

**GS Paper 2**  
**International Relations**

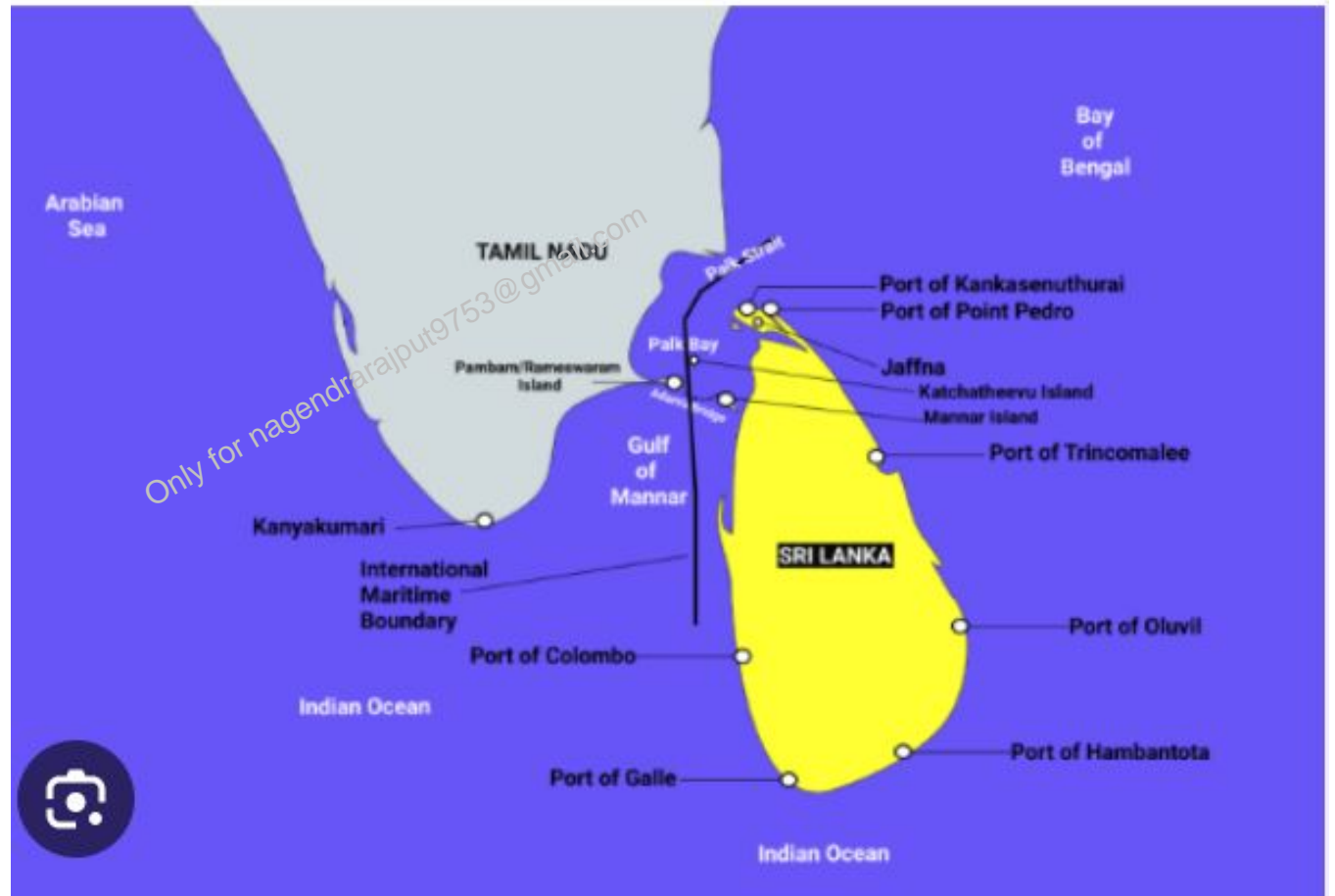
**India and its Neighbourhood**

**Indo Srilanka Relations**

**Dr. Shruti Joshi**

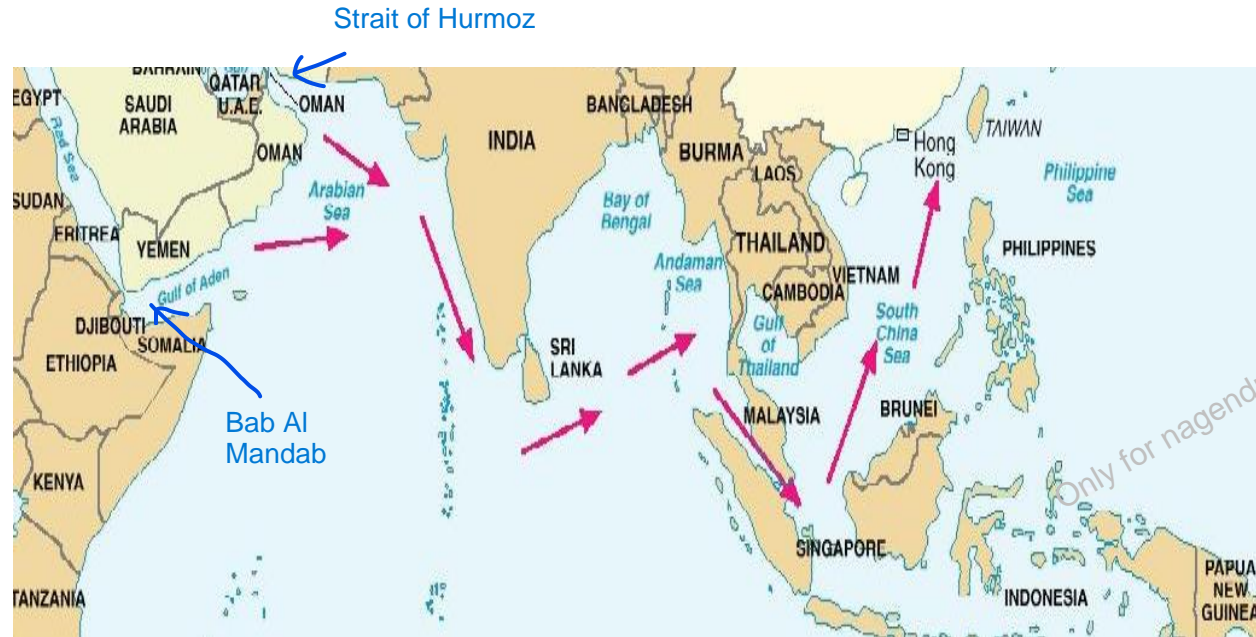
# Why Srilanka is important to India

## 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



# 1. Sri Lanka

## Ethnic conflict and democracy in Sri Lanka

### Background of Sri Lankan Civil War

#### Civil War from 1983- 2009

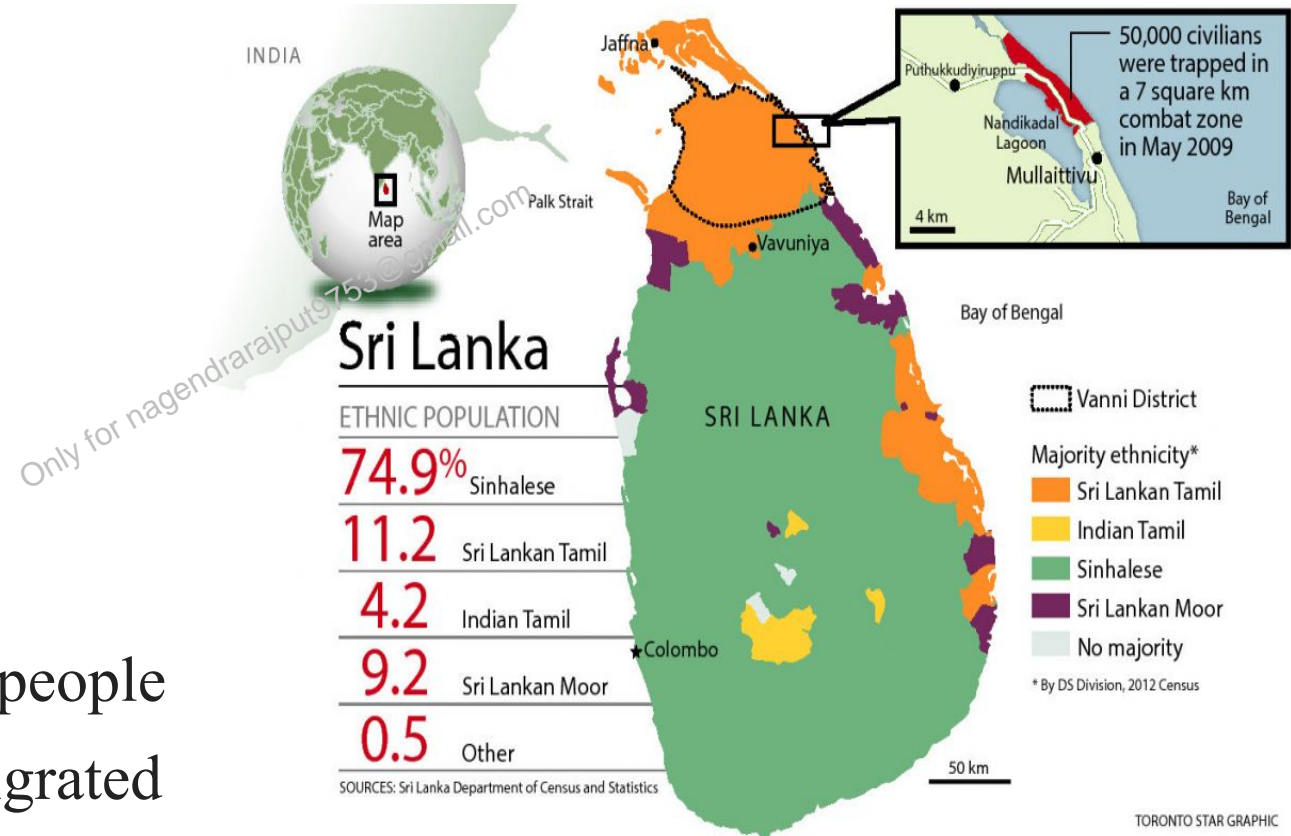
**Reason---**Ethnic tensions between

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

**Conflict could be traced back to SL's history.**

- **Origin Theory---**Tamil Tamil-speaking people from the neighboring Indian subcontinent migrated to the island.

- **British Rule---**Tamilians held better position. (British policy of Tamil favouritism).



- **Story Reverses (Post Independence):**

