

How to sight the Holy Grail of Development: Two Development Tales of Sri Lanka and Malaysia

Renuka Priyantha, Ranjith Dickwella
Department of Political Science, University of Peradeniya

Aruni Samarakoon
University of Agder, Norway

Abstract

The grammar of development always relates to the question words of who, what, and how. Contemporary uni-polar world order has paid more attention on the ways of developing all countries equally. The United Nations (UN), the International Monetary Fund (IMF), and the World Bank have become the entrepreneurs of the international development project that has focused on establishment of a universal development system. However, the current development discourse is still in a struggle to conceptualize and map out the development policies to accomplish development ends. The waves of development discourse emphasize the changing pattern of development and reduce rich-poor gap. Bridging the gap of rich and poor is a dilemma as of poor understanding of root causes of underdeveloped. The objective of this article is to understand rich-poor gap and the role of internal and external structure to exterminate this gap. Sri Lanka and Malaysia are the selected case studies of the present study. The case studies are to understand the lessons learnt of development.

One of the key findings of this study is that the absence of consensus on development and development alienation are direct causes to fail the mega level development policies that has caused countries to stagnate in the same level of poverty. The interests of entrepreneurs of development project on capital accumulation is another crucial factor of widened gap between rich and the poor. Bad governance, corruption, political instability, popular politics and consumer politics, connectivity of global capital to local elites and economic policies to maintain the industrial reserved army have further deteriorated balance development both at national and international levels.

Keywords: Development, Poverty, Development Collaboration, Governance, Development entrepreneurs

Introduction

It is yet to be substantially answered for the complex question of why rich countries become richer and poor countries stay poor or getting worse. The schools of modernization and dependency theory of contemporary development discourse have focused on analyzing the pattern of getting rich and staying poor. The modernization and dependency streams are seeking a way(s) to address the root causes of rich and poor gap. This article is to understand the causal relationship of rich and poor, the role of state, civil society and individuals in bridging rich-poor gap. The article further examines on the connective capacity of grassroots to development projects and the effect of global capital alliance network on local community's development. Sri Lanka and Malaysia are the case studies to discuss the reality of development. The content of the article is on defining development and mentioning the waves of development, the lessons learnt of development, two case studies with comparative analysis, the cause and effect of development and then conclusion.

Modernization theory is largely based on the adaptation of new culture and social institutions. Modernization theory has perceived that social-cultural transformation is a necessary condition for development. The Walt Whitman Rostow's five stages of growth emphasize that development is an evolutionary process from traditional societies to modern societies (Gow, 2005). Rostow's argument highlights the elements of modernization theory that change the social, economic and political institutions in order to achieve economic prosperity and political certainty (Jacobs, 2012). Modernization theory explains that new economic, social

and political order established after industrial revolution in industrialized societies (basically European and American society). New order of industrialized society has given new roles for state and individuals. The role of state in policy making and implementing in industrialized society has shifted from *laissez-faire* to welfare paradigm. The individuals of new order has a significant role in fulfilling social responsibilities (Higgot, 2005). Inglehart and Baker argue that the central claim of modernization theory is that economic development is linked with coherent and, some extent, predictable changes in culture and social and political life. Industrialization leads to occupational specialization, rising educational levels, rising income levels and eventually bringing unforeseen changes- changes in gender roles , attitude towards authority and sexual norms, declining fertility rates, broader political participation and less easily led publics (Inglehart and Baker, 2000).

One of the criticisms of modernization theory is the Western hegemony over the non-western value system of developing countries. Modernization theory has less focused on structure and functions of the developing states and social interactions (Shah, 2013). Modernization theory shows a less capacity to understand the culture, economic and political structure, nationalist movements and its impacts on social and political institutions of non-western or developing context (Shah, 2013). Shah argues that “having already achieved their goal, the modern societies can assist in the evolution of the traditional society (although in reality this is far from the truth), by reference to their own history, and so essentially modernization becomes a form of mimicking of what works for them should work for us” (Shah, 2013). The political, economic and social institutions of post-colonial states or in the third world is not able to examine by modernization lens. Dependency theory is a perspective to understand the scope, nature and functions of political, economic and social institutions of post- colonial states (Frank, 1998)

Dependency theory is a key idea in understanding the political development of post-colonial states or third world. Frank mentions that the key reason of the third world has not developed is not because of its own inadequacies but because Western nations deliberately underdeveloped them. Western’s exploitation on non- western’s physical and human resources in history and the dependency development format of non-western countries in today has challenged the development discourse of third world (Frank, 1998). Dependency theory thereafter has developed to explain the pattern of development in third world.

