

***Reconciliation: Greater integration, building a national identity and the power of economic dividends**

** Excerpts of the representation made by Dr. Saman Kelegama, a senior economist and Executive Director of the Institute of Policy Studies before the Lessons Learnt and Reconciliation Commission on September 29, 2010.*

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Mr. Chairman I have circulated a chapter from one of my books called "Development under stress: Sri Lankan Economy under Transition"– it is chapter 8. This was a paper that I presented at the World Institute of Economic Research in Helsinki in 2004 which was subsequently revised and it was published in an internationally refereed journal called "The Round Table". From that journal I got the copyright permission to publish as a chapter in my book. Now what I look at in this article is- why did the ceasefire agreement fail from an economist perspective? So, this is the first issue that I will address and in that context I will be referring to some of the pages in this document that I have distributed among you, and I will proceed.

The CFA...



Now Hon. Chairman one thing we have to keep in mind is when you are talking about the ceasefire agreement that was signed in February 2002 very few people look at it from the economic perspective because at that time, especially after the 9/11 event in USA when there was this global anti terrorism waves throughout the world, there were many discussions on ceasefire agreements; how to make them effective etc. and in that context the economic dimension featured very prominently in most of these

ceasefire agreements. And if I am to quote the former Norwegian Foreign Minister in one of his articles – this is page No.175 paragraph number 2 in what has been distributed to you – I quote: "Most armed conflicts are complex and have deep ethnic and historical roots. Often they have their origin in poverty and discrimination, but it is increasingly clear that lack of economic opportunity and pure greed are prominent causes as well. Hence in preventing and resolving armed conflicts we must focus on the economic dimensions of the war."

So given the fact that Norwegians played a key role in the ceasefire agreement, this type of thinking very much influenced shaping the ceasefire agreement in my view. So basically the rationale is that through a ceasefire agreement you generate an economic dividend. Now let me define the term economic dividend. We have all heard the term peace dividend but what is the economic dividend?

Well, one of the key components of a peace dividend is the economic dividend. That is people getting more opportunities, more trickle down benefits from the market economy etc. etc. That is the economic dividend that the people get. So it was based on this economic dividend only the whole ceasefire agreement was designed.

Now, when we come to the 2002 period and when the ceasefire was enacted, in my view there were 4 important components that were used in order to make this ceasefire agreement effective. One was the so called confidence building measures and under this there were 3 components. One was first lifting the embargo that was imposed on goods going to the north and the east; second was opening the A-9 highway; and third – this was an add-on to these two – was the appeasement strategy that was used by the then Government vis-a-vis the LTTE. The second instrument that was used to strengthen the

CFA was the institutional structure that was created. First the creation of the SCOPP – the Secretariat for Peace, which is well known - and at the start there was a structure called the Joint Task Force (JTF) which later due to practical reasons they could not operate and it was divided into 3 sub structures – one was the SHIRIN; that is the Sub Committee on Immediate Humanitarian Relief and Rehabilitation Needs; then the Sub Committee on Military de-escalation and Sub Committee on Political Issues. That is the institutional structure to strengthen the CFA.

Then the other two components - I will be very brief. The economic revival package where the IMF package that was signed by the previous Government in 2001, which was almost falling apart, had to be rescued and the Government of the day according to its ideological bias engaged in a further liberalization of the economy with many deregulation policies. The final component to strengthen the ceasefire agreement was the donor assistance. Now this donor assistance was provided so that the economic dividend comes into operation quite quickly so that people see the benefit of the ceasefire agreement. Hon. Chairman I refer to the paragraph on page 180, soon after the quotation where I once again quote the Norwegian Foreign Minister Jan Petersen.

He says: "For the peace process to succeed popular support for peace must be sustained. People must see tangible benefit of peace in their daily lives. Without significant international assistance this opportunity will be lost."

So these are the ideological components that governed this whole peace exercise. The belief of the Government of that day was that the economic dividend will provide support for the Government from the southern electorate in Sri Lanka because with the peace package with aid flowing in with an economic revival package there will be better living standards for the southern electorate and in the north-east the people will really feel the economic dividend with the measures that were taken with the ceasefire agreement and people will gradually distance themselves from the LTTE.

