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Asia in 2021: In the grip of global and local crises

Edited by
Michelguglielmo Torri
Filippo Boni
Diego Maiorano

viella

CENTRO STUDI PER I POPOLI EXTRA-EUROPEI “CESARE BONACOSSA” - UNIVERSITÀ DI PAVIA

ASIA MAIOR

The Journal of the Italian think tank on Asia founded by Giorgio Borsa in 1989

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SRI LANKA 2021:
FROM PANDEMIC EMERGENCY TO POLITICAL AND ECONOMIC CRISIS

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The political evolution in Sri Lanka in 2021 confirmed the negative predictions that had been made in the previous year, both for domestic and foreign policy. Internally, president Rajapaksa's tendency to centralize power in his own hands, and in those of his family and close supporters continued. The authoritarian trend already visible in 2020 worsened due to the pandemic crisis. The government put forward a project to amend the Constitution and to introduce further changes in the legal system. These initiatives aroused fears for a possible limitation of the civil rights of Tamil and Muslim minorities. The President maintained Sinhala Buddhist nationalism as his main ideological thrust. In terms of foreign relations, the year was marked by the country's growing international isolation due to its refusal to pursue the accountability program on civil war crimes. Moreover, the cooling of relations with India and the US continued, while Chinese influence clearly grew in both political and economic spheres. The economic crisis due to the COVID-19 pandemic caused a sharp slowdown in the national economy.

KEYWORDS – Sri Lanka; democracy; civil-military relations; Sinhalese nationalism; religious-ethnic minorities.

1. Introduction

The political developments in 2021 confirmed the difficult crisis that Sri Lanka has been experiencing since 2019. The legacy of the disputed presidency of Maithripala Sirisena, between 2015 and 2019, and the bloody terrorist attacks of 2019, for which the government was accused of negligence, created the basis for Gotabaya Rajapaksa's victory in the presidential elections of 2019. Rajapaksa's triumph was confirmed the following year by the victory of his party, Sri Lanka Podujana Peramuna (SLPP - Sri Lanka's People's Front), at the parliamentary elections.¹ These developments marked the return to power of the Rajapaksa family, which had previously held the presidency with Gotabaya's brother, Mahinda, between 2005 and 2015. Rajapaksa's victory brought about the return of both a majoritarian agenda,

1. The SLPP stood in the elections as part of a broad political alliance made up of seventeen parties called Sri Lanka Nidahas Pudujuana Sandhanaya (SLNPS – Sri Lanka's People's Freedom Alliance).

centred upon the supremacy of the Sinhalese Buddhist majority, and an authoritarian and militarized form of government.

Shortly after his appointment, the President co-opted several members of his family as government ministers, and various retired and serving military officers - often his past collaborators, or members of the Gajaba regiment in which he had himself served - to head civilian government agencies. This political set-up - which was the end result of the choice of a large majority of voters, who hoped that a strong man in power would discipline the country and put an end to corruption and violence - has quickly shown its limits.² The health crisis caused by the COVID-19 pandemic and its economic consequence prompted the President to further strengthen the executive's powers and to appoint army officers to head the bodies charged with managing the emergency. It is the opinion of government critics and independent observers that the emergence of the pandemic merely served to accelerate an authoritarian trend that was already underway after Rajapaksa's election.³

The following paragraphs will discuss the main events of the year, starting with the consequences of the COVID-19 pandemic in the country and its links with the authoritarian and anti-Muslim drift followed by the government. Then the institutional reform agenda that the Rajapaksa government has been pursuing will be analyzed. This included the draft amendment to the Constitution, which according to government announcements has been completed but not yet published. The rumours about the draft text and the statements by the President have raised fears in civil society that the new constitution could further erode Sri Lanka's democracy and marginalize minorities.

It will be shown that the reforms proposed by the President also included changes to the laws regarding the religious freedoms of non-Buddhist communities, especially Muslims. It will be pointed out that these developments were monitored with growing concern by international agencies, notably the United Nations Human Rights Commission (UNHRC), and by the European Union (EU). Significantly, during 2021, the UNHRC issued a directive strongly criticizing the Sri Lankan presidency for its lack of respect for the rights of minorities, and for not having fulfilled the commitment to prosecute the perpetrators of the crimes committed by the military during the civil war (1983-2009). The European Parliament, likewise, put strong pressure on the Colombo government, suggesting that the country could lose its commercial privileges currently granted by the EU.

2. Nira Wickramasinghe, 'Sri Lanka in 2020. Return to Rajapaksa Regnum', *Asian Survey*, Vol. 61, No. 1, 2021, pp. 211-216; Shamara Wettimuny, 'Sri Lanka 2019-2020: Extremism, Elections and Economic Uncertainty at the Time of COVID-19', *Asia Major*, Vol. XXXI/2020, pp. 407-439.

3. Salman Rafi Sheikh, 'Rajapaksa's Marching Sri Lanka Towards Military Rule', *Asia Times*, 21 January 2021.

As far as the state of the country's foreign relations is concerned, it will be argued that, in the year under review, they were characterized by an increasing rapprochement between Sri Lanka and China, largely based on Colombo's need for Beijing's financial assistance, and by a growing tension with India.

Finally, the last paragraph of this article will summarize the economic situation, which was marked by serious concerns over the stability of the state finances, due to the consequences of the pandemic crisis.

