

SRMUN Atlanta 2022 November 17-19, 2022 sc atlanta@srmun.org

Security Council Update III: Turbulence in Sri Lanka

Introduction

On July 13, 2022, Sri Lankan President Gotabaya Rajapaska fled to the Maldives after months of ongoing calls for his resignation. He formally resigned shortly thereafter and appointed Prime Minister Ranil Wickremesinghe as acting President. This political turmoil comes after almost two years of economic distress, with inflation rates In August nearing 70 percent. Decades of government mismanagement combined with the effects of the COVID-19 pandemic and poor recent economic policies have created a dire situation for the people of Sri Lanka, with almost a third of the population suffering from food insecurity.

History

Sri Lanka was embroiled in civil war for over two decades, which formally ended in 2009 leaving the country in a weakened state. Large portions of the Tamil people remained internally displaced within Sri Lanka in the years following the war and ethnic tensions persist today. Following the conclusion of the civil war, the Sri Lankan economy was focused on domestic demands instead of exports to other Member States. This focus meant the government was not expanding its foreign trade to keep up with increasingly demand for imports. Between 2011 and 2020, the average fiscal deficit has been about 6.2 percent of its overall Gross Domestic Product (GDP). In 2020, Sri Lanka imported USD 16.2 Billion worth of goods while only exporting USD 11.3 Billion.

Along with this, the Rajapaska family has been largely controlling the Sri Lankan government for the last two decades. Hashinda Rajapaska, who had been involved in politics since the 1970's, served as president from 2005-2015. While he was president, he appointed his brother, Gotabaya Rajapaska Secretary to the Ministry of Defense and Urban Development. Mahinda Rajapaska placed a number of other family members in high government positions as well, resulting in 40 relatives of the Rajapaska family serving in various capacities between 2005 and today. In 2019, Gotabaya Rajapaska was elected president, and he appointed his brother Mahinda Prime

Wong, Tessa and Matt Murphey "Sri Lanka: President Gotabaya Rajapaska Flees Country on Military Jet," BBC News, July 13, 2022 https://www.bbc.com/news/world-asia-62132271

² Wong, Tessa and Matt Murphey "Sri Lanka: President Gotabaya Rajapaska Flees Country on Military Jet,"

³ "Sri Lankan Inflation Rates" Trading Economics https://tradingeconomics.com/sri-lanka/inflation-cpi

⁴ "Sri Lanka" World Food Programme, https://www.wfp.org/countries/sri-lanka.

⁵ Anandakuga, Nithyani, "The Sri Lankan Civil War and Its History Revisted in 2020," Havard International Review, https://hir.harvard.edu/sri-lankan-civil-war/.

⁶ Anandakuga, Nithyani, "The Sri Lankan Civil War and Its History Revisted in 2020,"

⁷ Perera, Ayeshea, "Sri Lanka: Why the Country is in Economic Crisis" BBC News, July 14, 2022, https://www.bbc.com/news/world-61028138

⁸ Perera, Ayeshea, "Sri Lanka: Why the Country is in Economic Crisis"

⁹ Bhowmick, Soumya "How Sri Lanka's Tax Cuts Crippled its Economy" Observer Research Foundation, August 6, 2022, https://www.orfonline.org/expert-speak/how-sri-lankas-tax-cuts-crippled-its-economy/

^{10 &}quot;Sri Lanka Country Profile" Observatory of Economic Complexity, https://oec.world/en/profile/country/lka

¹¹ Gomes, Debrah & Vineeth Krishnan "Bailouts Won't Save Sri Lanka. Ending Dynastic Politics Might" The Diplomat, September 20, 2022 https://thediplomat.com/2022/09/bailouts-wont-save-sri-lanka-ending-dynastic-politics-might/

¹² Gomes, Debrah & Vineeth Krishnan "Bailouts Won't Save Sri Lanka. Ending Dynastic Politics Might" The Diplomat

¹³ Gomes, Debrah & Vineeth Krishnan "Bailouts Won't Save Sri Lanka. Ending Dynastic Politics Might" The Diplomat

¹⁴ Gomes, Debrah & Vineeth Krishnan "Bailouts Won't Save Sri Lanka. Ending Dynastic Politics Might" The Diplomat

Minister.¹⁵ This pervasive corruption has also resulted in huge financial gains by the family.¹⁶ In 2015, it was estimated that close to 18 million USD had been taken by the family during Mahinda's presidency. ¹⁷

Recent Developments

In 2019, Gotabaya Rajapaska began to institute several policies that exacerbated the current economic crisis. ¹⁸ First, the government instituted tax cuts with the goal of increasing the amount of disposable income within the Member State. ¹⁹ These tax cuts went into effect in December of 2019 and quickly came to a head with the Coronavirus (COVID-19) pandemic a few months later. ²⁰ This resulted in a decrease in government revenue at a time where government spending increased to accommodate for the economic impact of the pandemic. ²¹ In another blow to the Sri Lankan economy, COVID-19 decimated the tourism industry losing over USD 3 billion in 2020 alone. ²²

