the basic needs of its citizens. After 1977, however, the economy was opened and industrial growth based on foreign investment was encouraged. A necessary concomitant to such an export-led strategy was the World Bank and International Monetary Fund's "structural adjustment policies," which demanded a shifting of public resources away from social welfare into investment. The JVP claimed that Sri Lanka had a neocolonial economy completely subservient to the imperialists. In this view, capitalism, which led to neocolonial domination and an erosion of traditional mores and values, was the main enemy<sup>19</sup>. One of the primary global threats, according to the JVP, was the involvement of lending institutions such as the World Bank and the IMF in running the country, especially in light of their demands for "good governance".

The JVP critique of globalization falls quite clearly within a general critique of capitalism and the inequality in the distribution of

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19. According to Sinhala-Buddhist tradition fashioned largely by the *Vamsa* literature, Sri Lanka is the *Dharmadvipa* (the island of the faith) consecrated by the Buddha himself as the land in which his teachings would flourish. The *Mahavamsa* states that on the very day of the Buddha's death, Vijaya – the founder of the Sinhala race landed in Sri Lanka, as if to bear witness to the Buddha's prediction. The king was traditionally the protector of Buddhism and after independence the new nation-state took over this function.

wealth that follows. In this sense, it did not offer new arguments to counter the new features of global capital in the 1980s and 1990s and easily equates globalization with neo-colonialism.

Although the JVP movement was violently crushed in the late 1980s, its ideas remain popular in certain circles such as the student movement and some trade unions. In the mid-1990s militant Sinhala groups such as the *Jathika Chintanaya* (National Ideology), student movements such as the *Janata Mithuro* (Friends of the People), and trade unions offered their own definition of security—a definition that involved a critique of the state in Sri Lanka as a component of global capitalism. Many young men and women express if not allegiance to the JVP, at least an intellectual affinity with its ideas. A well-known social critic, Gunadasa Ameresekere, put forward the concept of *jathika arthikaya*, a national or indigenous economy. His vision idealizes the village and rural culture and castigates the open economy without clearly advocating an alternative model of development. The *Janata Mithuro* envisaged an environment-friendly regime that would control the pernicious effects of modernization—tourism, pollution, urbanization. No government will agree to reverse the ongoing process of liberalization in order to appease the JVP or its supporters. But under pressure from these anti-capitalist forces, the state can be forced to change its policy on certain issues. Thus one could say that the JVP/anti-systemic ideology, when used in a limited manner, may have some impact—as in the Ceylon Electricity Board strike of 1996. In that case, the state had to compromise in order to assure workers that privatization would not take place at the expense of their interests.

### *Religion and globalization*

One important feature of the anti-globalization discourse in Sri Lanka is its grounding in religion. Religious groupings, especially the powerful Buddhist Sangha criticized the state for subordinating



culture and religion to economic and political concerns<sup>20</sup>. Every constitution of the country since 1972 has stressed the special place given to Buddhism which is the religion of over 70 percent of the population. Although Buddhism is protected by the state and practised by the vast majority of people, many of its proponents present it as a religion under threat. Since independence, political monks organised in pressure groups have taken positions over crucial issues and presented themselves as guides to the people by virtue of their moral prestige. When the United National Party came into power in 1977 and liberalized the economy, some monks protested against the growing consumerism. The same groups protested against the signing of the Indo-Lanka Accord of 1987 claiming that there had been a betrayal of the Sinhala people by conceding too much to the Tamils and allowing the Indians to enter the island as a peace-keeping force. The rhetoric of betrayal, and need to protect the land is ever present in the Sinhala nationalist discourse where Sinhalese and Buddhist identities are subsumed in one collapsible identity. The threat is identified as coming from the West, Christianity and capitalism.

The phenomenon of religious influence was particularly apparent a few years ago when a book published by Stanley Tambiah, *Buddhism Betrayed? Religion, Politics and Violence in Sri Lanka* (1992), became the centre of a controversy. It was alleged in the Sinhala press that with the publication of the book, an international conspiracy had been launched: the co-conspirators included the World Institute for Development Economic Research (WIDER), its former director, and the United Nations organizations; the chief beneficiary of the plot was the LTTE. This controversy, and the response of the reading public in Sri Lanka, showed that quite a few people believe that American imperialism is behind most of the evils

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20. *The Island*, 5 November 1994.

of the world and that a number of traitors in Sri Lanka are sold out to the West. A few months later the government, bowing to the pressure of the Sangha, imposed a ban on the import and sale of the book.

