

Bribery or Corruption and the Political System of Sri Lanka

by Victor Ivan

The foundation of the political system of Sri Lanka is based on bribery or corruption. Power politics of Sri Lanka may be defined as the right to plunder public property. There is a competition among political parties to win that right for a limited period. The group that wins plunders public property to the maximum during its term of office. It distributes among its supporters some part of the wealth thus plundered. The system of institutions including the judiciary, also functions according to that inherent ideology. Such a system of institutions is required because of the necessity to pretend that the state is uncorrupt although the official ideology is corrupt. The system of institutions including the judiciary, which are built to counter bribery or corruption, also gives the necessary protection to the corrupt practices of the ruling party in power. At the same time, implementation of the law against the corrupt practices of the opponents of the ruling party helps to give the government an anti-corruption appearance.

A few illustrations of the corrupt nature of the state of Sri Lanka are as follows:

President J. R. Jayawardene who created the Presidential this system in 1978 acquired the best coconut land in the country as part of the concessions he should get from the Land Reform Commission. He also permitted his ministers to exchange their worthless lands for valuable lands of the Land Reform Commission. In addition to that he permitted his landless ministers and government party MPs to acquire valuable lands of that Commission at a nominal price. This system has been followed to a greater or lesser degree by every governing party which has come to power thereafter. Under this system a perch of land that could have been sold at a price of 100 dollars or more was given on a 99 year lease at a price of 1 dollar or less. Under this scheme a person could get an extent of land exceeding 10 acres and less than 50 acres.

Every ruling party that came to power thereafter implemented that scheme.

If the extent of land obtained by the politicians and their cronies is considered to be 100,000 acres and if the price of a perch is considered to be 100 dollars, the amount of money lost by the treasury might be reckoned at 1600 million dollars.

It is the same system that is also implemented in regard to the licenses of commercial value.

Liquor licenses are given by the government to cronies at a nominal price on the recommendation of ministers and MPs of the government party. Under this system a considerable number of MPs have obtained licenses in the names of various persons and have become liquor businessmen. A liquor businessman, who obtains the license at a nominal price, pays his patron, the politician a compensatory price for it. He supplies to the politician liquor and food required at his celebrations and, and thugs when thuggery is needed.

In many countries air waves are considered a limited and valuable resource belonging to the people. Although radio and television broadcasting licenses can be sold at a high price in the open market, only the cronies close to the ruler of the state are fortunate enough to get these licenses in this country. There are 14 private radio stations and 12 TV stations. Not a single of those establishments has obtained its license directly. All these institutions have obtained their licenses from persons close to the ruler of the land. The crony who obtains the license in his name has to pay a nominal price only. Thereafter it is possible for him to sell it at a great price. Consequently the amounts of money that should go to the Treasury through broadcasting licenses go to the pockets of the cronies. The former lady President gave 05 radio frequencies to a crony who had looked after her during her stay in England prior to her coming to power. He sold it at a very high price to some company. This is an example which gives an idea of the price that can be obtained for a license.

The Director General appointed to the Telecommunication Regulatory Commission by the former President went home at the end of her (President's) term of office after obtaining a TV and radio license in his (the Director General's) name. He sold that license to Dialog for 04 million dollars.

It is also in accordance with the above principle of helping the cronies that the state institutions are being sold to the private sector. Only the cronies of the ruling party, and the businessmen who are prepared to pay a price privately to the ruling party are fortunate enough to purchase state institutions. Consequently such businessmen are able to purchase a government owned business institution for a song, and the ruling party is able to get a large sum of money privately from such businessmen.

The largest insurance institution of Sri Lanka was the Sri Lanka Insurance Corporation which was owned by the government. It owned 60% of the insurance business. The value of the deposits in its general insurance fund was Rs.5102 million, and that in the life insurance fund was Rs. 5377 million. The net profit earned by the Insurance Corporation in 2001 was Rs.1162 million. When 90% of the shares of the Insurance Corporation were sold to the private sector the lucky purchaser was a leading businessman who had financially looked after the Bandaranaike family while also being lavish with his money when the UNP needed money.

