

GAMANI COREA'S CONTRIBUTION TO DOMESTIC AND INTERNATIONAL ECONOMIC POLICY

Rapporteur Report

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SESSION 1:

National Planning Exercise in Sri Lanka: Gamani Corea's Contribution

The first session of the seminar was chaired by Prof. W.D. Lakshman, and the speaker was Dr. Godfrey Gunatilleke. Dr. Harsha Atrupana, Dr. Lloyd Fernando, Dr. Hilarian Codipilly and Dr. G. Usvatte-aratchi participated as discussants in the session.

Prof. W.D. Lakshman commenced the deliberations of the session by reflecting on Dr. Corea's role as Director of the Planning Secretariat, and Secretary to the National Planning Council. He highlighted how Dr. Corea played an influential role in designing the Six Year Plan of investment under the Sir John Kotelawala government, and the Ten Year Plan of the S. W. R. D. Bandaranaike government. In addition, Dr. Corea's role as the Permanent Secretary to the Ministry of Planning and Economic Affairs in implementing the partial liberalisation programme under the Dudley Senanayake government was also noted.

Prof. Lakshman briefly reviewed the evolution of national planning in Sri Lanka, identifying the influence the Soviet model may have had in post-colonial countries adopting development models, which gave the state a significant and dominant role. Consequently, the recommendation of a World Bank mission and the acquisition of planning expertise into the country's economic bureaucracy set the stage for national planning in Sri Lanka. The Ten Year Plan of 1959 was subsequently developed under the leadership of Dr. Corea.

Speaker: Dr. Godfrey Gunatilleke

Dr. Gunatilleke highlighted some of the salient features of Dr. Corea's approach to planning. He noted how Dr. Corea wanted to have a development plan to raise the standard of living, and was concerned about growth being equitable. For instance, he placed great emphasis on understanding the consumption distribution pattern of the population to identify inequitable growth. The Ten Year Plan was a re-examination of these priorities. Dr. Gunatilleke also highlighted how Dr. Corea had a pluralitarian approach to planning, knowing that planning was a technical resource for all political parties. His thinking was non-partisan and unbiased, which allowed him to relate to all groups. This gave him the ability to negotiate with and persuade people, which enabled him to have a consensus based approach to planning. In essence, he viewed planning as a human development exercise.

Discussion: (Dr. Harsha Aturupana, Dr. Lloyd Fernando, Dr. Hilarian Codipilly and Dr. G Usvatte-aratchi)

Dr. Harsha Aturupana shared some insights on Dr. Corea's approach to planning that he garnered from conversations he had had with him. He noted how Dr. Corea viewed planning in Sri Lanka as necessary given the market controls that were used in Western European countries. The main export centres of

the Sri Lankan economy like the UK were practising exchange controls, which meant that markets alone could not function efficiently, and therefore planning was necessary. Dr. Aturupana also noted how Dr. Corea understood the value of having good datasets in the planning process. He promoted the Consumer Finance Survey of 1953 - one of the earliest in the developing world, in order to improve the planning process. The subsequent Household and Income Expenditure Surveys and the Labour Force Surveys have become vital tools in development planning, providing insights into areas such as income distribution, poverty and returns to education. In addition, Dr. Corea's interest in poverty and income distribution issues was unique because they were not part of mainstream economic thinking during his time. Dr. Aturupana also commented on the different economic environment under which Dr. Corea designed the Ten Year Plan, where many econometric tools and technology commonly used today, were not available back then, making it difficult to quantify certain concepts.

Dr. Lloyd Fernando reminisced about Dr. Corea's willingness to help young economists. He highlighted how Dr. Corea brought in young economists into the planning process, which proved to be a valuable learning experience for them. In addition, Dr. Fernando commented on the strong network Dr. Corea had with pre-eminent economists from around the world. Further, Dr. Corea's role in merging the Sri Lanka Association of Economists and the Sri Lanka Economics Association was also noted. Dr. Corea's influential role in forming the Institute of Policy Studies of Sri Lanka (IPS), and his role as the Chairman of the governing board was highlighted as well.