The discourse of dependency theory has originated with the Latin American experiences of development. Dependency school redefines development as a process that goes beyond economic growth (Ferraro, 2008). The Member of the United Nations Economic Commission for Latin America, Raul Prebisch points out that economic growth in the advanced industrialized countries did not necessarily lead to growth in the poorer countries. Indeed their studies (advanced industrialized countries) suggest that economic activity in the richer countries often lead to serious economic problems in the poor countries. Such a possibility was not predicted by neoclassical theory, which has assumed that economic growth was beneficial to all even if the benefits were not always equally shared (Ferraro, 2008). The cause for staying third countries as poor because of their underdeveloped capacity of connecting global market by producing secondary or technically advanced commodities. Ferraro cites Prebisch’s explanation on third world market dependency as poor countries exported primary commodities to the rich countries who then manufactures products out of those commodities and sold them back to the poorer countries. The value added by manufacturing a usable product always cost more than the primary products used to create those products. Therefore, poorer countries would never be earning enough from their export earning to pay their imports (Ferraro, 2008). The production gap of demand and supply curve has pushed third world countries stay in poor. The internal market capacities to produce

technically advanced goods, the political will of transforming production market from primary commodities to advanced commodities and the historical and creative relationship of rich and poor countries has caused for third world political, economic and social dependency on first world (Ferraro, 2008).

The internal political and social factors and institutions of post- colonial states/ third world have also underpinned to increase the political, social and economic poverty of those countries (Tuker, 1999). The new insight of dependency theory questions the scope and capacity of international development system for addressing the core issues of post- colonial states but has poor concern on understanding the role of post- colonial states and institutions for development. Tuker argues that third world or post- colonial countries are lacking with scientific knowledge, developed human resources and good governing system. These issues has not addressed by dependency theory. Therefore the dependency theory is in a necessary condition to shift new paradigm focusing on social relationships, governing systems and economic capacity (Tuker, 1999).

Modernization and dependency schools however has played main roles in understanding the pattern of development. This article is to give a meaningful insight of development in two different context. Following section is to understand the waves of development.

Definitions and Waves of Development

Development is a synonymous for growing up, turning to better and shifting from the inferior to superior. The binary opposition of the development transformation is that bad versus good, tradition versus modern and under-develop versus developed. The contemporary development discourse understands the development as a universal transformative process and it has focused more on the development of global South (Esteva 1996; Saches 2010). The term, underdevelopment came to being existence with the speech of Harry Truman, one of the former presidents of United States. In his speech, Truman point outs that “development is a bold new program for making the benefit of our scientific advances and industrial available for the improvement and growth of underdeveloped areas” (Documents on American Foreign Relations, 1967). The speech further highlights that development is a comparison of resources and opportunities available in Global North and Global South. Global South in general and post-colonial states in particular refer the Global North definition of development is a process to establish the western hegemony on Global South. The Western centric development ideology of modernization school has turned to a universal approach without a cross cultural understanding of Global North and Global South. The development policies and programs of post- colonial ⁷ states have reproduced Western hegemony ignoring the local values, structure and institutions of post-colonial states. Gilbert Rist (1990) mentions the establishment of western development policies on non-western world equals to give engineless vehicle to non- western world (Rist, 1990). However Goulet argues that the western centered development policies is a way of channeling scientific knowledge from Global North to Global South (Goulet, 1997). Turket mentions that the western centered development policies of modernization school is a extension of old fashioned Christianization and colonization (Munck and O’hearn, 1999). Fabian points out the Global North hegemony of development policies from modernization school policy in post- colonial states destroy the third world identity and history (Fabian 1983). The above definitions of development reflects the reproduction of western hegemony in post-colonial states by western centered development policies. The poverty, scarcity of human and physical resources are the

⁷ Hamza Alavi have use post- colonial term to refer third world countries. The majority of the people of post- colonial states are subordinators and have no production ownership.

conditions of post- colonial states to attach with western centered development policies (Sen, 1999). The argument of Sen that development as a mean to expand the freedom of people from famine, under nutrition, illiteracy and health hazards (Sen, 1999). Sen's argument leads to redefine development. The new discourse of development redefines the development as way to free poor. Development discourse now can understand in three waves.

The first wave of development understands development as economic growth. The Second wave of development is re-development and third wave is sustainable development. In post-World War II era, development identifies as a process of economic growth (Angelsen and Wunder, 2006; Easterly, 2009). Angelsen and Wunder cite the general definition of economic growth that the increase of total or per capita Gross Domestic Production (GDP). GDP is a total value of production and its increase is a symbol of growth per person and state income up. Development as a process of economic growth has been assumed to eliminate poverty⁸ and inequality that are the disturbances of economic growth (Angelsen and Wunder 2006). Easterly mentions that like all ideologies, development promises a comprehensive final answer to all society's problems, from poverty and illiteracy to violence and despotic rules (Easterly, 2009).

