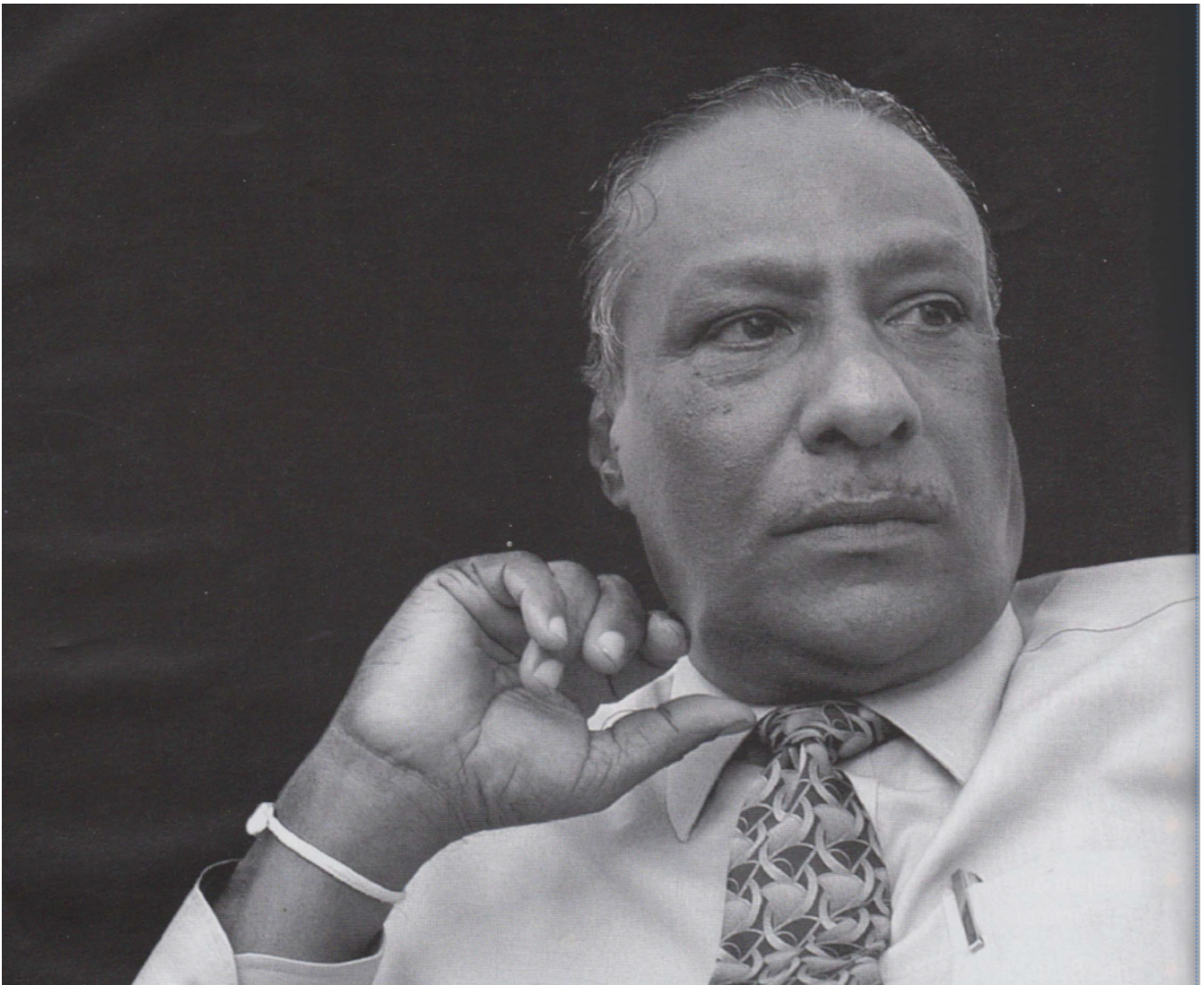


# The Struggle

Business Today interviewed Newton Gunaratne, Chairman of the Sri Lanka Rupavahini Corporation (SLRC) to discover his views on the Sri Lankan electronic media field. Gunaratne has the distinction of being the only person to have headed three government electronic media institutions as no other person in both the television and radio industry in Sri Lanka has. He was the Additional Director General of the Sri Lanka Broadcasting Corporation (SLBC), the Chairman of the Independent Television Network (ITN) and is now heading the SLRC. He is also the only person to have started his career as an announcer, 40 years ago and step-by-step climbed up the ladder to reach his current position.



