

GS Paper 2
International Relations

India and its Neighbourhood

Indo Srilanka Relations

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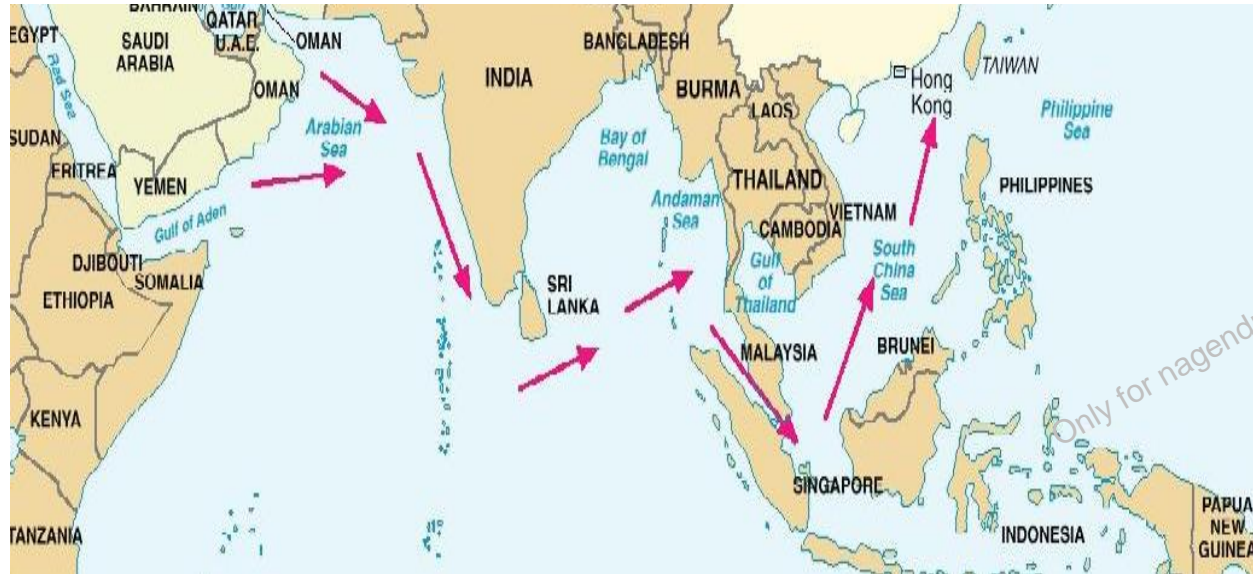
Why Srilanka is important to India

1)Location



2)Strategic Importance

Sri Lanka at the epicentre of the arc connecting the Persian Gulf to the Strait of Malacca