Now what was the outcome of this? First let us ask was there an economic dividend in southern Sri Lanka because this is important for the sustainability and the continuity of the ceasefire agreement that was designed with much effort etc. Sadly there was no substantial economic dividend in southern Sri Lanka. Why because since the IMF package had to be rescued a costly stabilization program accompanied this ceasefire agreement. In page number 181 in the last paragraph I give 6 bullet points where for the lower segment of the population why life became difficult.

1. Depoliticising and targeting of the Samurdhi program. (Almost 250,000 people were taken out of the Samurdhi net);
2. Fertilizer subsidy granted to farmers was substantially curtailed;
3. Electricity, telecom, water charges had to be revised upwards;
4. Automatic pricing system had to be introduced for petroleum. Petroleum prices went up;
5. A new value added tax with two bands was introduced replacing the then GST system;
6. Public sector restructuring meant - and this value added system did not bring the same revenue as the old GST system or the BTT system that was before it. So there was a revenue constraint also for the Government. Public sector restructuring strategy that the Government agreed with IMF prevented it from increasing expenditure in public sector expenditure related activities.

Now I would like here to a little bit elaborate on this because this is very important for the functioning of the ceasefire agreement. Now when the ceasefire agreement was signed, the

Government's thinking was that the defence spending will come down and that money could be used for further rehabilitation, reconstruction work in the north and the east. Defence expenditure did not come down substantially as was envisaged because quite a lot of money from the defence budget savings had to be used for the Internally Displaced People rehabilitation at that time.

Then I already mentioned to you about the revenue losses from the value added tax that had to be implemented in accordance with the IMF advice. Because you see Sri Lanka introduced a GST scheme after much effort and I remember Mr. Chanmugam, he was my former boss, when he was working at the IPS he sat over several Committees to get this GST in place. GST came into operation in 1998 and it lasted only 4 years. A chance was not given for the GST to work and Value Added Tax did not have the initial strength to bring adequate revenue. So the Government ran short of revenue.

Over and above all that a tax amnesty was implemented in 2002. This over rode 25 legislations in this country - so you must know the adverse impact of this legislation – 25. Earlier tax amnesties only managed to overcome the Inland Revenue Act. This tax amnesty was applicable to over ride Inland Revenue Acts, Customs Acts, Excise Acts, Stamp duties - 26 legislations. This has been documented well in literature and it led to serious erosions of revenue. When this was happening only the Government was expecting an economic dividend to take place. The Government did not have money for capital expenditure. In fact capital expenditure was cut down by 1.5% of GDP and bulk of this capital expenditure was earmarked for the north and the east. So when the revenue was getting eroded some had to be counterpart funds for the donor assistance. So sometimes the donor assistance cannot be immediately put into ground without the counterpart funds. So these types of problems we witnessed.

Economic dividend...

Now, let me go to the north and the east. Was there an economic dividend? Yes, soon after opening up the highway etc. there was a minor economic dividend. There are no two words about it. But if one goes into detail and look at what really happened in the north and the east in regard to the economic dividend materializing, things didn't happen in the way the Government expected. I mentioned the institutional structures (the SHIRIN) which had to play a key role in the allocation of the funds to the north and the east, I am afraid, did not live up to expectations.

There were bureaucratic delays in regard to allocating funds for some of the projects in the north and the east. Then there were other problems specially obstructions from the LTTE for some of these funds going to the north and the east, specially the taxation imposed on the A-9 highway; then the vehicle checks that took place during that time which in fact contributed to some vans and lorries getting from Colombo to Jaffna close to 3 days, 3 days, and at that time there was another problem of storage facilities. You see, after the war many of the structures that were prevalent in the north and the east

whether paddy storage or refrigerators for keeping fish etc. all those were destroyed. So there were problems like that also. There was another problem. When the clock was turned due to this electricity crisis which Sri Lanka faced, the clock was turned half an hour faster. LTTE didn't turn its clock. So when it was 12.30 in Colombo and rest of Sri Lanka the time in the north was 12.00 o'clock. So for any business transaction this was an impediment. So due to these reasons the economic dividend that was expected in the north and the east did not take place as was anticipated.

Now you may question me what about all this foreign aid that was going in a big way to the north and the east. Here, of course, one has to make observation that most of this foreign aid that went to the north and the east did not really go into the projects that really touched the people, which are micro related projects like the fisheries or the poultry industry, small and medium industries. They were very much focused towards big infrastructure projects, some housing projects, and they also could not be allocated effectively due to the heavy mining problem that prevailed at that time. So to cut a long story short, what was expected in a form of an economic dividend in the north and the east also did not take place. So due to these factors and the loose arrangements the Government had in the form of the SCOPP and the SHIRIN, these arrangements, the Government really became weak in terms of getting its act together in providing an economic dividend in the north and the east.

