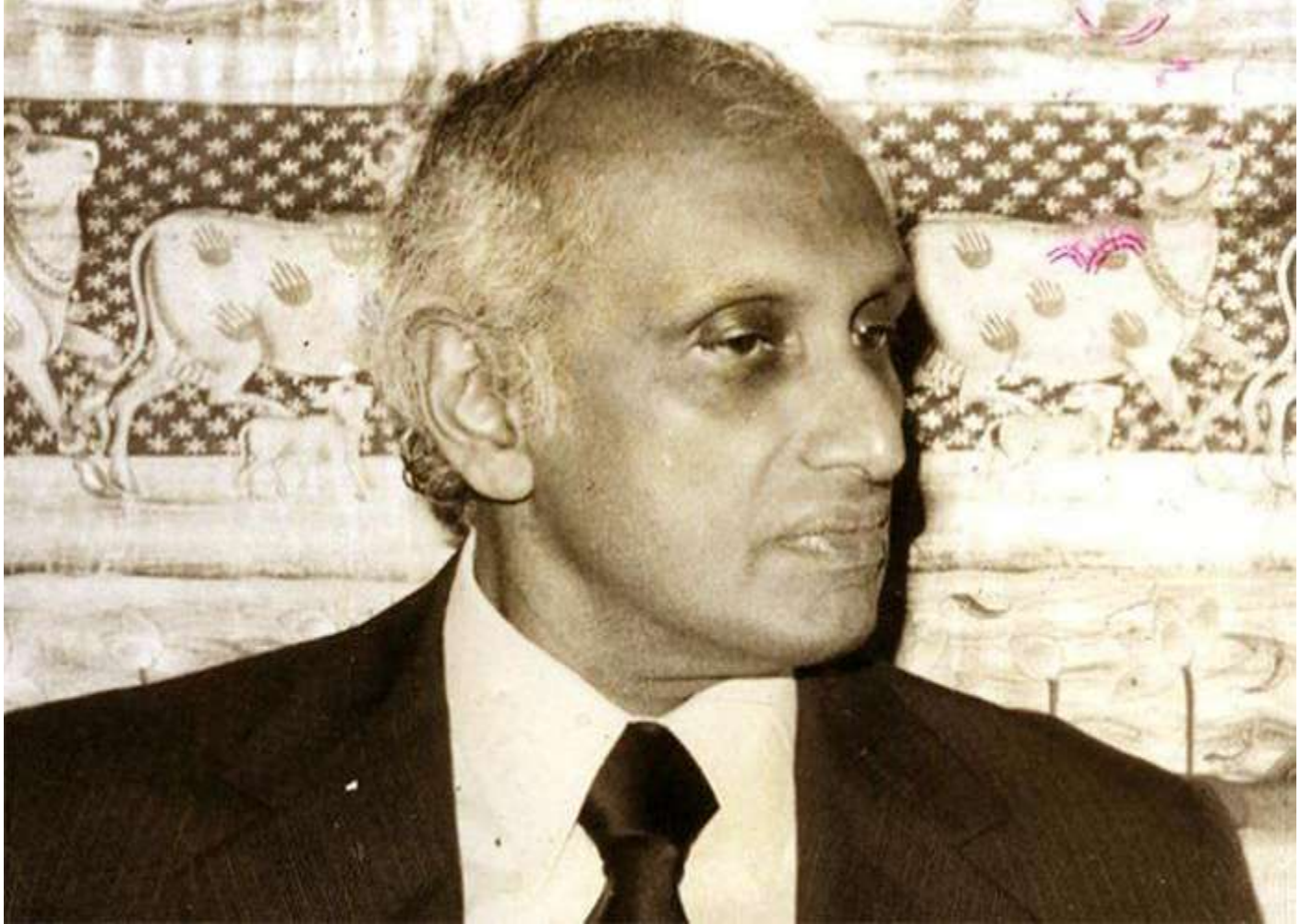


# Should we go back to build another Southern Order?

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Gamani Corea

## Remembering Gamani Corea:

by [Leelananda De Silva](#)

I refer to Amali Wedagedera's article on Gamani Corea, which appears in the Midweek Review of *The Island* of Nov. 13. Gamani Corea was the most internationally renowned Sri Lankan economist. He played a leading role in the North-South affairs in the 1970s and early 1980s. However, the North-South negotiations were not successful.

In my view, Gamani's more important role was in Sri Lanka, between 1956 and 1970, when he developed the machinery of economic planning in the country. He was

Permanent Secretary to the Ministry of Planning and Economic Affairs in the period 1965 to 1970 when Dudley Senanayake was the Prime Minister. During that period, Sri Lanka achieved an average growth rate of 5% of GDP. Gamani Corea is primarily responsible for this significant achievement.

