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Sri Lanka in 2017

Sluggish on Many Fronts

ABSTRACT

Sri Lanka's 69-year-old parliamentary democracy continues with power concentrated at the center, and consequently, the country's non-Sinhala-Buddhist minorities on the periphery continue to press for equal rights, while ethnic strife hinders prospects for unified progress. Maithripala Sirisena, president since 2015, promises reconciliation but has received little cooperation from the majority Sinhala Buddhists.

KEYWORDS: democracy, Sinhala, Buddhist, Tamil, Muslim

BACKGROUND

In 1948, when the British finally left the country, then known as Ceylon, the elites who led independent Sri Lanka opted for Westminster-style parliamentary democracy.¹ They formed two major parties, the United National Party (UNP) and the Sri Lanka Freedom Party (SLFP), taking turns establishing government and relying on the votes of the Sinhala Buddhist majority. In appeasing the Buddhist majority, the leadership for the most part sidelined the Tamil and Muslim minorities. Sinhala was made the official state language. This policy put the squeeze on Tamil youth, especially in predominantly Tamil-speaking areas, in terms of higher education and employment opportunities. Some took up arms to fight the government. Ignoring the

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1. The name was officially changed to Sri Lanka in 1972. An effort began in 2011 to expunge nearly all official references to the colonial name.

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pleas of moderate Tamil politicians to institute a federal structure, in 1978, the majoritarian government further centralized its political power by opting for an executive presidential system. The friction between the rebels and the government gave rise to an anti-Tamil pogrom in 1983 throughout the Sinhala southern regions of the country. This resulted in 300,000 Tamils leaving the country as refugees. In retaliation, Tamil rebel groups, spearheaded by the Liberation Tigers of Tamil Eelam (LTTE), terrorized the Sinhalese in the north and took control of much of the northern and eastern parts of Sri Lanka by 1987.

In 2009, under the presidency of Mahinda Rajapakse, the government moved aggressively to rout the LTTE, disregarding the lives of Tamil civilians caught in between. In an intense six-month scorched-earth battle that brought victory to the government, thousands of innocent people were killed, many more were maimed, and around 300,000 were rendered homeless. While the Sinhalese majority took pride in Rajapakse's victory, his repressive regime of corruption and nepotism made him increasingly unpopular. When Rajapakse announced early elections in January 2015, Maithripala Sirisena, who belonged to the same coalition as Rajapakse, the United People's Freedom Alliance (UPFA)—a mix of leftist, communist, and Trotskyite parties and the Ceylon Workers Congress, led by the SLFP—decided to run against Rajapakse. The majority, including virtually all Tamil and Muslim voters, backed the challenger. Sirisena won the election and appointed Ranil Wickremesinghe, the leader of the UNP, as his prime minister.

In this way, for the first time in Sri Lankan history, the two major opposing parties joined together in forming the government. Six months later, when Sirisena held parliamentary elections, some of his followers under the leadership of the UNP formed a coalition, the United National Front for Good Governance, with two other minor parties, the Ceylon Muslim Congress and the Tamil Progressive Alliance. The coalition won 106 seats in the 225-member parliament and joined hands with the UPFA, which had won 95 seats, to form the government. Even so, the loyalties of UPFA members were sometimes divided between the former and current presidents, creating an impasse in the parliament.

SIRISENA'S PRESIDENCY

Sirisena's election manifesto promised a constitutional amendment guaranteeing democracy, media freedom, and a developing economy; establishing

a moral society; providing universal health care, food security, sustainable agriculture, and free education; eradicating unemployment; and creating a responsible public sector, energy security, and diplomatic relations to defend the island. With this ambitious manifesto, Sirisena gave much hope to the public. But his hands were tied in many ways, as he had to contend with (1) opposition within the UPFA, of whose members almost half supported the former president, Rajapakse; (2) ideological opposition within his own government, with UNP leader Wickremesinghe as prime minister; (3) a hard-line Buddhist-nationalist party within the coalition, backed by the nationalist Sinhala Buddhist majority; and (4) the military, which had established itself in the occupied Tamil lands and was seemingly unwilling to relinquish its dominance there.

