

Sri Lanka's Saman Kelegama; a voice for South Asian integration: Harsha

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ECONOMYNET – Saman Kelegama, a top Sri Lankan economist was a powerful voice for South Asian integration that had helped advance the island’s trade agenda, State Minister Harsha de Silva said.

Kelegama, who headed Sri Lanka’s Institute of Policy Studies, a Colombo-based think tank, had helped draw up many of Sri Lanka’s preferential trade deals.

He had showed the value of free trade agreements with the right safeguards to promote deeper regional integration, enhancing Sri Lanka’s economy, de Silva said.

Kelegama died on June 2017. De Silva was speaking at South Asia Economic Summit, in Colombo, an annual gathering of regional think tanks, civil society organization and private sector which Kelegama, had helped initiate 12 years ago.

Kelegama’s work helped free people from “self-serving protectionists” bringing benefits to the country though there though there was idea spread that free trade was bad, de Silva.

Classical economists have pointed out that protectionist business owners stand to gain millions from trade restrictions and can afford to spend time and effort on public relations and buying politicians to promote import duties.

However for individual consumers, the loss from one protected product is small, reducing the incentive to launch campaigns against duties.

De Silva said Kelegama had helped draw up a trade deal with Singapore, which was the “most comprehensive” signed by Sri Lanka.

The deal also brought in strong investment protections to a country that had been wracked by expropriations.

De Silva said Kelegama and Rohan Samarajiva had helped do the technical work of the trade deal with Singapore, while he had to battle false propaganda against the trade deal.

“The GMOA (the Government Medical Officer’s Association), went on strike,” De Silva said. “They said Sri Lanka will be flooded with doctors from Singapore, but it has not happened.”

The GMOA also tried to block a state-backed paramedic service which de Silva played a role in founding.

The service was now island and the average response time was 12 minutes, de Silva said.

De Silva was speaking as US President Donald Trump, a nationalist was also promoting protectionism and a trade war with China, disrupting global trade, whose biggest losers would be the least affluent in both the US and elsewhere.

“It is the aim of nationalism to promote the well-being of the whole nation or of some groups of its citizens by inflicting harm on foreigners,” explained Ludwig von Mises, a classical economist who saw nationalists rise to power in Germany and elsewhere in Eastern Europe in the last century which ended with Hitler.

“But the liberals contend that the means recommended by nationalism are inappropriate, and that their application would not only not realize the ends sought but on the contrary must result in disaster for the nation.

“The liberals too are patriots, but their opinions with regard to the right ways toward national prosperity and greatness radically differ from those of the nationalists.

“They recommend free trade, international division of labor, good will, and peace among the nations, not for the sake of foreigners but for the promotion of the happiness of their own nation.”

De Silva said history had shown that free trade brings people together, and while trade restrictions bring war.

In Sri Lanka, King Parakramabahu had gone to war with a leader in Burma after an unreasonable tax was slapped on elephants from Sri Lanka. (Colombo/Sept27/2019)