

# POLITY

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# Editorial: Terror as Stability

“... stability, no less than revolution, may have its own kind of Terror”<sup>1</sup>

Ranil Wickremesinghe has apparently peaked in popularity in the twilight of a dismal political career. Among party leaders, he is viewed favourably by 54% of the public (in comparison to 43% for the Leader of the Opposition Sajith Premadasa, and 45% for National People’s Power leader Anura Dissanayake), as of December 2022.<sup>2</sup>

President of the Democratic Socialist Republic of Sri Lanka since 20 July<sup>3</sup> – in accordance with the Constitution crafted for his uncle, and not the mandate of the people – his regnancy can chalk up another accomplishment: between June and October the approval rating of his government catapulted from a wretched three to a risible 10%.<sup>4</sup>

The Sri Lanka Podujana Peramuna (SLPP) has found its saviour from the seething anger of the canaille. By governing in the image of the SLPP, the leader-for-life of the United National Party (UNP) has reciprocated its wager on him. Budget 2023’s comfortable passage on 8 December, divisions within the former ruling coalition notwithstanding, confirm his parliamentary majority for the time being.

## Shock-and-Awe

The ‘shock-and-awe’ military attack on ‘GotaGoGama’ in the early hours of 22 July was a sadistic act of political theatre; the Executive knew that the remaining protesters on the site were withdrawing later that same day. However, hot on the heels of his inauguration, the new Commander-in-Chief in his conference with the chiefs of State security had given the command. The *aragalaya* having sent its antagonist Gotabaya Rajapaksa ‘home’, had now to do the same.

The vanishing of endless queues for fuel and cooking gas, the reduction in duration of electricity cuts, the touchdown of foreign tourists bearing foreign exchange, and the assurance of economic respite through political stability, were sufficient for the middle class to submit.

The wave of arrests of those identified in non-violent activism, and the barrage of teargas and water cannon unleashed on those in peaceful assembly and association, have not moved them.

Wickremesinghe’s next scheme borrowed directly from that of his mentor JR Jayewardene, between the October 1982 presidential election and the run-up to the referendum in December, that extended Parliament by six years, sparing the UNP a general election setback.

## Naxalite Plot 3.0

In a reprise of the ‘Naxalite Plot’ – an imaginary leftist conspiracy within the Sri Lanka Freedom Party purportedly directed by Vijaya Kumaranatunga and a handful of others to seize State power<sup>5</sup> – Wickremesinghe – who incidentally spun his uncle’s deception in Parliament – concocted another 40 years later, in the form of the Frontline Socialist Party.

Of immediate urgency has been to crush the backbone of organised resistance to the new order.

In an act of sheer terror, the President in his capacity as Minister of Defence invoked the heinous Prevention of Terrorism (Temporary Provisions) Act of 1979 on 22 August, detaining without evidence or charge Inter-University Students’ Federation Convenor Wasantha Mudalige, Inter-University Bhikku Federation Convenor Galwewa Siridhamma Thera, and Kelaniya University student leader Hashan Jeewantha Gunathilake. After months of interrogation and solitary confinement in maximum security prisons, the last two have been released on bail.

Wasantha Mudalige has been unjustly and cruelly denied his freedom for more than 150 days, while the Executive scrambles to manufacture cases against him. His real crime is in determined leadership in the battles of the dominated, and not students alone, and against an oppressive political and economic system, and not that of a specific regime.

Where have all the votaries of liberal democracy in politics, media, and civil society gone? With dreams of dollars trumping devotion to democracy, voices once raised against suppression are now mute, recovering speech only to take pot-shots at dissidents from the new political normal.

### Another Country

Not so far away from the Colombo of dazzling Christmas illuminations, crowded bars and restaurants, and heaving clothing stores is another country. There, 6.2 million people (28% of the population) are estimated to be “moderately acute food insecure”; while 66,000 people were identified as “severely acute food insecure”.<sup>6</sup> Those in estate communities, women-headed households, and *Samurdhi* beneficiaries, are especially at risk of insufficient food consumption, particularly of protein-rich and iron-rich fish, meat, dairy, and eggs.