3) Important actor in India's Foreign policy



Background of Sri Lankan Civil War

Context : June 9, 2020---Columbo Protest

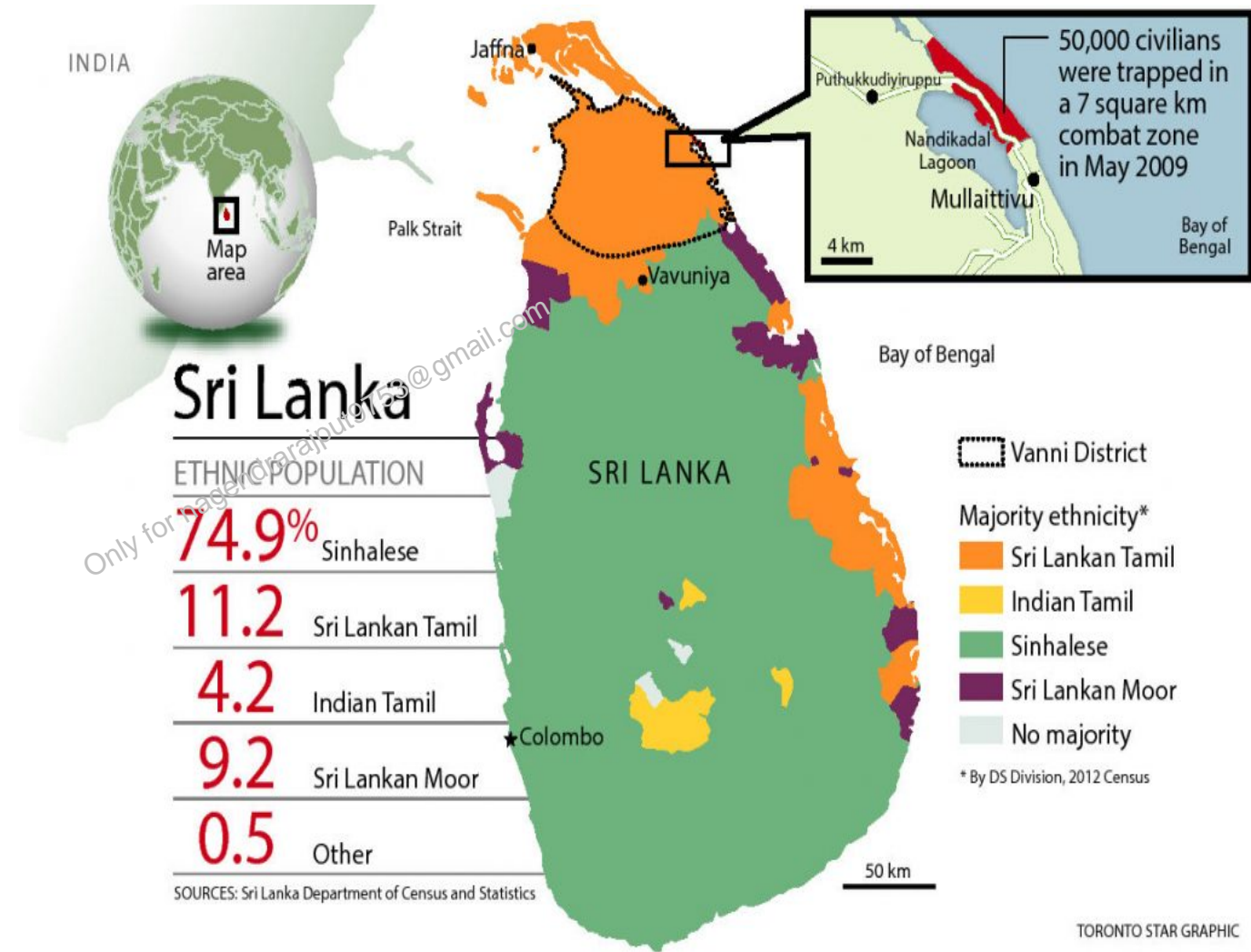
Civil War from 1983- 2009

Reason---Ethnic tensions between

- ✓ Sinhalese---74.9 % population
- ✓ Sri Lankan Tamil---11.2 % population

Conflict could be traced back to SL's history.

- ✓ Origin Theory
- ✓ British Rule



- ✓ Story Reverses (Post Independence)
- ✓ Idea of Tamil Eelam
- ✓ Formation of LTTE
- ✓ 2009---Civil War ended

Indian Intervention in the Sri Lankan Civil War

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Way Forward

- ✓ A unified citizenry
- ✓ Ethnic unity

Issue regarding Internationalisation of Human Rights Violation

At the end of the civil war, the United Nations accused both sides (LTTE and Sri Lankan army) of atrocities, especially during the conflict's final stages.

International rights groups claim at least 40,000 ethnic Tamil civilians were killed in the final stages of the war.

The resolutions on promoting reconciliation, accountability and human rights in Sri Lanka were thus moved by UN Human Rights Council in Geneva in 2012, 2013, 2014, 2015, 2017, 2019, 2021 and 2022.

UNHRC Resolution

October 2022---

The 47-member UN Human Rights Council voted on a draft resolution on Sri Lanka , which **calls for accountability for economic crimes** and enhancing the mandate of the UN human rights chief for collecting information on war crimes for prosecution in foreign countries.

The resolution would “**extend and reinforce the capacity of the Office of the High Commissioner to collect, consolidate, analyse and preserve information and evidence and to develop possible strategies for future accountability processes for gross violations of human rights or serious violations of international humanitarian law in Sri Lanka, to advocate for victims and survivors, and to support relevant judicial and other proceedings, including in Member States, with competent jurisdiction**”.

Further, the draft resolution called on the OHCHR to “enhance its monitoring and reporting including on progress in reconciliation and accountability, and on the human rights impact of the economic crisis and corruption”.