At the time when this sale took place in 2003, the People's Alliance had executive power while the UNP had parliamentary power. At that time the President had doubts about all transactions of the Ranil Wickramasinghe administration, but the selling of the Insurance Corporation was done with the blessings of the President. The real value of the Insurance Corporation was Rs. 6000 million but it was sold for Rs. 600 million. According to information revealed, the urban lands, buildings and appliances were assessed at book value. The land of 536 perches on Vauxhall Street where the head office is located was valued at the price of Rs. 7270 per perch. The commercial value of a perch of land on Vauxhall Street is more than Rs.3 million.

Under the executive Presidential system the parliament has become an institution that is corrupt and that abets corruption. Under the old system the parliament was the supreme political institution but under the presidential system its importance has diminished and the President has become the most powerful political institution. However powerful the President may be, he cannot function without the support of the parliament. A system has been established whereby material privileges are given to the MPs in general and to the government party MPs in particular for the purpose of preventing rebellions in the parliament. Under the new system the MPs' salaries were increased to a maximum level. With the exception of Singapore, Sri Lanka has become the land with the highest salaries to MPs relative to the per capita income. In addition, a system was introduced whereby the MPs are entitled to full pensions after five years of office. An ordinary government servant has to serve up to the age of 55 years in order to get full pension. Moreover, the MPs are entitled to a duty free luxury car every five years although the term of the parliament is 06 years. The sale of duty free vehicles is prohibited, but that rule does not apply to MPs. By the mere sale of the duty free car a MP gets, a net income of more than 05 million rupees once in five years.

Under the system of proportional representation prevailing in Sri Lanka it would be possible for a political party to get a simple majority in the parliament but not an overwhelming majority. As a result it would be possible to bring down a government easily by shifting the loyalties of seven or eight MPs. This state of uncertainty has raised the price of government party MPs and consequently a system of paying tribute to almost all the MPs of the government party has become established. Since 1988 the number of office holders in the government party in a parliament of 225 MPs have increased by more than 95%. Consequently the government party MPs has been able to double or treble their material privileges. In that sense Sri Lanka is the country which incurs the greatest expenditure on maintaining its MPs.

Violation of the constitution is not only an anti- state offence but may be considered a serious offence that falls within the category of corruption. Violation of the constitution has become a day to day practice in Sri Lanka. The judiciary also condones such offences. According to the constitution the MPs who cross over from one party to another should forfeit their seats. However, the MPs who cross over from the opposition to the government do not lose their seats. The judiciary in such instances protects their positions as MPs.

The Bribery or Corruption Inquiry Commission may be considered the most powerful institution that exists for countering the offences of bribery or corruption. However, it may be considered to be no more than a bogus system of institutions established for giving a solemn appearance of anti-corruption to a corrupt political system.

The following illustration may help an understanding of its bogus nature:

In 2001 an opposition party MP submitted a complaint against the minister for post and telecommunication to the Bribery or Corruption Inquiry Commission. The allegation was that the minister concerned had, while on a foreign tour, obtained all the payments and allowances due from the government, and in addition obtained a credit card worth Rs.05 lakhs from Sri Lanka Telecom which is an institution under him and had thereby committed an offence of the category of corruption. The Commission exonerated him due to the fact that he was a person close to the former lady President.

This is only one of the examples that can be cited to substantiate the dishonesty of the Bribery or Corruption Inquiry Commission.

The conclusion that can be arrived at in terms of these fundamental facts is that it is not possible to counter bribery or corruption that occurs in Sri Lanka, without doing away with the corruptness inherent in the political system or without transforming the entire political system. What it means is that enactment of new laws or establishment of institutions against bribery or corruption is futile.