



Pathfinder Economic Alert

Sri Lankans were, are and will be Turtles in the Ocean not Frogs in the well.

From ancient history to present day.

Since ancient times, Sri Lankans have engaged in international trade. Our rulers were open to international traders and visitors, such as Fa-Hsien. In addition, Ptolomy, a Greek, depicted Sri Lanka in a world map many centuries ago which indicates that Sri Lanka was on the trade routes of that time. Gems, spices, elephants, ceramics and pottery items were among the products that were exchanged. Though colonial rule and subsequent developments brought about a different economic structure and trading pattern, Sri Lankans continued to capture opportunities arising from the colonial economic exploitation process. That is how the emergence of a local entrepreneurial class took shape. This development is well and vividly presented in Dr. Kumari Jayawardena's "Nobodies to Somebodies."

Today, almost all Sri Lankan policy-makers, politicians, businessmen and civil society activists have been exposed to and experienced foreign travel. In addition, trading related activities, directly or indirectly, touched the lives of everybody. Many in the middle-class, and even lower strata of society, have dreams of sending their children for foreign education, employment or migration. All Sri Lankans are clearly eager to capitalize on globalization whether their current interests are in subsistence farming, modern agriculture, industry or services. This does not mean that the people of this country or the government wish the domestic economy (*deshiya arthikaya*) to play second-fiddle to anybody else. Equally, despite the politically motivated nationalistic rhetoric that sometimes emerges, everyone knows that the success of even the *deshiya arthikaya* is intrinsically linked to trading with the outside world.

No more failed autarchic policies.

In such a context, it becomes irresponsible if someone for selfish and short-term gains publicly expresses the view that the Sri Lankan economy can grow fast enough to increase the standard of living of the ordinary people of this country by pursuing inward looking, autarchic economic policies, despite their past failure in Sri Lanka and elsewhere. Even countries with rich resource endowments, large markets, advanced technology and modern management (e.g. US, Japan, UK and China) are all well integrated into the world economy. In fact, the Eastern coastal regions of

China, which are more integrated with the world economy, are far more prosperous than the inland regions which are less connected with the world outside.

Changing global economic landscape: Asia the centre of gravity.

Over the years, Europe and the US have been Sri Lanka's main markets for exports, such as tea, rubber, coconut and later garments and other industrial products. In addition, those countries have also been sources of important imports. Increased integration into the world economy, since early 1980's, has paved the way for Sri Lanka to increase its per capita income from \$300 at that time to the current level of \$2,800. Even with this progress we must recognize that we are a small country which accounts for a mere 0.02% of global trade.

All contemporary politicians, policy-makers, and businessmen are very eager to achieve a much higher level of per capita income which will translate into the eradication of abject poverty and raise the standard of living of all strata of our society.

Accelerating Sri Lanka's growth and development path now depends on maintaining the momentum of integration into the international trading system. However, the Pathfinder Foundation (PF), as well as other concerned parties, have now realized and are advocating that the pattern of trade has to evolve to take advantage of emerging centres of economic opportunities in the Asian region, led by China, India, Indonesia, etc. Therefore, developing, institutionalizing and streamlining the trade and investment in goods and services, particularly with those fast-growing economies is the only way for Sri Lanka to achieve its growth targets. To realize the potential benefits of this process, it is also necessary for the young generation of Sri Lankans to benefit from modern education, technology, management and other disciplines.

In this situation, the occasional sounding of anti-international trade, anti-globalization sentiments by increasingly marginalized individuals, whether they are politicians or professionals, does not represent the true beliefs or feelings of the average Sri Lankan. The PF also does not believe that those who promote such protectionist, inward looking and obsolete ideologies are, to use an ancient Chinese proverb, genuine "Frogs in the Shallow Well". Instead these views represent self-centred, narrow minded political projects.

Lets read the ancient Chinese story of the Frog and the Turtle.

Once a frog that lived in a well bragged to a turtle that lived in the Sea.

"I am so happy!" cried the frog, "When I go out, I jump about on the railing around the edge of the well.

When I come home, I rest in the holes inside the wall of the well.

If I jump into the water, it comes all the way up to my armpits and I can float on my belly.

If I walk in the mud, it covers up my flippered feet.

I look around at the wriggly worms, crabs, and tadpoles, and none of them can compare with me.

I am lord of this well and I stand tall here. My happiness is great.

My dear sir, why don't you come more often and look around my place?"

Before the turtle from the Sea could get its left foot in the well, its right knee got stuck. The turtle hesitated and retreated calmly by telling the frog about the Sea.

"Even a distance of a thousand miles cannot give you an idea of the sea's width; even a height of a thousand meters cannot give you an idea of its depth.

In the time of the great floods, the waters in the sea did not increase. During the terrible droughts, the waters in the sea did not decrease.

The sea does not change along with the passage of time and its level does not rise or fall according to the amount of rain that falls. The greatest happiness is to live in the Sea."

After listening to these words, the frog of the shallow well was so shocked into realization of his own insignificance and ignorance that he realized the shallowness of his views.

The PF's believes that we all have been, are and will be turtles in the ocean. Dear reader please shares your views with us at www.pathfinderfoundation.org or send us an e-mail to: pm@pathfinderfoundation.org

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