By Shabana Ibrahim

**What initiated you to first get into announcing?**

From my childhood I had a great liking for radio. I didn't have a radio in my

home; this was in the early '40s. I was born in 1940 and I remember somewhere around 1945 or 1946 my father took me to a wayside hotel nearby where there was a radio and this was the only radio in the area at that time. We belonged to the lower middle class and my father eventually purchased a radio. Gradually with my coming of age I honed my liking for the radio by becoming an avid listener. We had a gramophone, and later on my father purchased some HMV records and that is how I became closer to music and media. At around the age of 12, I participated in an amateur singer selection program sponsored by "Bushel Coffee." That program was recorded at SLBC, which was Radio Ceylon then and that was my first appearance on radio. I used to imitate certain Radio Ceylon announcers while I was studying. Just prior to 1963 I was attending Dr Premasiri Khemadasa's music class. In 1963 there was an advertisement in the government gazette calling for applications for the recruitment of relief announcers to the then Department of Broadcasting, which was known as Radio Ceylon. I sent my application and there were a number of interviews and tests. KHA Wijedasa, who later became the Secretary to former President Premadasa, was the civil servant responsible for recruiting all the relief announcers. That's how I got into the broadcasting field.

### **What were the challenges and obstacles you faced in your climb to the top?**

There were no major obstacles at the beginning. We had to sit a general knowledge test and also possess a very sound knowledge of English, because back then newsreaders themselves had to translate the news bulletins from English to Sinhalese. We had to report to work early morning at 0400 and the English news bulletins were typed using double spaces. A copy was given to the Tamil announcer and the other to the Sinhalese announcer. The announcers then had to translate between the spaces. That is how we did it, and by 0600 we had to read the news bulletin of ten minutes, which comprised of nine or ten pages. The job was very interesting and it was more than a job because I liked it. The great personalities who worked at Radio Ceylon at the time like Mahagama Sekara, Madawala S Ratnayake, Thavis Guruge, D M Colombage, Sarath Wimalawee, Karuanratne Abeysekera, and M M Gunasekera are some of the veterans and forefathers of the broadcasting industry in Sri Lanka. From being a relief announcer I became a permanent announcer, then later becoming an announcer. An announcer is a person who should be a jack-of-all-trades pertaining to broad-

casting. An announcer has to do interviews, read news, sometimes edit his own news bulletin and do live commentaries from various locations. He becomes a master of so many things. I later became a program producer, then program organizer, program controller, program director, Deputy Director General (Programs) and finally in 1996 the Additional Director General of broadcasting.

**In your 43 years of being in the field what are the differences you perceive between then and now?**

There are a lot of differences. The environment was completely different then. There was no competition. The ethics of broadcasting were held high as the most important thing. There was something called a "green book" which laid down the ethics of commercial broadcasting. All advertisements had to follow the guidelines given in that book, and commercial broadcasting was not given much prominence then. It was national Broadcasting that was given all the recognition and prominence. The commercial service transmission operated only from 0600 to 1800, as the management did not want people to get too attracted to commercial programmes. Since there was no cut-throat competition, where every channel was trying to cut each other and get the others' business, broadcasting was very different to what it is now.

**You mentioned broadcasting ethics. Is there a vast difference between ethics then and now?**

I should question whether there are any ethics being followed, leave aside the private sector, even in the public sector? SLRC of course from the very beginning in 1982 was a public corporation. SLBC, which was Radio Ceylon, was also converted to a public corporation, in 1967. Even prior to that they both had ethics. Neville Jayaweera was the first Chairman and Director General of the SLBC and he added more color and strength to those ethics and it was followed. When SLBC was setup they left certain provisions within the Act to grant radio licenses for any operator to function, but they said that whoever the new license holder was, should follow the code of ethics of the SLBC. All television broadcasters who were issued licenses should similarly follow the SLRC code of ethics. The SLRC itself later on did not concern about its ethics. Initially it was not the case, but gradually it happened. Everybody was hunting for commercial revenue. I think now it has gone beyond anybody's control. There is a vital need for institutions in the industry, whether private or state owned, to get together and

formulate a realistic code of ethics. Ethics from 25 years ago may not suit the present needs. In Japan the private broadcasters, whom I have met, say that they themselves have formulated a code of ethics to monitor acceptance of business, rejection of certain commercials etc.