Let me also emphasize all these structures like the SHIRIN, then the Sub Committee on Political

Affairs, they were not under an Act of Parliament. The thinking was at that time was that all arrangements should be flexible; there was this uneasy relationship - cohabitation with an Executive from one political party Prime Minister from another political party, so the thinking was that best to have it outside the constitution all these arrangements. But eventually they proved to be very ineffective in terms of delivery in the north and the east. And also let me emphasize with the deregulation policies that were implemented – I have nothing against deregulation policies in regard to improving the efficiency of the economy - the State got weaker and weaker and it got weak at a time when there was this uneasy cohabitation between the opposition legislature and the executive.

So this is what we eventually saw that contributed to the collapse of the CFA. The, when there were signs of the CFA collapsing what the Government did was go for this so called international safety net. This international safety net was also not seen positively by many commentators because although it was done as a rescue measure of the ceasefire

agreement even in the southern electorate there were many ill feelings about it, nationalistic feelings developing in a big way. In fact I think the rise of the nationalistic wave started with this ceasefire agreement and the international safety net coming into place because there was this thinking that foreign parties are dictating Sri Lanka's ceasefire etc. And also the LTTE also did not see this positively. I refer to page 190 - quote from Anton Balasingham. I shall read it out.

"The LTTE leadership found it faced a new phenomenon – the intervention or rather the excessive involvement of international custodians of peace in the negotiation process. Inter-linking political pressure with economic assistance the international actors intervened to promote the interests of the Sri Lankan State which severely undermined the status of the power relationship between the protagonists as the non-state actor caught up in the intrigue ridden network of international state system the LTTE was compelled to act to free from the over powering forces of containment."

So that summarizes how the international safety net was seen in the south as well as the north. Now this is the northern view point. What I mentioned earlier was how the south saw it.

So with this Tokyo international aid package coming with the safety net etc., I am afraid though it was a great gain to the country, at that time the Government did not have the southern electorate behind it because by that time the nationalist feelings had developed to a very high level and also in the north the LTTE was not cooperating with the Government and what we saw was that eventually the LTTE and the Norwegian taking the upper hand and driving this whole peace process to one target - that is the ISGA (Interim Self Government Administration). And this became extremely difficult for the Government to accommodate and why the LTTE and the Norwegians took the upper hand was because this was not done in an organized way. Loose structures like SCOPP, there was no agenda.

Now if you ask me the question there were 6 rounds of peace negotiations. As an observer from a distance ask from the Commission "can I have the minutes of the Tokyo conference. Can I have the minutes of the Bangkok conference". No minutes were kept. No minutes were kept. So in fact when I was writing this article I wanted the minutes to check and at that time when I was told that this was done on the understanding of confidence building not taking minutes I was quite surprised. So no minutes are taken, done as a trial balloon exercise without any target etc. so obviously the ceasefire collapsing is easy to understand.

So Mr. Chairman, I will not deal with this ceasefire agreement any further. Eventually it became with the international safety net this whole issue became over internationalized and that worked very much against the then Government in power and eventually we saw a change of Government in April 2004. And with that the ceasefire agreement – that was the time from April 2004 the ceasefire gradually getting weakened until it finally was abolished.

Hon. Chairman and the Members, let me now briefly touch on the lessons learnt. And here also I will give the lessons learnt from an economic perspective. I am sure you would have got enough submissions from the political side and from other angles.

The heavy cost of the war...

The Institute of Policy Studies conducted a study in the year 2000 to estimate the cost of the war. As you know Mr. Chairman an exercise of this nature cannot be done on the back of an envelope type of estimation. We constructed quite a rigorous model and we did an estimate of the war, and in fact that paper was eventually published in an internationally refereed journal called "World Development".

So that means our methodology was accepted by the international referees. We estimated the cost of the war from 1984 to 1996 – that is 12 years of the war – to be equivalent to 168% of the GDP in 1996 – 168% of the GDP in 1996. Now why I highlighted this figure is to show that this war was a very costly war – it was a costly war. So because of this cost Sri Lanka lost many opportunities.