- ✓ The Sinhala nationalists thought that Sri Lanka should not give ‘concessions’ to the Tamils because Sri Lanka belongs to the Sinhala people only.
- ✓ After its independence, politics in Sri Lanka (it was then known as Ceylon) was dominated by forces that represented the interest of the majority Sinhala community. They were hostile to a large number of Tamils.
- ✓ The Sinhalese-majority government implemented policies that marginalized the Tamil minority, creating grievances and discontent.
- ✓ Sinhala Only Act (1956): The Sinhala Only Act of 1956, was a legislative act passed by the Sri Lankan government. It declared Sinhala as the sole official language of Sri Lanka, replacing English. This policy had far-reaching implications, as it disadvantaged Tamil-speaking minorities.

- ✓ **Policy of Standardisation:** The policy of standardization, implemented in Sri Lanka's education system, aimed to provide more educational opportunities for the Sinhalese community. It introduced preferential treatment for Sinhala students in university admissions, disadvantaging Tamil students.
- ✓ In 1972, the country's name was officially changed from "Ceylon" to the "Democratic Socialist Republic of Sri Lanka."
- ✓ In 1972, with the adoption of a new constitution, Buddhism was formally declared as the state religion of Sri Lanka.

- **Idea of Tamil Eelam**

The neglect of Tamil concerns led to militant Tamil nationalism. From 1983 onwards, the militant organization, the Liberation Tigers of Tamil Eelam (LTTE) started fighting an armed struggle with the army of Sri Lanka and demanding 'Tamil Eelam' or a separate country for the Tamils of Sri Lanka. The LTTE controlled the northeastern parts of Sri Lanka.

