# Implications of Polarity on the Economic and Political Survival of Small States: The Case of Ceylon - 1948-1956

## Samarakoon, Athulasiri Kumara

The Open University of Sri Lanka, Nawala

#### Introduction

The dilemma of political and economic survival in an anarchical international system made the elite political leadership of Ceylon depend on the mercy of great powers at independence in 1948. The survival strategy of Ceylon during this period had to consider the emerging political developments in the regional sphere as well as the bi-polar international structure. This study sheds light on the issue of polarity in the international system and its implications on the small or weak status whose survival has mostly to do with systemic incentives and constraints rather than elite political thinking on the direction of the state. This study analyses Ceylon's struggle to survive economically and politically during the initial stage of independence and attempts to find out how bi-polarity has shaped its external behaviour.

## **Research Problem**

The study tests the hypothesis that Ceylon's survival in the international economic and political sphere depended mostly on its ability to attract assistance from extra-regional powers and countervailing and engaging India during the bipolarity. Theoretically, the study addresses the external policy adjustments of small states in relation to the systemic requirements and regional sphere of influence. International polarity largely shapes the political and economic reality of a particular period and how the states adjust to the polarity's structural incentives have great implication on the survival of small states. The study questions as to how Ceylon managed systemic constraints as well as how it used incentives provided by bi-polarity in dealing with the extra regional powers and the regional power, India.

## **Objectives of the Study**

The study aims at analysing the survival attempts of Ceylon during the period of the study and investigates as to whether international polarity had a role to play in its choice of actions taken to deal with the major powers and the regional power India. Conclusions of this study will be of significant importance for foreign policy making by the small states in the current era of emerging multi-polarity in the international system.

# **Theoretical Considerations and Empirical Evidence**

The study derives its major theoretical explanations from the theory of structural realism in International Politics (Waltz 1979). Accordingly, international system is anarchical. The survival of the states, therefore, depends on the capabilities of the state. The self-help system requires the state to respond to the systemic pressures and incentives. More than the domestic considerations what matters in external behaviour is the structural pressures and incentives and how the states adjust their behaviour to such requirements from the system.

## Methodology

The study is premised on a realist hypothesis that survival is a major concern of states and towards that end they always have to adjust to the systemic dynamics. The case of Ceylon during 1948- 1956 provides the primary materials in the form of declassified diplomatic relations, speeches of the state leaders, reports of the international and regional conferences of the states etc. Moreover, newspapers, debates in the Ceylon Parliament etc. have been used to gather primary data. Mainly the research belongs to the hypothetico-deductive methodology.

#### **Key Findings**

Empirical evidence suggests that Ceylon attempted to adjust to the bipolar environment as well as to theregional sphere of influence through a set of realistic of policies aimed at national and economic security. They include:

• Anti-Communist and pro-democratic internal and external policy:

The first three Prime Ministers of Ceylon were influenced by liberal democracy and followed an anti-Communist policy both internally and externally. Ceylon had not started political relations with any of the Communist countries and at international forums it vehemently opposed Communism as a dictatorial ideology.

• Anti-Colonial and Imperialist Attitude:

Ceylon despite its close relations with the West liked to project its identity as a nation against the servitude of small states by the major powers. D.S.S.Senanayake recognised his policy as middle path. And in line with Nehruvian ideas, Ceylon also supported non-alignment against bloc politics (Jacob, 1973).

# • Defence and External Affairs Agreements with the UK:

At the independence Ceylon entered in to a Defence and External Affairs agreements with the UK. Also it had secretly allowed the USA to use its base facilities as well. Clearly, Ceylon had aligned with the West in terms of security, but regional influence prevented it from entering into the SEATO pact (Gajameragedara, 2011).

# • Rice-Rubber Agreement with China:

As Ceylon failed to enter into a trade agreement with the USA it concluded a 'lucrative' Ceylon-China Rubber-Rice Agreement in 1952. With this agreement Ceylon became the major non-UN member to trade with China, a Communist nation who was in conflict with UN armies in the Indo-China region.

# • US's economic embargo and USSR's political pressure:

The USA imposed a sulphur embargo on Ceylon in 1952 and stopped USA aid as Ceylon started trade with China. On the other hand the USSR had continuously opposed Ceylon's membership of the UN. Nevertheless, Ceylon did not succumb to the pressures of the great powers as it was under the security umbrella of the UK and enjoyed trade relations with China.

## Tamil's Citizenship issue:

Ceylon had negotiations with India to come to a settlement over the issue of the citizenship of the Tamil population in the plantation sector. In this way, Ceylon could engage India on Ceylon's issue while it had countervailed India's interest over its military bases by aligning with the UK.

Ceylon's survival strategy as a weak state depended on a two pronged strategy of survival: security and economy. Ceylon realized the nature of emerging geo-political reality in the Indian Ocean once the British had left the region. India under Nehru had expressed its willingness to create a greater Indian federation including the small states. India regarded Ceylon's base facilities at Trincomalee as significant for the security of the region. Also the great powers, the USA and USSR, had influenced Ceylon's behaviour greatly.

While carefully realizing the strategic design of India and other great powers in the region Ceylon had followed a strategy to survive economically and politically.

#### Conclusion

Polarity provides opportunities and disincentives, but small states have to carefully choose between them in order to avoid antagonizing regional hegemonies. Ceylon had to use external balancing and bandwagon to adjust to bi-polarity's conditions. Ceylon attempted balance India in the sphere of security, but bandwagoned with its policy of middle path mostly. Ceylon also used incentives of the bipolarity and traded with China. Ceylon received UK's assistance in security and foreign policy issues and acted as a small state while keeping away from great power politics.

In the emerging multi-polar world with the rise of China and the relative decline of the West, Ceylon should choose the areas where it should bandwagon with the West and the East. In the ideational sphere of liberal democracy and human rights Ceylon should be close to the West, while in the material sphere of trade and economics, it can have greater opportunity with China. On the other hand Sri Lanka should avoid using China to countervail India; instead it should use international forums and the norm of sovereignty to ensure its autonomy.

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