

# Bitter Sri Lankan power struggle flares up over lotteries board

Wije Dias  
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The political struggle in Sri Lanka between President Chandrika Kumaratunga and the United National Front (UNF) government took another sharp turn earlier this month when Kumaratunga suddenly announced she was taking control of the Development Lotteries Board (DLB). The board, which previously was under the control of the Ministry of Economic Reforms, has functioned as a slush fund for dispensing political favours.

The dispute immediately threatened to embroil the country in a constitutional crisis. In Sri Lanka, Kumaratunga, who has considerable executive powers and is elected separately, heads the opposition People Alliance (PA). Since the UNF formed government after winning the 2001 elections, there has been an ongoing and deepening struggle over who controls the levers of power.

The president made her provocative decision without any consultation with the government. She simply wrote to the economic reforms minister Milinda Moragoda on May 8 informing him that she would now administer the board—effectively immediately. Her letter announced that the official gazette notification would be published the next day.

Moragoda, who is one of the government negotiators in peace talks with the Liberation Tigers of Tamil Eelam (LTTE), reportedly threatened to resign if the DLB is taken away from him.

Prime Minister Ranil Wickremesinghe hurriedly dispatched a letter to the president declaring: “I regret I cannot agree to any subject or function assigned being changed by yourself without reference to me as prime minister. This is a requirement of article 44 [of the constitution].” He also reminded Kumaratunga that the DLB had been assigned to one of his ministers at the time the government was formed in December 2001.

While the prime minister presented the legal argument, a gang of UNF supporters invaded the government press that evening to prevent the gazette notification from being printed. The thugs damaged several vehicles and other equipment and tried to intimidate officials and workers. When that failed to stop the presses, the Interior Minister John Amaratunga ordered the police to intervene and remove workers from the facility by bus.

The following day Wickremesinghe convened an emergency cabinet meeting to discuss the issue. Attorney General K.C. Kamalabasayan conveyed a formal opinion to the president stating that her action was not constitutional, as it “requires consultation between the president and the prime minister on issues relating to subjects that come under ministries”.

Kumaratunga, however, has since dismissed Kamalabasayan’s opinion on the grounds that she had not requested it and therefore regarded it as “unsolicited advice”. Likewise she has declared that the original decision to assign the DLB to a government minister had been an oversight. She has written to the Mass Communications Minister Imthiyaz Bakeer Markar demanding an explanation for his failure to gazette her notification and continues to insist she has the constitutional power to take over the board.

The development lottery was started during 1980s to generate money for the President’s Fund and has been managed by different ministers at various times. It was brought under the finance ministry when Kumaratunga became the president in 1994 and also acted as finance minister. But the DLB was never under the president’s control when she did not hold a ministerial post.

The President’s Fund was officially intended for various projects in public education and health—in conditions where the government allocations to these areas were being slashed. But the real purpose of the fund has been as a source of money for buying political favours inside and outside of parliament. The government auditor general has pointed out that proper accounts for the President’s Fund have not been kept since Kumaratunga took office.

Kumaratunga is now complaining that the government is not handing over all the DLB money to her fund. During the year 2002, under the UNF, the lotteries board generated 940 million rupees but only 470 million rupees was put in the President’s Fund—according to Kumaratunga.

However, while the sums of money involved are considerable, the bitterness and intensity of the dispute indicate that far more is at stake. The struggle for control of the board is part of a broader battle in which two separate and competing centres of state power are developing—around the president on the one hand, and the government on the other.

Wickremesinghe and the UNF won the 2001 election by pledging to carry out the demands of sections of big business and the major powers, particularly the US, to reach a negotiated deal with the LTTE to end the country’s 20-year civil war. Business leaders have come to regard the war as an intolerable drain on resources and a barrier to foreign investment. The US and European powers are concerned that the war is a profoundly destabilising factor in the region.

The war, however, has created powerful vested interests among sections of the military, state bureaucracy and business that have

profitted from the devastation. Moreover, to prosecute the war both the UNF and PA have whipped up Sinhala chauvinism, which, in turn, has spawned Sinhala extremist groups that regard any concessions to the LTTE as treachery. It is to these social layers that Kumaratunga is appealing.