Dr. Hilarian Codipilly reflected on four pertinent points related to Dr. Corea's contribution to the national planning exercise. They were quality of planning; organizational framework for planning; functions of planning; and capacity building. As noted by Dr. Codipilly, the Ten Year Plan prepared under the leadership of Dr. Corea is the most comprehensive plan ever prepared in Sri Lanka. The quality of the Ten Year Plan was at a very high level. It had a vision, strategy, planned objectives, planned framework, planned targets, analytical content and detailed sectorial plans. The Plan was also deliberate, focused on improving the quality of life of the masses and reducing the growing level of unemployment. In addition, it took three years to prepare the Plan and many renowned local and world economists were involved in the process.

He also highlighted how in terms of the organizational framework for planning, under the leadership of Dr. Corea, the focus shifted to operation of essential planning. The organization structure consisted of separate divisions for perspective planning, economic affairs and national operations. The Ten Year Plan addressed key functions of economic management such as capital budgeting and allocation of ministries, monitoring of all major projects, and foreign exchange development and budgeting. Dr. Corea also focused on capacity building for national planning and launched a training course for development planning in 1967. In the inaugural address, he focused on the close linkages between agriculture and industry. The participants included individuals from the Planning Ministry, other ministries as well as those from major corporations.

According to Dr. Codipilly, Dr. Corea's lasting impact is seen in the quality of planning, the organization framework that was set up, functions of planning, and in his efforts to build capacity for planning - setting the stage for national planning in Sri Lanka.

Dr. G Usvatte-aratchi reflected on the intellectual and economic climate under which Dr. Corea implemented national planning. He noted how the world was still recovering from controls and bureaucratic allocation of resources necessitated by the Second World War, when Dr. Corea started national planning. He also emphasized how there were controls on trade and capital movements. Many prominent economists at the time had worked on the bureaucratic allocation of scarce resources. In addition, a planned economy had prospered in the Soviet Union since 1928, thus, planning was not a new idea. However, there was very little statistical information about poor countries at the time. When Dr. Corea undertook work on the 1966-71 plan, the environment had changed, where there was a better understanding of economic development. The UN and the World Bank had gathered experience about how economies in poor countries function. Systematic economic data was being gathered with the help of mainframe computers. In academia, Robert Solow had published his seminal paper on economic growth. In addition, important statistical work on economic growth and budget planning were being carried out. Dr. Usvatte-aratchi noted how the 1966 plan benefitted from this growth in knowledge and experience.

The most pervasive intellectual influence over the preparation of the planning process was export pessimism. At the time, contrary to the Smithian growth model, it was argued that developed and developing countries did not benefit by expanding trading between them, even as some East Asian countries contradicted this theory. With the assumption of import substitution being an essential part of policy, there had to be foreign exchange rationing along with the bureaucratic allocation of imports. This was accomplished through the foreign exchange budget in the national planning process. The focus was on diversifying the economy for home and regional common markets amongst developing countries. Dr. Corea undertook planning in this atmosphere and his plans and policies were suffused with these ideas. As highlighted by Dr. Usvatte-aratchi, within this pervasive intellectual environment and the political considerations that grew from them, Dr. Corea was a brilliant performer.

SESSION 2:

UNCTAD and Commodity Market Stabilization: Gamani Corea's Contribution

The second session for the evening was chaired by Dr. Indrajith Coomaraswamy and the Speaker for the session was Dr. Saman Kelegama. Mr. W.A. Wijewardena, Dr. Nimal Sandaratne and Mr. Lakdasu Hulgalle were the discussants for this session.