In spite of these challenges, in his first nine months in power, Sirisena was able to implement some of his election promises, such as restricting his own presidential power, ending the Internet surveillance imposed by the previous regime, and restoring journalistic freedom. He also succeeded in returning a portion of confiscated land to Tamil victims and reduced the number of abuses perpetrated by the military. But as the months passed, he was pulled in many directions, and the momentum of his reforms slowed to a crawl. The year 2016 tested the public patience with news of continued corruption at higher levels, sharp political differences between the president and prime minister, and most importantly, continuous price hikes for daily commodities. Heavy debt from previous government borrowing didn't help the island's financial situation. Many public works projects, such as highway construction, that had been initiated by the previous regime with huge loans came to a halt, making the public skeptical and even angry. For these and other reasons, 2017 did not start well.

POLITICAL DEVELOPMENTS

To aid reconciliation among the island's various ethnic communities, in 2016 a (failed) attempt was made to redraft the constitution so that all groups would be more fairly represented. This effort was revived in 2017 and debated by all the parties, including those not represented in the parliament. Widely differing opinions were expressed. A compromise was reached to recognize the special status of Buddhism in relation to the state, and in return, a consideration

of devolution of power. On September 21, the prime minister submitted an interim report to the parliament with a statement that the new constitution would guarantee equal economic opportunities to all citizens and make Sri Lanka stronger economically. It was debated in the parliament for three days. The government will hold a broad discussion on the new constitution with religious leaders and the public. It will be compiled into a final report to be submitted to the constitutional assembly in January 2018. The new constitution has to be approved first by a two-thirds majority in the parliament and then through a countrywide referendum. Its prospects at this stage (late 2017) do not look especially good.

The reparation work in the devastated north remains somewhat stymied, with many war victims still displaced. Numerous youths remained jobless, and not a few faced arbitrary arrests and detentions while expressing their frustration with unfulfilled promises in peaceful demonstrations.

SOCIAL ISSUES

Corruption remains endemic in virtually every Sri Lankan walk of life. In 2017 two top officials of the former government were jailed and fined for misappropriating public funds. Family members of the former president were arrested for laundering money (and released on bail). Probably desperate to be in control of his party and the military, Sirisena is reticent to investigate the corruption of ministers of the previous regime and the war crimes of military personnel. The nepotism that reached its peak under the previous Rajapakse regime, with so many family members involved in the government directly or indirectly, continues to a lesser degree now: Sirisena has put his son and son-in-law in prominent positions in the government.

Many farmers have been stuck with produce when the government has failed to meet the promise of buying and exporting it. The government has also failed to take action against local companies like Milco for releasing waste into water used for irrigation. Poultry farmers are looking for protective measures such as reducing the cost of poultry feed. Sirisena did sponsor some reparative measures, lowering the prices on necessary food items and giving some breathing room to low-income people. He has also introduced free education and free insurance for poor students. His government also made 13 years of school compulsory and free for every child.

ECONOMY

Sri Lanka inherited a colonial economy relying heavily on tea and rubber plantations. Independent Sri Lanka also promoted tourism as a major industry. Otherwise, as the government changed hands from the nationalist SLFP to the pro-West UNP, the country witnessed support alternatively provided to either the public or the private sector, with some recent exceptions. The SLFP regime had received US\$ 37 million worth of ammunition and ordnance from China to fight the Tamil rebels, and in return gave China access to Colombo and Hambantota Ports, and to its seabed off the island's north-west coast, to explore for oil.²

Between 2009 and 2015 Sri Lanka also borrowed US\$ 6 billion from China at high interest rates in the name of building infrastructure (to be completed by a Chinese workforce), including a deep-water seaport, a second international airport in the southern town of Hambantota (Rajapakse's hometown), and a "mini-city" built on landfill adjacent to the main port in Colombo, called the Colombo Port City Project.³ The deep-water port and the airport were financial disasters in terms of generating revenue and have saddled Sri Lanka with a huge debt. Unable to make the payments in time, Rajapakse granted rights to Chinese companies for four of the seven container berths in the Hambantota port. Also, in return for its huge loan to develop the Colombo Port City Project by reclaiming 233 hectares of land from the ocean, China was also given an 85% ownership stake.

