



## **Economic Blast**

By the Pathfinder Foundation

### **Economic Hit-men or Lumpen Politics?**

Pathfinder Foundation focuses on economic and developmental issues. On the face of it, this topic seems to be largely political. However, in practice, it has significant direct and indirect economic ramifications.

#### **Historical Perspective**

As early as the 1960's, senior public officials were criticized for obstructing progressive policies. They were seen as custodians of the values, systems and procedures of a by-gone colonial era. Since then, there was a conscious effort to "indigenize" the public service. The shift to a "home grown" public service, which was better able to understand and respond to the specific needs of the people and their political leadership, was a welcome development. However, this has also been accompanied by an inevitable process of "politicization". This has had an adverse impact on the effectiveness and morale of public servants.

In addition to the systemic debilitation associated with the politicization of the public service, there has also been an increase in the tendency for politicians to unjustly criticize and humiliate public officials. Notable instances of this include the public criticism and "gheraoing" of senior judges in the 1980's and the tying of a Samurdhi officer to a tree by a Government Minister. More recently, there have been the vituperative attacks launched by Government Minister against a very senior finance official. This is not the first time that Finance Ministry officials have been the subject of the wrath of politicians, including Government Ministers. This has transpired a number of times over the years, particularly as public officials are softer targets for disgruntled politicians rather than their Presidents and / or Ministerial colleagues. Such attacks seem to be becoming increasingly frequent and more vituperative. The trickle down effects of the impunity under which these national politicians operate has encouraged even Provincial and Pradesheeya Sabha level characters to take the law unto themselves. It is, therefore, now timely to consider the implications of such behavior.

## **Economic Costs of Undermining Public Officials**

First, it is important to recognize that Sri Lanka has been “living beyond its means” for several decades. The Finance Ministry has faced a constant battle since the late-1970’s to contain the excessive spending of successive Governments. Graduation to lower-middle-income country status, the loss of eligibility to foreign aid and the resulting greater reliance on foreign commercial borrowings has compounded the problem. Fiscal consolidation is necessary and inevitable. The Government has recognized this and has set clear targets for achieving this. There is no merit, therefore, in attacking public officials who are implementing government policies for this purpose. The time has now come for Ministers, politicians of all parties and the people to focus on understanding the financial constraints confronting the country. This would be a more “patriotic” act than launching vicious personal attacks on senior officials who are trying to make the best of a difficult environment for the public finances.

Secondly, the public service is already having difficulty in attracting and retaining good quality officials. The causality for this is complex and includes factors such as poor pay and morale. In such a context, unjustified personal attacks on very senior and experienced officials stemming from a lack of knowledge and understanding could result in demoralization or even loss of such persons from public service. This not only has adverse implications for policy-making in key areas but also brings into question the caliber and motivation of those who make such attacks.

Thirdly, such attacks on senior Finance officials send very inappropriate messages to both local and foreign investors. All investors, particularly the latter, constantly assess the quality of the senior economic management team of a country. If members of this group are subject to unsubstantiated and unjustified attacks from Government Ministers, there would inevitably be loss of confidence with significant adverse implications for the country’s development prospects.

## **Consequences of Impunity**

A robust debate on economic policies is both welcome and necessary. However, vituperative personal attacks on public officials have only negative consequences. It must also be recognized that political leaders of this country have a crucial role to play in maintaining good standards in public life. Failure on their part on this front has cascading effects which would ultimately affect their political future as well as undermine the whole fabric of society

This will inevitably have adverse economic consequences as well. For instance, the killing of the tourist in Tangalle, the attack on his partner and the impunity that seems to be enjoyed by the alleged perpetrators will inevitably have adverse consequences for achieving the ambitious target set for the tourist industry by HB the President

*This is the Second in the series of Weekend Economic Blast published by the Pathfinder Foundation. Readers' comments are welcome at [www.pathfinderfoundation.org](http://www.pathfinderfoundation.org)*

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