- **Indian Intervention in the Sri Lankan Civil War**

- ✓ The Sri Lankan problem involves people of Indian origin, and there is considerable pressure from the Tamil people in India that the Indian government should protect the interests of the Tamils in Sri Lanka.
- ✓ Influx of SL Tamils in India.
- ✓ The government of India has from time to time tried to negotiate with the Sri Lankan government on the Tamil question.
- ✓ But in 1987, the government of India for the first time got directly involved in the Sri Lankan Tamil question.
- ✓ In July 1987, the governments of India and Sri Lanka signed the **Indo-Sri Lanka Accord, also known as the Rajiv-Jayewardene Accord**. The accord aimed to address the Tamil issue in Sri Lanka and bring an end to the ongoing conflict.



- ✓ The key provisions of the accord included the devolution of powers to the provinces of Sri Lanka, which was intended to provide greater autonomy to the Tamil-majority Northern and Eastern provinces.
- ✓ India also sent troops to stabilise relations between the Sri Lankan government and the Tamils.
- ✓ Eventually, the Indian Army got into a fight with the LTTE.
- ✓ In 1989, the Indian Peace Keeping Force (IPKF) pulled out of Sri Lanka without attaining its objective.

**2009---The SriLankan civil war came to and end with the death of leader of the LTTE, Velupillai Prabhakaran.**

- ✓ 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

## Recent Context: September 2023

This time at the ongoing 54th session, the UN Human Rights Council did not vote on a Sri Lanka resolution, but reviewed the island's own commitments.

India's representative told the UN Human Rights Council in Geneva at its ongoing 54<sup>th</sup> session that the progress made by Sri Lanka, on its commitment to fulfill the **Tamils' aspirations**, was "inadequate" and urged the island nation to **"work meaningfully"** to keep its promises.

"We hope that the Government of Sri Lanka will fulfill the aspirations of Tamils for equality, justice and peace and its commitment to implement the **Thirteenth Amendment** and conduct Provincial Council Elections to ensure a life of respect and dignity for Tamils in Sri Lanka," the Indian diplomat said.

While the **High Commissioner's report** said it **"recognizes"** the Sri Lankan government's initiatives in regard to **truth-seeking and reconciliation**, it stressed that **"urgent confidence building steps"** are needed for **"genuine reconciliation and transitional justice process"** to succeed. **The Sri Lankan government rejected the report, and termed earlier resolutions of the Council "intrusive and polarizing"**.

# UNHRC Resolution

**October 2022---** (It is the latest resolution in which voting happened)

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 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. or Reconciliation.

- **21<sup>st</sup> 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.

- **July 2023--The Tamil National Alliance (TNA) “categorically rejected” Sri Lankan President Ranil Wickremesinghe’s offer to implement the 13<sup>th</sup> 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 13<sup>th</sup> 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. (bz 13th amendment says land and police should be with province.)

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.

