

# The JVP reassures Sri Lankan business leaders

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One of the first initiatives of the newly-formed alliance between the Sri Lanka Freedom Party (SLFP) and the Sinhala extremist Janatha Vimukthi Peramuna (JVP) has been to meet with top business leaders in Colombo to offer reassurances that corporate interests will be safeguarded in the event that the parties win the April 2 election.

The United Peoples Freedom Alliance (UPFA) was established on January 20 and the grouping was formally registered with the electoral authorities on February 6—just one day before President Chandrika Kumaratunga sacked the United National Front (UNF) government of Prime Minister Ranil Wickremesinghe. The UPFA's meeting with the corporate elite took place on February 17 at the Bandaranaike Memorial International Conference Hall in Colombo.

Present at the gathering were representatives from the Joint Business Forum (Jbiz) and the nine major chambers of commerce and industry organised under the Jbiz. Officials from the IMF, World Bank and other multilateral donor agencies as well as local CEOs, accountants and financial journalists also attended.

The SLFP was represented by Lakshman Kadirgamar, one of Kumaratunga's chief advisers, who was installed by the president as communication minister just hours before she sacked the government. The JVP dispatched three of its top leaders—Somawansa Amarasinghe, Wimal Weerawansa and Bimal Ratnayaka—to rub shoulders with the business leaders and offer them the necessary guarantees.

The meeting in Colombo took place on the same day that the representatives of donor countries—the US, Japan and European Union countries—gathered in Washington to review the situation in Sri Lanka. This exerted added pressure on the UPFA representatives to allay concerns in business circles—in Colombo and

internationally—that if they took office there would be a return to war and a slowdown of economic restructuring.

Kadirgamar was the chief UPFA spokesman at the meeting. He was part of Kumaratunga's Peoples Alliance government from 1994 to 2001, which carried out sweeping market reforms, including cutbacks to state subsidies and services and the privatisation of large state-owned corporations. Tens of thousands of workers lost their jobs while many others had their working conditions and rights seriously eroded.

Kadirgamar bent over backwards to reassure the corporate leaders. "International and national investment will be welcomed, nay wooed. We will sponsor and promote the private sector in every possible way because it is very important to achieve rapid economic growth for our country... The private sector has a vital, even decisive role to play not only in the economic development of the country but also in other aspects of national life."

He promised to help revive local companies with modern management, adopting global advances in technology and "opening the economy to global economic progress." Wooing small businessmen, Kadirgamar declared that the UPFA knew and would address their "crushing problems".

Questioned by Jbiz chairman Mahendra Amarasuriya on the alliance attitude to peace talks with the Liberation Tigers of Tamil Eelam (LTTE), Kadirgamar declared that all parties in the alliance supported political dialogue with the LTTE and "other relevant groups". He emphasised that "the ceasefire stands" and "the alliance will not disturb it."

While Kadirgamar's comments were no doubt listened to politely, the real focus of the meeting was the JVP. The business elite has concerns that the JVP's

demagogic denunciations of the “peace process” and its populist appeals to Sinhala farmers, small businessmen and youth will derail talks with the LTTE and impede the implementation of economic reforms.

The JVP leaders did their best to reassure their business audience that such fears were groundless. JVP Propaganda Secretary Wimal Weerawansa began by lamenting the rumours being circulated in business circles about his party. “The private sector need not fear the JVP,” he declared. He emphasised that the alliance was confident that it would work with the major donor countries and organisations, including the IMF and World Bank.

But it was JVP leader Somawansa Amarasinghe, recently returned from exile, who provided the most open-ended promise to big business. “We made mistakes. Because of that UNPers, people, the country suffered. Even we suffered. However, we are learning from our past mistakes and don’t intend to repeat them,” he pledged. “Please wait and see. We have already surprised you. We are going to surprise you more in the future.”

Amarasinghe did not spell out what he had in mind. However, in an interview with the *Asian Tribune* in London on January 19, he unambiguously declared his party’s alliance with the SLFP was for “a pure capitalist democratic form of government”. He went on to say: “Sri Lankan entrepreneurs will be placed in an unprecedented advantageous position to develop Sri Lanka to the fullest possible extent following in the footsteps of the new Asian leaders like Malaysia, India and China.”

In a questionnaire to Kumaratunga and Wickremesinghe, Jbiz asked their attitude to a series of market reforms, including privatisation, cutbacks to the state sector and the amendment to labour laws restricting retrenchments. When questioned at the Jbiz meeting, the SLFP and JVP leaders avoided giving any clear answers, other than to declare that the government would remain involved in banking, electricity and education. Amarasinghe’s previous reference to “Malaysia, India and China”, however, makes clear that once the election is over, a UPFA government would be prepared to do whatever was necessary to transform Sri Lanka into a cheap labour platform for foreign capital.

The JVP’s statements at the Jbiz forum underscore

the class character of the organisation. While it is often described in the media as “Marxist” and uses militant and “socialist” phrases in appealing to workers, the JVP is a petty bourgeois formation that originated among layers of alienated rural youth in the 1960s. In offering the JVP’s services to big business, Amarasinghe is making absolutely clear that his party is committed to the maintenance of the capitalist system.

To what extent the offer is accepted is another matter. The JVP is a highly unstable political formation that threatens to inflame an already volatile situation and plunge the country back to war. That sections of the ruling elite are even contemplating backing the JVP-SLFP alliance is an indication of the depth of the present political crisis.



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