Initially, Sirisena had withdrawn from these now-infamous Chinese projects, but he later embraced them even more than his predecessor, borrowing more money to pay off the debts and giving the Chinese the entirety of the newly built southern port on a 99-year lease. In the midst of protests by farmers, the government allotted 15,000 acres of agricultural land to the China Merchant Group to develop as industrial zone. The Chinese have increased their foothold in the last year, as evident from their frequently docked naval vessels and Sri Lanka's agreement for them to expand the land reclamation to develop the Colombo Port City Project.

2. Sree Padma, "Sri Lanka, Relations With," in Arnold P. Kaminsky and Roger D. Long (eds.), *India Today: An Encyclopedia of Life in the Republic*, Vol. 2 (Westport, CT: Greenwood Press, 2011): 663–665.

3. Jeff Smith, "China and Sri Lanka: Between a Dream and a Nightmare," *The Diplomat*, November 18, 2016, <<https://thediplomat.com/2016/11/china-and-sri-lanka-between-a-dream-and-a-nightmare/>>.

To balance the relations, Sirisena is considering a proposal to lease the nearby airport in Hambantota to India for 40 years. He also struck a deal with Japanese interests to fund a light rail service in Colombo, which is projected to begin in 2018. The European Union has warmed up to Sirisena's government, and trade has strengthened between the EU and Sri Lanka.

Natural and man-made disasters, such as an explosion at a military weapons storage depot, the collapse of a garbage dump, and drought and heavy rains leading to floods and landslides, have also posed real challenges to the government. Sirisena has announced that the government will allocate LKR 5.8 billion (US\$ 38 million) next year to fight natural disasters.

By the time Sirisena came to power, Sri Lanka's foreign debt had increased to 94% of GDP, with more than a third of government revenue going toward paying the interest on the Chinese loans alone. With a slowdown in world trade, exports declined in 2016 and paid for less than 60% of imports. This forced the government to secure a US\$ 1.5 billion bailout from the IMF and US\$ 2.4 billion from the Asian Development Bank. But GDP grew by 3.9% in the first half of 2017, and more growth is expected in the rest of the year and beyond. Although the drought and floods caused a 3.2% decline in agricultural products,⁴ increases in tourism and in non-agricultural exports have helped the economy. According to the Asian Development Bank, the government is adopting a feasible development policy for upper-middle-income status.⁵ However, with 5.3% inflation, 75.5% public debt, and a 4.7% public deficit predicted,⁶ the value of the Sri Lankan rupee has declined steadily, to 153 per US dollar.

DIPLOMATIC RELATIONS

At the beginning of his presidency, Sirisena publicly pronounced that he will treat key Asian countries (China, India, Japan, Pakistan, etc.) on an equal basis. Soon after he came to power, Sri Lanka signed a nuclear energy deal, first with India and later with Pakistan. Yet, Sirisena moved closer to China in

4. Asian Development Bank, "Sri Lanka: Economy," <<https://www.adb.org/countries/sri-lanka/economy>>, accessed October 5, 2017.

5. Asian Development Bank, "Asian Development Bank and Sri Lanka: Fact Sheet," April 2017, <<https://www.adb.org/publications/sri-lanka-fact-sheet>>, accessed October 5, 2017.

6. Global Finance, "Sri Lanka GDP and Economic Data," <<https://www.gfmag.com/global-data/country-data/sri-lanka-gdp-country-report>>, accessed October 5, 2017.

concluding naval agreements. Both the US and India have shared concerns about Sri Lanka's close relations with China and their ramifications for regional security.

When there were floods and landslides due to incessant rains, India dispatched three navy ships with 300 personnel and supplies to help the victims. The US also provided LKR 350 million (US\$ 2.3 million) in aid and sent military personnel to help. China sent three navy ships and other smaller vessels and medical teams.

CONCLUSION

From its inception, Sri Lanka has lacked a visionary leader. Sirisena could have qualified as one if the circumstances had helped him do so. While it is laudable that he reduced the powers of the presidency, reestablished media freedom, and met other promises such as offering free education, a huge gap remains between his election pledges and his performance. How vulnerable this makes him in the eyes of the electorate is difficult to ascertain at present.