



Pathfinder Economic Flash

Chairing the Commonwealth: Capturing Opportunities for Economic Advancement

Sri Lanka is in the midst of hosting the Commonwealth Heads of Government Meeting (CHOGM) and H.E. President Mahinda Rajapaksa is about to assume the position of Chair-in-Office for the next two years. It is, therefore, timely, to consider how best Sri Lanka can leverage its position as one of the founder members of the association for the benefit of the people of this country.

The Commonwealth is a voluntary association of independent sovereign states. The modern Commonwealth came into being with the signing of the London Declaration in 1949. Prime Minister D S Senanayake was one of eight Heads of Government who were party to that agreement. Prime Minister Nehru of India came up with the formula that facilitated the coming into being of the Commonwealth as we know it today. Nehru indicated that though India became a Republic on gaining independence, it would continue to recognize the Monarch of England as the Head of the Commonwealth. It is this formula that has enabled many ex-colonies to join the association subsequently.

Leveraging Chairing the Commonwealth

The Commonwealth is essentially a series of networks in countries with shared histories. The inter-governmental arm of the Commonwealth constitutes a network of sovereign nations for whom the biennial Commonwealth Heads of Government Meeting (CHOGM) is the apex event. It is a loose collection of members who work together on the basis of shared values in relation to development and democracy. The Commonwealth also includes civil society networks which encompass a range of professional associations and NGO's operating in all aspects of the political, social and economic life of Commonwealth citizens. The Commonwealth Business Council brings together businesses from all around the world. Parliamentarians from around the membership are brought together through the Commonwealth Parliamentary Association. The Commonwealth Youth Forum connects young people from the 54 member countries and the Youth Centers in Chandigarh, India; Lusaka, Zambia; Georgetown, Ghana; and Honiara, Solomon Islands have active programs of youth mobilization. All these extensive networks have considerable potential which is currently under-utilized. Sri Lanka, under President Rajapaksa's leadership, has the opportunity to seek ways and means of taking greater advantage of this.

The Commonwealth Secretariat, the inter-governmental arm of the association, has a work program based on the twin pillars of development and democracy. The Secretariat has recently finalized a new four year strategic plan. Sri Lanka can provide constructive leadership in assisting the Secretariat to implement this program successfully. In doing so, it is important that an appropriate balance is struck between the developmental and political aspects of the Secretariat's work, taking full cognizance of the fact that the vast majority of the membership constitutes developing countries.

The Civil Society Organizations within the Commonwealth are coordinated through the Commonwealth Foundation. The Commonwealth membership spans the full spectrum of development experience. There is a rich tradition of civil society activism in many Commonwealth countries. There is scope for the exchange of experience and distilling of best practice in important areas, such as the delivery of basic services; strengthening public administration; and promoting economic transformation.

Promoting Business-to-Business Relations

In many respects, the greatest under-utilized potential relates to the business world. The Commonwealth has a population of nearly two billion people and accounts for 20% of global trade. The membership spans every continent and reflects every stage of development. Given their shared history, most Commonwealth countries have similar legal, administrative and business systems. This reduces transaction costs and facilitates cross-border business contacts. Research conducted by Reading University, UK, has demonstrated that these advantages can be translated into increased profitability.

The Commonwealth Business Forum, being held in Colombo this week, provides an opportunity to kick-start a new era of intra-commonwealth business relations. The considerable potential that exists for trade and investment needs to be unleashed in a systematic way.

This should be a continuing priority during President Rajapaksa's tenure as Chair-in-Office over the next two years. Pursuing such an agenda would generate benefits for the Commonwealth more generally and for Sri Lanka specifically. Dr. Mahathir Mohamad, when he was Prime Minister of Malaysia, was able to use CHOGMs to develop a network of contacts among his fellow Heads of Government which enabled him to pursue Malaysia's commercial interests vigorously, particularly in Africa. This helped Malaysian companies to secure lucrative business opportunities in that region. It is possible for Sri Lanka to take advantage of Commonwealth connections in a similar way. Leveraging President Rajapaksa's position as the Chair would be a useful asset in this respect.

Sri Lanka is a founder member of the modern Commonwealth. The association is currently striving to secure its relevance in the 21st century some 65 years after the commencement of decolonization. President Rajapaksa has the opportunity to provide leadership in exploring ways

and means of utilizing the myriad of Commonwealth networks more effectively for the benefit not only of the people of Sri Lanka but Commonwealth citizens in all corners of the world.

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