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"THE PRICE OF FREEDOM IS ETERNAL VIGILANCE"

The 1987 stock market crash followed by the 2001 collapse of Enron in the US, with the consequential dissolution of the accounting firm Arthur Andersen, marked the prelude. It was followed by the 2008 financial meltdown on Wall Street with the bankruptcy of Lehman Bros and the spectacular corruption of Madoff. Collectively these events marked the end of the 'Washington Consensus' which, from 1980-2008, placed great faith in free market policies in a sort of creed of 'market fundamentalism'. If this strategy of hard economic power needed the final nail in its coffin, that was provided by the international financial crisis which continues to engulf the world. As Ban Ki-moon has said, "While recently we have heard much in this country about how problems on Wall Street are affecting innocent people on Main Street, we need to think more about those people around the world with no streets. Wall Street, Main Street, no street – the solutions devised must be for all." These solutions must embrace the principles of the UN Global Compact and the UN Convention against Corruption.

The Washington Consensus has been replaced, we are told, by what the G-20 (which includes countries from the Global South) call the Seoul Development Goals with a recognition of the need for state intervention and for the Millennium Development Goals of the UN to be achieved. However we have still to see how things evolve. Certainly what has been ignored so far is the impact of all this on the developing countries of the world because we are dazzled by the success of China, India, Brazil and the ASEAN "tiger" economies. But that success was not achieved solely through the unloading of the Washington Consensus on these countries through the accelerated process of globalization. Nor were they part of the recipe in the economic cookbooks of the World Bank and the IMF. The democratic, rule-based safety nets of transparency, regulators and anti-corruption and anti-trust measures had to be devised and implemented as part of the system adopted by these developing countries whose success has now been achieved despite the World Bank and the IMF.

In the particular case of Sri Lanka the 1977 landslide electoral victory of the pro-Western Government led by J.R.Jayawardene led politically to an entrenchment of his power through a Gaullist Constitution and the deregulation of the economy with no holds barred. Indeed Jayawardene adopted the prescription of the World Bank, the IMF and aid donors saying "Let the robber barons come!" They did - and robber barons within the country also emerged. The prescription included redirection of public spending from subsidies; liberalization of imports, with particular emphasis on elimination of quantitative restrictions (licensing, etc.); Liberalization of inward foreign direct investment; Privatization of state enterprises and Deregulation. These policies have been continued by successive Governments in a 'crony capitalism' form that continued despite the conflict with the terrorist LTTE that ended in 2009. The rule of law was frequently violated with impunity and private companies both foreign and domestic were complicit.

In a courageous effort to assert the democratic freedoms of civil society, Nihal Amerasekera set out, as a private citizen, to initiate public interest litigation to protect the resources of the people from indiscriminate plunder. Trained as an accountant, he acquired a knowledge of the law astonishing for a layman earning the respect of the judges who heard him.

His heroic endeavours have now been recorded in a series of books outlining a relentless campaign beginning with the construction of Sri Lanka's first Hilton Hotel, the privatization of plantations and other enterprises owned by the state, through to the privatization of the Colombo Port bunkering facilities, Sri Lanka Insurance, both annulled by the judiciary, and the hedging deals between some foreign commercial banks and the Ceylon Petroleum Corporation; and also the tracing of assets hidden in foreign jurisdictions.

The series of books also reveal the successful challenge and repeal of a controversial tax law pronounced by the judiciary to have defrauded public revenue, to be antithetic to the rule of law and violative of the Universal Declaration of Human Rights and International Covenant on Civil & Political Rights, and a successful challenge before the judiciary of the Appropriation Bill revealing the lackadaisical management of state funds.

It is a dramatic and well-documented record of the true empowerment of civil society in the defence of the wealth of the people from illegal and opaque deals blessed by a democratically elected government in the name of development. The books deserve a wide reading public as an inspiring example of the power of civil society.

Jayantha Dhanapala
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