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



# **ASIA MAIOR**

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# Asia in 2020: Coping with COVID-19 and other crises

Edited by Michelguglielmo Torri Nicola Mocci Filippo Boni

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## **CONTENTS**

- 9 FILIPPO BONI, Foreword. Asia in 2020: The COVID-19 pandemic and its impact
- 19 FRANCESCA CONGIU, China 2020: The successful struggle against the COVID-19 pandemic and the Xinjiang question
- 45 SILVIA MENEGAZZI, China 2020: A foreign policy characterized by growing resilience, fading responsibility and increasing uncertainty
- 71 MARCO MILANI, Korean peninsula 2020: Overcoming the challenges of COVID-19
- 103 COREY WALLACE & GIULIO PUGLIESE, Japan 2020: Abe's well-laid plans go awry
- 147 SHELDON WONG, Hong Kong 2020: The downfall of «one country two systems»
- 181 AURELIO INSISA, Taiwan 2020: Crossroads of COVID-19 international politics
- 205 YVAN YSMAEL T. YONAHA & ESTHER MARY L. CAINO, The Philippines 2020: The gamble of the populist leadership
- 223 RUI GRAÇA FEIJÓ, Timor-Leste in 2020: Containing the pandemic in a changing political environment
- 241 SALEENA SALEEM, Malaysia 2020: Democratic backsliding amid the COVID-19 pandemic
- 259 MATTEO FUMAGALLI, Myanmar 2020: Elections in a pandemic
- 275 SILVIA TIERI, Bangladesh 2019-2020: Issues of democracy, disasters, development
- 305 DIEGO MAIORANO, India 2020: Under the COVID hammer
- 331 MICHELGUGLIELMO TORRI, India 2020: The deepening crisis of democracy
- 377 MICHELGUGLIELMO TORRI, India 2020: Confronting China, aligning with the US
- 407 SHAMARA WETTIMUNY, Sri Lanka 2019-2020: Extremism, elections and economic uncertainty at the time of COVID-19
- 441 MARCO CORSI, Pakistan 2020: The PTI government amidst COVID-19 pandemic
- 465 FILIPPO BONI, Afghanistan 2020: The US-Taliban peace deal, intra-Afghan talks and regional implications
- 479 LUCIANO ZACCARA, Iran 2019-2020: The double impact of crippling sanctions and the COVID-19 pandemic
- 505 PAOLO SORBELLO, Kazakhstan 2020: Between a rock and a hard place
- 521 Reviews
- 557 Appendix

# SRI LANKA 2019-2020: EXTREMISM, ELECTIONS AND ECONOMIC UNCERTAINTY AT THE TIME OF COVID-19

#### Shamara Wettimuny

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Sri Lanka in 2019 and 2020 was characterised by Islamist violence and its aftermath, a presidential and general election, and COVID-19. This article traces the internal, economic and foreign policies of Sri Lanka chronologically and thematically across the two years under examination. These policies were deeply interconnected during two of the most tumultuous years in Sri Lanka's recent history. The impact of the tragic Easter Sunday bombings, the presidential and general elections, and the pandemic had a significant bearing on Sri Lanka's economic well-being and its foreign policy trajectory. Following the general election in August 2020, the new government passed the Twentieth Amendment to the Constitution, which removed democratic checks and balances on the powers of the executive president. Meanwhile, restrictions on religious freedoms in response to COVID-19 triggered widespread protests, and anti-minority hostility and discrimination. The economy, which was stagnant at the beginning of 2019 went into decline after successive internal and external shocks. Foreign policy was adjusted with changes in government, and in response to great power competition in South Asia. Sri Lanka, at the end of 2020, was in a more precarious situation than it was before 2019, in terms of the state of its democracy, economic stability, public health, and inter-communal relations.

KEYWORDS – Easter Sunday; extremism; elections; COVID-19; constitutional reform; Sri Lanka.

#### 1. Introduction

In 2019, Sri Lanka experienced its most deadly terror attack since the end of the civil war. It also held presidential elections. The elections, which took place in November 2019, were contested on the grounds of national sovereignty, national security, and the reversal of policies introduced by the previous president and his coalition government. Sri Lanka's socio-political landscape in 2020 was dominated by the Corona Virus Disease 2019 (COVID-19), and general elections held in August 2020. The presidential and general elections, held within a year of each other, paved the way for the return to power of the Rajapaksa brothers, as president and as prime minister. Mahinda Rajapaksa, who was the executive president of Sri Lanka between 2005 and 2015 returned in 2020 as prime minister. Meanwhile, his younger brother Gotabaya Rajapaksa, who held the post of secretary of Defence between 2005 and 2015 returned as president. Following the conclusion of the general elections, the Twentieth Amendment to the Constitution was passed, removing constraints on the president to hold ministerial portfolios, and in effect, reducing the independence of institutions such as the judiciary and the constitutional council, which typically vetted higher appointments.

Against the backdrop of these political and external developments, Sri Lanka's economy continued to deteriorate, and the rupee has depreciated significantly (despite occasional appreciations) since the beginning of 2019. Meanwhile, the change in government resulted in a slight shift in foreign policy although Sri Lanka officially remains neutral in the brewing great power struggle between the United States of America (US), India, and China in the Indian Ocean region.

Section 2 of this article discusses several key events and their socio-political impact: the Easter Sunday bombings in April 2019 and its impact on inter-communal relations and the stability of the government; the dynamics undergirding the presidential and general elections of November 2019 and August 2020; constitutional reforms and the purported dismantling of democratic checks and balances; and the impact of COVID-19 on state and society. Section 3 focuses on the economy. It discusses the impact of external shocks such as COVID-19 and terror attacks on the economy, as well as the shifts in economic policy associated with the change in government. Finally, section 4 focuses on the foreign policy of Sri Lanka across two crucial election years. It explores a complex context where China is aggressively pursuing its Belt and Road Initiative in South Asia, and the US saw the return of a government with a member of the Democratic Party as President that is likely to be more interventionist in promoting normative values abroad.

#### 2. Easter Sunday bombings and the two elections

In January 2019, the relationship between President Maithripala Sirisena and Prime Minister Ranil Wickremesinghe, from two historically-opposed political parties, had almost completely broken down. Understanding the political context prevalent in the latter part of 2018 is necessary to explain why these two senior leaders were unable to cooperate on even the most basic policy issues. This inability of the «Yahapaalanaya government»<sup>1</sup> to cooperate ultimately resulted in the national security failure to prevent the Easter Sunday bombings in April 2019. It also resulted in the defeat of the incumbent president and government at the Presidential Election in November 2019.

1. Yahapaalanaya is the Sinhala term for «good governance». This was the platform on which the coalition government came into power in January 2015. 'Yahapaalanaya government' is a term used to refer, often ironically, to the tenure of Sirisena-Wickremesinghe government between 2015 and 2019. In October 2018, President Sirisena of the Sri Lanka Freedom Party (SLFP) undemocratically appointed his rival and former president Mahinda Rajapaksa – whom he defeated in the January 2015 Presidential Election – as prime minister of Sri Lanka. Sirisena made this unconstitutional appointment while the incumbent prime minister, Wickremesinghe of the United National Party (UNP), was still in office. This move triggered what has been dubbed the 52-day «Constitutional Crisis' or 'Constitutional Coup», lasting between October and December 2018. In a speech made shortly after illegally appointing the new prime minister, Sirisena lamented the difficulties he had encountered in the preceding three years of coalition governance. As pointed out by the President in his address to the nation on 28 October 2018:

Once in the government Mr Wickremesinghe arrogantly and stubbornly avoided collective decisions, and tended to take individual decisions...Due to his lack of collective decision making through discussion, our country had to face harsh consequences when he used to take decisions with a group of his very close associates...there was also a policy conflict between Hon. Ranil Wickremesinghe and me... [and] also differences of culture between Mr Wickremesinghe and me.. I believe that all those differences in policy, culture, personality and conduct aggravated this political and economic crisis.<sup>2</sup>

Sirisena's «coup», which included an attempt to prorogue and then dissolve parliament, was, however, thwarted by a combination of parliamentary and judicial action.<sup>3</sup> In a strong demonstration of the growing independence of institutions, both the Supreme Court and Court of Appeal overturned Sirisena's actions, and Wickremesinghe was formally reinstalled as prime minister in December 2018.<sup>4</sup> Thus, the year 2019 dawned with fraught relations between President and Prime Minister.

### 2.1. Easter Sunday bombings

On the morning of Easter Sunday, 21 April 2019, one of the most holy days for Christians in the calendar, simultaneous suicide bombs targeting three churches and three luxury hotels across Sri Lanka were detonated. The deadly attacks left over 250 people dead, and many more wounded. The victims included dozens of women and children, and tourists. This was the deadliest attack in over a decade, following the conclusion of Sri Lan-

2. 'President Maithripala Sirisena's Address to The Nation – Full Text', *Colombo Telegraph*, 28 October 2018.

4. 'Sri Lanka reinstates ousted PM, ending power struggle', *Hindustan Times*, 17 December 2018.

<sup>3. &#</sup>x27;How Sri Lankans Are Resisting Rajapaksa's Soft Coup Attempt', *The Diplomat*, 5 December 2018.

ka's civil war in 2009. The scale of the attack, and the nature of the targets – churches and hotels – left Sri Lankans and the international community reeling in shock.

The suicide bombers were identified shortly after the attacks as affiliated with radical Islamist groups. Islamist violence had not occurred on such a scale in Sri Lanka prior to the April 2019 attacks. For example, one of the more significant instances of Islamist violence targeting non-Islamic groups was the vandalism of Buddhist statues in Mawanella in December 2018.<sup>5</sup> However, there had previously been episodes of intra-Muslim violent conflict, such as in 2017, when the «National Thowheeth Jama'ath» (NTJ) - whose former members were associated with the Easter Sunday bombings - forcefully expelled followers of cleric (popularly considered 'Sufi') Abdur Rauff, from Kattankudy.6 Conversely, Muslim-Christian violence has not featured in any substantial way in Sri Lanka's religious conflict landscape. Instead, both Muslims and Christians have long been at the receiving end of Sinhala-Buddhist discrimination and violent campaigns.<sup>7</sup> Indeed, the targeting of Muslims and heightened Islamophobia has intensified since around 2012.8 The decision to target churches and tourists seem to suggest a transnational dimension behind the planning of the attack; the International Crisis Group report on the Easter Sunday bombings suggests the violence was carried out «with inspiration and modest support from individuals believed to have linked with the Islamic State in Iraq and Syria (ISIS)».<sup>9</sup> Following the attacks, ISIS claimed responsibility. It is however likely that ISIS merely inspired the nature of the attacks rather than orchestrated it.<sup>10</sup>

The purported leader of the group behind the Easter Sunday bombings, identified as Zahran Hashim,<sup>11</sup> had been known to state security services as a radical preacher. Zaharan had been ousted from his hometown in Kattankudy in 2017 by the local Muslim population for his inflammatory speeches in support of ISIS and violent actions, and had been evading arrest since July 2017.<sup>12</sup> Despite police and intelligence services' familiarity

5. 'Several Buddha Statues Attacked in Mawanella: Police Arrest Two Suspects', *Colombo Telegraph*, 26 December 2018.

