

Sri Lanka Elects Dissanayake: Challenging Times for the New President

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Summary

On 22 September 2024, leader of the National People's Power leader, Anura Kumara Dissanayake, emerged the winner of the presidential election in Sri Lanka. The new president-elect faces a number of challenges as the country continues to be in an economically precarious situation following the 2022 economic crisis.

Leader of the National People's Power (NPP), Anura Kumara Dissanayake, emerged victorious in the recent presidential election in Sri Lanka. The NPP's meteoric rise since securing only three per cent in the last presidential election in 2019 reflects the growing anti-establishment angst among the voters and the increasing unpopularity of the outgoing Ranil Wickremesinghe presidency against the backdrop of the 2022 economic crisis and subsequent International Monetary Fund (IMF)-led reforms programme.

Dissanayake secured 42 per cent of the votes while Sajith Premadasa, the leader of the main opposition party, the Samagi Jana Balawegaya (SJB) came in second with 32 per cent. Wickremesinghe, who ran his campaign on an independent platform, secured only 17 per cent of the votes. Since none of the candidates singly had more 50 per cent of the votes, a counting of second preferences ensued for the first time in the country's history, with Dissanayake winning that count.

The 2024 presidential election was among the most peaceful elections in the country, and a peaceful transition of power took place. Only 35 incidents of election violations were recorded, the majority of which were illegal election campaigning and influencing voters. Voter turnout at 75 per cent was lower than the previous election in 2019 (which had a record 83 per cent turnout) and was likely due to the high numbers of outmigration and increasing political disillusionment among the citizens.

The NPP's Policies and Priorities

Dissanayake successfully channelled the widespread anti-establishment sentiments that arose from the economic crisis. His left-wing populist rhetoric promised to deliver the "system change" demanded by the mass protests two years earlier, which ousted President Gotabaya Rajapaksa from power. This included a programme focused on eradicating political corruption, bringing corrupt politicians and officials to be tried under the law and recovering the country's stolen money and assets. These promises resonated strongly, as public finance mismanagement was viewed by the majority of people as the main cause of the 2022 economic crisis.

Dissanayake's presidential campaign made concessions to appeal to the middle class and business sectors, including an explicit commitment to continue the ongoing IMF programme, although on renegotiated terms. Besides this pragmatic overture, the NPP's economic policy remains rooted in leftist ideology, promoting domestic manufacturing and industrialisation, particularly in agriculture, with elements of economic protectionism.

Notably, the NPP did not rely on strong Sinhala nationalist rhetoric despite its historical alignment with such forces as the Janatha Vimukthi Peramuna (JVP), the Marxist-Leninist party at the core of the NPP, and the support it received from a largely Sinhala nationalist voter base in this election.

Geopolitical Manoeuvres

In foreign policy, the NPP is seen as having a pro-China tilt due to its ideological roots and historical political connections. Additionally, the JVP, the principal party within the NPP, has traditionally held an adversarial stance towards India. However, under Dissanayake, the NPP has adopted a more pragmatic approach towards India. This was seen in his visit to India earlier this year and his reassurances that Sri Lanka will not be used to compromise the security interests of any regional power.

Nevertheless, during the final week of the presidential campaign, Dissanayake vowed to cancel the Adani Group's wind power project in Sri Lanka, citing threats to sovereignty and a lack of transparency. It is not unusual for election campaign promises to involve reversing international development projects. For example, in 2015, the Maithripala Sirisena-Wickremesinghe government halted China's Colombo Port City project, and in early 2020, Gotabaya cancelled a Japan-funded light rail project. On both occasions, the same governments later had to approach these countries to revive the agreements.

Challenges Ahead

The incoming leadership is likely to soon feel the pressure of managing the high expectations it built among its supporters. The NPP, not having led a government in the past, is relatively inexperienced and will likely face challenges in navigating the country's precarious economic situation.

A third IMF review to secure the fourth tranche of its US\$2.9 billion bailout package is forthcoming. While some of the country's debt restructuring, with bilateral and private creditors, has been finalised and/or postponed until 2028, the country's debt sustainability remains precarious and foreign reserves are still relatively low at US\$5.6 billion.

On 24 September 2024, the President formed a Cabinet of three ministers, including the two other members of parliament (MPs) the NPP currently has in parliament. Thereafter, the President appointed one of the MPs, Harini Amarasuriya, as the Prime Minister, making her the third woman prime minister in Sri Lanka's history. Subsequently, the President dissolved the 225-member parliament and called for snap general elections to be held on 14 November 2024. After being sworn in, the NPP also reaffirmed its commitment to abolish the controversial presidential system, which requires a two-thirds majority in parliament.

Having secured less than 50 per cent this election, the NPP will need to significantly improve its performance in the next parliamentary election to secure a simple majority to form a government. Without such a majority, a cohabitation government with the SJB or an alliance led by Wickremesinghe could lead to increased instability.

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