### **Was the lack of advanced technology then, an obstacle to the field of electronic media?**

Not at all, the technology that had developed then was being used in the electronic media and we were quite used to working with the available technical facilities. We didn't have cassettes but had spool tapes instead. The technology was not an obstacle, but today's advanced technology it is so much easy to function in electronic media.

Broadcasting was introduced to Sri Lanka in 1925, three years after its inauguration in Europe. It later developed into one of the finest broadcasting institutions in the world. Why have we now fallen back? One factor is that the SLBC did not face the challenges of the world development trends in radio seriously. Secondly we used to broadcast our programs in shortwave to India, Pakistan, Bangladesh and a number of South-East Asian countries. Sir Edmund Hillary, the first man to climb Mt. Everest, heard a Radio Ceylon program at the top of Mt. Everest. The signal was so powerful because there were no disturbances, it was clearly heard on the peak of Mt. Everest. FM replaced the medium wave transmission and India also started broadcasting a number of channels with strong signals. When the Radio Ceylon programs were popular in India, there were a large number of restrictions within India for airing of Hindi film songs; I heard that it was not permitted. What Sri Lanka did was obtain the Hindi film songs, which were recorded before the shooting of the movie. Sri Lanka had a Hindi service, which employed Hindi announcers and which beamed its program to India and they liked it. Sri Lanka earned a good revenue from it. Subsequently India changed its policies and allowed its radio stations to play the Hindi movie songs. The trend and environment changed along with the technology and as a result we lost the Indian audience. With the rapid development of global technology SLBC could not compete, not only outside Sri Lanka, even within the island.

*"I said that the resurrection of SLBC was not a possibility because the time had passed. The employees were mainly to be blamed. They never adapted to the*

*new challenges; they were living in their own world”*

**If you take English broadcasting radio stations you will find that the top five private radio stations take precedence over SLBC especially among younger listeners. SLBC is gradually losing its hold on listeners. Why is SLBC dying out even in the country?**

I think SLBC did not take on the challenges. I blame the management teams who were running the SLBC then. When the first private station was setup in Sri Lanka that was the red light given to the state media. When I was working as the manager of commercial programs we had around 100 sponsored Sinhalese programs per week and the Chairman then, Kumar Abeysinghe was wary of the attraction that the private radio sector held to the sponsors of our programs. He asked us to ensure that none of the sponsors of our programs be given a chance to escape to the private radio sector. He wanted us to somehow maintain it and we did so. But later on the incentives given by the private sector were more attractive. Moreover the SLBC did not change with the times. They had rigid rules and regulations and the employees also believed that as the leaders in the radio sector they need not fear competition. The private sector on the other hand considered it a challenge. Their vision and mission was to reach the top position. The private sector introduced a number of novel radio formats. However they had no concern for ethics. In the SLBC there were auditioning boards for the selection of singers and the artists had to face and audition. Only the auditioned artists were provided airtime on SLBC and only their songs were played. But today songs that were banned by the SLBC are being played on private radio stations. With the introduction of the cassette industry, private companies started producing musical cassettes. Anybody who had vocal talents or even veteran artists preferred to go to a private studio to record their songs and put it out in a cassette. The private sector radio stations took advantage of this and they became popular, appealing especially to the youth.

**You are the founder of the Lakhanda radio channel. How has Lakhanda evolved over the years and how is it keeping pace with the modern changes in the radio environment?**