6. International Crisis Group, After Sri Lanka's Easter Bombings: Reducing Risks of Future Violence, Asia Report No. 302, 27 September 2019, p. 5.

7. Verité Research, Silent Suppression: Restrictions on Religious Freedoms of Christians 1994-2014, Colombo, 2014.

8. Rohan Gunaratna, 'Sinhala-Muslim Riots in Sri Lanka: The Need for Restoring Communal History', *Counter Terrorist Trends and Analyses*, Vol. 10, No. 4, April 2018, pp. 1-2.

9. International Crisis Group, 'After Sri Lanka's Easter Bombings', p. 3.

10. Ibid.

11. According to reports, Zaharan was formally evicted from NTJ in December 2017, possibly due to his open advocacy in favour of ISIS in Syria. See International Crisis Group, 'After Sri Lanka's Easter Bombings', p. 7.

12. *Ibid.*, p. 12.

with Zaharan's vocal support for ISIS, and the fact that it was his acolytes who were involved in the vandalism of the Buddhist statues in Mawanella, Zaharan remained at large until the bombings occurred.

In the weeks leading up to the Easter Sunday bombings, Indian intelligence services gave «detailed warnings of imminent suicide attacks on churches».<sup>13</sup> The heads of various security services such as the Terrorism Investigation Division were made aware of these threats. However, the threats were neglected at weekly intelligence coordination meetings. These intelligence warnings were not passed down in a timely manner to the relevant law enforcement personnel. A Parliament Select Commission appointed to investigate the attacks and whether they could have been prevented found that the State Intelligence Director, Secretary to the Ministry of Defence, Inspector General of Police, Chief of National Intelligence and Directorate of Military Intelligence 'all were informed of the intelligence information prior to the Easter Sunday attacks, but failed to take necessary steps to mitigate or prevent it.'<sup>14</sup>

The fallout from the «constitutional coup» and the inability for the President and the Prime Minister to work together is most evident in the failure to share information and take adequate action regarding the intelligence received about the planned terror attacks. The Report of the Parliament Select Commission noted that the Prime Minister had been «left out of [National Security Council] meetings since October 2019 on the direct instructions of the President».<sup>15</sup> The Prime Minister was blamed for his own failure to raise the issue of his exclusion in Cabinet and Parliament for over six months.

According to statements before a Presidential Commission of Inquiry investigating the Easter Sunday Attacks, President Sirisena had been briefed about the possibility of an attack.<sup>16</sup> At the time of the bombings, however, Sirisena was on vacation in Singapore, and later «denied receiving any information about future attacks prior to the morning of 21 April».<sup>17</sup> In a belated response, Sirisena declared a state of emergency and promulgated sweeping emergency regulations on 23 and 24 April 2019. These regulations were viewed by civil society activists as problematic. The regulations, the Centre for Policy Alternatives in Sri Lanka observed, gave «extraordinary powers adversely affecting personal liberty and property, the potential for the imposition of undue and illegitimate restrictions on the freedoms of expression and assembly, and in the absence of effective oversight mech-

13. Ibid., p. 10.

14. 'Intelligence failures, political failings blamed for terror attacks', *DailyFT*, 24 October 2019.

15. Ibid.

16. 'Sirisena Directly Responsible for Easter Attacks', Ceylon Today, 25 September 2020.

17. International Crisis Group, 'After Sri Lanka's Easter Bombings', p. 10.

anisms, the regulations can be seen as pushing the boundaries of what is constitutionally permissible».<sup>18</sup>

In the aftermath of the unprecedented Easter Sunday bombings, a familiar pattern of anti-Muslim hate speech and violence emerged. The broader, and typically peaceful Muslim community found itself at the receiving end of discrimination and eventually violence. Face coverings, including niqab, were temporarily banned under the emergency regulations, yet women only wearing the hijab (which does not cover the face) were often prevented entry into supermarkets, banks, and schools on the grounds of posing a security risk.<sup>19</sup> Meanwhile, both sporadic and organised acts of violence erupted in Negombo, Kurunegala and Minuwangoda between April and May 2019. Despite police curfews being in place, Muslim homes, places of worship and businesses were destroyed, looted and set alight.<sup>20</sup> One Muslim man was brutally murdered outside his home. This pattern of violence had already been evident in the past, although the trigger events were incomparable to the scale of the Easter Sunday bombings. Anti-Muslim violence took place in Aluthgama in June 2014, Gintota in November 2017, Amparai in February 2018, and Digana and Teldeniya in March 2018, following various trigger incidents such as «traffic accidents, the alleged contamination of food», and altercations between Buddhist clergymen and Muslims.<sup>21</sup> The state's response to these episodes of anti-Muslim violence was frequently inadequate, with little accountability for perpetrators despite substantial evidence that clearly indicated planned incitement of violence and discrimination targeting Muslims.<sup>22</sup> It is worth noting that successive governments have failed to address the problem of impunity for anti-Muslim violence, and that allowing such discrimination and violence to occur

18. 'Understanding Emergency: Easter Sunday Attacks 2019', Centre for Policy Alternatives, 25 April 2019. The full text of the statement and a description of the emergency regulations are both accessible at: https://www.cpalanka.org/understand-ing-emergency-easter-sunday-attacks-2019.

19. Chandni Doulatramani, 'Sri Lanka's Veil Ban is Fueling Hate', *Foreign Policy*, 23 May 2019.

20. *Ibid.* Political scientist A.R.M. Imtiyaz argues that the failure of law enforcement actors to prevent such mob violence 'suggest[s] state complicity in violence against Muslims in May 2019'. Restrictions on wearing face coverings were ostensibly introduced in response to the Easter Sunday bombings although certain segments of Sri Lankan society have criticised the wearing of such garments even prior to April 2019. Imtiyaz observes that the niqab (among other conservative Muslim attire) is viewed by some Sinhala-Buddhists as reflecting the 'Islamization of Sri Lanka'. A.R.M. Imtiyaz, 'The Easter Sunday Bombings and the Crisis Facing Sri Lanka's Muslims, *Journal of Asian and African Studies*, Vol. 55, No. 1, 2020, pp. 11-13.

21. Shamara Wettimuny, 'A Brief History of Anti-Muslim violence in Sri Lanka', *History Workshop Online*, 22 July 2019.

22. Gehan Gunatilleke, 'A Pardon, and a Penalty: A Prelude to a Populist?', *Groundviews*, 2 April 2019.

unimpeded is not associated with one government in particular.<sup>23</sup> Instead, it appears to be a systemic issue that transcends political party lines.

# 2.2. Presidential Elections

The shock of the Easter Sunday bombings, and the failure of the state to prevent the attacks in spite of the substantial forewarning, created the conditions in which Gotabaya Rajapaksa rode to power in November 2019.

Those allied with former president Mahinda Rajapaksa and the SLFP formed a breakaway party – the Sri Lanka Podujana Peramuna (SLPP) – in May 2017.<sup>24</sup> Their first electoral success came in February 2018 when they secured a resounding victory at the Local Government Elections. This election marked the first win along a path to further victories, heralding the return of the Rajapaksas. Although Mahinda Rajapaksa was embarrassed to some extent, as a consequence of the «constitutional coup» later that year, and had to resign from the post of prime minister to which President Sirisena had illegally appointed him, his standing among his constituent voters was not harmed.

Mahinda Rajapaksa was prohibited from running for election a third term – a condition introduced in the Nineteenth Amendment to the Constitution brought in by the coalition government in May 2015.<sup>25</sup> Thus, in the 2019 Presidential Election, Mahinda Rajapaksa had to settle for his position as «kingmaker rather than king».<sup>26</sup> As the terror of Easter Sunday unfolded, demands for a strong and decisive response emerged. It was in this context that the first potential candidate threw his hat in the ring: Gotabaya Rajapaksa, Mahinda's brother, announced his intention to run for president within a week of the bombings. His campaign pledge and appeal were clear – he would eradicate Islamist terrorism, restore Sri Lanka's national security and intelligence bodies to its former state of glory (when he was secretary to the Ministry of Defence), while delivering economic development and prosperity.<sup>27</sup> In the aftermath of the Easter Sunday attacks, journalists reported that «most Buddhist leaders and some victims of the terror attacks have since openly expressed their desire for the Rajapaksa family to return to

23. Gehan Gunatilleke, 'The Constitutional Practice of Ethno-Religious Violence in Sri Lanka', Asian Journal of Comparative Law, Vol.13, No. 2, 2018, pp. 357-389.

24. Meera Srinivasan, 'Sri Lanka Podujana Peramuna: A party for the Rajapaksas', *The Hindu*, 26 September 2020.

25. *Ibid.* Mahinda Rajapaksa ran for president a third time in January 2015 but lost to a 'common candidate' – Sirisena – who was originally the General-Secretary of his own SLFP.

26. Jeffrey Feltman, 'Sri Lanka's Presidential Elections: Progress, Regression, or Paralysis', Brookings Foreign Policy, April 2019, p. 2.

27. Meera Srinivasan, 'Sri Lanka Podujana Peramuna'.

power».<sup>28</sup> Mahinda Rajapaksa, however, withheld his blessings to his brother's candidacy until August 2019. The reason for withholding this decision is not clear. It may have been that the elder Rajapaksa was weighing up all options before lending his support to a candidate running from his party; Mahinda Rajapaksa might also have thought that it was too cynical to launch a presidential candidacy campaign within days of the country's worst terror attacks in over a decade; finally, and perhaps most importantly, at the time of Gotabaya's announcement, he had a dual citizenship, as, having moved to the US in 1998, he had obtained the US citizenship in 2003.<sup>29</sup>

Gotabaya's candidacy, nonetheless, was confirmed on 11 August 2019, in front of thousands of people gathered at a large convention hall in Colombo, where Mahinda formally named his sibling the SLPP's presidential candidate.<sup>30</sup> While Mahinda had (and, at the time of writing, still has) the gratitude of both much of the country's Sinhala-Buddhist majority and a part of the minority populations for ending the country's 30-year civil war, Gotabaya had his own support base and brand. He too was credited, in his capacity of secretary to the Ministry of Defence, for adopting an unrelenting position against the Liberation Tigers of Tamil Eelam (LTTE), particularly in the last stages of the war. This position had not been shared by all, including much of the Tamil minority and numerous civil society and human rights activists and journalists. His critics claim that «during the civil war Gotabaya crushed the dissident Tamil Tigers with little regard for human rights, allowed abductions and gave consent to extrajudicial killings».<sup>31</sup> Nevertheless, despite investigations being initiated against him by the post-2015 coalition government, into alleged cases of corruption, none were seen through to any fruition. The investigations still ongoing were dropped within days of Gotabaya's election as president, as Sri Lanka's Constitution prohibits court proceedings against a sitting president.<sup>32</sup>

In August 2019, there were no other candidates in the running at the time Gotabaya Rajapaksa's candidacy for president was confirmed. Against the backdrop of Gotabaya's candidacy, the United National Party

28. Shihar Aneez & Sankalp Phartiyal, 'Sri Lanka wartime defence chief Gotabaya Rajapaksa launches presidential bid', *Reuters*, 11 August 2019.