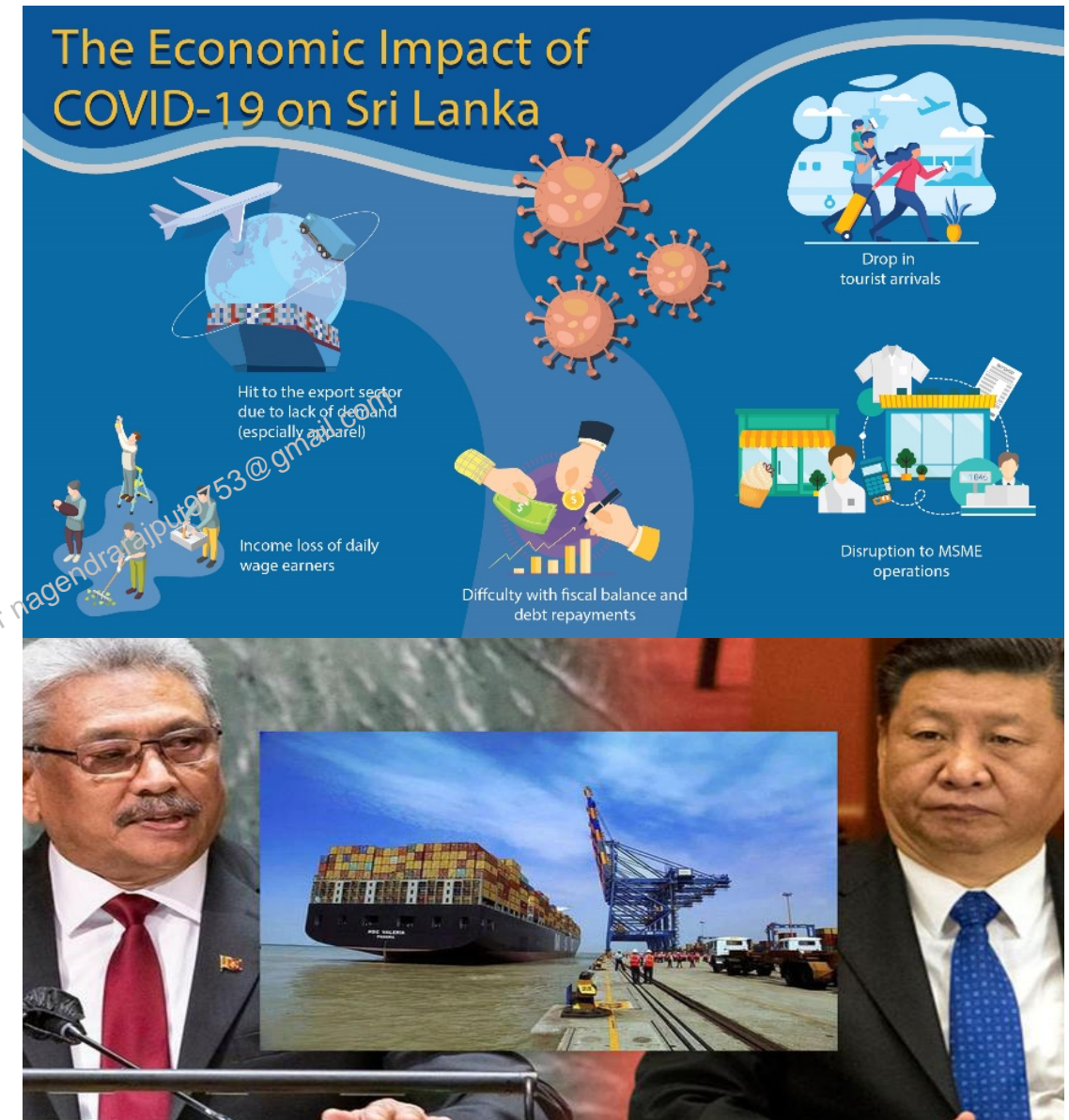
Former prime minister Ranil Wickremesinghe was elected as the President of Sri Lanka by the Parliament to serve the remainder of ex-president Gotabaya Rajapaksa's term, which was supposed to end in November 2024.

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# What led to economic crisis in Sri Lanka?