During his 2019 presidential campaign, President Rajapaska pledged to transition Sri Lanka to a completely organic agriculture system within 10 years.²³ In April 2021, the government imposed a nationwide ban, affecting nearly two million farmers, on the importation and use of synthetic fertilizers and pesticides, which was costing the government close to USD 400 million each year. ²⁴ ²⁵ This ban caused immediate detrimental affects to the Sri Lankan economy. Rice production dropped 20 percent in six months, causing the country to import rice for the first time in years, which also led to the domestic price of rice to jump 50 percent.²⁶ Production of Sri Lanka's main export and largest cash crop, tea, fell 18 percent.²⁷ On April 12, 2022 Sri Lanka defaulted on its loans to international creditors for the first time since it gained independence.²⁸

Current Situation and Conclusion

Demonstrations against the Sri Lankan government began back in April 2022 with protestors upset over inflation, food and fuel shortages.²⁹ The majority of those protesting initially had initially voted for Gotabaya Rajapaska in 2019. ³⁰ These ongoing protests resulted in the storming of the Presidential residence in July of 2022, as protestors called for President Rajapaska's resignation. ³¹A few days later, President Rajapaska resigned and fled the country,

¹⁵ Gomes, Debrah & Vineeth Krishnan "Bailouts Won't Save Sri Lanka. Ending Dynastic Politics Might" The Diplomat.

¹⁶ Gomes, Debrah & Vineeth Krishnan "Bailouts Won't Save Sri Lanka, Ending Dynastic Politics Might", The Diplomat.

¹⁷ Gomes, Debrah & Vineeth Krishnan "Bailouts Won't Save Sri Lanka. Ending Dynastic Politics Might" The Diplomat.

¹⁸ Nordhaus, Ted and Saloni, Shah "In Sri Lanka, Organic Farming Went Catastrophically Wrong" Foreign Policy, March 5, 2022 https://foreignpolicy.com/2022/03/05/sri-lanka-organic-farming-crisis/

¹⁹ Bhowmick, Soumya "How Sri Lanka's Tax Cuts Crippled its Economy" Observer Research Foundation, August 6, 2022, https://www.orfonline.org/expert-speak/how-sri-lankas-tax-cuts-crippled-its-economy/

²⁰ Afker, Sarah "The 2019 Tax Cuts: Causes and Consequences" Daily FT, June 3, 2022 https://www.ft.lk/opinion/The-2019-tax-cuts-Causes-and-consequences/14-735669

²¹ Bhowmick, Soumya "How Sri Lanka's Tax Cuts Crippled its Economy" Observer Research Foundation, August 6, 2022, https://www.orfonline.org/expert-speak/how-sri-lankas-tax-cuts-crippled-its-economy/

²² "Tourism in Sri Lanka" WorldData https://www.worlddata.info/asia/sri-lanka/tourism.php

²³ Nordhaus, Ted and Saloni, Shah "In Sri Lanka, Organic Farming Went Catastrophically Wrong" Foreign Policy, March 5, 2022 https://foreignpolicy.com/2022/03/05/sri-lanka-organic-farming-crisis/

²⁴ Nordhaus, Ted and Saloni, Shah "In Sri Lanka, Organic Farming Went Catastrophically Wrong

²⁵ Torrella, Kenny "Sri Lanka Organic Farming Disaster, Explained," Vox, July 15 2022 https://www.vox.com/future-perfect/2022/7/15/23218969/sri-lanka-organic-fertilizer-pesticide-agriculture-farming

²⁶ Nordhaus, Ted and Saloni, Shah "In Sri Lanka, Organic Farming Went Catastrophically Wrong" Foreign Policy, March 5, 2022 https://foreignpolicy.com/2022/03/05/sri-lanka-organic-farming-crisis/

²⁷ Torrella, Kenny "Sri Lanka Organic Farming Disaster, Explained," Vox, July 15 2022 https://www.vox.com/future-perfect/2022/7/15/23218969/sri-lanka-organic-fertilizer-pesticide-agriculture-farming

²⁸ Arudpragasm, Amita "How the Rajapaskas Destroyed Sri Lanka's Economy" Foreign Policy, April 28, 2022 https://foreignpolicy.com/2022/04/28/sri-lanka-rajapaksa-protests-economy-corruption/

²⁹ Ellis-Petersen, Hannah "'I Screamed and Cried': How Sri Lankan Protestors Unseated their President" The Guardian, July 16, 2022 https://www.theguardian.com/world/2022/jul/16/i-screamed-and-cried-how-sri-lankan-protesters-unseated-their-president

³⁰ Ellis-Petersen, Hannah "'I Screamed and Cried': How Sri Lankan Protestors Unseated their President" The Guardian.