How Lakhanda was born is an interesting story. The former President, Chandrika Bandaranaike Kumaratunga was very concerned about the deteriorating state of

affairs in the SLBC in 1996. The Media Minister at the time was the late Dharmasiri Senanayake. One day she had summoned the Media Minister and said that she had heard reports that the SLBC programs were rapidly declining and not appealing to the masses, whereas the private sector radio was becoming popular and SLBC was losing its audience. Everybody wanted to tune into the private radio stations and not to the state sector. The President wanted something to be done about SLBC. Thereafter the minister called a meeting with all the Heads of the state media at his residence and conveyed the President's requirement to us and he wanted an immediate solution to the issue. Even the Minister admitted that the SLBC was fast losing its audience and revenue while the private sector was gaining from it. He felt that ultimately the good quality nation building programmes of SLBC have become pointless because the people were not interested in listening to SLBC. We were asked to come up with proposals. To me the symptoms and cause of SLBC's deterioration was evident. I listened to the various suggestions made by others. Some suggested that certain restrictions be imposed on the private media. I disagreed. I said that the resurrection of SLBC was not an easy task. For this deterioration, the management was to be blamed as the SLBC management never adapted to new challenges as they were living in their own ivory towers. Majority of the employees were also not concerned because they were getting their salaries by the end of the month whether they perform well or not.

Politicalization on of the Organization was also a major phenomenon. Political appointees since the seventy's had become another burden. In the light of this situation SLBC going from bad to worse was unpreventable. At that meeting I made a proposal that we may introduce a new radio channel as a solution under the SLBC. I explained the new channel should have a new vision and outlook and also should be allowed to function similar to a private sector organization. Although my suggestion was not taken seriously at the meeting, a few days later Sanath Gunatilleke, Media Advisor to the President who was present at the earlier discussion had discussed my proposal with the President. I learnt that she had taken some interest over my proposal and it was conveyed to me through Sanath Gunatilleke to prepare a project proposal to start a new channel as early as possible. After few days Dharmasiri Senanayake, summoned me to his office and said that the President has approved my proposal and I should go ahead with it. I made certain conditions to the effect that I should be given a free hand to set up the new radio channel and there should not be any political pressure with regard

to the recruitments and our performance during the first six months. I sought approval for the recruitment of a new set of programme presenters for the new channel. I further said that if I was given a positive response to my request, I will ensure that the new channel will succeed and if I fail at the end of the six months, I will tender my resignation so that somebody else would take over the new channel. The new radio channel was named Lakhanda (Voice of Lanka) and it was launched on 15th November 1996 within the SLBC premises. Lakhanda was given two small studios by the SLBC. The newly recruited relief communicators who were given a three months training in all aspects of audio broadcasting took the challenge of making the Lakhanda a successful venture. Lakhanda introduced a number of novel, innovative and creative programmes to capture the audience. Some of the programmes went to the extent of criticizing the administration and lapses of many Government Institutions. Within a short span of time the new channel became popular. One main reason for that was there was a vacuum created between the Private Sector channels as well as Public Sector channels.

While the SLBC did not move forward from its out-dated programme mix, the private broadcasters without any regard for the cultural values went to other extremes. As a result many listeners preferred tuning into the newly established Lakhanda. Lakhanda also from the very inception became self-supporting and self-funding without obtaining any financial support from the SLBC or the Government. Since we were functioning under the administration of SLBC our entire revenue and profit had to be credited to SLBC. At that time most of the SLBC channels were running at a loss. While gaining progress after sometime there was a necessity for the Lakhanda to become an independent radio station. The experimental period was over and we celebrated our first anniversary where the President, Minister and many others in the Government recognized Lakhanda as a popular and progressive channel. On my request H.E. the President had allocated a sum of Rs.60 M. to set up an island-wide transmission network and a Studio Complex for the Lakhanda Radio. By this time I was posted to the ITN as its General Manager and Lakhanda became the audio wing of ITN. Having received the Government funding, Lakhanda Radio was inaugurated as an independent Radio Channel on 7th April 2001. Another important landmark in the journey of Lakhanda was at the end of the first 5 years it had a fixed deposit saving of Rs.35 million in the banks. Anyhow I had to leave both Lakhanda and ITN immediately after parliamentary elections held in December 2001. When I was reappointed after the President took over the Media Ministry on 4th November 2003, it was

revealed that Lakhanda had incurred a loss of Rs.17 million during the two year period of my absence. There was only a balance of Rs.17 million left in the fixed deposits. Nevertheless with all the draw backs, I resurrected Lakhanda enforcing strict financial discipline. As a result, year 2004 again became a profit earning year for Lakhanda.