What does UNHRC resolution 2022 mean for Sri Lanka?

The resolution’s passage would be a rebuke to the Sri Lanka, which has been arguing that it requires international solidarity during the economic crisis.

It will be the first time that a UNHRC resolution on Sri Lanka calls for accountability for violation of human rights due to corruption and economic crisis

According to the Sri Lankan newspaper *Sunday Times*, this is “by far one of the strongest resolutions “by far one of the strongest resolutions in terms of the wide variety of issues raised and the implications to Sri Lanka”.

What has been Sri Lanka's reaction?

The Sri Lankan government rejected the OHCHR report and refused to support the draft resolution. Sri Lanka claimed it is opposed to operative paragraph number 8, which he claimed is directly in confrontation with Sri Lanka's constitution.

International voting on October 2022 resolution

The draft resolution on 'Promoting reconciliation, accountability and human rights in Sri Lanka' was adopted with 20 nations voting in favour in the 47-member Council, seven against, including China and Pakistan, and 20 abstentions, including by India, Japan, Nepal and Qatar.

The 20 countries that voted in favour of the resolution included, the United Kingdom, the United States, Argentina, Finland, France, Germany, Mexico, the Netherlands, Paraguay, Poland, Republic of Korea and Ukraine.

India's vote in 2022 resolution

India abstained on a draft resolution in the UN Human Rights Council in Geneva on promoting reconciliation, accountability and human rights in Sri Lanka which was adopted.

While abstaining, India stressed that it will work with Sri Lanka and the international community to attain the related objectives of legitimate aspirations of Tamils of Sri Lanka and prosperity for all Sri Lankans.

In a statement during the adoption of the resolution, it was said that while **India has taken note of the commitments by the government of Sri Lanka on issues of implementation of the commitments in the spirit of the 13th Constitutional Amendment, meaningful devolution and the early conduct of provincial elections, “we believe that the progress towards the same remains inadequate.”** India urged Sri Lanka to work meaningfully towards early implementation of these commitments.

March 2021---

India abstained from voting on a resolution in the United Nations Human Rights Council (UNHRC) .

Factors behind India's nature of voting?

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India's stand on UNHRC resolution of Srilanka

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What is impact of the UNHRC resolution on Sri Lanka

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Recent context regarding Sri Lanka's ethnic issue

- **13 December 2022** ---Sri Lankan President Ranil Wickremesinghe initiated an all-party meeting to resolve the longstanding ethnic issue. He made an ambitious promise to achieve meaningful reconciliation by 4 February 2023—Sri Lanka's Independence Day.

He proposed a two-track approach:

- ✓ greater devolution of powers and
- ✓ resolution of longstanding issues.

- **21st December 2022**---An informal meeting between the Sri Lankan government and the Tamil National Alliance (TNA), the main Tamil political alliance pushing for power devolution, where they agreed to pardon and release 14 Tamil political prisoners and release all private land under the military's control in the Northeast.

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- **July 2023--The Tamil National Alliance (TNA) “categorically rejected” Sri Lankan President Ranil Wickremesinghe’s offer to implement the 13th Amendment without police powers, terming his proposal for development and power devolution “another hollow promise”.**

The meeting, and the President’s position on the 13th Amendment assume significance ahead of Mr. Wickremesinghe’s scheduled visit to India on July 21.

TNA leader R. Sampanthan, in a letter to PM Modi dated July 17, said that the many failed promises of Sri Lankan leaders, including to India and the international community, had led to a **“crisis of confidence”**.

India has consistently underscored “full implementation” of the legislation, which was enacted after the Indo-Lanka Accord of 1987.

- **August 2023**--Sri Lankan President Ranil Wickremesinghe reiterated his offer to the Tamils, of implementing the 13th Amendment without police powers, while proposing a “step by step” approach to devolving powers to the provinces.

The 13th Amendment seeks to devolve power to all nine provinces, including seven that have Sinhala-majority populations.

Successive governments in Colombo have refused to part with land and police powers in the provinces.

Thus the military is visibly present in the Tamil-majority north and east till date, 14 years after the civil war ended.

