

## State Revenue Needs Urgent Attention: DEW



**Daily Mirror met Sri Lanka's Communist Party General Secretary and ex-minister DEW Gunasekara to discuss the country's political and economic situation**



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- Extremists from the North and the South are waiting to use this issue for their own political survival. We should not leave room for that
- It is the final resolution at the UNHRC that matters to us and not the report
- The UNP will attempt to adopt austerity measures to bring the macro economic fundamentals under control. But the political realities will not permit such adventures
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**By**  
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**QWhat are your observations on the post-election political developments in the country?**

After 20 years, there was a change in the presidency and in the parliamentary composition. Political power has shifted from the SLFP to the UNP while the executive power changed quite dramatically. The legislative power too shifted marginally and for the first time the two major political parties in the country agreed to form a coalition.

**QHow do you characterize it?**

I will not call it a National Government. It is yet another coalition. But this time it is more a coalition of forces of the same class. The term 'national' was used perhaps to conceal the new development.

**QThe Head of State is again the leader of the SLFP and the UPFA. How do you see this unpredictable development?**

It is an abnormal situation. That is what most people have not understood. It is more mechanical than natural and that is the complexity.

**QIs the Speaker's ruling with regard to the appointment of the Leader of the Opposition correct?**

In terms of parliamentary tradition and practice, I am inclined to accept it.

**QIn your view, what are the daunting challenges facing the new government?**

Interestingly, there is the Geneva issue relating to the so-called war crimes and also the world situation with the global crises that are not favourable to Sri Lanka. Of course most are due to factors beyond our control. Domestically, our macro economic fundamentals are unstable or worsening. In my view, the highest priority should be given to the problem of sharply declining state revenue. Unfortunately, this is the least spoken issue but the most serious in my view.

As a minister of the previous regime I carried a continued struggle and failed. I tried my best to convince the former President on the growing danger but to no avail. I once openly criticized the taxation policy, tax administration and tax law in the presence of all concerned including the head of state. Today I stand vindicated.

**QDo you think the new coalition will be bold enough to tackle this issue?**

Class wise, I cannot expect them to do so because the UNP's policy is worse. In fact, it is primarily responsible for the fate of the government revenue. This trend of declining government revenue started in 1978 with the introduction of neo-liberal economic policies. Then finance minister Ronnie De Mel was smarter than even Milton Friedman – the father of Neo Liberalism. The new coalition has no alternative but to face up to reality and resort to tax reforms. This taxation policy may contribute to the creation of a host of severe problems in the process creating social imbalance and fiscal deficit.

**QThe economic situation has worsened in 2015 despite a new coalition of the two major political parties. Can you identify where they have gone wrong?**

Firstly, there had not been a change in policy, though there was a change in administration. Secondly, from January to September 2015, they have been politically preoccupied with the two elections. Thirdly, the new Minister of Finance has not understood the ground realities of the worsening situation. The country needs an economist as Finance Minister and not another political animal with empty and endless balderdash and rhetoric.

**QCan this situation be corrected by the 2016 Budget?**

Yes, provided they understand the reality of the situation as I said earlier. I would not like to be uncharitable to the newly formed government. They need time of course but where is the much talked about professionalism of the UNP? The UNP should first understand that neo-liberalism has run into a crisis, the world over. The UNP will attempt to seek austerity measures to bring the macro economic fundamentals under control. The political realities would not permit such adventures. They will have to seek more realistic and people-oriented alternatives.

Perhaps, the objective of a national government was to obtain the consensus of the SLFP for austerity measures. The SLFP within the coalition will have to look sharp.

**QHow do you look at the outcome of the Geneva quagmire?**

It is the final resolution that matters to us and not the report. We have seen so many reports since 2011. The present

UN report is similar in nature. We have no option but to reject it. The final resolution to be adopted is not yet finalized. As far as the left is concerned, we are for a domestic inquiry and a domestic mechanism. That is why we being a part of the UPFA government reiterated the necessity for the speedy implementation of the recommendation of the LLRC report. The original sin was the non implementation of the recommendations in the LLRC report. The non implementation created conditions for foreign interference or interventions or pressures exerted on Sri Lanka. The left strictly adheres to the same position.

Extremists from the North as well as from the South are awaiting to use this issue for their own political survival. We should not leave room for that. The final objective should be national unity through reconciliation. The whole process should be with that end in view. We cannot allow any foreign element to interfere in our affairs. That will lead to political destabilization.

**QIn the context of the new political situation, what is the future for the left?**

History has no Express Highways. It takes bends, travels over hills and down slopes. Look at the history of the past two decades. Some ideologues predicted an end to history with the collapse of socialism and the dawn of neo-liberalism. They have been proved wrong. The world is in turmoil with so many global crises. But the left has emerged or is emerging in new forms and ways.

I believe there is a wider space for the left movement in Sri Lanka. The unity of the working class is paving the way for it. It is logical and dialectical. I believe in the possibility of a new united left movement. Conducive conditions are being created by the current political imperatives. Retreats and setbacks are a way of life for the left movement. Red is the colour of the future. Left will enter through another door. - See more at: [Sharply declining](#)



## Sharply declining

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