*“I said that the resurrection of SLBC was not a possibility because the time had passed. The employees were mainly to be blamed. They never adapted to the new challenges; they were living in their own world”*

### **What are the changes that have occurred in the world of television in Sri Lanka since 1979?**

Prior to 1979 Sri Lanka was offered television broadcasting assistance from foreign countries but the government and the administration rejected it because they felt it was too early for the country to have television. But in 1977, after the free market economy was introduced, suddenly a license was given to a private sector company to setup a television station. I think the first mistake was made at that moment, because introducing television to the country it should have been done after a feasibility study. Before we introduced a television service, the pros and cons, how it will affect our country, cultural trends, traditions, whether it will destroy our values, our cultural bonds and family life etc. should have been taken into consideration. But they disregarded all such requirements and simply granted the license for a commercial television station, within a certain area. However due to an internal problem the broadcast came to a halt. When it collapsed people started complaining because they had bought television sets that were quite costly at that time, and they had no access to a television station. The government was compelled to immediately ask the SLBC to take it over and run some programs. Only canned programs that were imported were telecast instead of having in-house local productions. Meanwhile the government accepted an offer from the Japanese Government to setup a well equipped television service for Sri Lanka. That is how the Sri Lanka Rupavahini Corporation was formed in 1982.

### **Is there a significant difference between being the Chairman of ITN and Rupavahini, considering that both are state owned television stations?**

ITN was like my home and family. It was a small organization and I can say that I



did everything possible to develop it. ITN was never recognized as a national channel. Most of the programmes were mainly for the purpose of providing entertainment. For example nearly 70% of the programmes were of foreign origin. I was determined to change that environment. The first thing I did was interview the President, Prime Minister and a number of ministers regularly. The political debate program on ITN called Janatha Adhikaranaya was well received by the general public. Later we changed the title to Thulawa which is still considered as an impartial political discussion.

With regard to the SLRC I must pay tribute to the pioneers who started it with a firm foundation. The code of ethics and the general programme line up contained variety. Recruitments were also made in the interest of the new organization. Subsequently politics has crept in and many changes have taken place for its destruction. Credibility of its news gradually started declining. Its own code of ethics was ignored. MJ Perera who became the first chairman of SLRC was the first Sri Lankan Director General of Radio Ceylon. His experience in the department of broadcasting contributed towards the excellent administration of the newly established television station. Unfortunately when I took over it was a headless organization. There were a lot of problems within the organization, but I must say that the employees were well trained, versatile, qualified, skilled and talented. I spent one whole month with the employees discussing our work strategy. I told them that my goal was to regain Rupavahini's lost glory. If the SLRC had a place within Sri Lanka and was accepted by all people as a first class public oriented, public service broadcaster, I wanted to resurrect it to that same position. We have developed various new programs. The time factor of programs is most important. Sometimes the Rupavahini news telecast ran for 45-50 minutes. Do you think anybody has the time to view news for 45-50 minutes? Earlier it was telecast for 25-30 minutes, and that was enough. All news, local, foreign, sports etc. should be given within that 25-30 minute time period. I wanted the news confined to 30 minutes. The SLRC teledrama belt was very popular. The best teledramas were shown or introduced to the country by the Rupavahini Corporation. When the scheduled time to telecast was 2000 it started at 2055 or 2100 People did not like it, so I have now restored the times and at 2035 the teledramas are aired as scheduled. I am concerned about quality and maintaining ethics. Now a committee has been appointed. We do not accept all commercials sent to us by clients or agencies just for monetary purposes. We have a board who review advertisements and approves them. In Sri Lanka most

people including children sit in front of the television and have their dinner. Even I do that when an interesting program is going on. While having dinner and watching the television you see an advertisement for a toilet cleaning agent that explicitly shows an unclean toilet, you instinctively feel nauseous. I said that the advertisement could be shown during the daytime but not at night. Who wants to see such an advertisement while having dinner? The advantage the SLRC has is that if they stop an advertisement, there is no value for that advertisement even if they take it to another television channel, because the SLRC is still accepted as the market leader.