According to first wave's development definition, the majority of post- colonial states are under-development with insufficient economic growth. Thereby the development policies for post- colonial states have been designed in order to increase domestic production and economic growth (Englebert, 2000). The development policies of post- colonial states have been mapped by western developed states. The post- colonial states contribution has a poor contribution to design development policies for themselves (Easterly, 2009). Easterly points out there is no need to involve local actors who reap its costs and benefits. Development even has its own intelligentsia, made up of experts at the International monetary Fund (IMF), World Bank and United Nations (UN) (Easterly, 2009). First wave development policies in post- colonial context have failed to produce economic growth. Thomas argues that the industrial development policies of first wave have declined in post- colonial context due to lack to cooperation with the social and political structure of post- colonial states. Thomas further mentions first wave development policies in post- colonial structure have exploited labour which has caused to increase the capital accumulation of global and domestic capitalists (Thomas, 1992). Thomas points out that the market values and domestic production of post- colonial states have been decided by the Global North- capitalists and the stakeholders of global market. The market and production of post- colonial states depend on primitive material productions and rely upon export market. The export market culture constructs the political and economic obedience of post- colonial states to global capital and political system. The political and economic obedience of post- colonial states to global power holders has caused to decrease post-colonial engagement with development policy making circle at international level. The poor representation of post-colonial states in international development policy making circle has cause for failure the catering of development needs in post-colonial contexts (Thomas, 1992). The first wave of development policies in post- colonial context hereafter has developed as an economic growth of post-colonial capitalist class. The first wave development policies have increased the development distribution gap of post- colonial context and have decreased parity of participation (Thomas, 1992). The social issues like gender based discrimination, ethnic unrest, caste centered social interactions and the political issues like surplus labour and labour exploitation, the problem of

⁸ Poverty- it is a complex concept. The traditional definition of poverty is the absence of materials and wealth. The modern definition of poverty goes beyond than material concept and focuses on non – material or human wellbeing. Development debate has shifted from poverty reduction to understand the human needs (Angelsen and Wunder 2006).

human rights vindication of post-colonial states have been marginally discussed in the first wave of development. The second wave of development therefore have originated as a development alternative (Chambers, 1997).

The focus of second wave of development is on re-define development or re-development. Re-development or alternative development has been recognized as a solution for uneven economic distribution (Chambers, 1997). Re-development school emphasis the importance of local community engagement with development planning and implementation. Local community participation thereby has become a necessary condition of policy planning and implementation in post-colonial states (Chambers, 1997). Chambers states that local community participation is important to connect development policy to community's everyday life (Chambers, 1997). Korten argues that re-development or alternative development is an avenue to empower local community through participation for making and implementing development policies. Re-development provides justice, rights and freedom for local community through their participation for development planning. The discriminations based on gender, ethnicity and religion or any other circumstances has been diminished by re-development policies. Re-development policies in fact re-construct social, political and economic institutions (Korten, 1995). According to Sers that re-development is a human centered development policy to address the issues of poverty, unemployment, uneven distribution, illiteracy and to establish democratized society and human wellbeing (Sers, 1963).

Re-development however has own limitations. One of the limitations is that re-development is a program of international donor community. The political and economic interests of international donor community has mingled with re-development. The re- construction program of re-development might be dominated by international donor community to fill donor's interests (Yelling, 1992). The connection of local community for development policy is again questionable because many local communities have been dominated by ethnic, caste, class and male supremacy (Yelling, 1992). Re-development has less focused on environment rights. These limitations of re-development has led towards a new discourse of development that is sustainable development.

The third wave of development discourse is sustainable development. Sustainable development is a celebrative discourse up to now and it is the dominate discourse to integrate human and environment needs/rights in development planning and implementation. Sustainable development is a socio-economic process to uplift individual and communal welfare. The individual and communal aspects of sustainable development highlight right to have right and individual responsibility to society (Lafferty and Langhelle, 1999). The Brundtland report defines sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED, 1987, p. 43). "Our Common Future" is the umbrella term that has developed under the third wave of development to place the equal distribution of economic, political, social and environmental growth between core and peripheral states. The Equality of consumption with the same generations and between the generations is the goal to be achieved in sustainable development policies. The Millennium Development Goals (MDGs) of UN are pertaining to establish and promote empowerment, equality and rights of every persons in general and vulnerable persons in particular (Sharachchandra,1991). Rammel mentions that "in fact, sustainable development is a pressing challenge for scientists and decision makers as well as for individual consumers and producers to readjust their old maps of reality and reject long lasting paradigms which have shaped and influenced the ways we think and act" (Rammel, 2005,p.1). Sustainable development is not just an ideology but a policy framework to rethink development policies and re-establish public- private and civil partnership in

resolving social and ecological issues. Sustainable development is a policy agenda for reconstructing human and environment needs/rights by developing political, social and economic agencies and enhancing local communal capacities (Rammel, 2005).

Sustainable development, the new development paradigm nevertheless has significant weaknesses like on the perception of poverty, environment degradation, economic growth, development benefits distribution and the empowerment of vulnerable communities (Sharachchandra, 1991). Even having these weaknesses, sustainable development has changed the thinking and acting pattern of some countries that has headed to development ends. By the way it is enigma that some countries with sustainable development framework still stay poor but some countries have achieved development goals. This enigma has further discussed with reference to the two case studies; Sri Lanka and Malaysia.