President Wickremesinghe shared an elaborate proposal with the Tamil leadership, outlining his government's plans in regard to truth-seeking mechanisms, reconciliation, accountability, development, and power devolution.

Developmental plans listed included several projects promised in the past, such as upgrading the Palaly Airport and Kankesanturai Harbour in Jaffna, and the much-discussed, still-pending plan to establish ferry connectivity between south India and northern Sri Lanka.

However, Tamil political parties continue to voice frustration over the delay in meaningful resolution of Sri Lanka's national question. 13th Amendment has not seen full implementation in 36 years. Further, Sri Lanka's provincial councils have been defunct for about five years now, owing to delayed polls.

All nine provinces in Sri Lanka are under the rule of their respective Governors, who represent the President at the provincial level, after the terms of the Councils expired in 2018 and 2019.

Analysis

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Sri Lanka State of Emergency (August 2021)

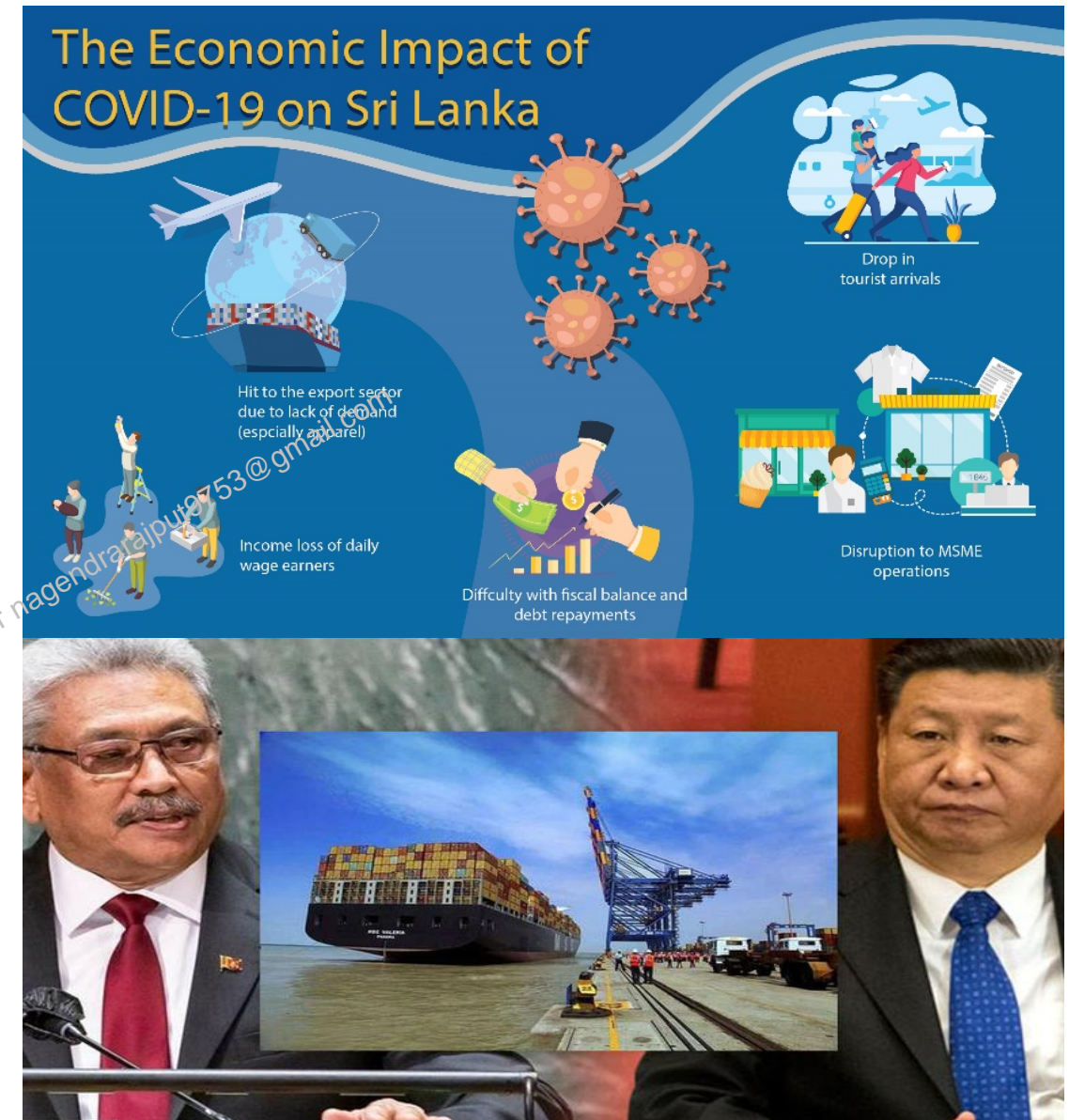
June 2023----Sri Lanka is not in the position to hold a snap presidential election this year because of the ongoing economic crisis and the government's focus is on debt restructuring.