29. In the week before the election, there were conflicting reports as to whether Gotabaya had renounced his US citizenship or not – as the process, once initiated, could take a substantial period of time. Gotabaya's lawyers insisted that he had renounced his citizenship from 17 April 2019 even though his name did not appear in US federal register of names of those who renounced their citizenship in the third quarter of 2019. See '«Do not be deceived by baseless allegations» – Gotabaya responds to controversy surrounding his US citizenship', *NewsFirst*, 10 November 2019 (the inverted commas are reproduced as in the original).

30. Shihar Aneez & Sankalp Phartiyal, 'Sri Lanka wartime defence chief'.

31. Ibid.

32. 'Corruption charges dropped as Gotabaya Rajapaksa has immunity as new Sri Lanka President, *The Straits Times*, 21 November 2019.

(UNP) were scrambling among themselves to put forward a candidate other than the party leader, Ranil Wickremesinghe. On 12 August 2019, certain UNP MPs and organisers arranged a public rally in Badulla to support the candidacy of deputy leader of the UNP and minister of Housing, Sajith Premadasa.<sup>33</sup> The infighting of the UNP, fairly well known previously, was projected on to the national stage over the following three months. This infighting meant that the UNP spent more time in internal squabbling over the choice of the party candidate, than in tackling national issues. This left them poorly equipped and badly damaged, weaking their ability to support the government<sup>34</sup> and compete effectively against Gotabaya Rajapaksa. The three potential candidates within the UNP were the incumbent prime minister and Leader of the UNP Ranil Wickremesinghe, Speaker and elderly statesman Karu Jayasuriya, and Deputy Leader Sajith Premadasa.<sup>35</sup>

In a country where dynastic politics is often the norm rather than the exception, Sajith Premadasa has managed to distinguish himself as a politician in his own right, despite the fact that his father, Ranasinghe Premadasa, was a former president who was assassinated in 1993 by the LTTE. Ranil Wickremesinghe, the nephew of former prime minister and first executive president J.R. Jayewardene, has held the post of UNP Party Leader since 1994. In spite of his long career in politics, Wickremesinghe is criticised as a politician who «fails to connect» with the electorate.36 Throughout much of September 2019, talks between Wickremesinghe and Premadasa remained 'inconclusive', a fundamental obstacle to campaigning against other confirmed presidential candidates.37 It was only on 26 September 2019 that Sajith Premadasa was finally announced as the UNP's presidential candidate, leaving him just over a month and a half to launch his campaign.<sup>38</sup> His election manifesto was revealed on 31 October 2019, just two weeks prior to the election. The inability to reach a timely and conclusive decision was in some ways a microcosm of the UNP's (in)ability to govern effectively between 2015 and 2019.

Gotabaya Rajapaksa won the election on 17 November 2019 with 52.25% of the vote. Rajapaksa dominated areas that had Sinhalese majorities across the island, whereas Premadasa performed well in Tamil-majority areas such as in the north of the island, and appeared to also win the votes

33. 'Welcome rally at Badulla for Deputy Leader Sajith Premadasa', *NewsFirst*, 12 August 2019.

<sup>3</sup>4. By this time, the «coalition» government had ended, and it was a largely UNP government with an SLFP President and some SLFP ministers.

35. Meera Srinivasan, 'Sri Lanka: infighting over presidential candidate heightens in UNP', *The Hindu*, 14 August 2019.

36. Sarath de Alwis, 'If Sajith wants to win', DailyFT, 15 October 2019.

37. 'Ranil-Sajith talks positive but inconclusive', DailyFT, 11 September 2019.

38. Yohan Perera, 'Sajith Premadasa endorsed as presidential candidate... Historic day for UNP – Akila', *Daily Mirror*, 27 September 2019.

of most Muslim voters.<sup>39</sup> These votes were, however, not enough to compete with Rajapaksa, and Premadasa conceded the election after receiving only 42% of the vote.<sup>40</sup>

Shortly after taking oaths as president, and accepting the resignation of Prime Minister Ranil Wickremesinghe, Gotabaya appointed his brother Mahinda as the new prime minister. Sajith Premadasa was, meanwhile, appointed leader of the Opposition in parliament. The Rajapaksas, accordingly, formed a minority government, which was expected to be a temporary placeholder before elections could be held early the following year.<sup>41</sup> The Rajapaksas promised to combat the corruption allegedly prevailing under the previous government, ensure national security, and restore the dignity of Sinhala-Buddhists, which was allegedly denied under UNP-SLFP rule between 2015 and 2019.<sup>42</sup> In his inauguration speech, Rajapaksa assured his voters: «Sri Lanka is a Sinhala Buddhist Country and should be governed based on the philosophy of Buddhism».<sup>43</sup> He however called on Tamils and Muslims to «join him in his journey forward…with an uncomfortable reminder in which he told minorities that he received a lukewarm response for [sic] them in the form of votes».<sup>44</sup>

Among the Muslim minority in Sri Lanka, meanwhile, many harboured fears «that the new political landscape will bring renewed energy to the long-running campaign of anti-Muslim hate speech, violence and economic boycotts».<sup>45</sup> Both Tamils and Muslims have «borne the brunt of discriminatory treatment by the Sri Lankan state», and have endured serious violations of their rights.<sup>46</sup> Tamils have not received adequate redress

39. 'Sri Lanka election: Wartime defence chief Rajapaksa wins presidency', BBC News, 17 November 2019.

40. There was substantial anti-minority hate speech on social media platforms such as Facebook by 'hardcore Rajapaksa fans' who hurled 'insults on the north and east voters, calling them terrorists and extremists' for their voting patterns. Munza Mushtaq, 'Sri Lanka: Strongman president spurs fear in minorities', *Andadolu Agency*, 23 November 2019.

41. 'Sri Lanka's new president picks brother Mahinda Rajapaksa as PM', *Al Jazeera*, 20 November 2019.

42. An ultra-nationalist group led by Buddhist monks, the *Bodu Bala Sena*, for instance, announced at a large gathering in July 2019 «we the clergies should aim to create a Sinhala government. We will create a parliament that will be accountable for the country, a parliament that will protect Sinhalese…we are the historical owners of the country». Shihar Aneez & Aditi Shah, 'Hardline Sri Lanka monk calls for Buddhist Sinhalese government', *Reuters*, 7 July 2019.

43. Maheshi Anandasiri, 'Power of the spoken word: The inaugural address to the nation by the 7th Executive President of Sri Lanka', *DailyFT*, 21 November 2019.

44. Munza Mushtaq, 'Sri Lanka: Strongman president spurs fear in minorities', *Andadolu Agency*, 23 November 2019.

45. Alan Keenan, 'Sri Lanka's Presidential Election Brings Back a Polarising Wartime Figure', *International Crisis Group*, 18 November 2019.

46. Munza Mushtaq, 'Sri Lanka: Strongman president'.

for their demands for accountability regarding alleged war crimes perpetrated against them by the state during the civil war. Alan Keenan observes: «the fact that such crimes took place while Gotabaya oversaw the police and military during his brother's presidency has raised fears that both groups could face renewed pressure».<sup>47</sup> Following Rajapaksa's election, R. Sampanthan, the leader of the Tamil National Alliance (TNA) - the largest Tamil political party in parliament - issued a statement. He congratulated the new president while requesting Rajapaksa to «respect the very substantial democratic verdict of the Tamil people of the North and East». He referred to the need for a «resolution of the longstanding national question», and the solution of «maximum devolution of power» within a «united, undivided, indivisible country».<sup>48</sup> Yet many Tamils believed that «the prospects for justice and reconciliation between the different communities on the island lie in tatters».49 Control of the executive was now back in the hands of the Rajapaksa family. Attention soon turned to who would control the new legislature.

## 3. General election

With a clear mandate from the voters, the Rajapaksas set about consolidating their power. In a natural next step, given their minority government status within parliament, Gotabaya Rajapaksa dissolved parliament on 2 March 2020, and called for new elections on 25 April. However, in the second half of March 2020, the COVID-19 pandemic started to spread rapidly. On 15 March, Sri Lanka shut its borders to travellers from the UK, followed by a complete shutdown of all airports to international commercial passengers on 17 March.<sup>50</sup> The government attempted to go ahead with the elections, but the Election Commission, an independent institution, invoked section 24(3) of the Parliament Elections Act, and announced the postponement of the election due to «emergency» or «unforeseen circumstances». By the powers vested in them, they issued Extraordinary Gazette No. 2167/19-2020, which stipulated that the election could be held fourteen days after 30 April 2020.<sup>51</sup> An initial date of 20 June 2020 was set for the General Election, but this was once again postponed to 5 August 2020.

47. Ibid.

48. 'TNA calls for equality and democratic space to be preserved', *DailyFT*, 21 November 2019.

49. Mario Arulthas, 'Trouble brews in post-election Sri Lanka', Al Jazeera, 9 December 2019.

50. US Embassy in Sri Lanka, COVID-19 Information – Sri Lanka, (https://lk.usembassy.gov/covid-19-information).

51. Tharindu Abeyrathna, 'COVID-19 and Elections: an election in the time of pandemic in Sri Lanka', *ANFREL*, 7 May 2020.

By the time the election was held, parliament had remained dissolved for five months. According to the Constitution, when the president dissolves Parliament in order to hold snap elections, he «shall summon the new Parliament» at a date «no later than three months since the dissolution of Parliament». Constitutional scholars thus maintained that the delay in holding elections, or in reconvening Parliament on the grounds that «an emergency has arisen», was a violation of the Constitution.<sup>52</sup> Former opposition parliamentarians, such as former TNA MP M.A. Sumanthiran called for parliament to be reconvened to pass new legislation that would equip the country to deal with COVID-19.<sup>53</sup> Constitutional lawyers suggested, that parliament could have been reconvened under Article 70(7) of the Constitution.<sup>54</sup>

The General Election was contested on 5 August 2020 by numerous national parties and independent groups. The SLPP obtained the highest number of seats, taking 145 out of 225 seats, leaving it just short of a two-thirds majority required to change the Constitution. The party that gained the second highest number of seats was, similar to the SLPP, a newly established breakaway party called the Samagi Jana Balawegaya (SJB), winning 54 seats.

The SJB, headed by Sajith Premadasa, was established on 2 March 2020. It largely comprised dissident politicians from the UNP, who failed to wrest party leadership from Ranil Wickremesinghe, and viewed the UNP as an unelectable party. The SJB was a coalition party, which included «fifteen political parties, and over 30 civil society groups and Trade Unions». Conspicuous by their absence at the launch of the party were UNP Leader Ranil Wickremesinghe and his inner circle, who remained loyal to the UNP and its Leader.<sup>55</sup> The SJB's election campaign was launched in Sri Lanka at the height of COVID-19 restriction on movement, which included curfews and lockdowns.

The SLPP and SJB electoral campaigns and their relative successes at the General Election represent two significant shifts in the electoral landscape of Sri Lanka. First, campaigning in Sri Lanka has typically taken the form of door-to-door visits and large public rallies.<sup>56</sup> In the context of COVID-19, electioneering had to transition more heavily onto social media platforms, while maintaining a physical presence on the ground, and appearing in mainstream and electronic media. Analysts connected

52. Gehan Gunatilleke, 'Can Sri Lanka put politics aside in a pandemic', *DailyFT*, 22 April 2020.

53. <sup>1</sup>Reconvene parliament, carry out more tests to contain COVID-19 in Sri Lanka, ex-legislators say in live online session', *EconomyNext*, 9 April 2020.

