

Tsunami aid deal plunges Sri Lanka into deeper political turmoil

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After much vacillation, Sri Lankan President Chandrika Kumaratunga authorised the signing last Friday of a deal with the Liberation Tigers of Tamil Eelam (LTTE) to establish a joint body to dispense foreign reconstruction aid in the tsunami-devastated North and East. While the decision has been welcomed by foreign donors and business in Colombo, it is certain to plunge the ruling United Peoples Freedom Alliance (UPFA) into deeper crisis.

The Janatha Vimukthi Peramuna (JVP) split from the UPFA on June 16, leaving the government with a minority of just 79 seats in the 225-seat parliament. Along with the Jathika Hela Urumaya (JHU) and other Sinhala chauvinist groups, the JVP is certain to intensify its communal campaign against the joint aid body, which it has condemned as a betrayal of the nation.

As the government attempted to table the deal in parliament on Friday, noisy protests by JVP MPs compelled the speaker to first suspend the session and then adjourn it until July 5. About 1,000 JVP supporters, carrying placards such as “Down with the Tiger mechanism,” held a protest and clashed with riot police. The previous day, JVP leader Somawansa Amarasinghe, as well as calling for people to join the demonstration, announced that the party was organising a general strike. The JVP is also planning legal action claiming the agreement with the LTTE is unconstitutional.

This chauvinist agitation is likely to further destabilise what remains of the UPFA, including Kumaratunga’s own Sri Lanka Freedom Party (SLFP), which is steeped in communal politics. The leaders of two small UPFA partners—the Mahajana Eksath Peramuna (MEP) and Muslim-based National Unity Alliance (NUA)—have already criticised the aid deal, claiming they were deceived about its contents, and may also quit the government.

The government is currently hanging by a thread, dependent on the tacit support of opposition parties, in particular its long-time, bitter rival—the United National Party (UNP). According to reports in yesterday’s *Sunday Times*, the UNP has turned down two offers from

Kumaratunga—the first to join the UPFA government with a 50-50 share of ministries, and the second to form its own government.

The UNP is clearly keeping its options open. With the encouragement of the US ambassador, UNP leader Ranil Wickremesinghe has assured Kumaratunga of support for the aid deal. At the same time, the UNP has refused to take political responsibility for the package by joining the government and is offering its own “reservations” on various points. Its objection over the lack of Sinhala representation in the top aid body is pitched at leaving the door open to the JVP and JHU and their communal campaign.

The UNP is calling for presidential elections to be held in November and has launched a major “Mobilisation of People’s Power” campaign from July 2 to support its demand. The timing of presidential elections has been the subject of legal action and protracted manoeuvring by Kumaratunga and Wickremesinghe, as the president has extensive executive powers. Kumaratunga exploited these powers in February 2004 to arbitrarily dismiss the then UNP-led ruling coalition for “undermining national security” over peace talks with the LTTE.

Kumaratunga also confronts opposition from the Muslim ruling elite, which is demanding a greater say. Sri Lanka Muslim Congress (SLMC) leader Rauf Hakim recently demanded that his organisation be a formal signatory to the agreement. After that was rejected by the LTTE, the SLMC rejected the deal. Hakim told a press conference on Saturday: “They are looking at us as bystanders and this is not acceptable. We cannot participate in it”.

Desperate to contain the political crisis, Kumaratunga pressed ahead with the aid agreement under a cloak of secrecy, even from members of the UPFA cabinet. The document to set up the Post-Tsunami Operational Management Structure (P-TOMS), also known as the joint mechanism, was kept under tight wraps. The government only announced on Thursday evening that the agreement would be tabled the following day in parliament.

To downplay the significance of the deal, the actual signing did not involve either the president or the prime minister. A senior bureaucrat, M.S. Jayasinghe, Secretary to the Ministry of Rehabilitation, signed on behalf of the government. Norwegian Deputy Foreign Minister Vidar Helgessen, who was in Sri Lanka on behalf of the major powers to ensure that the deal proceeded, then ferried the document to LTTE-controlled territory where senior LTTE official Shanmugalingam Ranjan signed.

Prior to the signing, Kumaratunga attempted to appease the Buddhist hierarchy, flying by helicopter to the city of Kandy to meet senior clerics. The chief monk of the Asgiriya chapter, Udugama Shri Buddharakkhitha, formally “approved” the agreement. But the head of the other top Buddhist order, Malwatte chapter monk Tibbatuwawe Sri Sumangala, was pointedly absent—visiting his home village.

On June 17, the government organised a conference of hundreds of Buddhist monks in Colombo to try to neutralise the JHU and JVP campaigns. Kumaratunga told the conference that she was “more Buddhist” than protesting JHU and JVP monks. There are already signs of division within the SLFP over the issue. While he denied any differences with the package, Prime Minister Mahinda Rajapakshe, well-known for his close relations with the Buddhist hierarchy, was absent from parliament when the P-TOMS document was presented.

Kumaratunga has only pressed ahead with the deal because foreign aid amounting to \$US3 billion is contingent on the establishment of the joint body. Further international financial assistance is dependent on the resumption of peace talks with the LTTE, stalled since April 2003. The US and other major powers are backing the so-called peace process because the country’s 20-year civil war threatens to destabilise the broader Indian subcontinent, which has become increasingly significant, economically and strategically.

Sections of big business in Colombo have pressed for the resumption of peace talks as a means of reviving the island’s economic fortunes. While supporting the decision to establish a joint aid mechanism, corporate circles have been increasingly nervous about the associated political instability. Turnover on the Colombo stock market fell last week by 45.8 percent to 650 million rupees.

Ceylon Chamber of Commerce chairman Deva Rodrigo, appearing on national television on Saturday, endorsed the P-TOMS agreement, saying: “[T]his sort of program is good for the country. The country can be economically developed with foreign aid.”

Like the so-called peace process as a whole, foreign aid under P-TOMS comes with strings attached. The IMF and World Bank insist that the government has to press ahead

with an agenda of economic reform, including privatisation, job cuts and slashing the budget deficit.

Moreover, the aid mechanism points to the communal character of any final peace deal between Colombo and the LTTE. The agreement mandates the establishment of an unelected hierarchy of committees—a top committee then regional and district committees—each with representatives from the LTTE, the government and Muslim parties. The top committee will have one from each and will also include an observer representing foreign donors.

Reflecting the mutual suspicion on all sides, decisions on the top committee will be by consensus. If there is no consensus, then the representatives will have to refer the issue to their respective parties to reach agreement. If that fails, the agreement will be suspended. At the regional level, the government will have two representatives, the LTTE five, Muslim groups three and donors one. A multilateral agency is to be appointed as a custodian of regional funds—foreign and local.

There is no doubt that such a structure, as well as excluding any democratic representation, will produce sharp communal tensions as each party manoeuvres for political and economic advantage. In line with Kumaratunga’s demands, the scope of the agreement is strictly limited to six districts and then to the area up to two kilometres from the coast. It is due to expire in one year.

For its part, the LTTE has been pressing for the agreement and urged the major powers to end Kumaratunga’s delays. The agreement gives the LTTE a degree of international recognition and the aid will help ward off criticisms from tsunami victims. The LTTE also calculates that the agreement will bolster its position in the East, where it faces armed opposition from a breakaway faction.

The last consideration in the calculations of any of the parties is any concern for the tsunami victims—Tamil, Sinhala or Muslim—many of whom have been living in appalling conditions for six months.



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