2. COVID-19 and its political implications

The analysis of the country's response to the COVID-19 pandemic is of particular importance as, according to many observers, the government has taken the containment measures as a pretext to erode democracy and the freedom of religious minorities. Sri Lanka was hit relatively less hard by the pandemic than other Asian countries. According to estimates provided by the government, and generally accepted by international organizations, just over 590,000 cases and more than 15,700 deaths have been recorded since the beginning of the pandemic.⁴ As in other countries, the government reacted to the crisis by trying to balance the containment measures and the protection of economic activities, especially in relation to tourism, which in 2019 constituted 10.4% of gross domestic product (GDP).⁵

However, since April 2021, the spread of the Delta variant has prompted the authorities to introduce restrictions on the free movement of citizens and on public activities. Faced with a sharp increase in infections and deaths, the state introduced a six-week lockdown on 20 August, which ended on 1 October. Later the government began to gradually reopen businesses such as cinemas and restaurants. However, this was revised in November, with the decision of the authorities to limit once again public gatherings, including political demonstrations. This decision was severely contested by the opposition Samagi Jana Balawegaya (United People's Front), which accused the government of using the pandemic as a pretext to prevent the holding of a political demonstration. Scheduled for the following week, the demonstration was supposed to bring together more than 10,000 people from all over the country. According to opposition representatives, the pandemic numbers did not justify the government's decision, since, despite the emergence of the variant, the average daily deaths had dropped from 200 in September to around 20 at the time of the prohibition.⁶

4. Presidential Secretariat of Sri Lanka, 'Status of Cases and Vaccination' (<https://covid19.gov.lk/vaccination-statistics.html>).

5. 'Sri Lanka 2021 Annual Research: Key Highlights', *World Travel and Tourism Council* (<https://wttc.org/Research/Economic-Impact>).

6. 'Sri Lanka Limits Size of Public Events Ahead of Opposition Rally', *Al Jazeera*, 12 November 2021.

In general, the government's entire handling of the pandemic was heavily criticized both by the internal opposition and independent observers. According to these views, the government was making use of the emergency to centralize power in the hands of the President at the expense of the checks and balances provided for by the constitution. In particular, President Rajapaksa was accused of attributing large powers and institutional roles to the armed forces, and of delegating the management of the pandemic to the military. In March 2020, a National Operations Centre for Prevention of COVID-19 Outbreak (NOCPCO) was established under the direction of General Shavendra Silva, chief of Defence and commander of the Army, with the declared aim to coordinate all the prevention and control activities. The evolution of the pandemic has therefore reinforced a controversy already underway since the establishment of the Rajapaksa regime in 2019. According to many observers, the President has followed a political strategy aimed at associating a growing number of military figures with power, entrusting them with the direction of civilian agencies. In short, Rajapaksa progressively militarised state institutions, creating a sort of hybrid civil-military system.

A report published in early 2021 by the International Truth and Justice Project, claimed that, since the beginning of his presidential term, Rajapaksa assigned important state functions to no less than 39 senior military officers. Many of these belonged to the corps in which the president himself served during his military career and were therefore considered very loyal to him.⁷ Some analysts speculated that Sri Lanka was following a similar trajectory to that observed in Pakistan, namely the creation of a system in which the military were permanently entrusted with some key functions of civil administration and government.⁸ According to a view shared by many observers, the army had emerged as «the most powerful political actor» in Sri Lanka.⁹

It should be noted that this evolution was not unexpected. On the contrary, it was widely announced during the presidential election campaign of 2019. It was a policy cleverly justified by the President and his supporters with the aim of professionalizing the Sri Lankan political class, creating a «disciplined society», and putting an end to widespread corruption.¹⁰

President Gotabaya Rajapaksa had used the same argument to justify the approval, in October 2020, of the 20th amendment to the constitution. According to many international experts, these changes over-strengthened

7. 'From the Battlefield to the Boardroom: New Report Exposes Massive Militarization', *JDS – Journalists for Democracy in Sri Lanka*, 20 January 2021; 'Gotabaya's Inner Circle', *International Truth and Justice Project*, 27 April 2020.

8. Salman Rafi Sheikh, 'Rajapaksas marching Sri Lanka towards military rule'.

9. *Ibid.*

10. *Ibid.*; Alan Keenan, 'Sri Lanka's Other COVID-19 Crisis: is Parliamentary Democracy at Risk?', *International Crisis Group*, 20 May 2020.

the president's functions, giving him vast executive powers at the expense of parliament and the judiciary.¹¹ However, perhaps in part to meet some of the criticism, in December 2021 General Silva formally announced the conclusion of the NOCPCO's work, which he said had achieved its objectives. In the same occasion, the General broadcast that the struggle against the pandemic would continue under the Ministry of Health. NOCPCO - Silva added - would not dissolve, but convert to an Operations Centre for Green Agriculture, and start «contributing to another mammoth national effort». It was not clear, however, whether the Operations Centre would continue to be led by the defence apparatus or not.¹²