54. Ibid.

55. 'Ranil, Akila absent at «Samagi Jana Balawegaya» launch', *DailyNews*, 2 March 2020.

56. Sabra Zahid, 'Sri Lanka: campaigning during the pandemic', *Democracy Reporting International*, 16 July 2020.

the ability of candidates to reach key audiences with the funding available to them; traditional political parties as opposed to independent candidates were thus more likely to succeed in this regard thanks to wider financial availability.<sup>57</sup>

The second shift signalled by the results of the General Election was the historic erosion of the two oldest and largest political parties, and the emergence and electoral success of two relatively new political parties. The SLFP, which had aligned itself with the SLPP in the election, won only one separate seat in parliament, and the UNP also won only one seat in the election. Meanwhile, political parties made up of ethnic or religious minorities, such as the Illankai Tamil Arasu Kachchi (ITAK, the main constituent party of the TNA) won 10 seats in parliament,<sup>58</sup> the All Ceylon Makkal Congress won one seat, and the Sri Lanka Muslim Congress also won one seat. The Jathika Jana Balawegaya, made up of a coalition of parties including the Janatha Vimukthi Peramuna (JVP) – also won three seats in parliament.<sup>59</sup> The humiliating defeat of both SLFP and UNP MPs at the General Election signalled the likely end of both these traditional parties.

#### 4. Constitutional reform

A key campaign promise of the SLPP during the general election campaign was the abolition of the Nineteenth Amendment to the Constitution, which included provisions to take legal action against the president, re-introduced a two-term limit for the president,<sup>60</sup> assured the independence of several institutions including the judiciary, police commission and elections commission, prohibited dual citizens from holding seats in parliament, and introduced a minimum age limit for the office of the president. A number of these checks and balances were introduced by the coalition government in 2015 to directly target the Rajapaksa family. For instance, Mahinda Rajapaksa had already served two-terms as president and was prohibited from seeking a third term in 2019 due to the Nineteenth Amendment. His brothers Gotabaya and Basil were dual citizens respectively, and could not hold office under the Nineteenth Amendment without renouncing their US citizenship. Mahinda Rajapaksa's son, Namal, also a parliamentarian, is widely expected to contest presidential elections in a not-so-distant future. A min-

57. Ibid.

58. ITAK actually lost ground in the North and the East to Tamil parties allied with the SLPP, such as the All Ceylon Tamil Congress and the Eelam People's Democratic Party, which each won two seats.

59. Parliament of Sri Lanka, Results, (https://www.parliament.lk/election-2020).

60. A previous term limit was removed by the Eighteenth Amendment passed in 2010. The Nineteenth Amendment reintroduced much of what was removed under the Eighteenth Amendment. imum age limit of 35 was thus viewed as preventing Namal Rajapaksa from contesting the 2019 Presidential Election.

Changing the constitution requires a two-thirds majority in parliament. The General Election thus paved the way for the SLPP and its allies to secure a two-thirds majority in parliament to effect constitutional change. Less than a month after their victory, the SLPP-led government gazetted a draft of the Twentieth Amendment to the constitution to replace the Nineteenth Amendment.<sup>61</sup>

The proposed Twentieth Amendment sought to remove restrictions on the president's ability to hold ministerial portfolios, and the number of Cabinet and non-Cabinet ministers. The Constitutional Council that formerly appointed key state officials and members of independent commissions was to be abolished and replaced by a Parliamentary Council without civil society participation. This Council could only make non-binding observations. Under the Twentieth Amendment, the president also has the power to dissolve parliament after just one year.<sup>62</sup>

The draft legislation came under severe criticism from opposition parties, civil society activists and academics. Thirty-nine petitioners challenged clauses in the bill before the Supreme Court, including members of the SIB and TNA. The aim of the petitioners included seeking a court order for a national referendum to amend the Constitution.<sup>63</sup> Professor Javadeva Uyangoda, a political scientist, described the proposed legislation as «a very wrong approach to constitution-making». He slammed the legislation as «totally devoid of a democratic normative framework relevant to our society and its own progressive-modernist legacies of constitutionalism».<sup>64</sup> Dr Asanga Welikala, constitutional scholar and lecturer in public law wrote, «the changes proposed in the Bill will change the character and quality of Sri Lankan constitutional democracy for the worse, possibly even to the point of destruction...By removing virtually every established constitutional limit on the powers of the executive president, it attacks the idea of constraints. The system of unlimited rule by one person it will introduce is not an expression of population sovereignty, but the cession or alienation of sovereignty from the people to the will of one person».<sup>65</sup> Further changes to the substance of the bill were introduced at the Committee Stage, such as the increase in the number of judges on the Supreme Court and the Court

61. 'Sri Lanka govt's proposed 20th Constitution Amendment faces resistance within ruling SLPP: Party members', *The Hindu*, 13 September 2020.

62. 'A Brief Q and A on the Proposed 20<sup>th</sup> Amendment to the Constitution', *Centre for Policy Alternatives*, 17 September 2020.

63. 'Sri Lanka SC concludes hearing on petitions against govt's proposed 20A Constitution Amendment Bill', *New Indian Express*, 5 October 2020.

64. Jayadeva Uyangoda, 'The 20A: À Very Wrong Approach to Constitution-Making', *Groundviews*, 28 September 2020.

65. 'Some Reflections on the Twentieth Amendment Bill – Asanga Welikala', *Sri Lanka Brief*, 22 September 2020.

of Appeal – preventing public comment or judicial review of the clauses. These moves were condemned by scholars and activists in Sri Lanka, as well as by international bodies such as the International Commission of Jurists.<sup>66</sup>

The proposed legislation did not go through unscathed. First, the Supreme Court determined that four clauses in the proposed Amendment would require the people's approval at a national referendum, including the clause on presidential immunity.<sup>67</sup> Second, certain clauses of the Amendment came under criticism from actors even within the ruling parties and their allies. For instance, key allies remained vocally opposed to the dual citizenship clause (that removed constraints on dual citizens being appointed to parliament).<sup>68</sup> Yet the government, led by the President and the Prime Minister, maintained their position that the Nineteenth Amendment led to the policy instability and chaos that enabled the Easter Sunday bombings.<sup>69</sup> On 22 October, 156 MPs voted in favour of the Amendment, and the bill passed into law.<sup>70</sup>

The first phase of the government's constitutional reform project was complete. Yet it was only one step within a broader reform project that concerned the entire Constitution. For instance, the government had announced its intentions to reform the existing electoral system, and address its concerns with regard to the existing devolution of power vis-à-vis the Thirteenth Amendment to the Constitution. In September 2020, the government appointed a nine-member expert committee to prepare drafts of a new Constitution. In October 2020, the government called for the public to submit any proposals for consideration to the drafters of a new constitution. Lawyers, academics, civil society organisations, and political parties submitted their proposals to the drafting committee, and also made such proposals publicly available.<sup>71</sup> At the end of 2020, the expert committee's drafts of the constitution were still a work in progress and had not been made public.

66. 'Sri Lanka: newly adopted 20th Amendment to the Constitution is blow to the rule of law', *International Commission of Jurists*, 27 October 2020.

67. Meera Srinivasan, 'Constitutional amendment needs referendum: Sri Lanka's Supreme Court', *The Hindu*, 20 October 2020.

68. Chandani Kirinde, '20A debate divides Govt. ranks on dual citizenship provision', *DailyFT*, 22 October 2020.

69. Ibid.

70. A number of MPs from Muslim political parties voted for the 20th Amendment. Muslim politicians have, in the past, received concessions from various governments in exchange for their support in parliament. Historically, concessions have included «important ministerial portfolios for Muslims in successive governments... [and] freedom to practise their religion (such as to establish mosques and madrassas, and issue Halal food certification)». Imtiyaz suggests that such concessions have factored into «pushing Muslims into an isolated socio-cultural spaces [sic]». Imtiyaz, "The Easter Sunday Bombings', pp. 9-10.

71. See for example, Asanga Welikala, Dinesha Samararatne, Kalana Senaratne, Kumaravadivel Guruparan & Gehan Gunatilleke, 'A proposal for a new chapter on fundamental rights and freedoms in the Constitution', *Daily FT*, 3 December 2020.

#### 5. COVID-19 in Sri Lanka

Sri Lanka confirmed its first case of COVID-19 ahead of the curve, on 27 January 2020. The person was a Chinese tourist who had recently arrived in the country.<sup>72</sup> The patient was treated at a hospital in Colombo, and was discharged to great fanfare (including a kiss on the forehead by the Health Minister!) on 19 February 2020.73 The next case of COVID-19 was discovered on 10 March 2020, almost two months after the first case was identified. Schools were closed as a precautionary measure, and a mandatory quarantine of passengers from particular countries was declared.<sup>74</sup> Within days, the government halted all arrivals at its main airport, and by 22 March, all passenger flights and ship arrivals into the country were banned. The government imposed two lockdowns, first in May and June, and later in October and November, to curb the spread of the virus. At the end of the year, Sri Lanka had not yet reopened its borders to passengers except under special circumstances. The government, meanwhile, initiated a series of repatriation flights from April onwards to manage the return of Sri Lankan citizens who were stranded abroad. As at 1 January 2021, there were 43,299 confirmed COVID-19 cases, and 204 deaths.75

Relative to countries in the region and beyond, Sri Lanka's death toll has been significantly low. Similarly, the total number of cases as a percentage of the population was also not as high as those in the region. Yet the number of positive cases has been steadily increasing ever since a new cluster of patients were discovered in late September and early October 2020.<sup>76</sup> Curfews were imposed in high-risk areas, and certain hotspots were placed under isolation. Between 31 October and 9 November, the entire Western Province of Sri Lanka was placed under strict curfew. Inhabitants could not leave their homes for exercise or groceries. Instead, «the system which was imposed during the first lockdown in Sri Lanka of delivering food» was re-introduced, with private-sector retailers being permitted to sell fruits, vegetables and dry rations from the back of lorries and trishaws, and food delivery services delivering groceries or ready-made food.<sup>77</sup> Even after curfew was lifted, many areas remained in isolation, which could be lifted and re-imposed as deemed necessary by the health authorities.

72. 'Sri Lanka confirms first case of coronavirus: health official', *Reuters*, 27 January 2020.

73. 'Sole COVID-19 patient in Sri Lanka discharged from hospital after recovery', *Xinhua News*, 19 February 2020.

74. 'Coronavirus: Sri Lanka reports second case', The Hindu, 12 March 2020.

75. 'Updates on COVID-19, Sri Lanka Situation', (https://srilanka.travel/covid19).

76. 'Mahadiya Hamza, 'The Minuwangoda cluster has yielded more than 8,000 Covid patients', *EconomyNext*, 4 November 2020.