Lessons Learnt from the Development projects of Sri Lanka and Malaysia

Sri Lanka and Malaysia has different types of political, economic and social structure and institutions. Malaysia is a one of the newly industrialized countries. Sri Lanka is a middle income country. Sri Lanka and Malaysia has a common feature that is liberal economic policy. The liberal based economic development policy of Sri Lanka has paid attention on infrastructure development and initiating micro and macro level livelihood programs. The government of Sri Lanka (GOSL) has planned to establish mega level infrastructure development policies and to expand global liberal investments. The GOSL has decided to plant to industrial zones in the civil war affected areas of North and East regions and has tried to utilize youth labour in industrial zones (Weerakoon, 2004; Invest Sri Lanka, 2010). The factories in industrial zones have produced materials or low- market value exports goods such as ready-made garment. The materials for the factories of industrial zones have been imported. The liberal economic policy of Sri Lanka has suggested privatization, decentralization, contract out market policies and the role of state in providing welfare has been limited. However, GOSL is still playing a significant role in implementing welfare policies like free education and free health care but has a little role in industrial production and protection for infant industrial factories (Kelegama, 2004).

Malaysia has followed liberal economic policy. Prior to 1970s the development policy of Malaysia aimed at promoting growth with a strong emphasis on the export market. The liberal market policy of Malaysia made uneven resource distributions that resulted to raise ethnic riots in 1969 (Economic planning Unit, 2015). As a development of liberal policy, Malaysia has launched new economic policy to address the social and economic grievances together. Simultaneously Malaysia has established new industries in production and service sectors and has encouraged knowledge based economy, trade liberation, privatization and competitive market (Saravanamuttu, 2010) Though Malaysia is subjected to liberal economy, the ownership of many industries are under the government of Malaysia. The government protection over infant, small, medium and mega level industries is an imperative condition in Malaysian economy (Saravanamuttu, 2010).

Similar to Sri Lankan government, Malaysian government has poured money for rapid infrastructure development by building airports, highways and skyscrapers. The objective of mega infrastructure development in Malaysia is to attract Foreign Direct Investments (FDIs) (Wain 2012). According to OECD report 2013 that “a sound infrastructure system has been a key driver of economic growth in Malaysia” (OECD, 2013, p.234). OECD report further mentions the infrastructure contribution to the Gross Domestic Production (GDP) of Malaysia. “In 2010, the transport and storage sector contributed 3.8% to GDP, communication 4.2% and utilities (electricity, water and gas) 3 %” (OECD 2013, p. 234). The Malaysia government is able to integrate the infrastructure development to GDP.

The GOSL has implemented development projects to recover, reconstruct and rehabilitate whole Sri Lanka in general and war affected areas in particular. The question of infrastructure development policy of Sri Lanka is that its inability of integration the infrastructure development policies to increase GDP. For example, the former GOSL spent US \$ 361 million to construct a port in Magampura, Hambantota district. Hambantota is one of the poorest districts of Sri Lanka with the high degree of unemployment, poverty and social and economic inequalities. The objective of Magampura project is to produce the economic opportunities in Hambantota area and reduce the unemployment and poverty (Kurruppu, 2004, Sri Lanka port Authority, 2015). However the objectives of the Hambantota port has to be realized yet. The port has produced the small number of employment opportunities for local people. Few ships have arrived to the port and still the port has taken little attention from international shipping lines. The port therefore has the least capacity of increasing the GDP of Sri Lanka (Gunasinghe, 2012). The Mattala airport in Hambantota district is other example of mega level development project that has targeted for the rapid economic development of Sri Lanka. “The Mattala airport is targeted to be the country’s second international airport and is being constructed with a concessional loan of USD 190 million received from the Government of China. The airport is planned to handle 60 percent of air cargo services and 40 percent passenger services” (Gunasinghe, 2012, p. 8). However the location of the airport is dubious. Mattala is not a commercially or historically important place and the accommodation facilities of the area is underdeveloped. Gunasinghe asserts that “the inconvenience and cost of travelling long distances to popular destinations would not only deter foreign tourists but would most certainly raise protests from Sri Lankans compelled to disembark in Mattala” (Gunasinghe, 2012:8-9). Compare to Malaysia, the development projects of Sri Lanka has little contribution to increase GDP.