Foreign agents are often identified as belonging to the NGO sector. Little discrimination is made when speaking of NGOs. A Chief Monk (*Mahanayake*) of the Asgiriya Chapter warned that 'some non-governmental organisations in this country who receive large amounts of foreign assistance are allegedly engaged in disrobing learned Buddhist monks and providing them secular employment'<sup>21</sup>. This type of remark indicates a phobia *vis-a-vis* foreign aid and western cultural imperialism which has spread far beyond the circles of political monks and activists<sup>22</sup>.

What is evoked in these immediate and often emotional outbursts is the overlap between the neo-liberal agenda of economic globalisation and the human rights agenda of non-state actors with transnational patronage. Indeed, non-state actors in Sri Lanka who strive to strengthen civil society work towards reform without upsetting or criticizing global structures. By failing to emerge as critiques of globalisation, they leave room for more extreme positions. The weakness of the Left movement's resistance lies in the rigidity of its populist Marxist analysis and its failure to understand fully the complex dynamics of global capital in the 1990s. Indeed, the intellectual, trade-union and JVP critiques of the modernization and globalization paradigms have until now remained within the discourse of development in their focus on the 'development of underdevelopment' through the capitalist liberal regime of the World Bank and IMF. The argument, an age-old one, is that the world's

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21. *Lakbima* 31 Dec. 1996; *Divaina* 26 Nov. 1995; *Divaina* 17 Oct. 1995; *Divaina* 26 Nov. 1995.

22. Peter van der Veer, *Religious Nationalism. Hindus and Muslims*



core regions create and sustain underdevelopment in the periphery of the 'third world'<sup>23</sup>.

### III Globalization, Civil Society and Global Civil Society

While in many developing countries, the non-governmental sector has turned a critical eye on the effects of globalization on society, in Sri Lanka this has seldom happened. Paradoxically, NGOs have become in the popular perception the symbol or epitome of globalization and its negative features. The main reason for this situation resides in the symbiotic relationship between NGOs and global civil society in the human rights/research NGOs as well as in development NGOs. The silence of NGOs over global economic and financial changes have done little to disprove what Karl Popper might describe as 'the conspiracy theory of human rights' according to which human rights are a machiavellian creation of the West calculated to impair the economic development of the world<sup>24</sup>.

#### *The NGO sector in Sri Lanka*

If one were to describe in a few words the main features of the NGO sector in Sri Lanka, three characteristics need to be highlighted:

- An international NGO sector serving the humanitarian needs of the country stemming from the ethnic conflict;
- A few large and well distributed national NGOs involved in poverty alleviation projects in conjunction with the state or complementary to the state; and
- A myriads of small NGOs sometimes called CBOs (community based organizations) involved in grassroots rural development

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23. *in India*, (Berkeley: University of California University, 1994), p. 150.

24. Karl J. Popper, *The Open Society and its Enemies*, 2 Vols. (N.J: Princeton University Press, 1966), Vol.I, p. 94.

The actual number of NGOs cannot be determined with certainty due to the lack of available documentation and the difficulty in assessing the small grassroots organizations. A recent article suggested the figure of 20,000<sup>25</sup> in 1997 while a 1993 government report estimated that about 25 to 30,000 grassroots organizations were operating in Sri Lanka<sup>26</sup>. USAID's even higher estimate of 50,000 NGOs and CBOs in Sri Lanka seems a little exaggerated<sup>27</sup>. What is certain is that a statistical mechanism has yet to be devised to classify the different types of NGOs and estimate their number in an accurate manner. Approximately 4000 NGOs are registered with the Ministry of Social Services. The same uncertainty governs estimates at NGO funding. The donor funding channeled to local NGOs has certainly increased if one were to judge it by the expansion of the number of organizations that call themselves NGOs and the emergence of several large organizations employing more than 5000 people. But the uncertainty about the exact number of NGOs makes it difficult to ascertain the volume of funds they now handle.