An especially controversial aspect of the government's strategy has been the government's adoption of measures that have particularly affected minorities. The controversy emerged as early as April 2020, when the government banned the burial of the deceased suspected of having died from COVID-19, forcing families to adopt cremation. The measure particularly affected Muslims, whose religious norms prescribe burial, while Hindus and most Buddhists usually cremate their dead.¹³ The government's decision caused a strong controversy involving not only local Muslim representatives but also international organizations. In February 2021, the Organization for Islamic Cooperation (OIC) formally raised the issue before the United Nations. Various international agencies and NGOs - including UNHRC and Human Rights Watch - have taken a critical stance towards the Sri Lankan government, stressing the lack of scientific basis for the prohibition of burials as an anti-pandemic measure, and recalling the unjust discrimination suffered by the Sri Lankan Muslim community.¹⁴ Despite international outcry and the government's decision in late 2020 to appoint a committee of experts to review the issue, the measure was maintained until early 2021. In February, the government announced the end of the ban; yet, it designated

11. The 20th amendment to the constitution modified the 19th amendment, approved unanimously by Parliament in 2015, for the first time strengthened the power of the parliament over the executive. See Salman Rafi Sheikh, 'Rajapaksas marching Sri Lanka towards military rule'; 'Sri Lanka: Newly Adopted 20th Amendment to the Constitution is Blow to the Rule of Law', *ICJ – International Commission of Jurists*, 27 October 2020.

12. 'NOCPCO Operations Formally Culminate to Undertake One More National Task', *National Operation Centre for Prevention of COVID*, 10 December 2021; 'NOCPCO will Disintegrate from COVID Related Activities – Army Commander', *News First*, 9 December 2021.

13. Nira Wickramasinghe, 'Sri Lanka in 2020. Return to Rajapaksa Regnum', p. 213; Shamara Wettimuny, 'Sri Lanka 2019-2020: Extremism, Elections and Economic Uncertainty at the Time of COVID-19', pp. 424-425.

14. 'Sri Lanka: Compulsory Cremation of COVID-19 Bodies Cannot Continue, say UN experts', *United Nations Human Rights – Office of the High Commissioner*, 25 January 2021; 'Sri Lanka: Covid-19 Forced Cremation of Muslims Discriminatory', *Human Rights Watch*, 18 January 2021; 'Muslim families complain to UN over Sri Lankan Covid cremations', *The Guardian*, 9 February 2021.

only one site for burials, located about 300 km from the capital, thus imposing a burden on the Islamic community, and on all other citizens who bury their dead.¹⁵

This move must be placed within the broader framework of Colombo's international relations. The turnaround by the authorities came after a visit by Pakistani Prime Minister Imran Khan, who raised the question of the Muslims' feelings with the Sri Lankan government. It is the opinion of many analysts that Rajapaksa's decision to allow burials was made in order to obtain Islamabad's opposition to the UNHRC's resolution on Sri Lanka (which will be discussed in section 5.1).¹⁶ Despite the apparent change of policy, the measures taken by the regime under the pretext of the emergency have reinforced the idea, among certain sectors of the majority, that Muslim religious practices had been responsible for the spread of the pandemic. In this way, the authorities consolidated the anti-Muslim sentiments already present in Sri Lankan society since the Easter 2019 terrorist attacks.

While the anti-COVID-19 policy has contributed to strengthening the authoritarian character of the regime, many independent observers admitted that the containment of the pandemic seemed to be effective when compared with the performance of other states in the region. The island-nation's vaccination campaign - albeit not at the same level of more developed Asian states such as Singapore, South Korea and China - has been overall successful. In September, the World Health Organization (WHO) certified that the threshold of 50% of the population who had completed the vaccination cycle had been reached. At the beginning of December, according to the Asian Development Bank (ADB) the rate was above 70%. At the time of closing this article, in January 2022, Colombo claimed to have achieved coverage with at least two doses for 85% of the population.¹⁷

Approximately 65% - around 26 million - of the 41 million vaccine doses arrived in the country were produced by the Chinese company Sinopharm.¹⁸ This was indicative of the political climate. In fact, during the pandemic, the Rajapaksa presidency took the opportunity to strengthen the existing collaboration with Beijing in various fields. As discussed below, the intensification of relations between Beijing and Colombo was closely con-

15. 'Covid-19: Sri Lanka Chooses Remote Island for Burials', *BBC News*, 2 March 2021.

16. 'Sri Lanka Ends Forced Cremations after Imran Khan's Visit', *France 24*, 26 February 2021; 'Covid-19: Sri Lanka Reverses «anti-Muslim» Cremation Order', *BBC News*, 26 February 2021.

17. 'Sri Lanka vaccinates 50 per cent of total population, covering over 10 million with both doses', *World Health Organization*, 18 September 2021; 'Asian Development Outlook, Supplement', *Asian Development Bank*, December 2021; Presidential Secretariat of Sri Lanka, 'Status of Cases and Vaccination'.

18. Presidential Secretariat of Sri Lanka, 'Status of Cases and Vaccination'; 'Covid: What do we know about China's Coronavirus Vaccines?', *BBC News*, 14 January 2021.

nected to the economic crisis. Especially during the two-month lockdown, the closure caused the collapse of the tourism sector, which is an important item for the national GDP. Travel restrictions, coupled with existing economic uncertainties, also reduced remittances from economic migrants, which are another significant source of foreign currency. In September 2021, remittances decreased by 9.3% compared to the same period of 2020.¹⁹ In this situation, Colombo turned to Beijing, which was ready to fill the void.²⁰