*“While the SLBC did not move forward from its out-dated programme mix, the private broadcasters without any regard for the cultural values went to the other extremes”*

**The general opinion is that state owned media institutions are biased in their conduct. The public believes that state media only glorifies whatever government is in power at the time. What is your view on this?**

It is not the institutions or the employees that are to be blamed, but the politicians who takeover the administration. Nobody in Sri Lanka considers the broadcasting medium as professional. Everybody in the profession thinks that they can become announcers, conduct programs, moderate programs etc., but there are certain guidelines and acceptances. There is no standard maintained in Sri Lanka. People in the industry should consider themselves broadcasting professionals and they should be proud about it. I myself have gone through the mill and come to this position. Unfortunately how many people follow this norm? If it is the state sector I do not blame the employees, but whichever government is in power at the time.

**Isn't it difficult for the state media to remain impartial and deviate from being a politicized institution because there is inevitable pressure from whichever government that is in power at the time?**

Of course it is so. The only thing that differs is the percentage of political influence. Some ministers and governments will give you around 75% freedom and 25% government imposition, while others will give you 25% freedom and 75% imposition. In my four decades of experience I know that any party or government who assumes they can fool the masses through the media are mistaken.

## **What are your views on the private television channels?**

The private radio and television stations were started with different objectives in mind. Some stations wanted to earn a name in the country because running any form of media institution adds value to their family background, gives them social influence, acceptance, and power. Another objective was to source revenue because they think that this is a very profitable business. Private radio and television stations can run at a profit because even if they make a loss, they pump money from other companies within their group. Here they can advertise their other products. They also believe that they can throw away governments out of power and bring in new governments. When they work in that belief, the state sector cannot maintain its balance. If the private sector maintains balanced programs and credible news bulletins, then we are also compelled to follow the same. When the private sector media has a hidden agenda and tries to promote certain politicians and political parties while defaming the government or its ministers, what happens then is that we (state sector) have to defend the government because we are a state owned enterprise. It is very difficult for us to maintain our balance. If the private sector maintains 100% balance in their news bulletins, then we can maintain at least a balance of 70%.

*“If the SLRC had a place within Sri Lanka and was accepted by all people as a first class public oriented, public service broadcaster, I wanted to resurrect it to that same position”*

## **Do you feel that private television channels should have a regulatory body?**

Of course there should be. Television is something close to everyone which should provide truthful news and information, non-formal educational, and entertainment programmes. Therefore you cannot just ignore and forget Sri Lankan cultural patterns. The values of the people and family bonds are very important to Sri Lankan society. What we see today is a competitive environment in which television stations willfully violate the standards and ethics of broadcasting.

To Sri Lankans, family life is very important unlike in the West. 95% of the people in Sri Lanka have one television set that is generally placed in the drawing room and every family member watches it together. However educated we may be, as Sri Lankans we do not like to view explicit scenes on television, either the parents

or the children will walk away when such a scene comes on because that is our culture. I feel that a regulatory body should be setup without any delay not to restrict political programs or free flow of news but to maintain high quality ethics of broadcasting in the interest of the Sri Lankan audience.

**Aside from the news programs, general opinion is that in the context of other programs like dramas, documentaries and especially English programs standards of state owned television media stations are below that of private ones. What is your view on this?**

I disagree. When we procure our programs we have a preview committee that recommends what programs we should air. Today you cannot purchase any movie or drama from the West without sex and violence. There are a few good family dramas, so we always give priority to these. Do not forget that SLRC pays a higher price when procuring such award winning movies or programmes. As the former Chairman of ITN, I remember the difficulty we faced when procuring foreign programs. We could not invest more than of USD 1,000 on a movie because we had to earn from it. Of course here at Rupavahini we go up to USD 4,000 a movie. From 1 January when President Mahinda Rajapaksha wanted to build a new Sri Lanka, our mission was to build a new Rupavahini, so we have introduced a lot of new programs and we are so concerned about the quality and standard of all our programmes.

**People believe that programs aired on some private English television stations are of a better quality than those aired on Rupavahini. Why has Rupavahini fallen back in this respect?**

I cannot accept your statement. We endeavor to give the people the best of English movies. As I said earlier we spend up to USD 4,000 per movie, which comes to around Rs. 400,000. To spend Rs. 400,000 we have to earn Rs. 800,000. All our revenue comes from commercial broadcasting. The government doesn't give us any annual grant. We have to meet all our costs and this has become a very expensive business.