Many opportunities in the sense that the expenditures that could have been allocated for the further improvement of the physical infra structure in this country was allocated to the war. Some of the welfare expenditures had to be curtailed and allocated to the war. In Professor Laksiri Jayasuriya's latest book he says "finances went from welfare to warfare" and that was also been quoted by some commentators now.

So these missed opportunities can be highlighted by a few examples. Now in 1983 before the riots started; in fact the then Greater Colombo Economic Commission and the FEAC – again where Mr. Chanmugam was involved – there were two leading international companies that was planning to invest in Sri Lanka – they were Motorola and Harris. There were about 5 Japanese companies in the queue to invest in Sri Lanka – Sony, Sanyo, Marubeni, Bank of Tokyo and

Hitachi. They were in the pipeline to come and invest in Sri Lanka. Basically lot of ground work had also been done. For Harris even the factory, location, everything earmarked. No sooner the riots broke out in 1983 all these companies pulled out from Sri Lanka. Motorola went to Malaysia.

At that time Mahathir was advertising Malaysia. Mahathir came to power in 1981. 83 it was his early days and he managed to attract. Then this cost of the war also includes brain drain. We boast of high literacy rates in this country but how many talented people have left this country. Likewise, the cost of the war. The lessons learnt especially in terms of the economic cost is that Sri Lanka missed a lot of opportunities where the country could have easily built up on the basis of its initial conditions to become like current Malaysia or an equivalent country like Thailand but unfortunately due to the war we encountered many missed opportunities.

Also in regard to the ceasefire agreement lesson that we can learn is that you see a ceasefire agreement to make it effective the Government has to be strong. What happened at that time the

Government became weaker and weaker with its economic deregulation policies. I am not advocating that the Government should not implement deregulation policies. In fact they are essential. But when you combine that with a complicated ceasefire agreement, managing both becomes difficult because the Government becomes weaker and weaker and becomes vulnerable to the capture by the executive.

That is precisely what happened during that period. And for a ceasefire agreement to work you cannot depend solely on the market mechanism and deregulations because there are missing institutions, missing markets. I mentioned to you there were no storage for paddy, there were no refrigerators to keep fish in the north when things were going in bulk from Colombo. So these are the missing institutions and missing markets. You know

the demand and supply forces don't work effectively in an economy destructed by the war because people don't get that much information in that system with communication breakdown, electricity breakdown and so on and so forth.

So I think there was too much reliance on the market to give that economic dividend without the Government spending because if you look at the post Japanese reconstruction or the Vietnam reconstruction the Government capital expenditure was increased to about 8% of GDP to get the bridges, the rural roads, rural electrification, the irrigation, water supply etc. These things did not happen in the scale. So this is also a lesson for other countries that are implementing ceasefire agreements that a strong Government should be there not only that the Government should first engage in expenditure activities. In fact that Government at that time was dependant on the private sector to go and invest in a big way with the deregulation policies that were implemented. But the private sector was taking a wait and see attitude. Why? Because number one the executive president was from a different political party and she had power after 5th

December 2002 any time to dissolve Parliament. So that was in the mind of the private sector.

Number two, LTTE could not be trusted because in all ceasefire agreements in the past they had back-tracked. So the war could have started any time. So therefore the private sector did not take a major decision in regard investment, to create the jobs etc. etc. That is why I keep on emphasizing a strong Government presence would have been much more sustainable. We would have been able to have a much more sustainable ceasefire agreement if a strong Government was present.

A rosy picture?

Now Hon. Chairman if I do have time let me touch on the final issue in regard to the way forward.

Now again as an economist if I look at the north and the east. At present if we take the entire GDP of Sri Lanka as 100 the contribution from the eastern province is about 6% to that GDP; and from the northern province it is about 2.5% to 3% - I think the correct

figure is 2.5%. As all of you are aware after 1981 there was no census undertaken in the north and the east so we are having this data problem. In fact it was only last week we presented the Millennium Development Goal report which was prepared by the Institute of Policy Studies with the support of the Ministry of Finance and Planning, and soon after I presented it there were many questions from the audience – look you are painting a rosy picture without the north and the east statistics – and that is correct.

I mean if data is not there I am afraid we have to undertake analysis without that data. But now with the support of the UN, the Department of Census and Statistics will be conducting its next census late this year and beginning of next year and by about end of 2011 we should have the latest data from the north and the east. Anyway that's just a footnote.