3. *Towards a new Constitution*

The return to power of the Rajapaksa family was closely linked to a broader project to change the institutional-legal structure of the country. A crucial aspect of the reform policy announced by the President was the writing of a new constitution. This was part of a very troubled evolution in Sri Lanka's history. In fact, many constitutional reforms have been attempted and have failed in recent years. As early as September 2020 Rajapaksa announced that he intended to change the constitution and appointed a group of experts for this purpose.²¹ In October 2020, he issued a press release to solicit proposals from civil society. The process of drafting proceeded for a year in a somewhat opaque way, without the details being made public. In October 2021, the government announced that the draft was complete, but did not disclose the text.²² According to the official statement, the draft was being examined by the Legal Draftsman's Department and would be presented to parliament in November, to be approved the following month. This aroused criticism from many sectors of civil society who denounced the lack of transparency of the whole process. In November, a group of 28 intellectuals, mostly academics, jurists and lawyers published an open letter to the government in the national press. The authors of the letter protested for the lack of information on the whole constitutional process. With reference to the rumours about the content of the text, they expressed concern that future reforms could put an end to Sri Lankan multi-ethnic society, paving the way for new civil wars. The letter ended with the request that the draft constitution be made public as soon as possible in all three languages of the

19. Uditha Jayasinghe, 'Explainer: Why Does Sri Lanka Want Migrant Workers to Remit Funds Via Banking Channels?', *Reuters*, 6 December 2021; Sri Lanka Remittances Down to 12 year Low in Nov 2021 Amid Credibility Loss of Peg', *Economy Next*, 20 December 2021.

20. Salman Rafi Sheikh, 'Sri Lanka Turns to China in an Hour of Need', *Asia Times*, 28 September 2021.

21. Shamara Wettimuny, 'Sri Lanka 2019-2020: Extremism, Elections and Economic Uncertainty at the Time of COVID-19', pp. 419-421.

22. 'Sri Lanka's Proposed New Constitution to be Ready by Jan 2022: Minister', *Economy Next*, 18 October 2021

state (Sinhala, Tamil and English), and that the text be submitted to the approval of the citizens by referendum.²³

The constitutional reform was the culmination of Rajapaksa's program of strengthening presidential powers and dismantling the system built with the 19th amendment approved in 2015 by the previous administration. Rajapaksa's policy was facilitated by the dissatisfaction of many citizens with the functioning of the political system. Widespread frustration with the failure and controversies raised by previous attempts at constitutional change also played a role. Also, according to some critics, Rajapaksa wanted to implement the constitutional reform to distract public opinion from the economic crisis.²⁴

Observers have anticipated the possibility that the new constitution will usher the permanent domination of the majority, that is, of the Sinhalese Buddhist community. Nonetheless, because of the lack of transparency over the process, it is not clear how this would actually take place. Also, it appeared very likely that the President intended to act not only through constitutional engineering, but also by modifying the electoral system and the centre-province relationship.

As far the first point is concerned, it is worth stressing that Rajapaksa had already stated in the past that he wanted to move from the current mixed proportional-majority electoral system to a single-member majority system - often referred to as «first-past-the-post». The latter would give a clear advantage to the national parties at the expenses of the predominantly local parties that represent minorities.²⁵ This point was particularly sensitive, as the trend towards fragmentation of parliament had allowed small parties to play relevant political roles. This had helped creating the accusation against Muslims of wanting to be «kingmakers».²⁶ Gotabaya Rajapaksa was clever enough to present the project as merely aimed to create more stable and efficient government and parliament. «Even though - he has declared - elections can be won through numbers, an unstable Parliament that cannot take clear decisions and remains constantly under the influence of extremism is not one that suits the country».²⁷

23. At the time of closing this article, the fate of the draft was tied to the President's promise to bring the text before the government and parliament, together with the recommendations of the experts; 'Sri Lanka's Draft of New Constitution Expected to be Ready for Parliament's Nod by Early 2022: Minister', *The Hindu*, 19 October 2021; 'Constitution-Making Should be Open, Public and Transparent', *Colombo Telegraph*, 8 November 2021.

24. 'Sri Lanka President Admits Failure as Prices Soar', *Asia Times*, 11 October 2021.

25. 'Gotabaya Rajapaksa Seeks Electoral, Constitutional Reforms in Sri Lanka', *The Hindu*, 3 January 2020.

26. Sultan Barakat, 'Sri Lanka's Muslims Have Reason to Fear the New Rajapaksa Era', *Al Jazeera*, 21 November 2019.

27. 'Gotabaya Rajapaksa Seeks Electoral, Constitutional Reforms in Sri Lanka'.

The second point – namely the modification of the extant relationship between the central government and the provinces – was even more relevant, as bound to have both national and international repercussions. The current constitution, in the light of the 13th amendment (1987), provided for the election of provincial councils. These were included in the Indo-Lanka Agreement of the same year as part of the attempted solution to the civil war. The aim was to give representation to the Tamil-majority areas of the north and east of the island. However, although several rounds of elections have been held since then, the devolution plan has never been implemented, especially with reference to land rights and police powers. Minorities in the northern regions have continued to complain about land occupation (officially justified for military and security reasons).²⁸