## 1) Primarily 2 C's

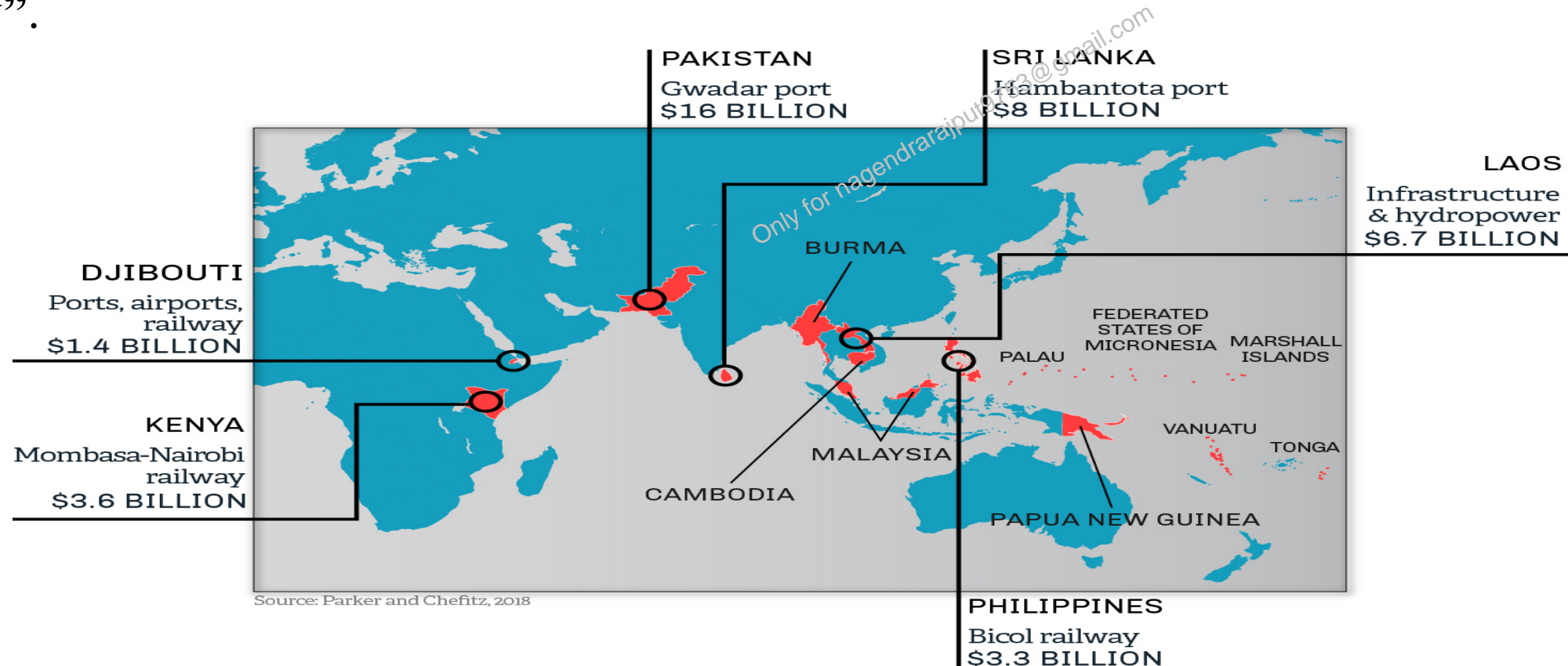
- Impact of the Covid crisis
- China's debt-trap policy



# 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**

- > Their consumption of tea is high and therefore they import sugar and dairy items but in COVID demands were high but supplies were less.

## **3) Underperforming Tourism Industry**

- > Because of 2019 Easter bombing incidence.
- > COVID

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#### **4) Depreciation of currency**

-> Imports were increasing and exports were decreasing.

#### **5) Rising inflation**

-> Import and domestic production were decreasing and therefore inflation and later stagflation.

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

## **7)Food Shortage**

- > Because of Organic only approach.
- > Production decreased.
- > Imports decreased because of lack of dollar.
- > Fuel price was high and therefore high food inflation.

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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**

- > Tea export decline.
- > Tourism declined.

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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**

-> Rather than trading in dollar we do trade in rupee or in SriLankan currency.

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- **Modernisation Project**

-> India will develop oil infrastructure in Trincomalee port.

- **Investment**

-> This involves the development of partnerships through the infusion of capital by Indian private sectors in some important sectors of Sri Lanka such as the Hospitality sector.

### **Previous Year Question**

**Q/-India is an age-old friend of Sri Lanka.' Discuss India's role in the recent crisis in Sri Lanka in the light of the preceding statement. (UPSC, 2022)**

## 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.

## II)Economic cooperation

### Recent Context

**October 2023**—India is negotiating free trade agreements with the European Union (EU), the UK, Sri Lanka, and Peru. India-Sri Lanka Economic and Technology Cooperation Agreement (ECTA) negotiations are ongoing with the 12th round of negotiations conducted from 30th October to 1st November 2023 in Colombo.

It can be said that Sri Lanka “has taken steps” to renegotiate free trade agreements with “key bilateral partners”.

To begin with, Sri Lanka will focus on discussions with India, China and Thailand, to conclude the ongoing negotiations, “following which Sri Lanka intends to join the Regional Comprehensive Economic Partnership (RCEP),” a regional trade and economic co-operation agreement of 16 Asian 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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