Non-governmental organizations have been present in Sri Lanka from the beginning of British rule in the form of local counterparts of organizations affiliated with Christian missionary efforts in the British overseas empire. Located mainly in urban areas, they were most often engaged in social service activities and charity work. The earliest was the Baptist Mission established in 1802. Others, which survive until today, followed it: among them are the Colombo Friend in Need Society (1831) and the Salvation Army (1883). In the latter part of the nineteenth century as local elites fostered a revival of their respective

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25. R.L. Stirrat and H. Henkel, 'The Development Gift: the Problem of Reciprocity in the NGO World', np. 1997

26. *Report of the Presidential Commission of Inquiry in Respect of Non-Governmental Organisations Functioning in Sri Lanka* (13 December 1993) (unofficially released version) (cited as : NGO Commission Report) p. 72.

27. USAID. *New Partnership Initiative. (NPI) Resource Guide, A Strategic Approach to Development Partnering*, Vols. I and II. 1997, pp. 87-112.



religions, Buddhist, Hindu and Muslim non-governmental organizations emerged, modeled on their Christian counterparts. The Muslim Education Society (1890), the Maha Bodi Society founded by Anagarika Dharmapala in 1891 and the Young Men's Buddhist Association founded in 1898 were among the first national NGOs although the term NGO was not utilized. This trend continued throughout the last decades of British rule and at the time of Sri Lanka's independence in 1948, there was a sizeable amount of NGOs that were involved in social welfare and poverty alleviation activities such as the Ceylon Social Service League (1915), Lanka Mahila Samiti (1930), while others developed more specialized areas of expertise and international links such as the St John Ambulance Association and Brigade (1906) the Rotary Club of Colombo (1929) or the Red Cross Society (1936). Many NGOs had a religious orientation and strove to promote the interests of specific religious groups: the All Ceylon Buddhist Congress (1919) and the Hindu Board of Education (1921) are cases in point. Others undertaking welfare work had emerged in response to the depression of the 1930s and the malaria epidemic of the mid-1930s. The growth of civil society organizations in the 1930s was closely linked to the grant of universal adult franchise in 1931. Indeed, from then on, among the elite of the country, there grew a sense of responsibility for the welfare of their countrymen. Although a measure of self-government was given by the Donoughmore Constitution associations and civil society movements offered an alternative space where the colonial state was unable to dominate. An important moment for NGOs was when following the 1947 Social Services Commission Report, a Department of Social Services was established. The newly independent state provided NGOs such as the Ceylon Red Cross Society (1949) and the Family Planning Association (1953) with grants-in-aid so as to encourage their performance of welfare activities<sup>28</sup>.

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28. Innovations et Reseaux pour le Development (IRED) 1991. *Development NGOs of Sri*

While in most Asian countries, the 1970s were the decade when NGOs witnessed a phenomenal growth, over sixty five percent of the development of NGOs in Sri Lanka were established only after 1977. In Sri Lanka, the most inhibiting factor was probably the all encompassing state power of the United Front government (1970-1977), a coalition of left wing parties committed to a tightly regulated system which left little room for a civil society to blossom. In the late seventies, the change of government heralded an era of openness in society and the economy which had a bearing on the growth of non-state organizations. The role of government during the decade after 1977 remained significant, but while it increased its efforts to develop the nation's infrastructure, it reduced its role in regulation, commerce, and production.

### *The internationalisation of NGOS and emergence of global civil society*

From the 1970s in many developing countries, human rights advocates, gender activists, developmentalists, and groups of indigenous peoples became more vocal and operational in settings that were once thought to be the preserve of governments. It is generally believed that the growth of these 'new social movements' strengthened civil society in specific countries and established international networks of associations. As the role of the state was reappraised and alternatives were sought with which to solve problems, these organizations emerged as critical actors private in form but public in purpose. Arjun Appadurai uses the term post-national social formations to describe these new organizational forms because they are organized around principles of finance, recruitment, communication and representation that are fundamentally post-national and not just multinational or international. These new forms did not 'rely on the legal, fiscal, environmental, and human organization of the nation



state' and were 'more diverse, fluid, ad hoc, more provisional, less coherent, less organized'<sup>29</sup>.

