

Policies, Politics and Youth: A Retrospect over Sri Lankan Experience

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Political conflict in development process: an exogenous variable?

- An issue that in the recent past economists have started to look into:
 - An exogenous variable that affects potential economic development
 - A direct outcome of inequalities and discriminative policies
 - A byproduct of the development process itself
- Overwhelming emphasis on 'ethnic' conflicts or 'majority-minority' conflicts has led to narrow down inferences in such analyses
- Main message: "a retrospect over Sri Lankan experience suggests that inner contradictions in the historical development policy has created fertile ground for the formation of political conflict"

The Case of Sri Lanka

Favorable initial conditions at the time of independence (1948):

- Economic prosperity based on thriving plantation exports
- Extensive welfare system covering health care, education, and consumer subsidies
- Competitive pluralistic political system which allowed wider political participation
- Public administration, judicial system, and infrastructure

A successful welfare state with high human development in spite of low per capita income and its slower growth

Yet within less than 25 years, democratic political system and territorial integrity came under increasing threat due to growing political conflict in two facets:

- Southern youth militancy emerged from the Sinhala community (1971, 1984-1989)
- Northern youth militancy emerged from the Tamil community (1983-2009)

Formation of 'twin' conflict

Traditional political establishments, represented by major political parties: in spite of conflict, sharing political power within a democratic political setup

Emerging radical youth movements, represented by the militant groups creating conflict between and within communities

		Conflict between	
Conflict within	Traditional Sinhala political establishments, represented by major political parties	Traditional Tamil political establishments, represented by the major political parties	
	Emerging radical youth movements, within the Sinhala community: JVP	Emerging radical youth movements, within the Tamil community: LTTE	

Emerging youth, nurtured in a welfare state

Population explosion: quantitative growth of youth share in population

- High population growth from the 1940s – 1970s with annual population growth at 2-3 percent
- Primitive birth rate, combined with modern death rate

Aspiration explosion: qualitative growth of youth population

- Rural population emerging from welfare state as a massive force of new contenders
- Educated and healthy youth – a new generation ceased to rely on traditional system

Ethno-centric issues had little to do with the new change, but ethnic composition of population made a huge impact

The problem: Scarcity of resources and opportunities to meet the demand – contradiction in the development policy

Rate of Unemployment by Age (%)

	<i>Age Group (Years)</i>	<i>1963</i>	<i>1973</i>	<i>1986/87</i>
Youth are likely to be unemployed more than others	14–18	47.5	65.8	48.0
	19–25	30.3	47.5	35.3
	26–35	7.8	15.2	10.6
	36–45	2.4	3.9	3.2
	46–55	2.7	1.2	0.7
	Over 55	1.9	0.8	0.6
	Total		13.8	24.0

Source: Central Bank of Sri Lanka, *Consumer Finance Surveys* (various issues).

Rate of Unemployment by education (%)

Educated are likely to be unemployed more than others

<i>Level of Education</i>	<i>1963</i>	<i>1973</i>	<i>1986/87</i>
No schooling	6.1	8.0	2.9
Completed primary education	10.5	14.1	5.0
Completed secondary education	23.0	37.1	19.8
Obtained GCE (Ordinary Level) ^a	39.3	47.4	28.5
Obtained GCE (Advanced Level) ^a	13.9	44.4	36.8
Obtained university degree	0.0	16.2	7.6

Note:

^a GCE: General Certificate of Education or equivalent.

Source: Central Bank of Sri Lanka, *Consumer Finance Surveys* (various issues).