Political developments after Rajapaksa family's return to power only made things worse. Since his election as President, Gotabaya showed no interest in holding provincial council elections; on the contrary, he repeatedly stated that it would not be possible to convene the elections before changing the hybrid electoral system introduced in 2017. According to various observers, in fact, Rajapaksa would postpone the elections as much as possible, given his policy of centralization of power.²⁹ Unsurprisingly, this evolution has been followed with concern by the Indian government. The point was raised by Delhi's Foreign Secretary Harsh Vardhan Shringla during his visit to Sri Lanka in October; the trip attracted much attention by the Indian press, which especially highlighted the issue of devolution of power to the Tamil majority regions.³⁰ However, despite the Colombo government's statements that elections would be held by March 2022, no concrete steps seemed to have been taken so far.³¹

4. *Institutional reforms and anti-Muslim bias*

During the presidential campaign, one of the slogans used by Rajapaksa was «One country, One Law». The slogan was deliberately ambiguous; it could certainly be interpreted as the intention to fight for the equality of all citizens before the law and against the privileges of the elites. However, the slogan could equally be read as the affirmation of the superiority of Sinhala

28. Shamara Wettimuny, 'Sri Lanka 2019-2020: Extremism, Elections and Economic Uncertainty at the Time of COVID-19', p. 436; 'Sri Lankan Government Rules Out Early Provincial Council Polls', *The Hindu*, 11 October 2021.

29. 'Why India Keeps Pushing Sri Lanka to Hold Provincial Council Polls and Implement the 13th Amendment', *First Post*, 5 October 2021.

30. 'Foreign Secretary Shringla Begins 4-day Visit to Sri Lanka', *The Times of India*, 2 October 2021.

31. 'Despite Indian Pressure, Sri Lanka Says Provincial Polls Only After Electoral Reform', *Economy Next*, 19 October 2021.

Buddhist majority culture over the statutes of minorities. Rajapaksa cleverly referred to the idea suggested by some sectors of the Sinhalese community that Muslims use their own separate norms to gain social and economic benefits. Thus, the reform program had raised fears among minorities that it could be used to reduce legal pluralism and religious freedom in the country. These fears escalated in October, when the government announced the creation of a Task Force to introduce the «One Country, One Law» system. The commission was made up of 13 members from various ethnic and religious communities, including three Muslims; however, the government appointed the controversial Buddhist monk Galagoda Aththe Gnanasara Thero, leader of the extremist Army of Buddhist Power (BBS), as the head of the commission.

Gnanasara Thero's appointment sparked strong protests from minority representatives and civil rights groups. He seemed the least suitable figure to lead the Task Force, as he has been accused several times of inciting violent actions against Muslims, and was convicted in 2018 for contempt of court and threats against a human rights activist. Also, the BBS was implicated in anti-Muslim incidents in 2013 and 2014, and was considered responsible for vigilante actions against the minority community.³²

Perhaps in response to criticism of Gnanasara Thero's suitability as chairperson of the Task Force, its objectives were formally presented in a very neutral way. At the first press conference in November, Gnanasara Thero stated that «no citizen should be subjected to any difference or discrimination before the law on the basis of their race, religion, caste or any other factor». He also added that «our responsibility is to create a one nation that can get together under one flag and to formulate one law suitable for the country».³³

Despite this moderate approach, most observers assumed that the reforms of the commission would focus on the special legal status granted to Muslims. In particular, it was widely expected that the Task Force would suggest legal changes on sensitive issues of Muslim religious and social life. These would most likely involve Islamic courts, marriage and divorce law, *madrasa* education, cattle slaughter, and «Islamic» clothing for women. These were complex issues as changes had also been proposed by Muslim feminist groups and religious leaders. Many observers feared that if the Presidential Task Force imposed these changes from above, the most likely

32. Alan Keenan, '«One Country, One Law»: The Sri Lankan State's Hostility toward Muslims Grows Deeper', *International Crisis Group*, 23 December 2021, pp. 2-4; 'Gotabaya Appoints Gnanasara Thero to Head «One Country, One Law» Presidential Task Force', *Daily FT*, 28 October 2021.

33. 'Chairman of Presidential Task Force for «One Country, One Law» Ven. Galagodaaththe Gnanasara Thera Explains Objectives of the Task Force', *Presidential Secretariat Sri Lanka*, 1 November 2021.

consequence would be to push the Muslim community to staunchly defend its own culture, making any reform virtually impossible.³⁴

It should be noted, however, that, during the last weeks of 2021, Colombo seemed to be willing to reassure the governments of Islamic countries. Foreign Minister G. L. Peiris hosted a conference of ambassadors from various Muslim states in December. During the meeting, Peiris emphasised «the rich and varied legal tradition of Sri Lanka which includes personal laws specific to Muslim, Kandyan and Tamil communities, which Sri Lanka will continue to retain».³⁵ According to official statements, the Task Force should submit a draft document to the presidency by February 2022. It remained to be seen to what extent the ruling elite would be willing to endanger the society's ethnic-religious balance, and also relations with Muslim countries, in order to carry out the redefinition of the state's ideological foundations.