³¹ Wong, Tessa "Sri Lanka: Gotabaya Rajapaska Flees Country in Military Jet" BBC News, July 13, 2022 https://www.bbc.com/news/world-asia-62132271

leaving Prime Minister Ranil Wickremesinghe as acting President.³² Wickremesinghe was elected by the Sri Lankan MP's a few days later. ³³ Wickremesinghe has remained unpopular among the Sri Lankan people because he is seen a supporter of the Rajapaska family. ³⁴

President Wickremesinghe has tried to crush much of the widespread protests over the last few months.³⁵ He declared a state of emergency upon assuming office which allowed police to arrest protestors. ³⁶ There have been hundreds of arrests and home raids by police against protestors, including raids on protests sites.³⁷ Multiple protest leaders have also been given travel bans and other forms of surveillance.³⁸ Wickremesighe has maintained he is only cracking down against violent protestors. ³⁹ He has called those protestors "fascists" and specifically stated that those who had occupied government buildings, including the presidential residence would be punished. ⁴⁰ In August 2022, the United Nations explicitly condemned the crackdowns on protestors by the Sri Lankan government, calling it an infringement on the rights of peaceful assembly and expression.⁴¹

While there was a brief pause in the protests, demonstrations have reignited in Sri Lanka, with food price inflation over 80 percent. According to the World Food Programme (WFP) almost one-third of the population food insecure and requires humanitarian assistance. It is expected that Sri Lanka's GDP will contract by almost 9 percent this year alone. Lanka has reached a preliminary agreement with the International Monetary Fund (IMF) for a bailout, but further negotiations are required.

With the loan from the IMF uncertain, there does not seem to be a clear path forward for the people of Sri Lanka. With protests resuming again and the unpopularity of President Wickremsinghe, it is likely there will continue to be clashes between demonstrators and the government, resulting in increased instability within the Member State and possibly a power vacuum should protestors once again storm the resident of its leader. The international community cannot turn its back on Sri Lanka both for humanitarian concerns as well as broader security concerns in South Asia.

³² Wong, Tessa "Sri Lanka: Gotabaya Rajapaska Flees Country in Military Jet" BBC News.

³³ Mao, Frances & Anbarasan Ethirajan "Sri Lanka: Ranil Wickeremsinghe Elected President by MPs" BBC News July 20, 2022 https://www.bbc.com/news/world-asia-62202901

³⁴ Mallawarachi, Bharatha "Sri Lankans March Against Government Crackdown on Protestors" ABC News, October 27, 2022 https://abcnews.go.com/International/wireStory/sri-lankans-march-government-crackdown-protests-92195324

³⁵ Wipulasena Aanya & Hannah Ellis-Petersen, "Sri Lankan Government Accused of Draconian Treatment of Protestors" The Guardian, August 5, 2022 https://www.theguardian.com/world/2022/aug/05/sri-lanka-police-draconian-protesterswickremesinghe

³⁶ Wipulasena Aanya & Hannah Ellis-Petersen, "Sri Lankan Government Accused of Draconian Treatment of Protestors" The

³⁷ Wipulasena Aanya & Hannah Ellis-Petersen, "Sri Lankan Government Accused of Draconian Treatment of Protestors" The Guardian.

^{38 &}quot;Penalized for Protesting" Amnesty International https://www.amnesty.org/en/latest/news/2022/09/sri-lanka-authorities-crackdown-on-protest-rights-must-end/

³⁹ Wipulasena Aanya & Hannah Ellis-Petersen, "Sri Lankan Government Accused of Draconian Treatment of Protestors" The Guardian

⁴⁰ "Gunasekara, Skandha & Mujib Mashal "Sri Lanka Targets Organizers of Protests that Toppled President" The New York Times, August 3, 2022, https://www.nytimes.com/2022/08/03/world/asia/sri-lanka-protest-crackdown.html

⁴¹ "Sri Lanka: UN Human Rights Experts Condemn Reapeated use of Emergency Measures to Crackdown on Protests" United Nations Human Rights Office of the High Commissioner, August 8, 2022 https://www.ohchr.org/en/press-releases/2022/08/sri-lanka-un-human-rights-experts-condemn-repeated-use-emergency-measures

⁴² Adler, Nils, "Protests in Sri Lanka over Economic Crisis and Police Brutality" AlJazeera, October 27, 2022 https://www.aljazeera.com/news/2022/10/27/protests-in-sri-lanka-over-economic-crisis-and-police-brutality

^{43 &}quot;Sri Lanka" World Food Programme, https://www.wfp.org/countries/sri-lanka.

⁴⁴ Adler, Nils, "Protests in Sri Lanka over Economic Crisis and Police Brutality" AlJazeera.

⁴⁵ Adler, Nils, "Protests in Sri Lanka over Economic Crisis and Police Brutality" AlJazeera.