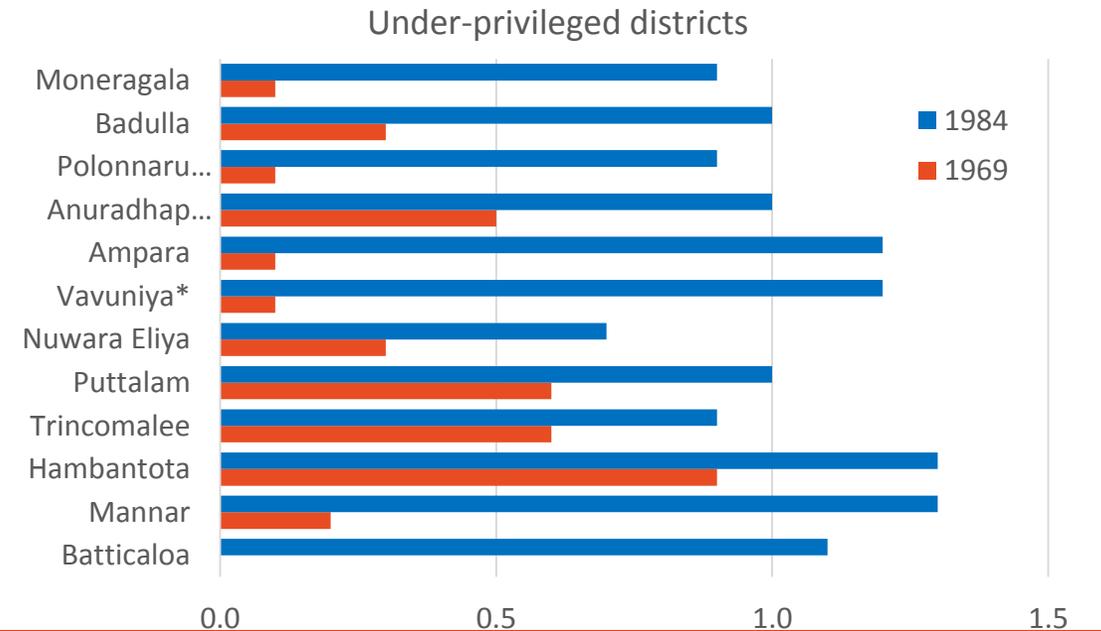
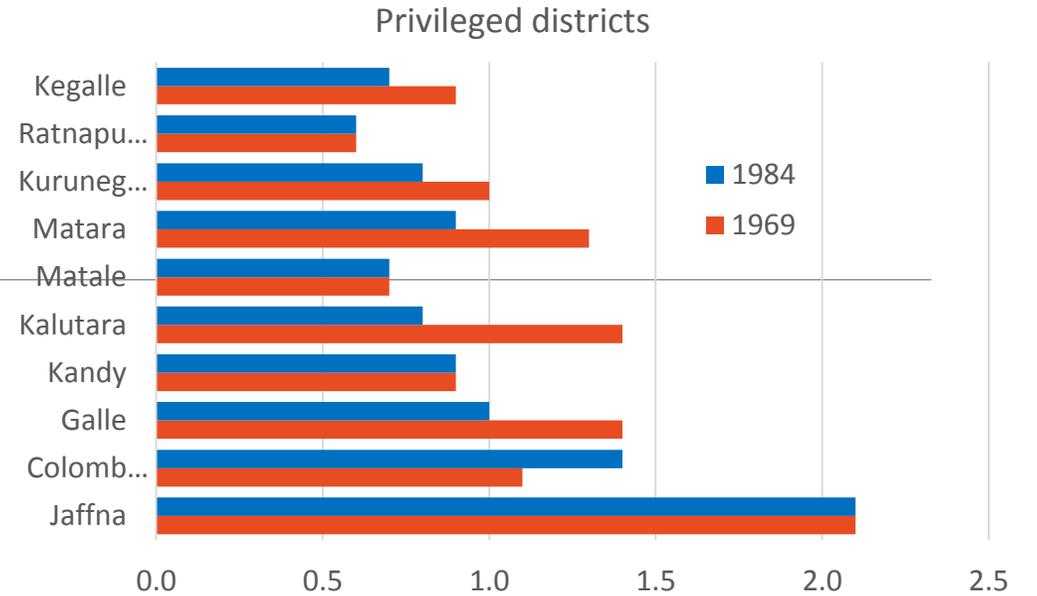
Sharing scarcity: policies of equal distribution

Natural outcome:

- The more competitive have access to resources and opportunities, resulting in a 'youth exclusion'
- The more competitive comprised more of the majority communities than the minority communities

Policy outcome:

- Interventionist policies for equal distribution also led to social exclusion: e.g. district quota system to provide opportunities for 'underprivileged' districts



Inner contradictions in development policy

Sri Lankan experience suggests that the inner contradictions in the historical development policy itself led to the formation of political conflict, by both Sinhala and Tamil youth

- Welfare state and distributive policies leading to aspiration explosion, exacerbated by population growth
- Growing scarcity of resources and opportunities to meet the demand, mainly due to slower growth of the economy

The contradiction was a result of the mismatch between the contemporary welfare policy and economic policy

Social exclusion created a fertile ground for the emergence and sustenance of political conflict, though it was not a sufficient condition for the outbreak of civil wars

Sequence of events (policy reforms in late-1970s and outbreak of wars in early-1980s): Sri Lanka could sustain higher growth performance in spite of the wars