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What led to economic crisis in Sri Lanka?

1) Primarily 2 C's

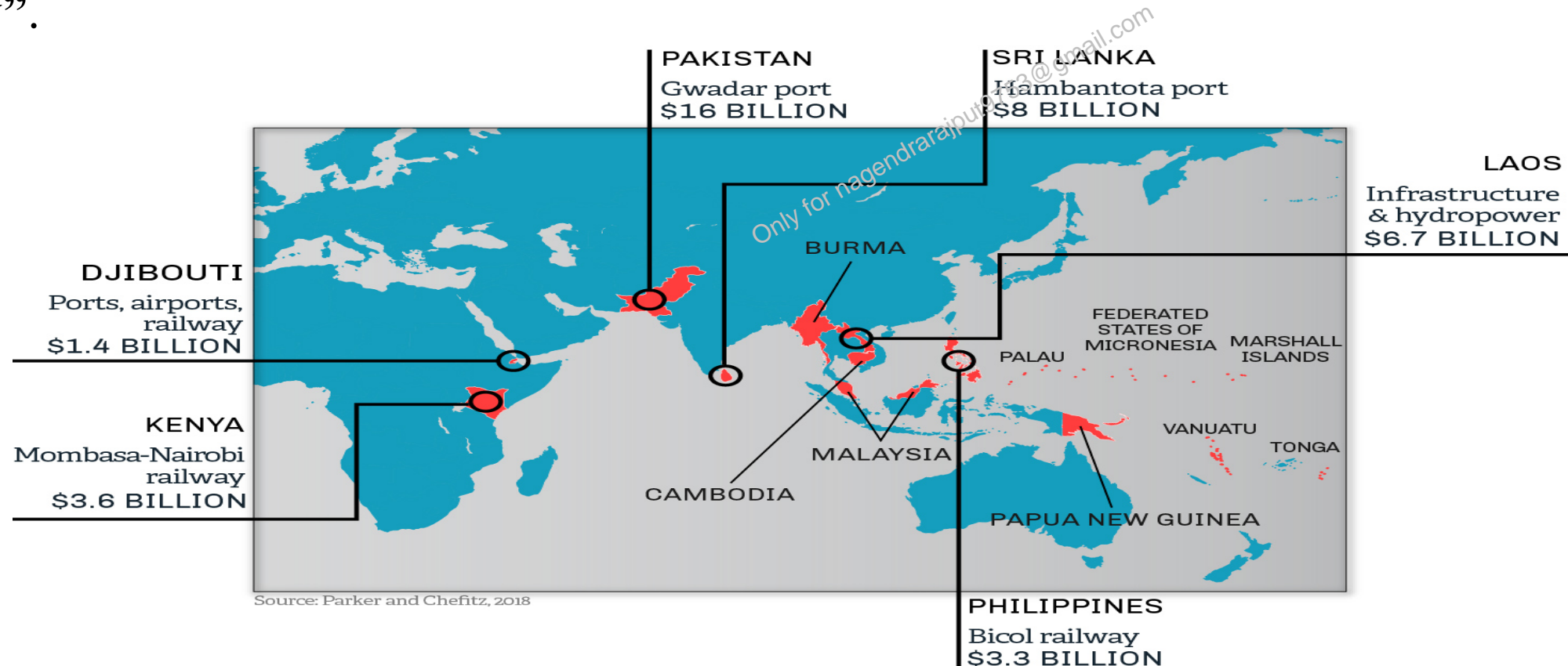
- Impact of the Covid crisis
- China's debt-trap policy



China's Debt-Trap Policy

Also been called “**Debtbook Diplomacy**” or “**Cheque Book Diplomacy**”

China's BRI-led debt-trap diplomacy is the economic aspect of China's “**Salami Slicing Strategy**”.