It is also interesting to note that the attention shown by the government towards Muslim feelings was accompanied by a similar approach towards the Tamils. Although the Task Force was evidently formed with a focus on ethnic-religious balance, at the beginning it did not include any representative of the Tamil community. This point had not gone unnoticed and caused objections not only among Sri Lankan Tamils themselves, but also in the Indian press.³⁶ In response to these critics, President Rajapaksa was quick to act with a decree in November, adding three Tamils to the committee.³⁷ All of this may perhaps be an indication that the government intended to move with caution, being afraid of the possible domestic and international consequences of its legislative reforms.³⁸

5. Foreign relations

The year under review saw the consolidation of a trend that had already emerged the previous year, namely the growing difficulty in the foreign relations between Colombo and two of its main partners, India and the United

34. Alan Keenan, '«One Country, One Law»: The Sri Lankan State's Hostility toward Muslims Grows Deeper', pp. 6-7.

35. 'Foreign Minister G.L. Peiris Hosts Working Dinner for Ambassadors of Islamic States', *The Island*, 3 December 2021. The meeting was attended by diplomats from the following countries: Oman, State of Palestine, Saudi Arabia, Afghanistan, Qatar, Turkey, Malaysia, Maldives, Bangladesh, Pakistan, Libya, Egypt, Kuwait, Iran, and United Arab Emirates.

36. 'Militant Monk to Head Lankan Task Force on Uniform Laws', *The Citizen*, 28 October 2021.

37. 'Sri Lankan President Adds 3 Tamil Community Members to «One Country, One Law» Task Force', *The New Indian Express*, 10 November 2021.

38. Alan Keenan, '«One Country, One Law»: The Sri Lankan State's Hostility Toward Muslims Grows Deeper', p. 7.

States. At the same time, there was a marked rapprochement with China. Three were the main factors that contributed to this trend. Firstly, the return to power of the Rajapaksa family, with its emphasis on Sinhala nationalism and militarization, made dialogue with both Delhi and Washington markedly tenser, due to the issues of the Tamil and Muslim minorities and, generally, of democracy and human rights.³⁹ These problems were exacerbated by the collaboration between Colombo and Beijing in both the political and economic fields. The move by the Chinese government to oppose the UNHRC resolution of censorship against the Sri Lankan government in March – that will be discussed in the next paragraph – demonstrated Beijing’s closeness to Colombo. Secondly, Beijing has cleverly exploited the island-nation’s economic crisis, by offering financial assistance on far more favourable terms than those possibly offered by international donors and regional actors. All this has created considerable concern on the part of both Delhi and Washington, in the face of the evident expansion of Chinese influence in the Indo-Pacific area.

5.1. *The UNHRC resolution*

As noted above, international organizations have exerted increasing pressure on the Sri Lankan government on the issue of accountability and human rights. On 27 January, a United Nations’ report highlighted in harsh terms both Colombo’s failure to shed light on human rights violations committed by the security forces in the last phase of the civil war (under the previous Rajapaksa’s administration), and on the increasing marginalization of Tamil and Muslim minorities.⁴⁰ In October, on the occasion of an official visit to the country, an EU delegation called for the cessation of the Prevention of Terrorism Act (PTA), which allowed authorities to arrest and detain suspects for a long period and, according to many analysts, has been used especially against the Tamils. The European delegation threatened, in the event of a failure to act, to revoke the Generalized System of Preferences (GSP Plus) which Colombo enjoyed in trade relations with the EU.⁴¹

The pressure peaked between February and March with the much-anticipated annual session of the UNHRC. There was great attention among international observers for this session, as the previous resolution on Sri Lanka issued in 2015 had just expired. Since Colombo, having initially cooperated with the resolution, had later distanced himself from its implementation, it was widely expected that the UNHRC would take fur-

39. Shamara Wettimuny, ‘Sri Lanka 2019-2020: Extremism, Elections and Economic Uncertainty at the Time of COVID-19’, pp. 432-438.

40. ‘Sri Lanka on Alarming Path Towards Recurrence of Grave Human Rights Violations – UN Report’, *United Nations, Office of the High Commissioner, Human Rights*, 27 January 2021.

41. ‘Sri Lanka Agrees to Reform Terror Law to Keep EU Trade Deal’, *France 24*, 6 October 2021.

ther measures. After Rajapaksa's election as president, the Sri Lankan government had condemned the whole process, accusing international actors of trying to de-legitimize the «heroism» of Sri Lankan security forces, and refusing international involvement into the accountability process.⁴² The new UNHRC resolution, while acknowledging «the challenges created by the COVID-19 pandemic», criticized Colombo for adopting «a dangerous exclusionary and majoritarian discourse».⁴³ Furthermore, the commission accused the Sri Lankan government of «political obstruction of accountability for crimes and human rights violations». The document concluded by recommending that, should the Sri Lankan government not take urgent measures, member states could consider independent judicial initiatives in their national courts against those accused of war crimes.⁴⁴ While the document was certainly a huge blow to Sri Lanka's international image, Colombo reacted rejecting the document, and accusing the UNHRC of acting on behalf of «Western powers that want to dominate the Global South». Furthermore, Sri Lanka's UN envoy, C. A. Chandraprema, called the text «unhelpful and divisive».⁴⁵

It is important to emphasise that China and Russia voted against the resolution. Beijing's attitude was of particular importance as it confirmed the preferential relationship that it had been building with Colombo. Significantly, Sri Lanka and China have shown support for each other's approach in the fields of democracy and human rights. A few months after the UNHRC's report, Colombo reciprocated by asking formally the UN not to interfere in the Xinjiang and Hong Kong affairs.⁴⁶

An unfavourable development for Sri Lanka was Delhi's abstention on the resolution. This could be considered a major failure of the Sri Lankan government, given that it had made a great effort to obtain Delhi's negative vote. This confirmed the difficulties in bilateral relations between India and Sri Lanka. On the other hand, Pakistan's vote against the resolution seemed to be clearly connected to Imran Khan's diplomatic work on behalf of Sri Lankan Muslim rights. This seemed also to indicate the Pakistani effort to profit from the tensions between Colombo and Delhi.⁴⁷

42. Alan Keenan, 'Sri Lanka: Prevention Should Be at Heart of New Human Rights Council Resolution', *International Crisis Group*, 25 February 2021;

43. 'Promotion Reconciliation, Accountability and Human Rights in Sri Lanka', *United Nations High Commissioner for Human Rights*, 22 February-19 March 2021.