77. Zulfick Farzan, 'Quarantine Curfew re-imposed for the Western Province', *NewsFirst*, 1 November 2020.

Sri Lanka's COVID-19 response was largely managed by two arms of the state: first, the medical response was led by the Ministry of Health, and second, the logistical response and enforcement of health measures was managed by the Sri Lankan Army. Sri Lanka was prepared for COVID-19, in one sense, from 26 January 2020, upon discovery of the first patient. The government established the National Action Committee for COVID-19, and directed the State Intelligence Service to undertake research on «developments in the world and to assess possible impacts on the region».<sup>78</sup> In March, it established the National Operation Centre for Prevention of COVID-19 Outbreak (NOCPCO), headed by Army Commander Lieutenant General Shavendra Silva to lead combined operations in tackling COVID-19.<sup>79</sup>

On 23 March, President Rajapaksa called out «all members of the Armed Forces» under the Public Security Ordinance to maintain public order in Sri Lanka.<sup>80</sup> In a move congruent with the ongoing model of «rule by taskforce»<sup>81</sup> (in the absence of the then-dissolved legislature) and the militarisation of policymaking, President Rajapaksa on 26 March 2020 appointed a Presidential Taskforce to coordinate services, including the supply of food to areas that «have greater vulnerability in the eradication of coronavirus in Sri Lanka».<sup>82</sup> This Task Force was headed by the President's Special Envoy and brother, Basil Rajapaksa.

Apart from the impact of COVID-19 on elections and policymaking, regulations passed in response to COVID-19 had a significant impact on the freedom of religious belief in Sri Lanka.

Sri Lanka recorded its first death from COVID-19 in March 2020, and the patient was cremated.<sup>83</sup> Sri Lanka is a majority Buddhist coun-

78. President of Sri Lanka, *Combatting COVID-19: Sri Lankan Approach*, (https:// www.president.gov.lk/.Documents/Concept-Paper-COVID-19-Ver-6-11-May-20-E.pdf).

79. Presidential Secretariat, Army Commander Shavendra Silva heads National Operation Center for Prevention of COVID- 19 Outbreak.

80.Gazette No.2168/1-2020 (http://documents.gov.lk/files/egz/2020/3/2168-01\_E.pdf).

81. For example, Gazette No. 2178/18 stipulated the appointment of a Task Force to build a «virtuous, disciplined and lawful society» in Sri Lanka. CPA Lanka notes that it was to be headed by the Secretary to the Ministry of Defence, and 'comprises the heads of the Armed Forces, Police and Intelligence Heads, Chief of Customs and the Additional Secretary of the Ministry of Defence. Notably, the Task Force is composed of present and former military and law and order officials'. Another task force, also including a number of military officials, was appointed for archaeological heritage management in the Eastern Province. The task force did not contained representation of women, ethnic or religious minorities. 'The Appointment of Two Presidential Task Forces', *CPA Lanka*, 5 June 2020 (https://www.cpalanka.org/the-appointment-of-two-presidential-task-forces).

82. Gazette No. 2168/8-2020 (http://documents.gov.lk/files/egz/2020/3/2168-08\_E.pdf).

83. 'Sri Lanka records first death due to coronavirus', *The Times of India*, 29 March 2020.

try, and cremation is considered the traditional method for disposing the corpses of Buddhists (and Hindus). For Muslims and for Christians, burials are the standard means of laying a body to rest, and burials have thus been the traditional funerary rite for such groups in Sri Lanka. Yet, with COVID-19, the government adopted a policy of forced cremations for even Muslims and Christians who had died of COVID-19. This policy has continued unabated despite the fact that, already on 24 March, the World Health Organisation (WHO) released guidelines for the safe disposal of COVID-19 fatalities, stipulating that burials were safe and not a threat to public health.<sup>84</sup>

Muslims consider forced cremations a violation of their religious freedom, as cremation in Islam is forbidden. Muslim groups in Sri Lanka and abroad protested and launched the #StopForcedCremations campaign, which featured peaceful protests in public spaces and on social media. But this campaign was to no avail through the end of 2020. Muslims also protested the state's policy by refusing to sign cremation orders, not claiming bodies from hospitals, and not paying bills for cremations. Muslim groups noted that «over 185 countries allow for the burial of COVID-19 victims», highlighting Sri Lanka's intentional disregard for minority religious practices in the name of preventing the spread of the virus.<sup>85</sup> After months of sustained protest, the government agreed to appoint an expert committee in November 2020 to inquire into whether burial was a safe means of disposing bodies. On 22 November, the committee recommended maintaining the status quo without explaining the scientific reasoning behind this position. On 1 December, the numerous Fundamental Rights petitions that were submitted to the Supreme Court were dismissed without reasons. This move was viewed as a huge blow by the Muslim community, as it made legal redress impossible.<sup>86</sup> Muslim deaths as a proportion of total COVID-19 related deaths were relatively high - as at 10 December, around 40% of total deceased due to COVID-19 identified as Muslim. Meanwhile, there was outrage over two particular incidents of forced cremations. First, a report suggested that «the body of a Muslim who tested negative for COVID-19 was forcibly cremated».87 Second, the body of a 20-day old baby who tested positive for COVID-19 was forcibly cremated «despite questionable evidence that he had COV-ID-19».<sup>88</sup> The anguish caused by such forced cremations is also a cause

86. Ibid.

<sup>84.</sup> World Health Organisation, Infection Prevention and Control for the safe management of a dead body in the context of COVID-19, 24 March 2020.

<sup>85.</sup> Rehab Mahamoor, 'Forced Cremations in Sri Lanka', *Amnesty International*, 10 December 2020.

<sup>88. &#</sup>x27;Sri Lanka if forcible cremating Muslims who die of Covid-19', *The Economist*, 2 January 2021.

for concern within the Muslim community as a possible source of youth radicalisation and militancy.<sup>89</sup>

On 24 December, the government appointed a new expert panel to study the cremation and burial issue.<sup>90</sup> The findings of the panel were published on 2 January 2021, and provided «revised recommendations on the disposal of bodies to include both cremation and burials, while adhering to specified safety precautions».<sup>91</sup> However, still at the time these lines are written (end of January 2021), the government's official cremation policy was still in place, in spite of the conclusions of the expert panel.<sup>92</sup>

### 6. Sri Lanka's economy 2019-2020: from stagnation to decline

The constitutional crisis of late 2018 had put pressure on an already weak rupee and encouraged capital outflows. By the close of the same year, economic reforms introduced by Finance Minister Mangala Samaraweera were «yet to flow».<sup>93</sup> Thus in early 2019, Sri Lanka's economy was still recovering after a break in confidence during the «coup», and a general mismanagement of the economy over the preceding years.<sup>94</sup> Economic analysts were pessimistic that in 2019, an election year, the economy would be managed any more responsibly than in previous years. Traditionally the incumbent government increases public spending in election years,<sup>95</sup> and it was expected that public debt would be «larger, inflation higher, monetary policy stricter, rupee value against the dollar lower and economic growth slower».<sup>96</sup>

89. *Ibid.* Imtiyaz refers to a radicalisation of Muslims that has already taken place in the east of Sri Lanka. Imtiyaz, 'The Easter Sunday Bombings', p. 8.

90. A photograph of the letter of appointment by the Ministry of Health was circulated by journalists on Twitter on 2 January 2021. For example, see Munza Mushtaq, Tweet, 2 January 2021, 10:33am (https://twitter.com/munza14/sta-tus/1345234287793115139?s=20).

91. Unofficial copies of the expert panel report were circulated by journalists on Twitter on 2 January 2021. See Munza Mushtaq, Tweet, 2 January 2021, 10:28am (https://twitter.com/munza14/status/1345233040696438784?s=20).

92. On 26 February, the government published a gazette that reversed the order for cremations and permitted burials for COVID-19 victims.

93. M. Yusuf, 'Sri Lanka's constitutional crisis: risks to the economy and growth', *DailyFT*, 29 November 2018.

94. W.A. Wijewardena, 'Sri Lanka's deep economic crisis: wasted four years and a wasting election year', *Daily FT*, 7 January 2019.

95. The overall government deficit as a percentage of GDP stood at an average of -7.1% in the last three election years (2010, 2015, 2019), whereas the deficit averaged -5.5% in the intervening non-election years. Central Bank of Sri Lanka, *Annual Report 2019: Special Statistical Appendix* (https://www.cbsl.gov.lk/sites/default/files/cbsl-web\_documents/publications/annual\_report/2019/en/16\_S\_Appendix.pdf).

Yet, before electioneering could even begin (delayed by internal conflict over who the presidential candidates would be), the Easter Sunday bombings slammed the Sri Lankan economy. The tourism sector, which is Sri Lanka's third largest foreign exchange earner,<sup>97</sup> was badly affected, while security concerns «kept people home and curtailed economic activities».<sup>98</sup> Demand for accommodation and dining contracted drastically in May 2019 for example.<sup>99</sup> The manufacturing sector slowed down significantly in the immediate aftermath of the attacks, but recovered slowly from May onwards.

In August, the Central Bank of Sri Lanka (CBSL) cut interest rates to boost spending.<sup>100</sup> By September 2019, analysts suggested that Sri Lanka's economy was showing some 'resilience' and had entered a period of recovery.<sup>101</sup> Still by September 2019, Gotabaya Rajapaksa's election campaign was in full gear, riding a platform of promised national security and economic prosperity. Yet the economy Rajapaksa inherited upon winning the election in November 2019 was deeply embroiled in foreign debt<sup>102</sup> – and going through its «deepest economic slump in more than 15 years».<sup>103</sup> By that point, the country owed US\$ 34.4 billion, a staggering 45% of GDP, in foreign debt.<sup>104</sup> The debt had increased since the end of the civil war, when then-president Mahinda Rajapaksa took substantial loans to rebuild and develop the country's infrastructure.<sup>105</sup>

Despite the fact that the CBSL had adopted an accommodative monetary policy, supported by regulatory action to encourage economic activity in Sri Lanka, business confidence was low, and demand remained subdued

97. Workers' remittances and garments exports occupy the first and second places respectively. Eranda Roshan Fernando, 'COVID-19 and the recovery of the tourism industry', *DailyFT*, 24 November 2020.

98. Nisha Arunatillake, 'Easter Attacks in 2019 vs. COVID-19 Outbreak of 2020: What lies ahead for Sri Lanka', *IPS: Talking Economics*, 3 April 2020.

99. Ibid. CBSL, Press Release; SL Purchasing Managers' Index (PMI) – May 2019, (https://www.cbsl.gov.lk/sites/default/files/cbslweb\_documents/press/pr/press\_20190614\_ PMI\_May\_2019\_e.pdf).

100. 'Sri Lanka central bank cuts rates by 50 bps', Reuters, 23 August 2019.

101. CBSL, Press Release: Monetary Policy Review, No. 5 – 2019 (https://www.cbsl. gov.lk/sites/default/files/cbslweb\_documents/press/pr/press\_20190823\_Monetary\_ Policy Review No 5 2019 e G93k7.pdf).

102. Ownership of outstanding foreign debt is divided across multilateral and bilateral sources, as well as financial markets. CBSL, *Annual Report 2019: Statistical Appendix* (https://www.cbsl.gov.lk/sites/default/files/cbslweb\_documents/publications/annual\_report/2019/en/15\_Appendix.pdf).

103. 'Gotabaya Rajapaksa inherits Sri Lanka's mammoth economic burden', *Al* Jazeera, 18 November 2019.