2) Dependence on imports

3) Underperforming Tourism Industry

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4) Depreciation of currency

5) Rising inflation

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6) FDI inflows have halved from \$1.2 billion (2019) to \$670 million (2020).

7) Food Shortage

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8) High debt-to-GDP ratio: Sri Lanka owes more than \$51 billion in foreign debt, of which \$28 billion has to be repaid by 2028.

9) The Russian-Ukraine war

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India's Assistance to Sri Lanka in economic crisis

- 1) May 2023---India has extended a \$1 billion credit line for Sri Lanka by one year, giving the crisis-hit country a backup funds to pay for essential imports. The credit line is part of about \$4 billion in emergency assistance extended by India during the peak of Sri Lanka's financial crisis early last year.**
- 2) March 2023---India helped Sri Lanka (by issuing the necessary guarantees sought by the IMF) in receiving a nearly \$3-billion package from the International Monetary Fund (IMF).**
- 3) January 2022---India announced a USD 900 million loan to Sri Lanka.**
- 4) An agreement was signed to grant Sri Lanka a credit line of USD 500 million for fuel purchases.**
- 5) 2022----During Sri Lanka's dramatic economic crisis , India extended emergency financial support of about \$4 billion.**

5) Four-Pillar Initiative

- **Lines of credit:** Lines of credit for food, medicines and fuel purchases granted by India.

- ✓ **January 2022**---India announced a USD 900 million loan to Sri Lanka.
- ✓ An agreement was signed to grant Sri Lanka a credit line of USD 500 million for fuel purchases.

- **Currency Swap**

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- **Modernisation Project**

- **Investment**

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Recent Context regarding SL's economic crisis

- Sri Lankan President Ranil Wickremesinghe visit to India on July 2023.
- India will be the sixth country visited by Wickremesinghe since he was sworn into power. So far, Wickremesinghe has been to five countries – the UK, Philippines, Egypt, Singapore and Japan. He is scheduled to visit France later on July 2023.
- **May 2023**---While attending Nikkei's Future of Asia conference in Tokyo, the Sri Lankan President called for open dialogue between Japan, China, India, and the ASEAN nations.

- China, India and Japan are among Sri Lanka's top foreign lenders.
- Recently, Indian foreign minister S. Jaishankar said that New Delhi has done more to help the island country than the International Monetary Fund (IMF). “What we have done for Sri Lanka is bigger than what the IMF has done for Sri Lanka. If any of you have visited Sri Lanka recently, then you will note the popular perception that has accrued from this action,” said our EAM.
- **March 2023---**IMF Executive Board Approves US\$3 Billion Under the New Extended Fund Facility (EFF) Arrangement for Sri Lanka.

Political Crisis in Sri Lanka

1) The political structure in Sri Lanka

Sri Lanka's government operates under a **semi-presidential system**.

2) Political dynamics

- ✓ **3 April 2022**---All 26 members of the Gotabaya cabinet with the exception of Prime Minister Rajapaksa resigned en masse overnight.
- ✓ **9 July 2022**---President Gotabaya and PM Wickremesinghe both agreed to resign from their respective posts. G. Rajapaksa left Sri Lanka to Maldives from where he issued a gazette stating that he is "unable to exercise his duties and functions of the Office of the President" and that he appoints Ranil Wickremesinghe as acting president.
- ✓ **15 July 2022**---Ranil Wickremesinghe swore in as the Acting President.
- ✓ **22 July 2022**--- Wickremesinghe appointed Dinesh Gunawardena, as new Prime Minister.

How is the Crisis in Sri Lanka Impacting India?

Quest: The economic emergency in Sri Lanka has emerged as a challenge as well as an opportunity for India to improve bilateral relations with the island nation. Comment. (250 words)

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How can Sri Lanka overcome the Crisis?/ What Can Be the Way Forward?

