

14th September 2006

Ms. Naoko Ishii
Country Director
World Bank
73/5 Galle Road
Colombo 3
Sri Lanka



Dear Ms. Naoko Ishii,

We write to you during your first days in charge of the World Bank office in Colombo and on the occasion of the World Bank annual meeting in Singapore. We are individuals and organisations from many different sectors of society and geographical areas of Sri Lanka, including farmers, fishers, plantation workers, industrial workers, women, professionals, academics and clergy, and we would like to share with you our experiences with and proposals for the World Bank.

The World Bank claims to be working to eradicate poverty in Sri Lanka. It has allowed itself a trial period of more than fifty years and there is still no indication of it making any genuine attempt to assess its own performance. Meantime, we have made our evaluation. The World Bank has created poverty in Sri Lanka.

Only one strategy has ever been promoted: accelerate economic growth and it will eventually benefit the poor. As a result, millions of people in Sri Lanka have felt the effects of the World Bank:

- Throwing workers out of their jobs by insisting on the privatisation or restructuring of so many enterprises in the state sector, and by removing restrictions on dismissals in the private sector;
- Preventing ordinary people from accessing public services like education and health by pursuing a policy of encouraging private sector participation while weakening the state sector, and also attempting outright privatisation of the water and electricity sectors;
- Leaving some of the poorest people without support from the state by insisting on cuts in the welfare scheme;
- Plunging the entire paddy sector into crisis and farmers into debt and despair by forcing the complete withdrawal of state support;
- Dropping people collectively into debt by pushing major infrastructure projects like highways, harbours and airports to create work for foreign contractors and opportunities for foreign investors to more easily exploit the people and natural resources of the country;
- Selling off the common resources of the people by privatising so many state enterprises, often well below their real value.

This strategy has particularly badly affected women. They have been cast as cheap labour to support the growth of export industries like the tea plantations and garment factories, or as migrant labour to be sent abroad as housemaids in order to remit money home. After the tsunami, there has also been a very serious attack on the fishing communities. They are being pushed off their land and out of their livelihoods to facilitate the growth of the tourism industry.

The World Bank actually admits that it has failed in Sri Lanka. A recent report called 'South Asia: the End of Poverty' said that 'Sri Lanka...has had such anaemic poverty reduction despite nearly 5% average annual growth'. Inequality has increased. The report goes on to recommend the same old strategy, claiming that poverty can be reduced to 4% of the total population within 7 years if growth is increased to 10%. The policies recommended promise nothing new:

- Encouraging large numbers of small farmers to give up their livelihoods by giving freehold titles to their land;
- Sacking more civil servants;
- Keeping sending people abroad;
- Building more roads and railways.

The final recommendation to stop the war is welcome, but the motivation given of increasing economic growth exposes the inhumanity of the World Bank.

We want change in our country. The World Bank has proven that it cannot change. It cannot eradicate poverty in Sri Lanka. Further, its continuing presence and domination of the processes of planning is severely impeding the development and implementation of real policies for poverty eradication. The people and our governments are constantly forced to fight the World Bank. We have our own plans and we only want the space to carry them out.

We are gathering on this day to challenge you to leave the work of poverty eradication to the real experts. The World Bank is not wanted in Sri Lanka.

Regards,

Sarath Fernando

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On behalf of the organisations gathered on 14th September 2006

WORLD BANK



creates poverty

Eradicate it!