104. This figure is much higher when debt held by state-owned enterprises (for which the public is liable) are taken into account. This debt is currently excluded from the calculation of public debt in Sri Lanka. Sri Lanka still enjoys some concessionary debt whereas it also has a significant share of commercial debt at high interest rates and short maturities.

through the end of the year.<sup>106</sup> A Policy Insight on Sri Lanka's economic performance by the Institute of Policy Studies of Sri Lanka noted that «much of the explanation for persistent anxieties about the Sri Lankan economy is linked to political tensions», referring to the constitutional crisis in 2018, and the Easter Sunday attacks in April 2019.<sup>107</sup> In the lead up to elections, there was a «last-minute dash to speed up implementation of government economic programmes».<sup>108</sup> Yet in general, critical areas such as health and education had been neglected in terms of public spending, which had declined as a share of GDP over the years.<sup>109</sup>

Sri Lanka's GDP growth for 2019, according to the CBSL Annual Report for 2019 was 2.3%, down from 3.3% the previous year.<sup>110</sup> This growth rate was substantially below the average growth rate in South Asia, that stood at 4.3% in 2019.<sup>111</sup> Regionally, only Pakistan had a lower GDP growth rate (1.9%), whereas Afghanistan (3%), Bhutan (4.4%), the Maldives (5.9%) and Nepal (7%) returned higher figures for 2019. Inflation in Sri Lanka in 2019 stood at 4.3%, unchanged from the previous year. According to CBSL, Sri Lanka's budget deficit as a percentage of GDP went up from 5.3% to 6.8% between 2018 and 2019.

Sri Lanka's annual Budget is typically presented in October and passed through parliament in November. In October 2019, ahead of the presidential election, scheduled for 16 November, the government presented and passed an interim budget for the first four months of 2020. It was assumed that a new government would be formed based on the results of the election, and a budget for the rest of 2020 would be presented by such government. On 20 October 2019, the interim budget was passed unanimously in parliament. It allocated LKR 1.47 trillion (US\$ 8.11 billion) in government spending, and targeted a fiscal deficit of 2.2% of GDP.<sup>112</sup>

Sri Lanka failed to meet its export targets for 2019. Research Director Subhashini Abeysinghe at Verité Research, a Colombo-based think

106. Dr. Chandranath Amarasekara, 'Annual Report 2019', *Central Bank of Sri Lanka*, (https://www.cbsl.gov.lk/sites/default/files/cbslweb\_documents/publica-tions/AR2019%20-%20English.pdf).

107. 'Sri Lanka: Economic performance and outlook', *Policy Insights Institute of Policy Studies of Sri Lanka*, 18 November 2019.

108. Ibid.

109. The World Bank, Government expenditure on education, total (% of GDP) – Sri Lanka'; The World Bank, Domestic general government health expenditure (% of general government expenditure) – Sri Lanka.

110. CBSL, Annual Report 2019: Key Economic Indicators, (https://www.cbsl.gov.lk/ sites/default/files/cbslweb\_documents/publications/annual\_report/2019/en/3\_KEI.pdf).

111. Asian Development Bank, Economic indicators for Sri Lanka.

112. 'Sri Lanka parliament passes ambitious interim budget ahead of presidential election', *Reuters*, 24 October 2019. The targeted deficit is substantially lower than the figures achieved in previous years. The CBSL has a history of underestimating Sri Lanka's fiscal deficits by overestimating revenue and underestimating expenditure. tank, observed that «one of the problems with Sri Lanka's export sector right now is that it is totally out of sync with local developments as well as global developments». She went on stating: «Our exports are stuck in the low-cost, low-skilled and labour intensive sector».<sup>113</sup> Abeysinghe also noted Sri Lanka's failure to exploit the Chinese market in terms of exports, instead limiting its economic relationship with China to debts and loans. As a solution to flagging exports, she highlighted the need for the Sri Lankan government to negotiate advantageous free trade agreements with other economies.<sup>114</sup>

In 2020, the new government under President Gotabaya Rajapaksa and Prime Minister Mahinda Rajapaksa – who was also Minister of Finance – attempted to pass amendments to the Vote on Account (VoA) as the interim budget had been presented by the previous government and was only intended for a period of four months.<sup>115</sup> The Opposition in parliament did not support the government's attempt to amend the VoA and increase the country's borrowing limits, which had been approved at LKR 721 billion in the interim budget of October 2019.<sup>116</sup> Once the borrowing limit was reached without a change in the VoA, the government would lack the legal authority to issue public debt.<sup>117</sup> In this context, and as per article 150(3) of the Constitution, the government could only use the Consolidated Fund to finance its recurrent expenditure for a period of three months.<sup>118</sup> This failure to amend the VoA may also have encouraged the president to dissolve parliament, and attempt passing a new VoA with an SLPP majority government in place.

In its 2019 Annual Report, released on 24 April 2020, the CBSL observed that «as domestic economic activity started to show early responses to the policy measures taken to revive the economy and improving business sentiments at the beginning of the year 2020, the outbreak of the COV-ID-19 pandemic... triggered further uncertainties regarding the country's economic performance in 2020».<sup>119</sup> Sri Lanka's measures at containing the

113. Sanjeevi Jayasuriya, 'Export sector needs better strategies to propel growth', *Sunday Observer*, 16 February 2020.

114. Ibid.

115. A Vote on Account is an interim budget that covers government expenditure for a limited period of time, until a complete budget can be presented to parliament.

116. 'Lack of a Vote on Account: development projects on hold', *The Sunday Morning*, 23 February 2020.

117. 'Sri Lanka may hit foreign borrowing ceiling, recall parliament to raise it: ex-Finance Minister', *EconomyNext*, 8 April 2020.

118. Constitution of the Democratic Socialist Republic of Sri Lanka, Article 150 (3), 1978.

119. CBSL, Annual Report 2019: Economic, Price and Financial System Stability, Outlook and Policies (https://www.cbsl.gov.lk/sites/default/files/cbslweb\_documents/publications/annual\_report/2019/en/5\_Chapter\_01.pdf).

spread of the virus, through lockdowns and shutting its international borders, together the shrinking of global demand, created added elements of economic uncertainty.<sup>120</sup> Schools closed in March, ahead of April holidays, and «work from home» measures were put in place for employees who could manage such an arrangement. On 20 March, the government announced an island-wide curfew.<sup>121</sup> The curfew was lifted briefly in some areas on 25 March, and the following day, home delivery of essential items was instituted to avoid gatherings in market places. On 1 April 2020, curfew in Sri Lanka was extended until further notice, triggering a period of significant uncertainty in the markets and among the wider population, as curfews were then lifted and re-introduced with little notice thereafter. For instance, curfew was relaxed in some districts on 20 April, and re-imposed island-wide on 27 April, with only one day's notice.<sup>122</sup>

Daily wage earners were arguably the economic segment worst affected by the COVID-19 pandemic and the resultant curfews and lockdowns in Sri Lanka. According to data from the Department of Census and Statistics in 2017,<sup>123</sup> 68% of Sri Lanka's population work in the informal employment sector.<sup>124</sup> A report by the Centre for Poverty Analysis in Sri Lanka suggested that for those daily wage earners, «their work has come to a complete standstill during this time».<sup>125</sup> In April 2020, the government announced a monthly payment of LKR 5,000 (around US\$ 26.95) to daily wage earners, <sup>126</sup> a sum that is hardly enough to sustain a family's monthly basic food and housing requirements.<sup>127</sup> In addition to the difficulties faced by dai-

120. Chandranath Amarasekara, 'Annual Report 2019'.

121. Foreign Minister – Sri Lanka, *Declaration of Police Curfew Island Wide* (https://mfa.gov.lk/declaration-of-police-curfew-island-wide).

122. Presidential Secretariat, 'Island-wide curfew imposed tomorrow', 26 April 2020, (https://www.presidentsoffice.gov.lk/index.php/2020/04/26/island-wide-curfew-imposed-tomorrow).

123. Department of Census and Statistics, *Annual Report of the Sri Lanka Labour Force Survey, version 2,* 2017, (http://www.statistics.gov.lk/LabourForce/StaticalInformation/AnnualReports/2017-2ndVersion).

124. Avanthi Kalansooriya, 'Gender and COVID 19 in Sri Lanka. Gendered Impact of Covid-19 Outbreak-From a Sri Lankan Perspective', *Centre for Poverty Analysis*, 28 April 2020.

125. Ibid.

126. *The Government Official News Portal*, 'Rs 5000 payment for daily wage earners who lost their work due to Covid-19 to commence from yesterday', 21 April 2020, (https://www.news.lk/news/political-current-affairs/item/30016-rs-5000-payment-for-daily-wage-earners-who-lost-their-work-due-to-covid-19-to-commence-from-yester-day).

127. The most recent data available, from 2016, suggests that the mean household expenditure per month in Sri Lanka is LKR 54,999. Department of Census and Statistics, *Household Income and Expenditure Survey 2016*, (http://www.statistics.gov.lk/ IncomeAndExpenditure/StaticalInformation/HouseholdIncomeandExpenditureSurvey2016FinalReport). ly wage earners, temporary employees – amounting to around 1.7 million employees in the private sector – faced the risk of wage cuts and layoffs.<sup>128</sup> Analysts noted that the pandemic revealed «serious gaps in the country's labour market policies and social protection systems», such as the need for unemployment insurance, broader pension schemes, and a «social insurance scheme...to extend coverage to those currently ineligible for any existing scheme».<sup>129</sup> Sri Lankans outside the country were also severely affected by the global COVID-19 crisis, with many losing jobs, and universities shutting down. In May 2020, the government prioritised the repatriation of students abroad and migrant workers in vulnerable sectors; this was a process which continued with intermittent disruptions (caused by developments in both Sri Lanka and the countries where students and migrant workers were stranded) throughout the rest of the year.

The government introduced import restrictions,<sup>130</sup> and limitations on the investment and remittance of money internationally to prevent a rapid devaluation of the rupee under the Foreign Exchange Act.<sup>131</sup> A maximum retail price was set for the staple raw material in the Sri Lankan diet, rice.<sup>132</sup> In spite of the government's actions to manage the economy, the second quarter of 2020 saw the «largest economic contraction since the beginning of GDP compilation», largely due to the restrictions on mobility – as a result of curfews – in April and May.<sup>133</sup>

The pandemic impeded the ability for the government to attract foreign direct investment, improve export orientation, and address «longstanding structural issues and enhance domestic production, towards 'sustainable and equitable economic growth in Sri Lanka».<sup>134</sup> In September, the World Bank reallocated US\$ 56 million from ongoing projects in Sri Lanka to provide relief to those worst affected by COVID-19 and resulting

128. Priyanka Jayawardena, 'COVID-19 and Sri Lanka's Labour Market Gaps: Permanent Protection for Temporary Employees', *IPS: Talking Economics*, 9 September 2020.

129. Ibid.

130. A statement released by the EU and certain European embassies regarded the continuing import restrictions as having «a negative impact on Sri Lankan and European businesses...We recall that a prolonged import ban is not in line with the World Trade Organisation regulations». The CBSL Governor, Prof. W.D. Lakshman rejected the statement as «an overreaction and premature». 'CB says import controls in line with World Trade Organisations rules', *Daily Mirror*, 27 November 2020.