The session began with Dr. Coomaraswamy providing a brief introduction to the work done by Dr. Gamani Corea during his tenure as the Secretary General of UNCTAD, particularly on his work related to Commodity Price Stabilization. Dr. Coomaraswamy highlighted the Sri Lankan context that explains Dr. Corea's preoccupation on this subject. He pointed out that in the World Development Report of 1982 - by the World Bank, Sri Lanka was cited as a country which had experienced dramatic terms of trade decline over 25 years. The report had commended Sri Lanka for providing social protection despite a hostile external environment, particularly with regard to volatile prices for tea, rubber and coconut. However, social development in an external environment with declining export commodity prices incurred high opportunity costs (in terms of poor savings, investment and wealth creation), and put considerable pressure on government revenue. Dr. Coomaraswamy noted that Sri Lanka still continues to grapple with the backlog effects of these structural problems. He stated that in this context, Dr. Corea's preoccupation on the topic of commodity price stabilization is certainly justified.

Speaker: Dr. Saman Kelegama

The presentation by Dr. Saman Kelegama provided a comprehensive overview of Gamani Corea's work on Commodity Price Stabilization during his time as the Secretary General of UNCTAD. Dr. Kelegama stated that it is likely that Dr. Corea's interest in this area stemmed from the time he commenced higher studies, particularly during his postgraduate studies at the University of Oxford. This was evident from his doctoral thesis titled *The Instability of an Export Economy* which examined how the declining terms of trade (TOT) for tree crop commodities had an adverse impact on the Sri Lankan economy which was heavily dependent on export earnings from tea, rubber and coconut. He studied three significant time periods of the global economy; the Great Depression in the early 1930s, World War II and the Korean Boom in the early 1950s, and examined the vulnerability of the Sri Lankan economy to the external price fluctuations that occurred during these time periods.

Dr. Corea's thinking was further influenced by the many problems encountered during this work as a national planner as the rapid deteriorating TOT for key commodity exports made it difficult to reach planning targets.

His meetings with Dr. Raul Prebisch in 1962-1972 convinced him of the Prebisch-Singer hypothesis which stated that the way around the TOT problem is an inward-oriented import substitution strategy. His

actions with regard to the green revolution and recovery programme for declining import substitution industries during 1965-70 prove that he was quite convinced with the Prebisch-Singer hypothesis.

Dr. Kelegama then highlighted the global environment in 1973, just before Dr. Corea joined the UNCTAD, in which the OPEC oil price hike of 1973 played a significant role in shaping Dr. Corea's thinking. Based on the example of OPEC, during this time, there was an emerging idea among the developing world that if the developing countries could unite together and come to an agreement with the developed countries, they would be able to avoid the issues that arise from commodity price fluctuations. This gave birth to the New International Economic Order (NIEO). As a means of addressing some of the issues that surrounded the exploitative global trading system, particularly the issue of declining commodity prices, after the Havana Charter in 1948, under the UN Auspices, the first international commodity agreement for sugar, and subsequently for tin, coffee and cocoa was reached. These were the four main agreements in existence before Dr. Corea took office as the Secretary General of UNCTAD.

When Dr. Corea took office other commodity producers (Copper, Rubber, Jute, Tungsten, Timber, Tea, Wheat, Hard Fibre, Cotton, Vegetable Oil, Iron Ore, Olive Oil etc.) also wanted to have similar agreements. As Dr. Kelegama stated, to address this issue, Dr. Corea made commodity price stabilization the central theme of the NIEO. He revived the idea of an integrated approach to commodities and named it the Integrated Commodity Programme (ICP).

ICP was based on the conviction that the solution for individual commodities, if they are not similar to the solutions for other commodities, would not succeed in creating a totally equitable solution in which the producing countries in all are able to benefit from the solution. As noted by Dr. Kelegama, a key element of the ICPs was that they combined the traditional Export Quotas with Buffer Stocks for supply management. These buffer stocks played a key role in keeping prices at a stable level. However, as the stocks had to be funded, a Common Fund (CF) was proposed to serve this purpose. The objective of the ICP and CF was to provide a floor to the downward movement of commodity prices, as well as a ceiling, so that in the end there will be a regime of commodity markets which operate and function with greater smoothness, greater regularity and stability.