In the course of the peace talks, the president has used her powers as commander-in-chief to attempt to undermine the negotiations. Twice in the last three months, the navy has provoked confrontations with LTTE vessels on the eve of the LTTE talks—in the first case, the LTTE crew blew up themselves and their vessel; in the second, the navy sunk an LTTE tanker. These tragic incidents have brought the so-called peace process to the point of collapse.

In carrying out these provocations, Kumaratunga has established a close alliance with the most hardline sections of the military top brass. She took the extraordinary move of extending the service of naval commander Daya Sandagiri, who was due to retire, by three years. As well as her powers as commander-in-chief, Kumaratunga also has the constitutional authority to unilaterally dissolve parliament a year after a general election and has hinted in the past that she may be prepared to do just that.

The dispute over the DLB takes place as opposition parties have been pressing Kumaratunga to use her powers as president to bring down the government. Her own Sri Lanka Freedom Party, the main component of the PA coalition, has held intensive discussions with the Sinhala chauvinist Janatha Vimukthi Peramuna (JVP) to form a new alliance to challenge the government and the peace process. As agreement with the JVP has drawn closer, the SLFP has sidelined its other allies and increasingly joined the JVP in demanding that Kumaratunga take over key ministries.

Kumaratunga's brother and senior advisor, Anura Bandaranaike, told a joint SLFP-JVP public meeting on March 11, that his sister should use her powers to immediately take over the ministries of media and interior. He also promised that the UNF government would soon be brought down and that "a new government would be brought to power before January 1, 2004".

Presidential spokesman Harim Peiris has insisted that "neither PA, nor the SLFP or indeed the JVP were involved in any way in the decision making process for vesting the DLB with the President." He declared that the move was merely an administrative action and rejected accusations that the president was "attempting to disrupt economic development and the ongoing peace process."

It is obvious, however, that the president has provoked the political crisis to undermine attempts to restart the peace talks. She has also chosen her target carefully—as the minister involved, Moragoda, is also a government negotiator. A much publicised donors' meeting is due to be held in Tokyo in early June and it is uncertain whether the LTTE will attend. Wickremesinghe has responded vigorously to Kumaratunga's takeover of the DLB because he fears that she is manoeuvring to oust his government.

The *Sunday Leader*, a pro-UNF newspaper, voiced these concerns in its editorial on May 11: "By peremptorily seeking to bite a sizeable chunk of turf from the very jaws of the UNF, Kumaratunga offered the minimal possible provocation. She could

have gone a lot further and sacked Tilak Marapone [Defence Minister], something she has repeatedly threatened to do. She could have taken the entire ministry under herself: again something she has often vowed to do. But like Hitler annexing Austria, she clearly calculated that this affront by itself, was sufficient to assess the will of the UNF to fight back".

On the same day, at a press conference held by several ministers, Agriculture and Livestock Minister S.B. Dissanayake threw out the political challenge to Kumaratunga: "The president must not seek such trivial methods of disrupting the ongoing development and peace efforts. If at all, she should dissolve parliament and come forward for an election."

One of the main reasons why Kumaratunga has not moved more aggressively against the government is because she is concerned about the reaction in Washington, which, at this stage, is pressing for a negotiated settlement.

Speaking on May 11, US ambassador in Colombo, Ashley Wills urged the government and opposition to bury their differences. "Imagine how important it would be if the LTTE looked across the negotiating table and saw the two major parties were united. What a formidable negotiating partner that would be. Right now that is not so. It's very troubling," he said.

The next day US Assistant Secretary of State Christina Rocca arrived in Colombo and held talks with both Prime Minister Wickremesinghe and President Kumaratunga. No doubt she conveyed to each of them in private even more forcefully what Wills declared diplomatically in public. All that has emerged so far, however, is a proposal from Wickremesinghe to establish a joint emergency relief committee with Kumaratunga to respond to the country's disastrous floods.

Pressure from Washington will not, however, end the deep rift between the president and the government, which at the most fundamental level stems from the failure of both of the major parties to resolve the deepening social and economic crisis confronting the country. Kumaratunga's willingness to resort to provocations and to flout democratic norms is a sharp warning of the anti-democratic methods that are clearly being discussed in bourgeois circles to shore up their rule.



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