Human capital development is other important factor to increase the GDP of country. Expansion the access to education is one of the strategies to develop human capital. The Malaysian annual expenditure on education is 5.1 % in 2010 and 5.9 % in 2011 (World Bank Data, 2015). The goal of Malysian economy is to establish knowledge based economy (OECD, 2012). OECD report mentions that human capital development to enhance the amount and quality of skilled labour in critical for Malaysian economy that can be no longer enjoy the advantage of comparative cheap labour costs in global and Asian value chains (OECD, 2012,p. 96). The number of educational quality assurance programs have been taken place in Malaysia to escalate the opportunities for people to access to the primary, secondary, graduate and vocational education of Malaysia (OECD, 2012). Even though Sri Lanka has planned to become the knowledge hub of Asia, the government allocation on education has decreased from 2.0 % (2010) to 1.7% (2012). With poor allocation to education, it is a difficult process to develop skilled labour and establish skillful human capital for better employments and institute knowledge based economy (World Bank Data, 2015). The minimum role of State in education has produced poor human capital, ill-literacy, unskilled labours and the poor connective capacity (knowledge on technology) of working forces. The unskilled working forces has been exploited in job market. Undescended jobs are resulted to the poverty, social inequality and economic dependency of Sri Lanka (Gunatillkae, 2000). The majority of youth with less education in rural and urban- slum areas have been employed in free trade zones and they are underpaid (Winslow and Woost, 2004). The unskilled and underpaid labour of Sri Lanka is a result of poor access to education. Therefore the development of Sri Lanka with knowledge based economy is a challenge and without knowledge, Sri Lanka is unable to compete in global market for economic and political development (Winslow and Woost, 2004).

The neo liberalism and structural adjustment program of the World Bank in the post- cold war has changed the fate of developing countries. Free trade, de regulation, the downsizing of administration and open market are the characters has been emerged in neo liberal Sri Lanka. The neo liberalism and structural adjustment programs of Sri Lanka have suggested contract out or private public welfare. Neo liberal programs has planned a role for state to alleviate poverty (Hennayake, 2006). The poverty alleviation program of Sri Lanka has politicalized and become a part of political slogan of public sphere (Gunathilake, 2000). Gunathilake argues that the rational of poverty alleviation should not politics but ensure social security and link the poorest groups /grassroots to economic growth by equality – oriented components. The poverty reduction programs of Sri Lanka have failed to achieve the goal because of the consumer and popular politics of the country (Gunathilake, 2000). According to White that Malaysian poverty reduction program has not politicalized. It has programed as political, economic and social process to moderate the Malaysian community and eradicate poverty (White, 2004). The Malaysian poverty reduction program has designed as a process to build national unity and ethnic harmony. “The poverty alleviation program of Malaysia is a massive exercise of social engineering and has aimed to correct economic imbalance, so as to reduce and eventually eliminate the identification of race with economic function ”(White 2002, p. 390). The Encyclopedia of World poverty mentions national unity, equal distribution, the absence of materialization and focus to industrial and agricultural development have caused to succeed the poverty alleviation program of Malaysia (The Encyclopedia of World, 2006).

The lesson learned of poverty alleviation in the two contexts mention the importance of agent –agency relationship, the state’s involvement and management of poverty and transformation from material distribution paradigm to empowerment paradigm and making self-reliance environment. Poverty alleviation in Malaysia goes beyond than material distribution and it turns to ethnic cooperation process (Chamhuri and Quinones, 2000) In Sri Lanka, poverty alleviation has to be modified with equal distribution and ethnic cooperation (Hennayake, 2006).

Crony capitalism has developed in Sri Lanka as a result of institutional modernization. In many post-colonial states, crony capitalists in post- colonial states like Sri Lanka have hegemony over the means of production (Bowels, 2013). The politicians and business leaders of post- colonial states are from different contexts but link to each other by the interests of crony capitalism. The crony capitalism is expanded by structural adjustment programs in Malaysia and Sri Lanka. Malaysia has taken the crony capitalism positively to build national unity and develop the state. Gomez and Jomo mention that “the development of crony capitalism in was concomitant with and almost a function of alliance led national integration. In Malaysia the compact between Chinese big business and the Malay political elite was a byproduct of the electoral alliance between UMNO and the MCA in the end of empire epoch” (Gomez and Jomo, 1999, p.27).The charismatic political leadership of Malaysia has controlled the corruptions of the crony capitalism. Ethnic based decentralization and market centric decision making and federal state structure has guaranteed the parity of participation for Tamil, Chinese and Malays⁹. (Gomez and Jomo, 1999). Crony capitalism is an institutional obstacle to emerge the ethnic friendly market of Sri Lanka. The market competition between Majority Sinhala group and Minority Tamils is one of the root causes of protracted civil war in Sri Lanka (Azar, 1990; Horwitz, 1985). The power of capital accumulation on ethnic minorities (Tamil and Muslims) has been denied the Sinhala majority emphasizing the Sinhalese ownership of Sri Lanka land. The crony capitalists of Sinhala

⁹ The ethnic group who had the territorial ownership- Bumiputhra

majority had spread political violence against minority groups. Crony capitalism in Sri Lanka has become a hindrance to nation and state building projects.