Recent Context

June 2023--- Sri Lanka's President Ranil Wickremesinghe had a discussion regarding the crisis-stricken nation's debt with Paris Club members on the sidelines of a trip to France on June 2023. Since defaulting last May on its foreign debt for the first time in history, Sri Lanka has held rounds of talks with bilateral creditors such as China, India and Japan in the effort to resolve its worst financial crisis in decades.

(July 2023---French President Macron made historic visit to Sri Lanka and held discussions on bilateral cooperation and on an open and inclusive Indo-Pacific region.)

Question: “Amid the ongoing economic crisis in Sri Lanka, India must offer Sri Lanka holistically in terms of financial help, policy advice and investment. It is in India’s interest to contain Chinese presence in the country”. Comment.

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Areas of Cooperation

I) Political Cooperation

20th July 2023---Visit of Sri Lankan President Ranil Wickremesinghe to India.

Key Highlights:

- This was President Wickremesinghe's first visit to India since his Presidentship.
- The visit takes place as both countries celebrate the 75 years of their diplomatic relations.
- **MoUs/Agreement signed in field of:**

- ✓ Animal Husbandry and Dairying
- ✓ renewable energy
- ✓ economic development projects in Trincomalee district of Sri Lanka
- ✓ Network to Network Agreement between NIPL and Lanka Pay for UPI application acceptance in Sri Lanka
- ✓ Energy Permit for Sampur Solar Power Project.

- **India-Sri Lanka Economic Partnership Vision document:**

✓ **Name of the document - Promoting Connectivity, Catalysing Prosperity: India-Sri Lanka Economic Partnership Vision**

✓ **Pillars** :The vision document is based on five pillars:

a)Maritime Connectivity:

- development of ports and logistics at Colombo, Trincomalee and Kankesanthurai,
- resumption of passenger ferry services between Nagapattinam in India and Kankesanthurai in Sri Lanka

b)Air Connectivity:

- expansion of flights between Chennai and Colombo.

c)Energy and Power Connectivity:

- plan to establish a high-capacity power grid interconnection.
- bidirectional electricity trade between Sri Lanka and other regional countries, including those of the BBIN (Bangladesh, Bhutan, India, Nepal) initiative.
- multi-product petroleum pipeline from India's South to Sri Lanka.
- Accelerate Sampur Solar power project and LNG infrastructure to explore green hydrogen.

d)Trade, Economic and Financial Connectivity:

- Discussions on the Economic and Technology Cooperation Agreement to enhance bilateral trade and investments in new and priority areas.
- the decision to designate Indian Rupee as currency for trade settlements between the two countries.
- Both sides agreed to operationalise UPI-based digital payments

e)People-to-People Connectivity:

- The two countries to promote awareness and popularize India's Buddhist circuit, and Ramayana trail as well as ancient places of Buddhist, Hindu and other religious worship in Sri Lanka for enhancing tourism.

II)Economic cooperation

- India and Sri Lanka are member nations of several regional and multilateral organizations such as the South Asian Association for Regional Cooperation (SAARC), South Asia Co-operative Environment Programme, South Asian Economic Union and BIMSTEC.
- India is Sri Lanka's third largest export destination, after the US and UK.
- India-Sri Lanka Free Trade Agreement (ISFTA): came into effect in March 2000.
- Sri Lanka is one of India's largest trading partners among the SAARC countries.
- India in turn is Sri Lanka's largest trade partner globally.
- The agreement CEPA is yet to be signed between the countries.

III)Defence and Security Cooperation

- . India and Sri Lanka conducts joint Military ('Mitra Shakti') and Naval exercise (SLINEX).
- . A trilateral maritime security cooperation agreement was signed by India, Sri Lanka and the Maldives to improve surveillance, anti-piracy operations and reducing maritime pollution in Indian Ocean Region.
- . April 2019---India and Sri Lanka also concluded agreement on countering Drug and Human trafficking.
- . In the aftermath of the horrific Easter bombings, Sri Lankan Prime Minister thanked the Indian government for all their assistance. The alerts issued by Indian agencies before the attacks had warned specifically about the use of radicalised suicide bombers attacking churches and the Indian High Commission in Colombo.

- **March 2023**---Indian Coast Guard Region (North East) conducted fourth edition of Table top exercise (simulated emergency) under Colombo Security Conclave (CSC).

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Challenges in India-Sri Lanka relationship

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Way Forward

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