In this new context, NGOs grew in numbers while their activities too expanded and diversified. The growth of NGO activity can be linked to two consonant processes. On the one hand, northern public interest in development created conditions for enhanced fund raising. On the other, credible Southern counterparts that were competent to request funds, execute projects and provide financial reports began to emerge from within the communities. The protracted civil war in the 1980s and the consequent refugee crisis also witnessed a new phenomenon as the numbers of international NGOs operating in Sri Lanka increased sharply. Many took unprecedented steps to establish field offices, especially those traditionally operating programs from headquarter offices. This was the case of three principal relief and humanitarian organizations Medecins sans Frontieres, which was established in Sri Lanka in 1986, UNHCR in 1987 and ICRC in 1990. Most international NGOs in Sri Lanka were assigned a critical role by donors in the implementation of relief operations. Not only were their budgets and the scale of their operations increased, their influence in shaping opinion about the ethnic conflict too was consolidated<sup>30</sup>.

In recent years, the numbers of international NGOs in Sri Lanka, what Clark calls Northern NGOs in the South has increased, primarily because of the perceived need to address issues arising from the ongoing armed conflict between the government and the LTTE. In the 1990s, Sri Lanka was receiving assistance from fifty foreign non- and quasi-governmental organizations out of which thirty-nine were created after 1970. Today a few more must be added. The Ministry of Plan Implementation has signed bilateral accords with 58 international

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29. Arjun Appadurai, *Modernity at Large. Cultural Dimension of Globalization*, pp 167-168.

30. Nira Wickramasinghe, *Humanitarian Relief Organisations and Challenges to Sovereignty: The case of Sri Lanka, RCSS Policy Studies 1*, (Colombo: Regional Centre for Strategic Studies 1997)

NGOs<sup>31</sup>. These organizations together with their local counterparts form what is now commonly referred to as a 'global civil society'. I adopt this term as a loose umbrella term encompassing the domain of 'state sovereignty free' actors with transnational scope who dream of expanding freedom through voluntary association in both domestic and global affairs<sup>32</sup>.

One of the main reasons why no critique of globalization has emerged from the NGO sector is the origin and characteristics of local and international NGOs themselves. Local NGOs are part of globalization. A recent publication attempted to differentiate between local counterparts of international NGOs such as the Sri Lanka Red Cross Society, and 'purely Sri Lankan organizations'<sup>33</sup>. This division which rests on the assumption that international and national NGOs differ in their structure and organization. But this assumption does not always hold. Indeed national NGOs are never totally national in that they are generally heavily dependent on international funding. Furthermore the structure of a 'national' NGO and its organization depend sometimes both on the type of projects it is involved in and on its affiliation to an international NGO. The only NGOs that have some amount of autonomy are the smaller grassroots organizations. As soon as they grow they lose this independence.

### *Human rights and research NGOs*

Human rights and research NGOs have offered a deafening silence to the effects of globalization on the economy and society of Sri Lanka. Most of these organizations are Colombo based and staffed by

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31. Communication with Mr Halwatura, Assistant Director, Ministry of Plan Implementation and Parliamentary Affairs.
  32. Mustapha Kamal Pasha, 'Globalisation and Poverty in South Asia', *Millenium: Journal of International Studies*, Vol. 25, No 3, 1996, pp. 635-656.
  33. Vijaya Samaraweera, 1997, *Promoting Three Basic Freedoms. Towards Greater Freedom of Association, Assembly and Expression in Asia. A Region Wide Research and Advocacy Project, Sri Lanka. Politics, National Security and the Vibrancy of NGOs*. Colombo Law and Society Trust. p.7



professionals usually educated in well-known universities in the Western world<sup>34</sup>. They are, in no uncertain terms, part of the globalized elite. They place human rights as the highest value and for this reason their main interests are the human rights violations of the state and the armed forces due to the conflict in the north and east and the plight of the displaced people. In the human rights community, the adherence to Western-rational doctrines of equality is present only among the more radical groups, the liberals who muster more influence privilege the individual's right to liberty and life. What is lacking is a multidimensional conception of human rights that incorporates political, civil, economic, social and cultural rights. The issues involved in globalization can be critiqued within a framework of human rights only if emphasis is laid on second generation rights of the individual (education, health, and well being). Until then, human rights in Sri Lanka will not deal with issues of social injustice, equity and cultural relativism which are the core of a any critique of globalization. One possible way out of the impasse is to engage in the type of reflection that incorporates local values into the human rights discourse.