Initial estimated fund size was US\$ 6 bn which UNCTAD planned to mobilize by member countries, international banks, and the private sector. Dr. Kelegama highlighted the point that both the ICP and CF were made marketable and brought to the international negotiating table by Dr. Corea. Under Dr. Corea's leadership, a lot of preparatory work was done for UNCTAD IV in Nairobi (1976). Dr. Corea hoped to make a breakthrough for the NIEO with the ICP and CF. Dr. Kelegama stated that while initially the reception of this new order was pessimistic, after exhausting negotiations with individual country delegates, both formally and informally, on the last day of the conference there was a major breakthrough and the international community indicated that they were ready for a new global deal for commodities.

Dr. Kelegama noted that due to Dr. Corea's hard work, 16 ICA under the ICP were agreed upon and the CF was going to receive funds for its operation. For ICAs, in addition to the producer and consumer

countries, the UNCTAD Secretariat came in as the third party with ad hoc committees to work out these agreements rapidly. Commodity meetings alone accounted for 60% of UNCTAD meetings and 35 people in the Secretariat were working on this subject.

Unfortunately, the implementation of ICP and CF was poor and did not live up to its expectation. Dr. Kelegama highlighted that as an integrated approach was not taken in the negotiations for commodities, only one agreement with price stabilization, for natural rubber, came into operation by 1979. The ICA that ceased to operate by the mid-1980s was not renewed and the CF did not achieve its target sum. The Common Fund also failed as it did not achieve the target sum of US\$ 6 billion but was only able to reach US\$ 280 million.

In 1980 Dr. Corea published a book which consisted of his past speeches on the NIEO with the hope that this would persuade the international community. However, in 1984, Dr. Corea's term as the Secretary General of UNCTAD came to end, and yet there was still no progress with regard to the ICP and CF.

Dr. Kelegama highlighted that by this time the neo-conservative backlash had begun in the North and the OECD countries were rallying against Dr. Corea to stop his efforts to restructure the world economy to bring about a more equitable and just order. Dr. Corea realized that intellectual persuasion has its limits as political leadership has to back negotiations if it is to work.

Later, Dr. Corea published another book titled, *Why Taming Commodities Failed?* in which he reflects the factors that contributed to the failure of ICP and CF. He states technical issues such as a lack of faith in buffer stocks (due to perishable commodities), quality variation, availability of synthetic substitutes, discouraging efficient producers etc. Yet, the biggest barrier was the political influence that was working against him.

Dr. Kelegama also brought into discussion the other reasons for failure pointed out by various critiques. One critique states that producers were more interested in the level of price than the variability of price while the buffer stocks sought to address variability of price. Other critiques have stated that the sole dependence on addressing commodity prices, but neglecting manufactured exports through the CF was not a positive aspect of the CF.

Dr. Kelegama highlighted that Dr. Corea however, felt that development of manufactured exports will take time and till these industries were developed, commodity export earnings needed to be given priority. As there would be too many manufacturing exports from developing countries competing in the same world market, it will be a challenging exercise. He also anticipated that developing countries will also have to face various trade barriers.

Regardless of the outcome of the ICP and CF, during Dr. Corea's tenure at the UNCTAD, he has made significant achievements. He chaired three UNCTAD conferences, he initiated the Trade and Development Report (which is published even today), and he was able to finally bring into operation the CF. Dr. Corea's tenure also saw a stream of studies on various topics related to international trade and commerce being published by the UNCTAD. However, Dr. Kelegama noted that Dr. Corea's 'finest'

achievement was the conceptual breakthrough he achieved in Nairobi with regard to the IC and CF in UNCTAD IV.

