

# Sri Lanka

## Background and Historical Setting

The Democratic Socialist Republic of Sri Lanka, known as Ceylon until 1972, is a constitutional democracy in South Asia with relatively high levels of development. It is strategically located in the Indian Ocean off the southeastern tip of India's Deccan Peninsula. The island nation was settled by successive waves of migration from India beginning in the 5<sup>th</sup>-century BC. Indo-Aryans from northern India established Sinhalese Buddhist kingdoms in the central part of the island. Tamil Hindus from southern India also settled in northeastern coastal areas and established a kingdom on the Jaffna Peninsula. Beginning in the 16<sup>th</sup> century, Sri Lanka was colonized in succession by the Portuguese, Dutch, and English.

Although Ceylon gained its independence from Britain peacefully in 1948, succeeding decades were marred by ethnic conflict between the country's Sinhalese majority, clustered in the densely populated South and West, and the largely Hindu Tamil minority living in the North and East. Following independence, the Tamils—who had attained educational and civil service positions under the British—increasingly faced discrimination from the Sinhalese-dominated government, which made Sinhala the sole official language and gave preferences to Sinhalese in university admissions and government jobs. The Sinhalese, who had deeply resented British favoritism toward the Tamils, saw themselves not only as the majority in Sri Lanka, but also as a minority in a larger regional context that includes over 60 million Tamils in southern India.

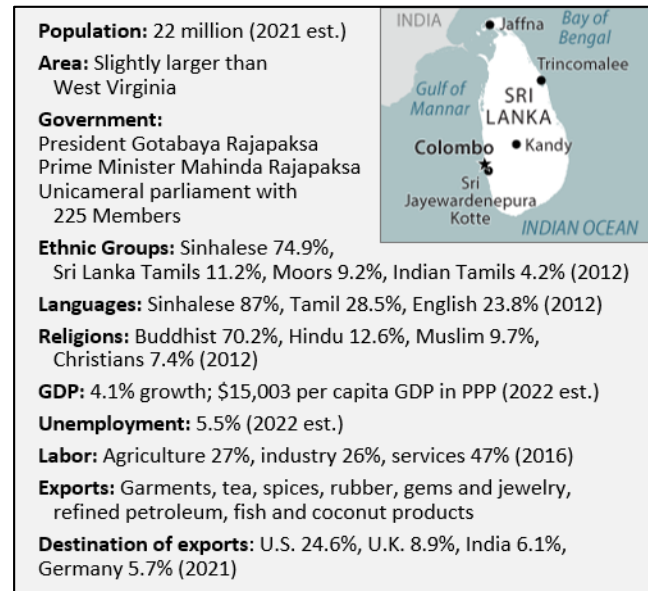
## Civil War and Subsequent Political Developments

For 26 years, from 1983 to 2009, Tamil militant separatist group the Liberation Tigers of Tamil Eelam (LTTE) sought to establish a separate state or internal self-rule in the Tamil-dominated areas of Sri Lanka. Political, social, and economic development was constrained by the ethnic conflict and war between the government and the LTTE, which cost an estimated 70,000-130,000 lives.

After the civil war's violent end in May 2009, when the military crushed LTTE forces and precipitated a humanitarian emergency in Sri Lanka's Tamil-dominated north, attention turned to whether the government had the ability and intention to build a stable peace in Sri Lanka. Former President (2005-2015) and current Prime Minister Mahinda Rajapaksa faced criticism for an allegedly insufficient response to reported war crimes by government forces, a nepotistic and ethnically-biased government, increasing restrictions on media, and uneven economic development. In the January 2015 presidential election, Mahinda was defeated by Maithripala Sirisena. Parliamentary elections later in 2015 led to the formation of a unity government supportive of Sirisena's reform agenda,

including efforts to reduce the authority of the executive presidency.

**Figure 1. Sri Lanka In Brief**



Sirisena's governing coalition began to fracture after a poor performance in February 2018 local elections, losing to the newly-formed Sri Lanka Podujana Peramuna (SLPP) party, which capitalized on rising Sinhalese ethnic nationalism. In late 2018, Sirisena sparked a political crisis when he tried unsuccessfully to dismiss then-Prime Minister Ranil Wickremesinghe of the opposition United National Party (UNP), and replace him with Mahinda Rajapaksa.

## The 2019 and 2020 Elections

Gotabaya Rajapaksa, brother of former President and current Prime Minister Mahinda Rajapaksa, was sworn in as president in November 2019. Gotabaya won the election with 52.3% of total votes, while his main political rival, Sajith Premadasa of the UNP, received 42%. Gotabaya had campaigned heavily on a platform of national security, pledging to suppress Islamist extremism. His and his brother's key base of support is the Sinhalese Buddhist majority. Most Tamils, who are largely Hindu, as well as most Muslims, voted for Gotabaya's opponent. Former Prime Minister Ranil Wickremesinghe of the UNP announced his resignation following the election. This move opened the way for Gotabaya to select his brother as prime minister. The Rajapaksas' political base was further strengthened in 2020 when the SLPP won 145 of 225 seats in parliament. The SLPP, with its allies, now has over two-thirds support in parliament, which gives the Rajapaksas the supermajority needed to carry out amendments to the constitution. In October 2020, Sri Lanka's parliament

passed an amendment that strengthens the powers of the president and reverses previous reforms.