Many Third World scholars and activists the world over adopting cultural relativist positions and denying the universality of human rights are attempting to address the question of hegemony in the human rights discourse. An article in the English daily newspaper, *the Island* compared the situation in Sri Lanka where the 'subversive activity' of the NGOs were allowed to thrive with that in India:

She (India) has thousands of NGOs but none are allowed funds from abroad for political agitation of any sort. Their human

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34. In the 1980s human rights research centres and NGOs upholding human rights values flourished. Among them were, the Nadesan Centre, the International Centre for Ethnic Studies, the Social Scientists Association, the Movement for Inter-ethnic and Racial Justice.

rights groups are locally funded and even they are not allowed into sensitive border areas where separatist movements exist.<sup>35</sup>

In more sophisticated critiques from within the human rights community, it is noted that human rights discourse is girded in the concepts of universalism and secularism which evolved from the European Enlightenment. Chandra Muzaffar has been one of the most virulent advocates of the notion of human dignity. 'The great challenge before us is to develop this vision of human dignity culled from our religious and spiritual philosophies into a comprehensive charter of values and principles, responsibilities and rights, and roles and relationships acceptable to human beings everywhere'<sup>36</sup>. He adopts a cultural relativist position when he yearns for the need to evolve a vision of human dignity which is more just, holistic, and universal.

Development and human rights NGOs that adhere to a universalistic notion of human rights find it difficult to criticize the institutions that support them ideologically and financially – United Nations, World Bank, IMF, funding agencies such as SIDA, CIDA, etc. - even though these institutions have little respect for or understanding of the effects their policies have on the social fabric of the country. The notion of human dignity suggested by Muzaffar taking away its theistic slant would be a possible site of compromise for those who respect human rights while at the same time believing in the dignity of labour and of a sovereign state.

### ***Globalized civil society: willing partners in globalization***

Among the institutions that promote and practice globalization but that are rarely critiqued by the NGO sector, the World Bank occupies a place apart. The World Bank has successfully blunted all critical

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35. *The Island*, 26 Nov. 1995.

36. Chandra Muzaffar, 'From Human Rights to Human Dignity', *Bulletin of Concerned Asian Scholars*, Vol. 27, No 4 (Oct-Dec 1995), p. 8.



voices by adopting the very language and policies that NGOs initially encouraged: participation and partnership are the weapons used by global institutions to push forward their agenda without creating any ripples among civil society forces. Other organizations have followed the lead.

Participation as an ideology comes from the NGO sector. Indeed, NGOs have always pressed for local level participation in project planning and implementation. Through their action, the message was sent that investment could be implemented more smoothly if affected communities are consulted. Funders gradually made this ideology theirs and transformed it into 'partnership', a more encompassing framework, which involves all actors involved in development. The purpose was less conflict and more efficiency.

Partnership is, in a sense, a variation and adaptation of the participatory approach which tries to include grassroots development in the larger picture of development as modernity. While participation involves only two actors the donor and the community, partnership deals with the entire society.

One of the reasons for the adoption of 'partnership' is the difficulty for organizations such as the World Bank to accept in toto the notion of participatory development and its anti-state foundation. Participation as a discourse stemmed from an image of society as based on an interconnected network of trust between cities, religious denominations, voluntary organizations, civic associations and the like often referred to as 'associational life'.

Whereas in participatory approaches, development is conceived as the return to a manageable scale of social life which emphasizes voluntary associations, churches and communities and where decisions should not be controlled by the state and bureaucracies, partnership discourse includes all the different sectors including the state in a holistic vision of development where contradictions and

conflicts are not taken into account. Thus, partnership is more palatable to adepts of a neo-conservative model critical of the state and liberal pluralism, that views NGOs as intermediaries between the unorganized masses and the state. This approach is characterized by a lack of attention to class and power relations in given societies.