The development lessons of Sri Lanka and Malaysia reflect that development goal is possible to achieve through structural and institutional changes. However there is no unique development format. Contextual differences has to be understood in designing development plans. Malaysian and Sri Lankan development experiences show that development is a program with multiple actors. Nation State, civil society, global capitalists and market have significant roles in development decision making and implementing (Gerharz, 2014; Stark, 2013). Many development programs are unable to success due to the poor linkage between market and political institutions. In some context like Sri Lanka, market is politicalized (Hennayake, 2006). The rational behavior of market is not much visible because of political intervention. Not only market but also international development system that stands for protecting citizens 'rights has politicalized. Following section is to understand the effect of politicization on international development system.

The role of international development system

Cammack cites the World Bank white paper that “a central issue in development is the interaction between governments and markets. This is not a question of intervention versus laissez faire – a popular dichotomy, but a false one. Competitive markets are the best way yet found for efficiently organizing the production and distribution of goods and services” (Cammack, 2010: 399). Though theoretically market and international development system is the best ways to organize production and distribution efficiently and effectively, in Global South market has become a political instrument and international development system has politicalized (Thomas, 2009; Cammack, 2010).

The politicalization of market and international development system is a challenge for the equal bargaining power of Global South citizens on distribution and production. Compare to Global North to Global South society is politically weak and has few institutional supports to establish equal distribution of wealth. The culture of Global South even has trained citizens to compromise with bourgeoisie power more than revolt it (Thomas, 2009). Under this circumstance, international development system has become the device of local bourgeoisie because bourgeoisie has political power and they has power to decide the scope and nature of international development policies for local development (Thomas, 2009). Right to development, development indicators, technological innovation and right based development has appeared as the political dialogues of global community. These dialogues have been demised at national and local level due to the interests of local bourgeoisie on profit making. Local bourgeoisies has shared the profit making with global bourgeoisie or capitalists through deregulation, privatization and free trade zones. The trade interests of global and local bourgeoisie is similar and has well connected. Thereby global and local bourgeoisie have paid attention on development for free trade rather not development for society (Tuker, 1999). Local and global bourgeoisies have planned the international development system in order to maintain industrial reserved army for capital accumulation. The industrial reserved army comprises with undereducated and unskilled labours including children and women. The industrial reserved army is a consequence of poverty and poor welfare that has developed as an outcome of unsuccessful international and national development system (Turker, 1999). Following circle further explains the interconnection of emerging industrial reserved army and unsuccessful of international and national development system.

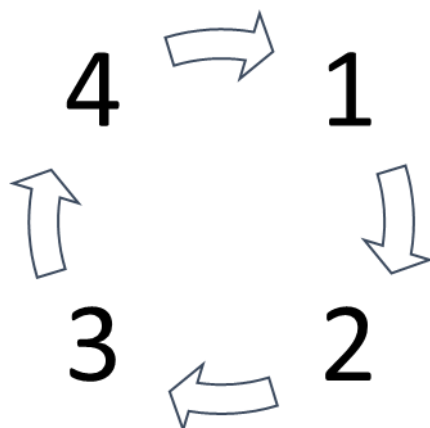


Figure 1: Poverty and dependency circle

- 1- International development policy of free trade, deregulation, and aid and global capital investment and owners of means of production
- 2- Local capitalists collaboration with global system; crony capitalism; Diminishing state's intervention on public goods and service provisions and global and local capitalists become the owners of means of production
- 3- Materialism; distribute materials, employment opportunities with lack of empowerment access (reduce the access to education, the high level of inflation, unskilled and cheap labours in primitive industries)
- 4- Industrial reserved army with poverty and material dependency

The rejection of international system is not a sustainable answer for the uneven wealth distribution. As aforesaid in section 3, the development of Malaysia depends on well managed market system, ethnic cohesion and meet societal demand effectively and efficiently. Malaysia becomes a strong state through melting down institutional obstacles for development and establishing rule of law and constitutionalized state crafting system. Sri Lanka in post war era is not in a way to dissolve the blockages of development. For example the rent seeking infrastructure project to convert Colombo to a metropolis city has caused to demolish the permanent houses of 'Colombo Wattu¹⁰' people. The GOSL has signed a contract with an Indian company to remove the houses of Colombo Wattu people for economic gain. The Sri Lankan government decisions of development without human sense are strengthened by neo liberal agents such as World Bank (Winslow and Woost, 2004)

Conclusion

The argument of the article is that development is diversified process to modify social, economic and political institutions and these modified institutions are to provide better living conditions for public. International development is a part of development planning but the linkages of international development and global and local bourgeoisies has directed development plans to make healthier environment for capitalists more than public. The development policies of many post- colonial states have designed to maximize industrial profit through the surplus labour of industrial reserved army. International development system is a trap to increase the industrial reserved army by providing the material supports and constructing the dependency environment of post- colonial states.