Discussion: (Mr. W.A. Wijewardena, Dr. Nimal Sanderatne, and Mr. Lakdasa Hulugalle)

Mr. W.A. Wijewardena agreed with Dr. Kelegama with regard to the comments made on the failure of ICP and CF. He highlighted that the issues arose were due to the impression that it is possible to go against market principles by negotiations and new ideas. However, as markets are driven by the demand and supply side, and if both sides do not agree, then it is not possible to find market stabilization. Dr. Corea's drive to achieve this ICP was due to Sri Lanka being victim of the deteriorating terms of trade. As a result, the real income of the people was much lower than what was projected, to which Dr. Corea had to step in to find a solution. Today, terms of trade are much better than they used to be and are largely due to manufacturing exports. Mr. Wijewardena felt that this is not an issue of concern today, as all countries have realized that productivity is the only way to address this issue, and not through negotiations. However, as highlighted by Dr. Coomaraswamy, and agreed upon by the panel, the world that Dr. Corea operated in was different to the world we live in today.

Although the popular belief is that Dr. Corea did not support a structural transformation, *Dr. Nimal Sanderatne* stated that there is incontrovertible evidence in Dr. Corea's writing that he was supportive of structural change, but he believed that this structural change had to take place through agricultural surpluses. Dr. Sanderatne also highlighted that although Dr. Corea took over UNCTAD under hostile global conditions, he gave leadership to UNCTAD in a way that no one else could. He emphasized a point made by Raul Prebisch, who stated that Dr. Corea underestimated the attitudes and positions of the developed countries. Dr. Corea had so much implicit faith in a North-South dialogue to resolve these issues that he underestimated the interests of the developed countries and their commitment to a market economy.

Mr. Lakdasa Hulugalle, further highlighted the seeds of Dr. Corea's interest in the subject of commodity price stabilization. He stated that the Great Depression had a significant impact on Dr. Corea's thinking. Mr. Hulugalle felt that this event had some emotional significance that impacted Dr. Corea to pursue this lifelong interest in the subject. He also noted that his belief in commodity stabilization may also have occurred through his readings of Keynesian thinking. However, Mr. Hulugalle noted that Dr. Corea's ideas had developed much further than Keynes, and there was a distinct difference as Keynes proposed a bottom-up approach while Dr. Corea had a far more ambitious top-down approach. Nevertheless, Mr. Hulugalle recalled that it was difficult to reach an agreement among developing countries let alone between developed and developing countries. As such, he noted that Dr. Corea's approach was much more difficult to achieve.

Session 3:

New International Economic Order, North-South Dialogue & the South Commission – Gamani Corea’s Contribution

This session chaired by Mr. Lakdasa Hulugalle featured Dr. Nimal Sanderatne as the main speaker, who through an interesting talk provided a detailed account of Dr. Gamani Corea’s remarkable contribution to the welfare of developing countries. Mr. Jayantha Dhanapala and Dr. Indrajit Coomaraswamy as the discussants of the session also commended the role played by Dr. Gamani Corea in the international development arena as a protagonist who strove to bestow a fair and equitable economic order for developing countries, devoid of injustice and discrimination against the developed world.

Speaker: Dr. Nimal Sanderatne

Dr. Sanderatne commenced his speech by recalling that the origins of Dr. Gamani Corea’s relentless efforts to change the status quo of economic relations can be traced back to his Oxford D.Phil. dissertation *The Economic Structure of Ceylon in relation to Fiscal Policy* written in 1951-1952. The speaker noted that this study, later published by the Marga Institute in 1975 as *The Instability of an Export Import Economy*, gave rise to the initial underpinnings of Dr. Corea’s intellectual thinking. According to Dr. Corea’s thinking, an economy dependent on primary commodity exports was inevitably unstable, and that the core issue in economic development was to change the structure of the economy through diversification and structural change along with international actions to stabilize primary commodity prices on which developing economies were majorly dependent upon. Dr. Sanderatne also highlighted that these ideas were reflected in the Ten Year Plan (1958-68) advocated by the National Planning Secretariat under Dr. Corea’s guidance as its head. He also stated that Dr. Corea’s tenure as the third Secretary General in UNCTAD granted him the opportunity to work on the global context in redressing the international system of unequal exchange.