So given this contribution from the north and the east together being less than 10% of GDP the way forward in my opinion is to drive the economic activities on an accelerated basis. After all there are agricultural resources that remain untouched in the north and the east.

The ability to cultivate chillies, onions and related agricultural products. Then the fisheries also which is categorized under agricultural products. The northern sea is very rich in them. Already we are reaping the benefits of 2/3rds of the coastal area coming under the formal fishing network. Services can be promoted in a big way especially in the eastern province. This is also an area where a lot of work needs to be done, and of course the closed industries like the Paranthan Chemical Factory, Elephant Pass Salterns, Kankasanthurai Cement and Pulmuddai Minerals and so on. These have to be revived through private/public partnerships or Government initially injecting capital or with foreign donor assistance these have to be done.

Now, Hon. Chairman and the Members, there are two programs that the Government has initiated –one is the Nageena Hira Navodaya program for the eastern province and the Uthuru Vasanthaya program for the northern province. Now these two programs have identified the special activities that should be promoted in the north and the east taking into account the missing institutions like what I mentioned earlier – I mean if there are no refrigerator facilities for the fish, these are basic things – do those first. If there are no storage centres for paddy – do them up. Do the small things first and then get into the big activities. And these are being very much concentrated. And the ADB NEKORD program and others are also in operation and also under these two programs one area that

receives emphasis is the improving of connectivity of the north and the east with the rest of the country.

Now that is very important in the sense that through roads, through telecom, through the sea, through the air, if there is more connectivity the people to people interaction will increase, the investor to investor interaction will increase, trader to trader interaction will increase, and through that only real economic dividend we can see in the north and the east. Of course getting donors involved as you are aware the Government of India as well as the Government of China they have several projects in the north and the east and they are currently under operation but foreign projects have to be very closely monitored and the necessary counterpart funds should be released by the Government of Sri Lanka for these projects to be successful.

Now without looking at the political dimension why I emphasize this is that I strongly believe that an economic dividend that the ceasefire agreement tried to work out is an important component in enhancing people's living standards. And when peoples' living standards are enhanced whatever other problems they have, they are prepared to temporarily forget them due to the economic benefits. So if we start from giving a better living standard to the people of the north and the east then that appreciation will go a long way and this demand for more autonomy etc. etc. becomes secondary.

Power of economic dividend...

Not that I am advocating against devolution of power or anything I am just trying to emphasize the power of an economic dividend. So peoples' living standards increasing better this thing etc. that will go a long way especially for a war affected community in coming to normal life and appreciating a better life style.

Let me now Mr. Chairman also comment on some non economic areas which as a normal person I would like to highlight in the context of the overall solution. I think if you take the normal Tamil people of this country the majority are not asking for a separate state or hardcore devolution. What we really have to do is work on areas where we as Sri Lankans have failed. One area we have failed is developing a Sri Lankan identity have a belonging to Sri Lanka and the Tamil community unfortunately have felt that they are not appreciated in Sri Lanka as being part and parcel of this country. That deep feeling is there among the Tamil community, and to address this very little has been done. And a

lot of work has to be done to get this national identity among the people. I feel that when the devolution debate was going on in this country especially the 13th Amendment coming in 1987, thereafter Mrs. Kumaratunga's Regional Council proposals coming to the Parliament in 2000 during that time, and Mr. Wickremasinghe's ceasefire and the federal type of solution. Oslo declaration was discussed. If focus was given on developing this identity and addressing the simple things it would have gone a long way.

Unfortunately not much work has been done. It is not going to be an easy thing because national identity is a very complex thing. It comes to my mind Hon. Chairman and Members of the Commission when I was a graduate student in England, there was a cricket match between England and India, and of course India won that match. And after the victory that evening when I was watching the news there was a British Minister Norman Tebbit who was interviewed in the TV about the poor performance of the British cricket team etc. and one comment he made is that and it was played at Lords. Look at these British Indians who were majority in the crowd – there were Englishmen but lot of British Indians. He asked the interviewer were they supporting England (British) team or the Indian team. He said I saw practically 99% of them were supporting and these are the people whom we look after who enjoy all the benefits of Britain, who enjoy the National Health Service of Britain and so on and so forth he went on and on and it became a very controversial statement.