44. *Ibid.*

45. 'Explainer: What the UNHRC Resolution Means for Sri Lanka', *Al Jazeera*, 25 March 2021.

46. 'Sri Lanka Tells UN not to Interfere in Xinjiang and Hong Kong', *Colombo Gazette*, 16 September 2021.

47. 'Explainer: What the UNHRC Resolution Means for Sri Lanka', *Al Jazeera*.

5.2. *The economic crisis and China's financial assistance*

The Sri Lankan economy was characterized by imbalances that certainly predated the pandemic. Yet the COVID-19 crisis blew them up and made the government urgently in need of loans from international partners. The containment measures approved by the authorities during 2021 seriously damaged important sources of national income and led to shortage of goods. The tourism sector, in particular, which peaked in 2018 with approximately 4.38 billion dollars in revenues, fell to 6.8 million in August 2021.⁴⁸ The effects were increased inflation, which reached 6% in August, and the devaluation of the currency. The disruption of tourism and migrant remittances resulted also in a lack of foreign currency. Sri Lankan foreign reserves fell from 7.5 billion dollars in November 2019 to 2.8 billion in July 2021⁴⁹ the government reacted by imposing a ban on imports of non-essential goods. However, this move triggered a shortage of food which was acutely felt during the year. In the summer the authorities declared a «food emergency», and decided to ration all primary goods and to impose fixed prices.⁵⁰ While the crisis highlighted the urgent need for foreign financial aid, the country was already paying the price of heavy debt. Therefore, the negotiation with international organizations for further loans was made difficult by the spectre of a financial default. In 2020, the International Monetary Fund (IMF) had already decided to close prematurely a loan of 1.5 billion dollars - approved in 2015 - in order to avoid a balance of payments crisis.⁵¹ The possibility of obtaining loans from regional partners on a bilateral basis seemed equally complicated; Colombo tried to obtain a swap deal from India, yet the request was withdrawn following Delhi's demand that Sri Lanka preliminarily concluded an agreement with the IMF.

In such a situation, the Chinese authorities were quick to seize the opportunity. In March Beijing approved a 10 billion-Yuan (1.54 billion dollars) loan for the exhausted Sri Lankan economy.⁵² It is important to emphasise that, differently from other international donors, Beijing made itself available without requiring guarantees on economic reforms or respect

48. Mahadiya Hamza, 'Sri Lanka Confident USD 500 Mn in Tourism Revenue Through March 2022', *Economy Next*, 30 September 2021.

49. 'Sri Lanka Admits Forex Crisis «dangerous»', *Asia Times*, 8 September 2021; 'Sri Lanka has Food Emergency as Forex Crisis Grows', *Asia Times*, 31 August 2021.

50. 'Why is There a Food Emergency in Sri Lanka?', *BBC News*, 20 September 2021; 'Record Sri Lanka Inflation as Food Crisis Looms', *NDTV*, 22 December 2021; 'Sri Lanka President Admits Failure as Prices Soar', *Asia Times*, 11 October 2021.

51. 'Sri Lanka Shuns IMF for China by Taking a Leaf out of Malaysia's Contrarian Crisis Playbook', *The Economic Times*, 9 March 2021.

52. Salman Rafi Shaikh, 'Sri Lanka Turns to China in an Hour of Need', *Asia Times*, 28 September 2021; 'China Approves \$1.5 Billion Currency Swap with Sri Lanka', *Reuters*, 10 March 2021.

for human rights.⁵³ This circumstance further distanced Colombo from Delhi and Washington, bringing it closer to Beijing. However, this cooperation did not pass without criticism. Various observers pointed out the risks posed by the Chinese «debt-trap». A significant precedent in this regard is the case of the port of Hambantota, which passed under Beijing's control due to a debt default by Sri Lanka.⁵⁴ However, other observers pointed out that most of Sri Lanka's debt was actually in the hands of international donors, while China held only 10%. According to these critical voices, the real causes of Colombo's default would be the inefficiencies of the government rather than the Chinese grip.⁵⁵ In any case, the Indian government's irritation for the extension of Chinese influence on the island-nation has added to other long-term disputes that make bilateral relations difficult. One such dispute is the issue of fishing rights in the Palk Strait. Various serious incidents occurred during 2021, which saw Indian fishermen killed or arrested by the Sri Lankan navy for allegedly trespassing into Colombo's territorial waters.⁵⁶

In spite of diplomatic tensions and domestic political rhetoric, leaders in Colombo, nonetheless, have shown that they were not willing to abandon altogether Sri Lanka's traditional policy of neutrality and non-alignment. In fact, late 2021 saw efforts by Sri Lankan ministers to relieve tensions and reassure its powerful neighbour. This diplomatic activity saw Finance Minister Basil Rajapaksa (brother of the President and of Prime Minister Mahinda Rajapaksa) meet his Indian counterpart Nirmala Sitharaman during an official visit to Delhi in December. This gesture was soon reciprocated by the Indian government, which, through a public statement made by his foreign minister on 6 January, assured Colombo of its support in overcoming the ongoing crisis.⁵⁷

5.3. *The economic performance*

Sri Lanka's overall economic performance during the year, as already hinted, was heavily influenced by the evolution of the pandemic crisis. In the

53. 'Sri Lanka Prefers China Loan Deal Over World Bank Terms', *Silk Road Briefing*, 19 August 2021.