Observers view Gotabaya's election as bringing a return to nepotistic and authoritarian government, and marking a shift to a national security approach to dealings with the Tamil community. For the location of his swearing-in ceremony, Gotabaya chose a sacred Buddhist shrine in the ancient capital of Anuradhapura. The shrine commemorates the defeat in the second century BC of King Elara, a Tamil Hindu king, by the Buddhist King Dutugemunu, and signals a link to ancient Sinhalese civilization. The context for the 2019 presidential election was at least partially set by the April 2019 "Easter bombings" that killed over 250 people at several churches and hotels in Sri Lanka, and highlighted security failures of the Sirisena government. As a result, security was a key theme in the election, which played in favor of Gotabaya Rajapaksa, a former Secretary of Defense who is credited by many Sinhalese with playing a central role in defeating the LTTE in 2009 and ending the country's 26-year-long civil war.

## U.S.-Sri Lanka Relations

Historically, U.S. policy toward Sri Lanka has included a focus on supporting Sri Lanka's democratic institutions, encouraging economic development, and promoting human rights. U.S. policy has also promoted bilateral trade and addressed regional geopolitical dynamics. Through foreign aid and diplomacy, the United States has supported initiatives intended to strengthen governance, democratic reform, rule of law, and human rights in Sri Lanka. The United States is Sri Lanka's single-largest market, accounting for approximately 25% of Sri Lankan exports. Bilateral military cooperation includes port calls, a partnership to establish a Sri Lankan Marine Corp and a National Defense College, exercises, and the donation of Coast Guard cutters to the Sri Lankan navy.

Bilateral relations have encountered obstacles in recent years. The Millennium Challenge Corporation (MCC) Compact, which was negotiated with the Sirisena government, approved a five-year \$480 million Compact in 2019 aimed at reducing poverty through economic growth in Sri Lanka. The MCC board subsequently discontinued the Compact with Sri Lanka in December 2020 following the recommendation of a Sri Lankan special committee to reject the agreement.

## The United Nations, Sri Lanka, and Human Rights

Sri Lanka co-sponsored a U.N. Human Rights Council resolution on accountability for human rights abuses during the Sri Lanka civil war that was adopted by the Council in October 2015. The resolution followed the September 2015 publication of the Report of the U.N. Office of the High Commissioner for Human Rights Investigation on Sri Lanka and was viewed by many at the time as a positive step toward justice in Sri Lanka. Following the adoption of the resolution, however, former President Sirisena backed away from supporting any significant involvement of international judges in a special judicial mechanism to prosecute war crimes. Then-High Commissioner for Human Rights, Zeid Ra'ad Al Hussein, noted steps taken by Sri Lanka, but also called for a transitional justice mechanism

to deal with past human rights abuses. An Office of Missing Persons was established, and a Right to Information law was passed during Sirisena's term of office. President Gotabaya Rajapaksa has been reluctant to fulfill previous commitments made to the U.N. Human Rights Council relating to a transitional justice agenda. Human Rights Watch (HRW) states that "Respect for fundamental human rights in Sri Lanka has been in serious jeopardy under the Gotabaya Rajapaksa presidency .... His administration has blocked accountability for grave abuses linked to the 26-year civil war."

## Economics

Sri Lanka's economy has suffered during the Coronavirus Disease 2019 (COVID-19) pandemic. Declines in tourism, reduced export earnings, foreign debt payments, and declines in remittances have all had an impact. In January 2022, foreign reserves were reported to have declined to \$1.6 billion, enough for only a few weeks' imports, raising concerns about a sovereign default. Observers believe this will lead Sri Lanka to seek a bailout package from the IMF later in 2022. President Gotabaya Rajapaksa requested a rescheduling of Sri Lanka's debt to China during Foreign Minister Wang Yi's visit to Sri Lanka in January 2022. As of April 2021, China reportedly accounted for 10% of Sri Lanka's \$35 billion in foreign debt, though loans to Sri Lankan state-owned enterprises and the central bank could reportedly make this much higher.

## Strategic Setting

Sri Lanka is situated near strategically important sea lanes that transit the Indian Ocean. These lanes link energy-rich Persian Gulf states with the economies of Asia. Maritime trade is increasingly integrating the Indian and Pacific Oceans' littoral regions. Sri Lanka and India share close, long-standing historical, cultural, and religious ties. India became involved in the counter-insurgency war against the LTTE following the 1987 Indo-Sri Lanka Agreement. Between 1987 and 1990, India lost over 1,200 soldiers in this conflict before then-Indian Prime Minister Rajiv Gandhi was killed by an LTTE suicide bomber in 1991. More recently, in January 2022, India and Sri Lanka signed an agreement to jointly redevelop the Trincomalee oil tank farm and launched an inter-city train service with support from India in line with India's "Neighborhood First" policy.

As a candidate, Gotabaya Rajapaksa stated he would "restore relations" with China, which were not as close under Sirisena as they were under Mahinda Rajapaksa. Concern mounted during Mahinda Rajapaksa's presidency over Sri Lanka's deepening relationship with China, including China's 2014 naval submarine visit to Sri Lanka. Beijing has continued to invest significantly in Sri Lanka's infrastructure. In 2017, Sri Lanka leased port facilities at Hambantota to China for 99 years for an estimated \$1.1 billion. China is working with Sri Lanka to build a \$13 billion Port City project on 660 acres of reclaimed land in Colombo's harbor. China's activities in Sri Lanka are part of Beijing's Belt and Road Initiative, aimed in part at gaining access to ports in the Indian Ocean to help secure China's interests along vital sea lanes. China's economic and investment presence in Sri Lanka is causing continuing concern among some strategic analysts and policymakers in Washington, New Delhi, and other capitals.

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