The next focus of Dr. Sanderatne’s speech was on the concept of the New International Economic Order (NIEO), which was proposed by Dr. Corea as Secretary General of the UNCTAD in 1979 at the sixth special sessions of the General Assembly of the UN, in the declaration and program of Action for the establishment of a New International Economic Order. Recognizing that there was a myriad of biases in international economic relations impinging the welfare of developing countries, the NIEO as a concept was known to be one which attempted to address these biases through structural changes not only in commodity trade but the whole gamut of relations that were perceived to be detrimental to the welfare of developing countries. He stated that the NIEO covered issues such as orientation of the international monetary system towards the interest of developing countries, production cartels along the lines of OPEC, extension of preferential treatment in trade, recognition of developing countries’ sovereignty over their natural resources etc. Dr. Sanderatne highlighted that despite Dr. Corea’s belief that the

developed world too was able to benefit from the NIEO due to the overall stabilizing effect it would have on the world economy, little progress was made in implementing the proposals of the NIEO as most developed countries had major reservations towards this concept due to the belief that the NIEO would lead to a dismantling of the market based international economic system and as they perceived internal factors to be the fundamental causes for economic instability in developing countries.

Dr. Sanderatne also focused on South-South cooperation, which was known to have occupied Dr. Corea's interest subsequent to the sluggish progress of the NIEO. He highlighted how despite Dr. Corea being a firm believer of North-South Dialogue, he was compelled to believe that North-South Dialogue was weakening, given the inclination towards the Washington Consensus during the Reagan-Thatcher period. In this light, Dr. Corea's efforts were known to have shifted towards promoting South-South cooperation as a means of addressing the issues of the developing world. Dr. Sanderatne went on to state that Dr. Corea's role in South-South cooperation can be highlighted through his efforts in drafting the resolution which launched the Group of 77 at the conclusion of UNCTAD I in 1964. Further, he stated that Dr. Corea's role in South-South cooperation is reflected through the active role played by him in establishing the South Commission, as a key member of the South-Commission (1987-1990), a member of the Board of the South Centre (1995-1998), Chairman of the South Centre's Policy and Research Committee (1998-2001), Chair of the South Centre's Group of Experts on Financing for Development (2001), Chair of the Non Aligned Movement's (NAM) Ad Hoc Advisory Group of Experts on Debt (1993-1994) and the NAM Ad Hoc Panel of Economists (1997-1998).

Dr. Sanderatne concluded his speech by referring to the words of the Indian Prime Minister Dr. Manmohan Singh who stated that Dr. Corea's contribution to UNCTAD during his tenure as Secretary General was important in ensuring that the voice of developing countries was heard and that their developmental priorities were not lost sight of.

Discussion: (Mr. Jayantha Dhanapala, and Dr. Indrajit Coomaraswamy)

Mr. Jayantha Dhanapala, the first discussant of the session, began his comments by complimenting Dr. Corea to be more than a development thinker and a practitioner, but to be a great Sri Lankan and a great human being. Focusing on the political context of the time, Mr. Dhanapala highlighted several strands of influence including the Dependency theory, work of ECLAC and the NAM etc. to have given an impetus for Dr. Gamani Corea's intellectual thinking and development work.

Emphasizing that the work of Dr. Gamani Corea has to be carried forward whilst adjusting it to the contemporary situations that have risen, Mr. Dhanapala stressed on the need for the Gamani Corea Foundation to cover issues such as climate change, inclusive development, Post-MDG Development agenda, corruption etc. in order to adopt NIEO to the needs of the contemporary world.

Dr. Indrajit Coomaraswamy commenced his comments by reflecting on the challenges faced by developing countries which occupied Dr. Corea's interest. Rules and regulations governing international organizations, international trade and monetary systems, orthodox analytical framework against developing countries etc. were highlighted to be central issues that occupied Dr. Corea's interest. At a time when international trade rules were set at the GATT, while dominated largely by developed countries including US, Europe, Canada and Japan, the work of UNCTAD led by Dr. Corea was stated to be of paramount importance in highlighting the asymmetries of trade between developed and developing countries, whilst also setting an intellectual basis for the rationale put forward at the Doha Development Agenda.

