

## Rajapaksa Tightens Grip on Power in Sri Lanka

By Dr S W R de A Samarasinghe

Last week's landslide victory of President Mahinda Rajapaksa's United People's Freedom Alliance (UPFA) in Sri Lanka's parliamentary elections –the first since the twenty five year old civil war ended last May –consolidated the grip of the president on power in that country. Rajapaksa was reelected president last January.

The official results of the parliamentary elections will be delayed by about two weeks because of a re-poll in two constituencies. However, UPFA is likely to win 145 seats in a parliament of 225, five short of a two-thirds majority that Rajapaksa wanted so that he could change the constitution without relying on opposition support.

The main opposition United National Party (UNP) is likely to win 59 seats and the Marxist-nationalist Janatha Vimukthi Peramuna (JVP - People's Liberation Front) 7. The tally of the main Tamil party Ilankai Tamil Arasu Kadchi (ITAK) that represents the old Tamil National Alliance (TNA) is likely to be 14, all from the north and east where Tamils form the largest single ethnic group. The TNA was considered a surrogate for the Liberation Tigers of Tamil Eelam (LTTE) defeated in war last May.

In recent elections in Sri Lanka the misuse of state resources and state media by the governing party has become the norm and this election was no exception. However, the opposition has accepted that the poll itself was fair.

Rajapaksa interprets the victory as an endorsement of his programme called "*Mahinda Chinthana*" (Mahinda Vision). In regard to the Tamil ethnic issue *Mahinda Chinthana* is for the current provincial councils but only within a unitary state. That means significant devolution that the Tamils, backed by Delhi, want under a more federal dispensation is unlikely to happen.

Rajapaksa was a leading critic of the evils of the "authoritarian" executive presidency when he was in opposition. *Mahinda Chinthana* talks in vague terms of converting the executive presidency to a "Trusteeship" but it is mostly unlikely that anything meaningful would be done to scale back the powers of the presidency.

However, Rajapaksa may want to get rid of the two term limit on the presidency, an ambition that his predecessor Chandrika Kumaratunga also had but failed to achieve. Rajapaksa is much better placed than Kumaratunga to do this because he needs only about half a dozen MPs to cross over from the opposition to give him the two-thirds majority to change the constitution. He is likely to get them by offering ministerial positions and other perks.

Rajapaksa's main challenge will be to raise the quality of governance and improve the economy. *Mahinda Chinthana* promises to create a "society with high values, free from corruption and fraud" although his first term was marred by allegations of widespread corruption extending to the highest levels and a failure to protect the integrity of the Bribery Commission that is the main instrument set up to fight corruption.

Rajapaksa also talks in grandiose terms of making Sri Lanka the “emerging Wonder of Asia.” For sure the Rajapaksa administration has made a major effort to improve the economic infrastructure including power, roads, and ports. In the past few years western donors have scaled down assistance to Sri Lanka. India and most notably China have become major donors. The latter accounted for \$1.2 billion or 50% of total assistance in 2009.

Despite the global recession economic growth has remained positive in the past two years. Tourism has picked up after the war ended. Inflation is low. The IMF gave a standby loan of \$2.6 billion in May 2009 when foreign reserves fell to a precariously low level below \$1.0 billion adequate to finance only about three weeks worth of imports. Since then reserves have risen to over \$5.0 billion.

However, the government has failed to keep to its fiscal targets. In 2009 the budget deficit to GDP ratio was supposed to be 7.0% but owing to a fall in tax revenue and an increase in spending the actual turnout was 10.2%. The IMF has suspended the third tranche of its loan until the 2010 budget is presented to the new parliament later this month. Rajapaksa faces the politically difficult task of having to cut spending and raise taxes. Recent record increase in natural rubber prices and a good tea crop may help to ease the pressure. However, there is another danger looming in the horizon. On account of unsatisfactory human rights conditions in Sri Lanka the (EU) has decided to suspend, effective August 2010, the GSP+ tariff concession given to the country in 2005. Unless Rajapaksa takes some difficult decisions such as reactivate the Constitutional Commission established in 2003 under the 17<sup>th</sup> amendment to the constitution to improve governance he will have a difficult time delivering on his economic promises.