131. Gazette No. 2169/3 – 2020 (http://documents.gov.lk/files/eg-z/2020/4/2169-03\_E.pdf).

132. Gazette No. 2170/7 – 2020 (http://www.documents.gov.lk/files/eg-z/2020/4/2170-07\_E.pdf.)

133. W.D. Lakshman, 'Road Map 2021: monetary and financial sector policies for 2021 and beyond', *CBSL*, 4 January 2021.

134. Chandranath Amarasekara, 'Annual Report 2019'.

restrictions.<sup>135</sup> The same month, Moody's Investors Service downgraded Sri Lanka's sovereign rating from B2 to Caa1, citing «wide budget deficits, slow reforms and weak institutions».<sup>136</sup>

In November 2020, the government passed its Budget for 2021 that aimed to boost domestic production and alleviate reliance on imports in the context of the pandemic.<sup>137</sup> The Budget contained a number of bizarre allocations that were subjected to widespread criticism from the Opposition and civil society activists. For example, allocations for defence spending were highest, followed by spending on highways. Meanwhile, allocations for health decreased by LKR 29 billion compared to the allocation for 2019.<sup>138</sup> These allocations were condemned by Opposition and civil society figures as reflecting the skewed priorities of the government.

Days after the Budget was passed, Fitch Ratings downgraded Sri Lanka's long term Foreign-Currency Issuer Default Ratings to 'CCC' from B-. The downgrade highlighted Sri Lanka's precarious external debt repayment position and narrow financing options, which Fitch viewed as limited against the backdrop of «already high debt levels and an expected further weakening of government debt dynamics».<sup>139</sup> For example, at the time of the downgrading, the government was not exploring loans options with the International Monetary Fund (IMF), giving rise to fears of a potential default on debt repayments.<sup>140</sup> Fitch noted that although «the virus has been relatively well contained domestically», Sri Lanka's economic performance was badly affected by the impact of COVID-19 globally, with foreign inbound travel and tourism essentially crashing, with limited prospects for a speedy recovery.<sup>141</sup>

Private consumption, which typically accounts for around 70% of Sri Lanka's GDP, reduced in light of multiple curfews and lockdowns in Sri Lanka.<sup>142</sup> Downward pressure on the rupee continued through the year, despite stringent import controls remaining in place at the end of 2020. On 24 December, following a significant decline of the rupee (to around LKR 195 against the US dollar), the Central Bank released a statement that it would take appropriate aggressive action to allow the rupee to appreciate to levels observed in November 2020 (when it stood at around LKR 185 per US dol-

135. The World Bank: Press Release, World Bank supports Sri Lanka with \$56 million to mitigate COVID-19 impacts', 11 September 2020.

136. 'Sri Lanka sovereign rating downgraded two notches to Caa1 by Moody's', *EconomyNext*, 28 September 2020.

137. 'Sri Lanka passes budget for 2021', EconomyNext, 21 November 2020.

138. Tisaranee Gunasekara, 'A Year in Cloud Ćuckoo Land', *Groundviews*, 15 November 2020.

139. 'Fitch downgrades Sri Lanka to CCC', FitchRatings, 27 November 2020.

140. Ibid.

141. Ibid.

lar).<sup>143</sup> Such intervention appeared necessary to alleviate growing domestic and international concerns on the value of the rupee and the general state of the economy in 2020.<sup>144</sup>

At year end, Sri Lanka's unemployment levels stood at a 11-year high. A CBSL report noted that national unemployment increased to 5.8% in the third quarter of 2020, <sup>145</sup> up from 4.8% in 2019.<sup>146</sup> The Asian Development Bank (ADB) has estimated that, in 2020, Sri Lanka's economy contracted by around 5.5%, but would grow by 4.1% in 2021.<sup>147</sup> Meanwhile, its forecasted inflation rate for 2020 stands at 4.5%. These GDP trends, when compared to those prevailing in the region, are above average, as the ADB estimated GDP trend across South Asia in 2020 to be around -6.5%.<sup>148</sup>

One of the biggest economic challenges for Sri Lanka in 2021 will be restoring domestic and international confidence in the economy. The key indicator of stability is likely to be Sri Lanka's ability to meet its debt repayments in 2021.

### 7. Foreign policy

Sri Lanka's foreign policy priorities differed significantly in 2019 and 2020, in part due to the change in president and government, and in response to changing international conditions and bilateral relationships. Foreign policy in 2019 was determined by – or affected by – divergent positions within the government. In 2020, Gotabaya Rajapaksa re-adopted the foreign policy position of his brother as a 'strongman' in his dealings with the West in particular. Meanwhile, as much as Sri Lanka attempted to autonomously charter its own course internationally, it had to adjust to and accommodate the manoeuvring of larger powers acting in the region, such as India, China and the US.

#### 7.1 United Nations Human Rights Council and Resolution 30/1

The coalition government that came to power in January 2015 had a programme of good governance, accountability and transparency, together with protection and promotion of minority rights. In March 2015, the

143. 'Central Bank expects rupee to appreciate within next few days', *Lanka Business Online*, 24 December 2020.

144. However, such a policy can also negatively impact Sri Lanka's foreign exchange reserves.

145. 'Unemployment hits 11-year high', Ceylon Today, 4 January 2021.

146. CBSL, Annual Report 2019: Key Economic Indicators.

147. Credit rating agency FitchRatings expects Sri Lanka's GDP to contract by 6.7% in 2020 and grow by 4.9% in 2021. 'Fitch downgrades Sri Lanka to CCC', *FitchRatings*, 27 November 2020.

148. 'Economic indicators for Sri Lanka', Asian Development Bank.

government co-sponsored Resolution 30/1 at the United Nations Human Rights Council (UNHRC), which pledged to promote «reconciliation, accountability and human rights in Sri Lanka».<sup>149</sup> This Resolution defined the features of Sri Lanka's purported transitional justice agenda for the next two years, including the investigation of alleged war crimes during the country's civil war. In 2017, Sri Lanka received an extension of two years to fulfil the commitments, by co-sponsoring a fresh resolution (34/1) that reaffirmed its original commitments. By March 2019, however, Sri Lanka had made little progress. The head of the Sri Lankan delegation to the UNHRC in Geneva claimed on 20 March 2019 that the «inclusion of foreign judges in Sri Lanka's judicial processes» - a recommendation made at the UNHRC – would not be possible without a two-thirds majority vote in parliament, and «the approval of the people at a referendum».<sup>150</sup> In spite of the apparent lack of political will to fully implement the resolution, the international community only reiterated its desire for Sri Lanka to pursue its transitional justice agenda. As the UNHRC sessions came to a close, Sri Lanka co-sponsored yet another resolution, 40/1, «Promoting reconciliation, accountability and human rights in Sri Lanka». Throughout the rest of 2019, nonetheless, only a handful of commitments were attended to, such as investigations into emblematic cases of murder and disappearances. The Office on Missing Persons was constituted and 802 Certificates of Absence – including for those who disappeared during the civil war – were issued in 2019.151

Following the change in government in late 2019, Sri Lanka withdrew from its commitments to the UNHRC in February 2020. It announced that it would no longer be a co-sponsor of Resolutions 30/1 and 40/1. Organisations such as Amnesty International called on the UNHRC to provide a «robust response» to Sri Lanka's withdrawal.<sup>152</sup> Thyagi Ruwanpathirana, South Asia Researcher at Amnesty International, noted that «Sri Lanka has a long history of failed domestic accountability mechanisms. Their successive failures have bitterly disappointed victims of human rights abuses and violations...They need an international mechanism that is both trusted and can be effective».<sup>153</sup> Conversely, Sri Lanka's new foreign minister, Dinesh Gunawardena, observed that Resolution 30/1 had been introduced to «unjustly vilify the heroic Sri Lankan security forces», and that certain obliga-

152. 'Sri Lanka: withdrawal from UN commitments requires robust response by Human Rights Council', *Amnesty International*, 27 February 2020.

<sup>149.</sup> Verité Research, 'Sri Lanka: Resolution 30/1 Implementation Monitor', *Statistical and Analytical Review*, No. 5, February 2020.

<sup>150.</sup> Ibid.

<sup>151.</sup> Ibid.

tions infringed upon the sovereignty of the Sri Lankan people.<sup>154</sup> Prime Minister Rajapaksa similarly called the co-sponsorship of the resolution a «historic betrayal» by the previous government.<sup>155</sup> Reversing the previous government's commitments to the UN was one of Gotabaya Rajapaksa's campaign promises; the withdrawal was accordingly received positively by his supporters in Sri Lanka. The international community did not impose any significant penalties on Sri Lanka for such withdrawal.

#### 7.2 Sri Lanka and the US

The US, along with Sri Lanka, were co-sponsors of Resolution 30/1 and its extensions at the UNHRC. The US was widely considered an ally of the Yahapaalanaya government, politically and economically. For instance, in the aftermath of the Easter Sunday bombings, the US «sent FBI experts to support the investigation».<sup>156</sup> The US Navy was actually participating in joint military exercises with the Sri Lankan Navy at the time the Easter bombings took place. US Ambassador Alaina B. Teplitz released a statement in response to the attacks, to the effect that: «As a close friend to Sri Lanka, we are heartbroken by these attacks. We're committed to helping Sri Lanka emerge from this crisis stronger and more unified».<sup>157</sup>

The US is also Sri Lanka's biggest export market, and imports Sri Lanka tea, garments, rubber, gems, and spices. US hedge funds and pension funds are large investors in Sri Lanka's sovereign bonds.<sup>158</sup> In May 2019, the IMF, substantially supported by US funds, agreed to a disbursement of US\$ 164.1 million.<sup>159</sup> In 2016, the Millennium Challenge Corporation (MCC) – a US government foreign aid agency – selected Sri Lanka as eligible to a US\$ 480 million «compact», namely a grant, «designed to reduce poverty through economic growth», with a focus on land and transport reform.<sup>160</sup> The MCC Board approved a five-year Sri Lanka Compact on 25 April 2019. However, the Opposition at the time, led by the SLPP, criticised the conditions surrounding the compact as detrimental to Sri Lanka's sovereignty. The MCC grant was frequently demonised in Gotabaya Rajapaksa's presidential election campaign, as well as in the SLPP general election campaign. In Novem-

154. 'GoSL unofficially withdraws from UNHRC resolutions 30/1 & 40/1', *NewsFirst*, 26 February 2020.

155. 'Sri Lanka says it will withdraw from UN rights resolution', *Al Jazeera*, 20 February 2020.

156. U.S. Department of State, U.S. Relations with Sri Lanka, 27 July 2020 (https://www.state.gov/u-s-relations-with-sri-lanka).

157. 'U.S., Sri Lanka Navy Partnership Strong During CARAT 2019', *DVIDS*, 1 May 2019.

158. 'US investors buy 30-pct of Sri Lanka US\$2bn sovereign bonds, Europe 60-pct', *EconomyNext*, 25 June 2019.

159. 'U.S. Relations with Sri Lanka'.