Dr. Coomaraswamy highlighted that the work by UNCTAD under Dr. Corea's leadership was extremely valuable when considering the progress in areas such as debt relief, environmental issues, role of MNCs and transfer of technology. Moreover, he stated that though advances have been made in these areas whilst international trade and finance remains less harmful to development and the mandates, and policies of international economic institutions are now known to be more sensitive to the needs of developing countries; that it still remains an unfinished agenda in need of further progress. Dr. Coomaraswamy stated in conclusion, that the NIEO was worth its effort as many favourable developments in the international economic order have been its outcome.

Session 4:

Institutional Building – Role of Gamani Corea

The final session of the evening was chaired by Dr. Lloyd Fernando and included discussions from Prof. A. de V.D.S. Indraratna, Dr. Godfrey Gunatilleke, and Dr. Saman Kelegama.

Dr. Lloyd Fernando commenced the session by honouring Dr. Gamani Corea as an absolute privilege for three organizations that included Sri Lanka Economics Association (SLEA), Marga Institute and the Institute for Policy Studies of Sri Lanka (IPS).

Speaker: Prof. A de V.D.S. Indraratna

Prof. A. de V.D.S. Indraratna began the deliberations by thanking the organizers of the seminar - Gamani Corea Foundation, the Institute for Policy Studies of Sri Lanka(IPS) and Marga Institute, for giving him the opportunity to talk about Dr. Gamani Corea's contribution to domestic and international economic policy, in particular institutional building. As said by Prof. Indraratne, he knew Dr. Corea way back as

1950, when he came to address the Political Society in the University of Ceylon about the state of the economy - a speech done without notes, mesmerizing the audience who were present at the occasion. However, Prof. Indraratna had not had the opportunity to work with Dr. Corea as he had joined the University of Ceylon, instead of the Civil Service.

Even at that time, Dr. Corea was working on the structural change in Sri Lanka, not just commodities prices. It was public knowledge that Dr. Gamani Corea made an important contribution both nationally and internationally.

Prof. A. de V.D.S. Indraratna's close association with Dr. Gamani Corea began in 1985 due to the Sri Lanka Economics Association (SLEA). Dr. Corea returned to Sri Lanka after serving as the Secretary General of UNCTAD in 1984. During this period, Economics was a popular subject amongst social sciences in Sri Lanka, and five universities had Economics as a subject in their curriculum. Since there were more than 5000 graduates of Economics from the 5 universities, Dr. Corea was particularly interested in contributing to the development of social science research and teaching in Sri Lanka. As a result, H.N.S. Karunatilake, J.B. Kelegama, Kamal Karunanayake, P. H. Siriwardhana, T.B. Subhasinghe, Mahinda Wijenayake, and Prof. A. de V.D.S. Indraratna gathered with Dr. Gamani Corea in 1985 to establish the Sri Lanka Institute of Social and Economic Studies. Prof. Indraratna noted that one of the first proposals was to bring together economists in Sri Lanka as a forum to discuss social and economic problems in the country, as well as to publish a journal for the research and writing. As a result of this proposal, Sri Lanka Economics Association (SLEA) was registered under the Company's Ordinance in 1985 as a national association. Dr. Corea was elected as the founder President of the SLEA, while Prof. Indraratna was elected the founder Secretary. On 15th August 1985, the inaugural meeting was held in Dr. Gamani Corea's residence, and the residence was used as the meeting place until the SLEA acquired an office. Prof. Indraratna highlighted how this act showed the humility of Dr. Corea, which he believed had not been emphasized enough at the seminar.