Now, we come to North-South issues of the 1970s. UNCTAD proposed the Integrated Programme for Commodities (IPC). That was based on the premise that OPEC had obtained a better price for their oil which was also a primary commodity. OPEC increased its price from US\$3.00 to US\$12.00 a barrel, creating acute hardship to developing countries. But the point is, oil is not just another commodity.

OPEC countries were busy, headed by Algeria, to support other developing countries to improve their economic circumstances, through various proposals. At the Non-Aligned Summit, held in Algiers, in 1973, Algeria initiated and later followed-up at the United Nations in New York, a proposal for a New International Economic Order (NIEO). The IPC of UNCTAD and the NIEO of the United Nations in New York were both being discussed at the same time in a North-South context. My contention is that OPEC countries made use of the Third World to achieve their own ends.

The end result of the North-South negotiations was that nothing changed. What changed the prospects of the developing countries are some other factors outside the UN and North-South systems. In China, under Deng Xiaoping, the country moved towards a more market and export-oriented economy. We now see the results.

Then, in India, about the 1990s, there was a complete change of direction towards market-oriented policies. Curiously, those changes in India were initiated by Prime Minister, Manmohan Singh. A few years before, Manmohan Singh, as Secretary General of the South Commission, based in Geneva, had argued for the old type of Third World policies. We see the result of India's policy changes today resulting in high economic growth rates and almost becoming a developed country.

I wish to refer to another related issue in this context. The UN in New York and Geneva through its International Development Strategies focused more on social, rather than economic development. At that time, Sri Lanka was held up as a model of development due to its advances in health and education indicators, and also for the advancement of women. In contrast, the Washington-based institutions, the IMF and the World Bank, focused more on economic growth. They pointed to the advances made in East Asia, by South Korea and Singapore (the Asian Tigers).

In Sri Lanka, the market-oriented economy came a bit too late and that was after 1977. However, communal tensions, civil war, massive corruption and nepotism and

maladministration, at all levels, drastically hindered the market economy to perform efficiently as in places like Singapore. As Dr. Wedagedera's article suggests, should we go back to build another Southern Order?

My view is that it is most unnecessary. Most of the countries in the world now follow market-oriented policies. China, which was never part of the South, is now a developed country. India is expanding fast. The East Asian countries are doing well. Rather than pursue Southern Order policies, Sri Lanka should pursue more pragmatic policies and link up with any and every expanding economic region in the world – North America, European Union and the UK, Australia, China, India, the Middle East and East Asia.

We have significant interests in some of these countries. We have large Sri Lankan settlements in them, which we can make use of. Even in a country like Switzerland, we have a significant Sri Lankan presence. We should focus more on pragmatic economic policies. The Third World is a slogan very popular in UN circles in New York and Geneva. It is not so popular in the IMF and World Bank in Washington. In my view, this new interest in BRICS is a kind of harping back on non-aligned and third world policies.

These observations of mine are based on my personal experiences of the 1970s and 1980s. I was Director of Economic Affairs in the Ministry of Planning and Economic Affairs between 1970 and 1977. I handled most matters related to UNCTAD. I attended the Non-Aligned Summit in 1973, held in Algiers, and UNCTAD-IV in Nairobi in 1974. I was Secretary of the Economic Committee of the Non-Aligned Summit held in Colombo in 1976. I was Executive Secretary of the Third World Forum in Geneva from 1978 to 1980, dealing largely with North South issues. I was a consultant to Gamani Corea, and to UNCTAD in Geneva between 1980 and 1984. I am probably one of the last surviving persons to have been involved in North South issues.

Let me end with a relevant extract from my memoirs – *The Long Littleness of Life* – which was published in 2016:

“I had a continuing concern in the management of North-South issues for the government. I handled most work relating to UNCTAD. At this time, Gamani Corea was Secretary General of UNCTAD and I had a direct link to him. UNCTAD was the leading UN agency on North South relationships, and it had put forward a major initiative in the form of the Integrated Programme for Commodities of which the central element was the establishment of a Common Fund for financing commodity stocks. Of the ten commodities included, two were tea and rubber and therefore Sri Lanka had an interest in this proposal.

“I attended several meetings on Common Fund issues in Geneva, and ultimately what was achieved was very little. The Common Fund was established, but in a highly truncated form. I had my doubts from the start on this Fund and said so privately. Being an initiative of Gamani Corea, we could not express our doubts loudly. However, in a briefing paper I wrote for Trocaire, the Irish development institute in Dublin in the early 1980s. I voiced my doubts and that was published.”



UNCTAD celebrating its 60th Anniversary