In the absence of a public distribution scheme, they cope by reducing their food intake; cutting back on the number of meals and portion sizes; those with savings exhaust them; those with access to credit borrow; those with jewellery pawn; those with farming equipment, tools or vehicles sell; while others stop sending children to school to save on expenses and ideally make another income for the family.<sup>7</sup>

Anyone who can leave the island for work or to provide better opportunities for their children, has or is in the process of doing so: 311,269 persons are recorded as having emigrated in 2022<sup>8</sup>; while 1507 persons including children, were apprehended at sea while attempting to do so.<sup>9</sup>

Headline inflation has “eased” the Central Bank cheerily reassures us. It was down in December to 57.2%.<sup>10</sup> Food inflation has fallen to 64.4%, from an unbelievable high of 94.9% in September. Yet a year ago, as the economic crisis bore down asphyxiating those at the bottom, the corresponding figures were 12.1% and 22.1% respectively.<sup>11</sup>

The cost-of-living is also a kind of terror, calling whenever food has to be found for the table; uniforms, shoes, and stationery have to be bought for schoolchildren; essential medicines have to be sourced for the ill and the elderly; diesel and kerosene obtained for fishers to go to sea; and inputs of seeds, fertiliser, and pesticide secured for soil to be turned by farmers.<sup>12</sup>

### Fruits of Stability

If, in the habit of the hard-headed analysts that overpopulate our public university economics departments, privately-funded think-tanks, and captive

media, we discount human suffering for data on the macroeconomic fundamentals, where are the fruits of stability there?

The economy is shrinking. GDP growth in 2022 is conservatively estimated by the Central Bank to have contracted by 8%.<sup>13</sup> The decline between July and September, in comparison to the same quarter in 2021, was almost 12%.

There has been no strengthening in the value of the Sri Lankan Rupee, which depreciated by 44.8% against the US dollar in 2022<sup>14</sup>, hurting consumers in a highly-import dependent economy.

Import expenditure in November 2022 was 1445 million USD.<sup>15</sup> Export earnings sunk to 994 million USD, lower than a year before.<sup>16</sup>

Useable foreign exchange reserves (disregarding the non-convertible Yuan swap equivalent to 1400 million USD) at November 2022 was 404 million USD<sup>17</sup>, whereas it had been 1700 million USD in December 2021.<sup>18</sup>

The rule-of-thumb is that at a minimum, foreign exchange reserves should be sufficient to finance three months’ worth of imports. The available foreign exchange reserves amount to less than a week’s imports.

### Fundamentals Unchanged

In fact, nothing fundamental to the maldeveloped economic structure and relations, that made this crisis unavoidable, has changed.

Sri Lanka continues to purchase more from, than what it can sell to, the world market. In a double whammy, the value of its exports chronically deteriorates against the value of its imports.

The dependence on migrant workers’ remittances has been disastrous: only 2900 million USD was received through official channels between January and October 2022; a steep decline from the 4800 million USD sent over the same period the previous year.<sup>19</sup>

The external debt stock of 40,000 million USD (as of November 2022)<sup>20</sup> owed to bilateral, multilateral, and private creditors remains inviolate, with no write-downs or cancellation.

Once servicing of the debt resumes, scarce foreign revenue will be diverted there, instead of channelled into essential imports including pharmaceuticals and food, and the agricultural and industrial inputs and intermediate goods to stimulate domestic production and sustain jobs and livelihoods.

The imperative from high for the IMF Extended Fund Facility is not the measly 2900 million USD over 48 months that is on offer, but rather the green-light it gives creditors to issue fresh loans to Sri Lanka. So new borrowing to repay old borrowing, in an unending cycle that impoverishes poor countries and the poor within those countries.

In the absence of mass action, and conformism in political and civil society over economic direction, the ballot box or rather its evasion, will be Wickremesinghe's challenge in 2023.

As to the continuance of terror in the guise of stability, this will likely be determined by the character of antipathy to the regime, its agents, and their agenda.

16 January 2023

## Notes

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