The aid programs of international development has made the dependency mentality of post-colonial states. For example agro, textile and labour exporting are the major GDP

¹⁰ The bulk of people are living in a small space but inhabitants have stable income

components of Sri Lanka although public expenditure on ongoing infrastructure development has not contributed to develop these major components. The main money lender of infrastructure development of Sri Lanka is China who represents the veto power in UN. Either China or UN does not influence the government to solve the problem of internally displaced people by the development projects of war affected area.

The development policies of some countries has abled to address the needs of grassroots and has reached to development ends. The social, political and economic institutions of developed countries have modified in order to move into developed paradigm. However some countries have still subjected to popular and consumer politics and has poor political capacities to boost social, political and economic institutions.

References

- Angelsen, A, and Wunder S. (2003). *Exploring the forest-poverty link: key concepts, issues and research implications*. Bogor: CIFOR
- Bowels, P. (2013). *Capitalism*. New York: Routledge
- Cammack, P. (2010). *Making the Poor Work for Globalization in New Political Economy*. New York: Routledge
- Central Bank of Sri Lanka (2012) *Economics and Social Statistics of Sri Lanka*. Retrieved 7/11/2014 from http://www.cbsl.gov.lk/pics_n_docs/10_pub/_docs/statistics/other/econ_&_ss_2012pdf
- Chambers, R. (1997). *Whose Reality Counts? Putting in the First Last*. London: Intermediate Technology Publication
- Chamhuri, S. and Quinone, B. (2000). Micro- Finance in Malaysia: Aiming at Success. In Joe Remenyi and Benjamin Quinones (Ed.), *Global Development and the Environment: Micro-Finance and Poverty Alleviation- Case studies from Asia and the Pacific* (P.180-199). New York: Routledge
- Easterly, W. (2009). *The Ideology of Development*. Retrieved 08/11/2014 from <http://foreignpolicy.com/2009/10/13/the-ideology-of-development/>
- Edward, A. (Ed.). (1990). *The Management of Protracted Social Conflicts: Theory and cases*. Dartmouth Publishing
- Englebert, P. (2000). Pre-Colonial Institutions, Post-Colonial States and Economic Development in Tropical Africa. *Political Research Quarterly*, 53 (1), 7-36
- Esteva, G. (1992). Development. In Wolfgang Sachs (Ed.), *The Development Dictionary; a guide to knowledge as power* (p. 6-25). London: Zed Books
- Fabian, J. (1983). *Time and the Other: How Anthropology Makes its Object*. USA: Colombia University Press
- Ferraro, V. (2008). Dependency theory: An Introduction. In Giorgio Secondi (Ed.), *The Development Economic Reader* (p.58-64). London: Routledge
- Frank, A. G. (1998). *Reorient: Global Economy in Asian Age*. USA: University of California Press
- Gerharz, E. (2014). *The Politics of Reconstruction and Development in Sri Lanka: Transnational Commitments to Social Change*. New York: Routledge
- Gomaz, E.T. and Jomo, K. S. (1999). *Malaysia's Political Economy: Politics, Patronage and Priority*. United Kingdom: Cambridge University Press
- Goulet, D. (1977). *The Cruel Choice: A New Concept in the Theory of Development*. New York: Athenian
- Gow, J. (2005). *Development Theory: Rostow's five stage model of development and its relevance in globalization*. Retrieved 9/11/2014 from <http://202.202.111.134/jpk/data/gjzrzygl/web%20prepare20110608/paper/Rostow%20Development%20Model%201960.pdf>
- Gunasinghe, M. (2012). "In Whose interests?" *Mega Development Projects in Hambantota*. Colombo: Law and Trust Society
- Gunatillake, G. (2000). Development Policy Regimes. In Weligamage D. Lakshman W and Clement A. Tisdell (Ed.), *Sri Lanka's development since independence: Socio- Economic perspectives and analysis* (p. 127-153). New York: Nova Science Publisher,
- Hennayake, N. (2006). *Culture, Politics and Development in Post-Colonial Sri Lanka*. United Kingdom: Rowman & Little filed publisher
- Higot, R. (2005). *Political Development Theory: The contemporary debate*. New York: Routledge
- Horowitz, D. (1985). *Ethnic Groups in Conflict*. USA: University of California Press
- Inglehart, R. and Barker, E. (2000). Modernization, Cultural Change and the persistence of Traditional Values. *American Sociological Review*, 65, 19-51
- Invest Sri Lanka (2010) *Four Industrial Zones for North and East Sri Lanka* . Retrieved 8/11/2014 from <http://investsrilanka.blogspot.com/2010/03/four-new-industrial-zones-for-north.html>
- Jacobs, J. (2012). *Rostow's Stages of Growth Development Model: Rostow's five stages of Economic Growth and Development are widely criticizes*. Retrieved 9/11/14 from <http://geography.about.com/od/economic-geography/a/Rostow-S-Stages-Of-Growth-Development-Model.htm>
- Kelegama, S. (2004). Introduction. In Saman Kelegama and Gamini Corea (Ed.), *Economic Policy in Sri Lanka: Issues and Debates* (p.15-36). Sage Publication: London