160. 'Sri Lanka Compact', MCC.

ber 2019, the Information Technology Society of Sri Lanka informed the Chairman of the Election Commission that there were false claims and fear mongering about the MCC compact that were shared extensively on social media.<sup>161</sup> Meanwhile, politicians from smaller political parties lobbied the government in the lead up to the general election in August 2020, claiming that the MCC agreement was «totally in opposition to the independence, sovereignty and territorial integrity of Sri Lanka».<sup>162</sup> Fears voiced in this regard included the belief that «the American company that would be preparing the digital register of all lands holdings in the North and other areas would be able to get possession of a huge extent of land for foreign exploitation. The entire profits [sic] could be sent abroad».<sup>163</sup> On 15 December 2020, the MCC Board announced its decision to discontinue the Sri Lanka Compact. The US Embassy explained the MCC Board's decision as «due to lack of partner country agreement». The press release included a reminder that the US «remains a friend and partner to Sri Lanka and will continue to assist Sri Lanka in responding to COVID and building its economy».164

The keenness for the US to continue positive bilateral relations with Sri Lanka is partly connected to the broader US concern about growing Chinese influence in the Indian Ocean region. US Secretary of State Mike Pompeo briefly visited Sri Lanka in October 2020 in a four-nation tour of the region, and referred to China as a «predator» in Sri Lanka. He insisted that the US, by contrast, came as a «friend, and as a partner».<sup>165</sup> Prior to the Trump administration taking over the White House, the Obama administration's interest in «promoting democracy» globally included bringing a degree of pressure to bear on Sri Lanka's accountability process. Between 2017 and 2019, there was arguably less emphasis on this foreign policy agenda under the Trump administration. Trump's decision to take the US out of the UNHRC is a key example of changed priorities in Washington under the Trump administration. However, the election of Joe Biden as president and Kamala Harris as vice president opens up the distinct possibility of a readjustment of US foreign policy, characterised by renewed vigour regarding multilateralism, and likely re-joining global institutions.<sup>166</sup> Following the US presidential election, Sinhala social media users speculated that Harris' Tamil roots (although Tamil Indian, rather than Sri Lankan Tamil) would prejudice her against the Sinhalese, and likely encourage Tamil demands

161. 'Increase of fake news about MCC - ITSSL', Ceylon Today, 7 November 2019.

162. Tissa Vitarana, 'LSSP against agreements: MCC, ACSA and SOFA opposed', *Ceylon Today*, 15 July 2020.

163. *Ibid*.

164. U.S. Embassy in Sri Lanka, *Statement on Decision of Millennium Challenge Corporation Board*, 17 December 2020.

165. Meera Srinivasan, 'China is a predator, Pompeo tells Sri Lanka', *The Hindu*, 28 October 2020.

166. Meera Srinivasan, 'Sri Lanka is hopeful but sceptical about a Biden presidency', *The Hindu*, 23 November 2020. for reform. Sri Lankan Tamils meanwhile demonstrated optimism at the Biden-Harris victory in terms of a potential impact on Sri Lanka.<sup>167</sup>

# 7.3. Sri Lanka and India

Sri Lanka-India relations are function, first, of the close geographical proximity of the two countries, and, second, of the «shared cultural and religious heritage, which dates back several millennia».<sup>168</sup> In this context, Sri Lanka and India have been trade partners, shared tourist destinations, and often, political allies. Days prior to the Easter Sunday bombings in April 2019, Indian intelligence sent multiple warnings of the likelihood of attacks, and even named Zahran Hashim as involved.<sup>169</sup> In the aftermath of the attacks, Indian investigators continued to provide intelligence on suspected connections between Sri Lankan Islamists and ISIS.<sup>170</sup>

Sri Lanka's political relationship with India has, however, been fraught with tensions over sovereignty, dating back to the occupation of parts of Northern Sri Lanka by the Indian Peace Keeping Forces (IPKF) in the late 1980s. India - driven by political actors in Tamil Nadu - was instrumental in the adoption of the Thirteenth Amendment to the Constitution (introduced in 1987 following the Indo-Lankan Accords),<sup>171</sup> and continues to urge its full implementation in Sri Lanka.<sup>172</sup> India's External Minister Subrahmanyam Jaishankar was the first dignitary that travelled to Sri Lanka to congratulate President Gotabaya Rajapaksa after he was sworn into office on 18 November 2019. Conversely, the new Sri Lankan President's first official visit abroad (on 29 November), for talks with Indian Prime Minister Narendra Modi, took place in India, highlighting the symbolic importance of bilateral relations. At these two meetings, both Jaishankar and Modi referred to India's expectation the Sri Lanka would «take forward the process of national reconciliation to arrive at a solution that meets the aspirations of the Tamil community for equality, justice,

167. 'Sri Lankan Tamils congratulate Biden, Harris', *Outlook India*, 8 November 2020.

168. Angela Huettemann, Chathuni Pabasara & Nikhita Panwar, 'Sri Lanka – India Relations: opportunities for a new connectivity strategy', *Lakshman Kadirgama Institute (LKI) Policy Briefs*, 21 August 2020.

169. Jeffrey Gettleman & Dharisha Bastians, 'Sri Lanka authorities were warned, in detail, 12 days before attack', *The New York Times*, 29 April 2019.

170. 'After Sri Lanka's Easter bombings', p. 7.

171. The Thirteenth Amendment relates to the devolution of power to the Provincial Councils, which was designed to enable Tamil-majority areas to exercise certain powers over governance. In practice, powers of land and police were not properly devolved.

172. Kelum Bandara, 'SL expresses interest in procuring COVID-19 vaccines from India', *Daily Mirror*, 7 January 2021.

peace and dignity».<sup>173</sup> It was suggested that this could be done through the Thirteenth Amendment.

Sri Lanka in 2020 officially maintains a foreign policy of neutrality. Yet in talks with India, the Sri Lankan foreign policy establishment reiterated an «India First» approach.<sup>174</sup> The Sri Lankan government continued talks and a process begun by the previous government on «giving Indian control of Colombo harbour's eastern container terminal operation», and engaged in a trilateral maritime dialogue with India and the Maldives.<sup>175</sup> Meanwhile, India continued to provide substantial financial assistance to Sri Lanka, including on counter-terrorism.

# 7.4. Sri Lanka and China

One explanation for both the US's and India's deep interest in promoting strong ties with Sri Lanka is China's own interest in the island. Dayan Jayatilleka describes this context as a «low-intensity Asian Cold War within a new global Cold War» playing out in South Asia.<sup>176</sup> China's Belt and Road Initiative (BRI), and its String of Pearls strategy before that, identified Sri Lanka as a key location, and therefore vital to its interests in the region.<sup>177</sup>

Sri Lanka prior to 2015, under President Mahinda Rajapaksa, was viewed as tilting towards China, for loans as well as for political protection against the UN and the international community's interest in advancing accountability in Sri Lanka. Loans with unfavourable conditions were taken by that government (for example, with interest rates as high as 6% and short loan payback periods),<sup>178</sup> and subjected to criticisms by Western powers and Opposition politicians. However, in 2017, the Yahapaalanaya government also entered a contentious agreement to lease the Hambantota Port for 99 years.<sup>179</sup> This move, an example of «China's ambitious use of loans and aid to gain influence around the world», caused significant waves in New Delhi, and further afield, in Washington.<sup>180</sup> Money, too, continued to pour in from China, such as a US\$ 300 million loan in January 2019.<sup>181</sup>

173. M.S.M. Ayub, '13A just a cudgel in India's hand', *Daily Mirror*, 13 December 2019.

174. 'Sri Lanka: «India first» approach', Daily News, 15 August 2020.

175. 'India-Sri Lanka strengthen ties, revive maritime dialogue in 2020 despite COVID-19', *The New Indian Express*, 29 December 2020.

176. Dayan Jayatilleka, 'Between India and China: Sri Lanka's choices and challenges', *DailyFT*, 25 June 2020.

177. Paikiasothy Šaravanamuttu, 'The Belt and Road Initiative and Sri Lanka-China Relations', *LKI*, 3 June 2019.

178. Umesh Moramudali, 'The Hambantota port deal: myths and realities', *The Diplomat*, 1 January 2020.

179. Maria Abi-Habib, 'How China got Sri Lanka to cough up a port', *The New York Times*, 25 June 2018.

180. Ibid.

181. 'Bank of China offers \$300m loan to Sri Lanka, Al Jazeera, 16 January 2019.

Thus, rather than reorienting foreign policy, the change of government in late 2019, confirmed by the general election in August 2020, simply reflected an acceleration of an existing policy. As COVID-19 impacted the Sri Lankan economy, China pledged financial support to encourage economic revival in Sri Lanka.<sup>182</sup> Two weeks prior to Secretary Pompeo's visit to Sri Lanka in October 2020, a «high powered Chinese delegation led by Communist Party Politburo member Yang Jiechi» visited Sri Lanka, after which China offered a US\$ 90 million grant.<sup>183</sup>

At the same time, Sri Lanka continued attempting to balance great power interests in the island, and reassuring its nearest neighbour of its neutrality. In fact, soon after the general election, a new state minister post for «regional cooperation» was created in the government, reflective of its interest in maintaining close relations with neighbouring countries.<sup>184</sup> At the dawn of 2021, India's External Minister Jaishankar visited Sri Lanka in his first foreign engagement for the new year, to discuss the prioritisation of Sri Lanka as a recipient of the COVID-19 vaccines produced in India.<sup>185</sup> Perhaps aware that such a visit was impending at the start of 2021, on 31 December 2020, Qi Zhenhong, the ambassador of China to Sri Lanka, released a video message for the New Year. Ambassador Qi reminded Sri Lanka that China's help in combatting COVID-19 proved that «a friend in need is a friend indeed», and referred to future cooperation and mutual political trust going forward.<sup>186</sup>

#### 8. Conclusion

Sri Lanka, in 2019 and 2020, experienced the horrors of Islamist violence, and COVID-19. It also endured a period of economic decline, with repeated assaults on its economy due to external shocks and local mismanagement. The Twentieth Amendment to the Constitution signalled an erosion of democratic procedures and the advance of authoritarian rule. The Supreme Court's unwillingness to properly vet the proposed Twentieth Amendment and the prohibition on burials may be contrasted with its clear role in ending the constitutional crisis. Yet, and in spite of locally and globally driven

182. 'China to support Sri Lanka's post COVID-19 economic revival', News First, 30 April 2020.

183. 'India-Sri Lanka strengthen ties'.

184. Permanent Mission of Sri Lanka to the United Nations, *State Minister of Regional Co-operation Tharaka Balasuriya reiterates need to strengthen relations with Asian neighbours*, 19 August 2020.

185. 'India ready to give SL COVID-19 vaccine: PMD', DailyFT, 7 January 2021.

186. 'New Year Message for 2021 by H.E. Qi Zhenhong, Ambassador of China to Sri Lanka, 31 December 2020 (https://www.youtube.com/watch?v=xHO-PyPAMb-M&feature=youtu.be).

change, there are certain positives that Sri Lanka can reflect on. First, the two elections that took place in Sri Lanka can be commended for the lack of major violence surrounding political change. Over the years, Sri Lanka has faced less and less physical electoral violence (although physical violence has been replaced, to a great extent, by intimidation and threats). Second, Sri Lanka appears to be managing its international relations in a more balanced way, refusing to lean entirely into China's court, while keeping the US at arm's length.

2021 portends to bring more of the strife experienced in 2020, in terms of public health and economic uncertainty. Sri Lanka faces challenges in terms of managing the pandemic by securing the vaccine and re-opening its international borders. The government must bring the spiralling economic situation under control by negotiating means of repaying debts and securing further loans. Most crucially, it needs to recalibrate the current approach of persecuting minorities by fostering insecurities and denying fundamental freedoms. Sri Lanka has seen enough violence in its recent and longer history. Can Sri Lanka do better in 2021?