54. 'How China Got Sri Lanka to Cough Up a Port', *The New York Times*, 26 June 2018; Salman Rafi Sheikh, 'Sri Lanka Turns to China in an Hour of Need'.

55. Salman Rafi Sheikh, 'Sri Lanka Turns to China in an Hour of Need'.

[Anche qui, non usare *ibid.*]

56. 'As More Indian Fishermen are Detained by Sri Lanka, Hard Questions Need to be Asked in the Palk Strait', *The Indian Express*, 23 December 2021; 'Fishing in Troubled Waters: The Palk Strait Dispute Flares Up', *The Diplomat*, 18 February 2021

57. 'Finance Minister Basil Rajapaksa Concludes a Successful Visit to New Delhi', *High Commission of Sri Lanka in India*, 3 December 2021; 'India Will Support Sri Lanka in These Difficult Times: Jaishankar', *Business Standard*, 7 January 2022.

first quarter of the year, when infections decreased, the rate of growth of the GDP showed a clear upward trend compared to the previous year, reaching 4.3%. The increase in COVID-19 cases due to the Delta variant in the second half of the year, and the containment measures decided by the authorities in August, conditioned the forecasts for the rest of 2021, which was marked by negative estimates.⁵⁸ However, the economy's actual performance in the second quarter denied these forecasts and the GDP showed a growth rate of 12.3%. Yet, forecasts continued to be negative due to the overall macroeconomic picture. In particular, the problem of payment of the huge external debts and the reduction of foreign reserves – discussed in the previous paragraph – continued to have a negative impact on economic estimates.⁵⁹

The overall debt and fiscal situation was confirmed as difficult, with central government debt climbing to 104% of the GDP in June, and estimated at 116% by the end of the year.⁶⁰ The inflation rate, which was 3% at the beginning of the year, continued to rise reaching 6% in August and 11.1% at the end of the year. The causes were the scarcity of goods, especially food, and the consequent volatility of prices. The forecasts were that the rate would still be rising due to the likely cancellation of price controls by the government.⁶¹ Moreover, as hinted above, foreign exchange reserves fell significantly during the first part of the year. Only in December, thanks to the loan from China, the state was able to bring the reserves back to 3.1 billion dollars.⁶² The current account deficit to GDP was estimated at around 3% at the end of the year.⁶³

6. Conclusion

While some of the crisis factors that affected the island-nation in 2021 were common to other Asian states, due to the pandemic, in our case the crisis highlighted an authoritarian trend already observed in recent years. The political choices made by President Rajapaksa and by the Prime Minister

58. 'Asian Development Outlook 2021 - Update', *Asian Development Bank*, September 2021, p. 167.

59. 'Asian Development Outlook 2021 - Supplement', *Asian Development Bank*, December 2021, p. 6.

60. 'Sri Lanka Debt Rises to 104-pct of GDP by June 2021', *Economy Next*, 28 September 2021; 'Sri Lanka – Country Overview', *The World Bank* (<https://www.world-bank.org/en/country/srilanka/overview#3>).

61. 'Asian Development Outlook 2021 - Update', *Asian Development Bank*, p. 167.

62. *Ibid.*; 'Sri Lanka Boosts FX Reserves with Lift from Chinese Swap', *Reuters*, 29 December 2021.

63. 'Asian Development Outlook 2021 - Update', *Asian Development Bank*, p. 167.

led to a centralization and concentration of power in the hands of the President's relatives and close associates. The close cooperation between the executive and the military has dominated many of the political developments both nationally and internationally. First, it forced Colombo into an all-out defence of the action of the security forces during the past civil war. Second, it led to the suspension of the cooperation with the UNHRC on the accountability process, which in turn prevented the building of a shared, national memory. Third, it has damaged the international perception of Sri Lanka, and has, therefore, created further obstacles to economic and political assistance by the international partners. While the comparison with Pakistan may be exaggerated, there was no doubt on the growing weight of the non-elected bodies in the state's institutions. This evolution posed serious risks for the future development of Sri Lanka's democracy. Overall, the Sri Lankan system has come increasingly closer to the "majoritarian democracy" model, reminiscent of the Bharatiya Janata Party government in India. Clear examples of this strategy were the government's policy to draw a dividing line between Muslims and the rest of the community. The former were identified as responsible for the spread of the COVID-19 virus and the political disunity of the island-nation. This policy exacerbated the perception of isolation that the Sri Lankan Islamic community already had since the Easter 2019 attacks.

The possible margins of improvement of the situation appeared to be linked, on the one hand, to the return to normality in terms of health containment measures and the reopening of economic activities. On the other hand, to the constructive pressures by international partners. However, during 2021 the latter's policy has often appeared contradictory. Western countries and international organizations have often appeared undecided between a rigid attitude towards Colombo, and the fear of pushing it even further towards a strategic alliance with China.