- Korten, D. (1995). Steps toward people- centered development: vision and strategies. In Riker N. Heyzer N Riker and A. Quizon (Ed.), *Government NGO relations in Asia: Prospects and challenges for people centered development* (165- 189). New York: St.Martin's Press
- Kuruppu, S. (2004). *Poverty Issues in Southern Sri Lanka*. Colombo: Center for Poverty Analysis
- Lafferty, W. M. and Langhelle. O. (Ed.). (1999). *Towards Sustainable Development: on the Goals of Development and the Conditions of Sustainability*. United Kingdom: Macmillan Press
- Munck, R. and Hearn, D. (Ed.). (1999). *Critical Development Theory: Contributions to a New Paradigm*. London: Zed Books
- OECD (2012) *The South East Asia Outlook*. Retrieved 11/11/2014 from <http://www.oecd.org/dev/49954042.pdf> retrieved on 9/11/2014
- OECD (2013) Investment Policy Review Malaysia. Retrieved 11/11/2014 from <http://www.oecd.org/daf/inv/investment-policy/IPRMalaysia2013Summary.pdf>
- Purdy, E. (2006). Malaysia. In Mehmet Odekon (Ed.), *Encyclopedia of World Poverty* (p.669-670), USA: Sage Publication
- Rammel, C. (2005). The Paradox of sustainable development , socio-ecological system, stability and change. In Alexander Maples (Ed.), *Sustainable Development: New Research* (p.1-30). New York: Nova Science Publisher
- Rist, G. (1990). Development as a part of the modern myth: the Western socio- economic dimension of development. *European Journal of Development Alternatives*, 2 (1), 10-21
- Saches, W. (2010). *The Development Dictionary: a guide to knowledge as power*. London: Zed Books
- Saches, W. (2010). Introduction. In Wolfgang Saches (Ed.), *The Development Dictionary: A Guide to Knowledge as a Power* (p.1-6). London: Zed Books
- Saravanamuttu, J. (2010). *Malaysia's Foreign Policy. The first Fifty Years: Alignment, Neutralism, Islamism*. Singapore: Institute of South Asian Studies
- Sen, A. (1999). *Development as Freedom*. Oxford: Oxford University press
- Sers, D. (1963). The limitations of the special case. *Bulletin of the Oxford Institute of Economics and Statistics*, 25 (2), 77-98
- Shah, S. (2013). Critique of modernization theories based on the dependency theory of development. Retrieved 10/11/2015 from <http://www.sociologydiscussion.com/society/critique-of-modernisation-theories-based-on-the-dependency-theory-of-development/967>
- Sharachchandra, M. (1991). Sustainable Development: A critical Review. *World Development*, 19 (6), 607-621
- Sri Lanka Port Authority (2014) Development Port in Hambantota. Retrieved 8/11/2014 from http://www.slpa.lk/port_hambantota.asp?chk=4
- Sri Lanka Port Authority (2015) *Development of Port in Hambantota*. Retrieved 7/12/2015 from http://www.slpa.lk/port_hambantota.asp?chk=4
- Stark, J. (2013). *Malaysia and the Developing World: The Asian Tiger on the Cinnamon Road*. New York: Routledge
- Thomas, A. (1992). Poverty and the 'end of development'. In Allen Tim and Thomas Alia (Ed.), *Poverty and Development into the 21st Century*. Oxford: Oxford University press
- Truman, H. (1949). *Inaugural Address, in Documents on American Foreign Relations*. USA: Princeton University Press
- Tuker, V. (1999). The Myth of Development: A critique of Eurocentric Discourse. In Ronaldo Munck and Denis O'Heran (Ed.), *Critical Development Theory: Contributions to a new paradigm* (p1-28). London: Zed Books
- Wain, B. (2012). *Malaysian Maverick: Mahathir Mohamad in Turbulent Times*. Palgrave Macmillan
- Weerakoon, D. (2004). The influence of Development ideology in macroeconomic policy reform process. In Saman Kelegama and Gamini Corea (Ed.), *Economic Policy in Sri Lanka: Issues and Debates* (p.54-70). Sage Publication: London
- White, N. (2002). The Beginning of Crony Capitalism: Business, Politics and Economic Development in Malaysia, 1955-70. *Modern Asian Studies*, 38 (2), 389-417
- Winslow, D. and Woost, M.D. (2004). *Economy, Culture and Civil war in Sri Lanka*. USA: Indiana University Press
- World Bank (2015) *Government Expenditure on Education*. Retrieved 10/12/2015 from <http://data.worldbank.org/indicator/SE.XPD.TOTL.GD.ZS>
- World Commission of Environment and Development. (1987). *Our Common Future*. Oxford: Oxford University press
- Yelling, J.A. (1992). *Slums and Redevelopment: Policy and Practice in England 1918-45 with particular reference to London*. London: UCL Press