With the term partnership, the World Bank is looking at 'enhanced roles for NGOs earlier on in the project cycle'. The principal 'partners' of the Bank have been until now, 'borrowing governments and for-profit private sector firms'<sup>37</sup>. "The shifting development context has led to a move away from strictly bilateral donor-government relationships and towards a greater focus on partnerships between governments, donors and civil society"<sup>38</sup>. Civil society, which the World Bank often conflates with NGO sector, is the third participant in the development dialogue. Partnership is couched in moral categories: "...collaboration with nongovernmental organizations is good for the Bank, the government, and the NGOs. Most importantly, it is good for the people, particularly the poorest people who might not otherwise be reached"<sup>39</sup>.

Other donors too promote partnerships as project methodology couching it in the language of economic effectiveness rather than of political values. But more than any other development agency, the World Bank has selected, adapted and adopted the NGO participation agenda and transformed it into partnership. It was under pressure from NGOs that the World Bank adopted participation in so far as it strengthened and promoted local involvement in project management. But until today, it has resisted a call for participation in national

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37. World Bank, *Working with NGOs. A practical Guide to Operational Collaboration between the World Bank and Non-Governmental Organizations* (Washington D.C, World Bank 1995).

38. World Bank, *The World Bank's partnership with Nongovernmental organizations*. (Washington D.C. World Bank, 1996), p. 1.

39. The World Bank. *A Global Partnership for Development. Working with NGOs*, (Washington D.C. World Bank, nd.), p. 2.



economic policy and resisted any critique of adjustment lending. The World Bank plays a crucial role among donors as the regulator, financier and coordinator of official aid donors. There is an added significance when one considers the influence of the World Bank among donors and other development practitioners, and its intellectual leadership through publications, training and collaboration with other donors.

The strategy of the donors who adopt the World Bank approach to partnership is to maximize their appeal to the largest spectrum of the development community of the country. The World Bank has successfully moved from being a target of NGO criticism to position itself as a lever, an ally by adopting the language of popular participation and partnership. The authority of the Bank to prescribe policy and institutional changes in several fields has been increasingly accepted<sup>40</sup>.

## Conclusion

This paper has attempted to show the extent to which South Asia has engaged with the globalizing trends in finance, trade and culture. While it is still marginally affected by the power of global capital markets, its culture has been touched by the development of the electronic space and the compression of time. But the culture that is emerging is not uniform or a replica of the West but something more complex which anthropologists have just begun to grapple with. Human rights are an integral part of the process of globalization from above. In this dominant discourse, the discourse of the Western state and aid and human rights based regime emphasises individual and political rights to the exclusion of economic, social and cultural rights. What Sri Lanka lacks is globalization from below that 'is

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40. Paul J. Nelson, 'International Economic Environmental Policy: Transnational NGO Networks and the World Bank's Expanding Influence', *Millenium, Journal of International Studies* Vol. 25, No 3, 1996 p. 606.

represented in the form of a variety of transnational social movements that have a wide ranging concerns grounded in notion of human community that is itself based on unity in diversity<sup>41</sup>. Although there are a number of movements that range from environment, to women's issues, sustainable development, peace etc. they are too much part of global civil society and involved with globalizing forces from above to play an important role as critique. Funding institutions have found it convenient to internalize and adopt notions such as participatory development and partnership making it difficult for NGOs to turn against them and critique the effects of orthodox adjustment plans on income distribution, public services to the poor, resource depletion and food self-reliance. In the same way the non-conflictual and all-encompassing ideology of partnership makes it equally difficult for state to accuse funders of privileging civil society as opposed to the state as in the case of participatory development. The policy has borne fruit to a large extent as in Sri Lanka there has been no vigorous national debate over adjustment programs or serious critique of the World Bank as an agent of 'disciplinary neoliberalism'<sup>42</sup>. The result has been a weakening of civil society and a devalued NGO sector that has become an easy target of extreme nationalist critiques of globalization.

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41. Nikhil Aziz, 'The Human Rights Debate in an Era of Globalization: Hegemony of Discourse', *Bulletin of Concerned Asian Scholars* Vol.27, No 4, (Oct-Dec. 1995), pp.9-23.

42. Stephen Gill, 'Globalization, Market Civilization, and Disciplinary Neoliberalism', *Millenium, Journal of International Studies*, Winter 1995, Vol. 24, No. 3, pp. 399-423