

Sri Lankan president threatens to end ruling coalition

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Sri Lankan media outlets ran headlines last week reporting that President Maithripala Sirisena walked out of the weekly cabinet meeting last Tuesday. According to these reports, Sirisena threatened to discontinue the coalition government because some members of his main partner, the United National Party (UNP), had publicly criticised him.

Prime Minister Ranil Wickremesinghe and several ministers apparently persuaded Sirisena to rejoin the cabinet meeting. It appears a patch-up was made by both sides, well aware of the political consequences of the breakup of the coalition, which could lead to the government's collapse. Wickremesinghe, who heads the UNP, warned his members of parliament not to make any criticisms of the president.

However, the president's outburst was not just a subjective reaction. It expressed the extreme political crisis of the coalition between the UNP and Sirisena's Sri Lanka Freedom Party (SLFP) and of the ruling class as whole. The government has been gripped by growing class tensions, deep economic crisis and massive financial scandals.

Sirisena defected from former SLFP-led government to stand against then President Mahinda Rajapakse in the January 2015 presidential election, principally with the support of the UNP, which was then in the opposition. After taking office, Sirisena installed a minority UNP government, appointing Wickremesinghe as prime minister.

While the campaign headed by Sirisena exploited mass opposition to Rajapakse, it was a carefully prepared regime-change operation, orchestrated by Washington. Rajapakse had turned to Beijing for investment and military procurement cutting across US strategic and military moves directed against China.

After general elections in August 2015, a SLFP-UNP

“national unity government” was formed to implement harsh economic policies against the working people and stabilise the pro-US administration. A dissident faction of members of parliament from the SLFP and its United People's Freedom Alliance organised themselves under Rajapakse as the “joint opposition.”

The immediate cause for last week's eruption was that UNP members publicly attacked Sirisena for undermining their party's image, using a presidential commission of inquiry report into a bond scam that occurred two months after Sirisena assumed office.

The inquiry reported last week that a finance company, Perpetual Treasuries, owned by the son-in-law of the newly-appointed Central Bank Governor, Arjuna Mahendran, a close confidante of Wickremesinghe, amassed a profit of at least 10 billion rupees (\$US65 million) after receiving inside information. Apart from Mahendran and some senior Central Bank officials, former finance minister Ravi Karunanayake was implicated in deals with Perpetual Treasuries.

Sirisena was responsible for finally confirming Mahendran's appointment. However, in an effort to wash his hands of the scandal, he issued a statement via electronic media last week referring to UNP leaders and senior officials. It was the latest attempt by Sirisena to insist that he is not fully responsible for the government's actions and is instead leading an “anti-corruption” crusade.

Sirisena's manoeuvring comes amid the campaign for the February 10 island-wide election for local government bodies. Sirisena's SLFP is contesting the election separately from the UNP. By distancing himself from the government, Sirisena hopes to derail the mounting opposition among the masses and garner support in the election.

The president has another concern. His rival, Rajapakse, is leading the newly-formed Podu Jana Peramuna (PJP) to contest the election, exploiting the popular discontent with the government.

Rajapakse remains discredited for his regime's ruthless prosecution of the communal war against the separatist Liberation Tigers of Tamil Eelam, which was defeated in May 2009, his police-state measures and attacks on living and social conditions.

The ex-president is seeking to boost support by inciting anti-Tamil communalism while shedding crocodile tears about the government's attacks on living conditions. Declaring that the ruling coalition's "infighting is affecting economic development," Rajapakse is sending a message to the capitalist class that he is ready to deliver "strong government." Sections of the media and big business that profited under his nepotistic rule have rallied to him.

The February 10 local government election will not directly affect the government's survival. But if Rajapakse's party wins substantial support, it could result in more defections from Sirisena's party and further undermine the government.

Every faction of the ruling class, whether backing Sirisena, Wickremesinghe or Rajapakse, is nervous about the rising working class unrest. The latest in a wave of struggles for better pay and working conditions, Ceylon Electricity Board workers held a protest strike and a march in Colombo last Thursday. This followed protests and strikes by postal, railway, ports, petroleum and plantation workers.

Despite the unrest, the cash-strapped government has been compelled to implement more austerity measures dictated by the International Monetary Fund (IMF) in order to receive financial assistance. Like other countries such as Greece, Sri Lanka must meet strict economic targets as part of an IMF program that will not end before mid-2019. In particular, the government must cut the fiscal deficit to 3.5 percent of gross domestic product, half the level of 2014.

After a review of Sri Lanka's economy, an IMF press release issued on January 11 said "the downside risks remain significant given the high level of public debt and need for further fiscal consolidation." It said "fiscal risks" included "ineffective implementation of the IRA [Inland Revenue Act], further delays in SOE [state owned enterprise] reforms and failure to provide for

weather calamities."

The IMF-required measures to increase taxes, extend privatisations and impose other cuts will set the stage for major struggles by workers, rural poor and youth, already hit by attacks on working, living and social conditions. This volatile situation for the ruling class is developing amid an upsurge of working class struggles internationally.

In this situation, while warning his coalition partner, Sirisena is seeking to strengthen his own hand. Two weeks ago he consulted the Supreme Court about whether he could continue his term for six years, until 2021. He made this request despite the 19th amendment to the constitution, introduced with his support in 2015, that restricted a president's term to five years, which for him would end in 2020. A five-judge bench unanimously rejected Sirisena's application last week.

Last Wednesday, Sirisena summoned the attorney-general, Central Bank governor, director-general of the Bribery Commission and other officials to discuss fighting corruption, including by introducing new laws and setting up a police investigation unit to probe present and past cases. None of these institutions is under the president's purview. Sirisena's action is akin to those of past executive presidents, including Rajapakse, who used the autocratic presidential powers to run the government and implement anti-democratic measures.

At the same time, Sirisena declared he would initiate a "national movement against corruption with all the politicians who love the motherland, irrespective of their political differences."

During the past three years Sirisena and his government have already been using police-state methods to suppress struggles by workers, the rural poor and university students. Facing political instability and intensifying class tensions, Sirisena is preparing for dictatorial forms of rule.



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