**Private television stations air a variety of imported programs, whereas Rupavahini tends to be selective. The younger generation seems to enjoy the programs these stations provide. How will Rupavahini try and attract the younger viewers?**

Of course there is competition. Ultimately any family or any person having the remote control in their hands scans the channel from one to nine and selects the best channel he/she wants. In addition to the nine channels people now have access to cable television and satellite television and the development are taking place so soon and so rapidly that it is difficult to compete with them. Whatever the competition we have, we cannot deviate from our national commitments. We have to provide our viewers with a truthful new bulletin, good teledramas and also provide many children's program with a responsibility. Even when deciding on what cartoons we air, we have to be very careful that it will not affect our children's behavior.

Ours is a family channel. We are not catering to a limited segment of society. Family means that everybody must be taken into consideration, from the grandparents, parents to the children. There are sometimes three generations living in the same house, we cannot ignore this scenario. With this background we know that it is difficult for us to compete with the private sector. Being a national television station, people also expect that we cannot deviate from our national commitment. If we make a simple mistake then we get calls from the public. I do not think it happens in the private sector. Another important factor that would like to emphasize now. There is no public service broadcasting in Sri Lanka. SLRC is not a public service broadcasting station. In Sri Lanka we have only the state-owned broadcasting service and the private broadcasting service. BBC and HK are public service broadcasting services because they are not run directly by the government but by an autonomous body. The government appoints them but they but are given freedom and annual grants . The BBC does not depend on commercial revenues. If we are a public broadcaster our accountability is towards the public.

But while being a state-owned TV channel we do a lot of public service broadcasting while serving the government with publicity and awareness programmes. Even the private sector in Sri Lanka does public service broadcasting. Otherwise they cannot survive, aside from one or two stations. For a station to become popular they have to do public broadcasting programs too. Especially in the television media they do a lot of religious, cultural, national and educational programs.

**What do you foresee for both private and state owned Sri Lankan television media firms in the future?**

I think that there should be an understanding between both sectors, without trying to cut out each other. Somebody should take the lead, the Government or the Minister in charge should have a good dialog with the industry. They should agree not to curtail the freedom of any of the broadcasting stations, but instead should say that all of us are catering to the Sri Lankan society and therefore let us have one code of ethics, which will apply to both the state and private sector.

A monitoring authority nominated by both private and state sector television channels should be setup to regulate the telecasting of commercials. That authority should approve all commercial that are produced before accepting for telecast. Should the authority reject any commercial then no television station in Sri Lanka would telecast it.

What has happened today is that certain commercials rejected by one channel due to some reasons, will be taken to another channel and they accept the same. We cannot draw a line to demarcate what is private or state television media because ultimately it is the people who select the channel they prefer. They want good programs on every channel. In the interest of our children and our country, both state owned and private television stations should come to an understanding. The government should build that bridge and only then do I feel that there will be a good future for the Sri Lankan television industry.

**When you were at ITN you were the only institution that supported President Rajapaksha during the elections. Even Rupavahini did not go to the extent you went to support the President. What do you think about that now?**

Well, many people say so. But what I did during the presidential election period was open the doors for all the contestants to make use of ITN for their campaigns. I have introduced a number of awareness programmes for the benefit of the public so that the people will finally decide to whom they should vote for, ITN provided airtime for all the contestants without any restrictions for them to buy our available airtime. While Ranil Wickremasinghe concentrated on short commercials and spots, Mahinda Rajapaksha appeared in many documentaries and feature programmes. The first programme where Mahinda Rajapaksha appeared with children became very popular as it was a new approach to political programmes. That was a paid programme by Mr Rajapaksha. A number of similar programmes were scheduled by Mr Rajapaksha's campaign office. Another

effective documentary was Mr Rajapaksha's visit to Jaffna. It was covered by ITN and the programme was repeated over a number of other channels too.

Thulawa weekly series and Raja Mawatha special weekly series introduced during the election period provided opportunity of Raja Mawatlza were reserved for Messers Rani! Wickremasinghe and Mahinda Rajapaksha. While Mr Rajapaksha appeared for the last programme, despite our repeated requests Rani! Wickremasinghe turned it down. Any allegation that ITN was partial towards Mr Rajapaksha is baseless.

"They also believe that they can throw away governments out of power and bring in new governments. When they work in that belief, the state sector cannot maintain its balance"