Prof. Indraratna also spoke about the decision to publish a bi-annual journal by SLEA, which eventually led to the establishment of the Sri Lanka Economics Journal (SLEJ). The SLEJ started publishing in April 1986, and has continued to publish until today. During this period of time, another association - Sri Lanka Association of Economists (SLAE) was formed 1985, under the leadership of the Central Bank of Sri Lanka. Dr. Corea did not see the need to have two separate similar organizations and was keen to merge the two associations, which took place in 2000. Prof. Indraratna remarked that in 1985, there were only 21 members whereas now (April 2014), there are 500 members in the association. He also noted the three Presidents of the association after Dr. Gamani Corea; Dr. H.N.S. Karunatilake, Dr. Saman Kelegama and Prof. A de V.D.S. Indraratna, respectively. He also highlighted that as the President, one of the first acts that was conducted was to felicitate Dr. Gamani Corea while he was still alive. As a result, in 2004, an honorary fellowship of SLEA was conferred on Dr. Gamani Corea.

Commenting on the difficult journey of SLEA since establishment, Prof. Indraratna spoke on how the Association was able to get International Economics Association (IEA) membership in 2006. Also, noting, he highlighted the help offered by Dr. Corea in providing a space from the IPS as the office of the SLEA.

Concluding his remarks, Prof. Indraratna laid emphasis on how the legacy of Dr. Gamani Corea would live on through the SLEA.

Speaker: Dr. Godfrey Gunatilleke

Dr. Gunatilleke commenced his discussion on the role of Dr. Gamani Corea in institutional building in relation to Marga Institute. He noted that the Institute, which was established in 1972, was conceptualized, established and preceded by Dr. Gamani Corea as the Chairman. The origins of the Marga Institute can be found in the Ministry of Planning and its offices from 1965. Dr. Gunatilleke highlighted that his methodological chapters and planning documents on investment analysis provided interesting insight into the methodology of planning, which initiated his concept of consumption planning. He also noted how in the Ten Year Plan, there is reference to the need for further study of investigation of problems as there was inadequate data and partial knowledge. During 1965-1970, the Institute for Development Studies (IDS) was looked at in the period of recovery.

Discussing the institutional building of Marga Institute, Dr. Gunatilleke highlighted that the Institute was established to look into the problems on the need for an institution for knowledge. It was initially established within the Ministry of Planning, but, eventually became independent. Also, he noted on the issue of convincing the Prime Minister, Dudley Senanayake, as he did not want to have the Marga Institute within the Ministry of Planning. Consequently, the Marga Institute was set up as a non-profit, private civil society organization that dealt in the knowledge enterprise of development issues. Dr. Gunatilleke emphasized how the Institute worked on intellectually exciting world problems and provided new ideas to Sri Lanka. Also, noting, he said that there were questions on whether planning and research should be done by the state or not. There were two things that followed, the first UN study unified development in Sri Lanka which highlighted the unique characteristics of Sri Lanka's development and the second, was the establishment of the Marga Institute Journal.

Speaker: Dr. Saman Kelegama

Speaking on the institutional building of the Institute of Policy Studies of Sri Lanka (IPS), Dr. Kelegama reminisced about the establishment of the Institute in the mid-1980s. He noted that there was an idea in the mid-1980s that it is not possible to leave everything to the market to achieve certain growth targets. As a result, the Ministry of Finance and Planning created the think tank organization known as the Institute for Policy Studies (IPS). He also highlighted that it was President R. Premadasa who appointed Dr. Corea as the first Chairman of the IPS, who was in office from 1989 to 2006.

Dr. Kelegama also highlighted five points regarding Dr. Gamani Corea's contribution to the IPS. He stated that Dr. Corea had a clear vision for research of the Institute. While the Central Bank only looked at short or medium term trends in the economy, the IPS would look at the long-term trends in the economy. He also emphasized how the presence of Dr. Corea also meant there was a deterrent for

political interference; an example was the issue of the Australian Visiting Fellow. Another point highlighted by Dr. Kelegama was how the international stature of Dr. Corea led to the continued growth and development of the Institute. This was pointed out with the issue of the Dutch grant not being cut due to the involvement of Dr. Corea. He also noted how well Dr. Corea interacted with the young staff and became a source of strength. Concluding his remarks, Dr. Kelegama also noted the inter-institutional interaction by Dr. Corea, specifically highlighting the instance in which he provided an office space for SLEA from IPS when needed.