Building a national identity...

The point I am trying to emphasize is that building national identity – of course most of them were second the generation Indians when I was a student there. Now we have the third generation Indians who are more British than Indians, right. So even for a country like Britain to build that British identity among the immigrants is not an easy exercise. You have to invest a lot, you have to work on it, etc. etc. So for Sri Lanka also this is going to be a challenge and it is a very important ... Just having a National Integration Ministry won't do. Lot of ground level work needs to be done.

And in this context I mean a simple thing like when a Tamil person goes to the Police Station, when a Tamil person goes to the Municipality or the Urban Council, he should have immediately the facility to make his complaint to the Police in Tamil, many Tamil Police people supporting him; in the Municipality the complaint immediately being absorbed. But these facilities unfortunately are not there in many places. So then a person feeling that you are part and parcel of this society gets diluted. So this is precisely ... If

we had worked on these areas when the devolution debate was going on I think we could have scored quite a lot in this area.

Then as my final concluding remarks Hon. Chairman let me just touch on the 13th Amendment.

There again we have looked at the 13th Amendment being a head of an economic research institution from the perspective of fiscal decentralization not from the perspective of political decentralization.

Our conclusion is that most of the Provincial Councils other than the Western Provincial Council are basically not effective in the sense that they depend very heavily on a Government grant 80 to 95% and very little revenue is being raised by these Provincial Councils for their own sustenance. And also they have created a huge bureaucratic layer in this country.

Now they say that there are 1.2 million people working in Sri Lanka's public sector and the public sector is very large in the country and so on. The contribution of Provincial Councils for this 1.2 million is approximately 250,000 – 250,000. So given the fact that these Provincial Councils problems sometimes like duplicating activities of the Central Government over lapping functions, I think we have to work quite a lot on this Provincial Councils system to make them more efficient.

Why I am mentioning this is that in the devolution debate in this country we have looked at the

Regional Council System, District Development Councils, there have been newspaper articles about the Swiss Canton System, the Synod(?) has come up with the Grama Rajya concept etc., and all party representation committee (APRC) dialogue is going on but fact of the matter is the thing already in legislation is only the 13th Amendment. The debate can go on. So we might as well until we find a home grown solution strengthen this 13th Amendment so that it performs better. Provincial Councils becomes less of a burden on the Government. The Provincial Councils are effective in terms of service delivery. Education, health, delivery in the Provincial Levels where there is much to be done in

these areas and this we have highlighted in the Millennium Development Goal report of Sri Lanka which we released last week where the Provincial Councils have to work on.

Also in my concluding remark let me also say that the Tamil community also – the expatriate Tamil community – they also have to do quite a lot of work to win over the Sinhalese community because the integration should be a two way process, and in this context I would like to specially highlight today's editorial in the "Island" newspaper which I tend to very much agree with the argument put forward, specially the Diaspora Tamil community if they think the solution can be obtained via international mediation I think that is wrong. It has to come from locally and the dialogue should be with the local political establishment. Also I would like to highlight that any solution you bring about to a complex problem like the ethnic divide the second track is very important. While the official dialogue at the Parliamentary level, your Commission report going to the Government with the recommendation, the Government taking cognizance of your recommendations and acting on that, the second track dialogue by the civil society organizations, independent research organizations, the private sector chambers in bringing this ethnic harmony they can do it in their own ways, that is very important – the second track activities. In Ireland this second track activities took place, South Africa when the problem was there the activities took place. That has to be encouraged and dialogue has to be encouraged.

Further integration, not separation...

Finally Hon. Chairman what I would like to say is that in this modern world the solution to these problems is not separation. It is rather further integration. We are seeing Europe – two countries that fought many wars, Germany and France - now being together in the European Union under one umbrella sharing same currency. Free movement of people, free movement of capital in the mega European Union. They have only one step further to go to become a political union then they will become United States of Europe just like United States of America.

We see integration in the East Asian region with ASEAN. Now with a free trade agreement they are going for ASEAN + 3 (China, South Korea and Japan) coming into the ASEAN umbrella making a big grouping. So likewise a small country by dividing itself we will not find solutions, rather us integrating among ourselves – and integrating with the region - whether it is in the form of SAARC or SAFTA which we talk about, our bi-lateral agreements are expanding in the form of ... with India, Pakistan etc. So this is the way forward not looking at ethnic based separation.