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The World Perspective Of Debts and Disasters: Interrogating the Political Dynamics of Sri Lanka's Current Crisis



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Sri Lanka's resilience in the face of crisis has been exemplary throughout history; it has overcome recurrent natural disasters and political turmoil since its independence. One must remind oneself of this to remain optimistic while looking at the unprecedented events unfolding in the island country which literally burns at the moment with the economic quagmire being declared by the United Nations as the 'most dire humanitarian crisis.' Sri Lankan economists point out that it is the most devastating crisis since independence (1948), reminiscent of the great depression of the 1930s when Sri Lanka was additionally ailing with a malaria crisis." (Ahilan Kadirgamar, 2022) But even in these exceptional circumstances, there is scope for introspection and turning around the crisis into a catalyst for long-term change.

A sympathetic assessment of the situation would reveal that Sri Lanka is a victim of the pandemic-induced global economic downturns, collateral damage in the Russia-Ukraine war and casualty in

the global trend of the rising reactionism and deepening sensitivity against government actions in democracies. But above all, it is guilty of perpetrating a dysfunctional democracy with severe flaws in credibility. Its electoral mandates in successive elections suppress the pandering of majoritarian, populist politics which suits

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the overwhelming Sinhala-Buddhist community in the island nation. Its ethnic divide has been, and continues to remain the core of its crises, the present economic one included. This article argues that Sri Lanka's crisis is not simply an economic chaos; it is rather symptomatic of the democratic deficit in Sri Lanka.

A substantial repository of analyses and academic opinions have been generated in a short while since the universal media attention was drawn to the violent protests on the streets by the citizens from May 2022 onwards. At the heart of the most critical dissections lies the knowledge that at the end of the civil war between the government forces and the LTTE in 2009, there were two politico-economic choices made by the tremendously popular albeit high-handed regime of Mahinda Rajapakse. First, it began focusing more on providing goods to the domestic market instead of trying to produce export-worthy items in the foreign markets. Secondly, the government started inviting several mega infrastructure projects, whose economic value was often dubious, as reflected in the regional media. The fall-out of these moves corroded the economic basis of the country in dual ways; one, income from exports remained low while the cost of imports kept growing. At the end of 2019, Sri Lanka had \$7.6 billion in foreign currency reserves. Recently this figure had fallen to just \$50 million. (BBC, 2022) Second, total trade as a share of Sri Lanka's GDP fell drastically, from 89 per cent in 2000 to 46 per cent in 2010. While external debts kept growing, external reserves dwindled. Moreover, high domestic spending, coupled with low tax collections led to high fiscal deficits and borrowing needs.

The landslide victory of Gotabaya Rajapakse in 2019, months after the tourism sector had been deeply hurt by the Easter bombings in April, unequivocally asserted a mandate in favour of high politics; security and populist political decisions executed by a leader who was already a war hero in the country. His decision to invite Mahinda Rajapakse as the Prime Minister also did not garner much criticism in a country which seemed to enjoy comfort in dynastic rulings. As crucial portfolios were given out to family members, very few noticed that the popular leaders of the state were committing a series of economic mistakes. The reverence of the electorate was only jolted when the impact of the deep tax cuts was felt as it deprived the government of revenue and made it much harder to borrow money abroad. Finance Minister Ali Sabry has said these lost the government more than \$1.4bn (£1.13bn) a year in revenue. When Sri Lanka's foreign currency shortages became a serious problem in early 2021, the government tried to limit the outflow by banning imports of chemical fertiliser and telling farmers to use locally sourced organic fertilisers instead. This led to widespread crop failure. Sri Lanka had to supplement its food stocks from abroad, which made its foreign currency shortage even worse. The International Monetary Fund reported the fertilizer ban also hurt tea and rubber exports. Sri Lanka's government has racked up \$51bn (£39bn) in foreign debt. (IMF, 2021) Russia's invasion of Ukraine was the final nail in the coffin as it universally

and unexceptionally affected global food and fuel prices (both countries being leading exporters of grain). A country which has pandered to the culture of import-dependency for over a decade now, including more than 80 per cent of its medical supplies, Sri Lanka hit rock bottom of its economic strength and the political outburst spiralled.

As the people demand the resignation of Gotabaya Rajapakse at the moment, and Prime Minister Ranil Wickremasinghe desperately tries to salvage the economy of the nation through aid and line of credit, it is pertinent to speculate that Sri Lanka may tide over this economic disaster, but more political chaos will continue to mire the country unless it takes serious stocks of its democratic credentials. Sri Lanka practises a unique democracy; which holds periodic elections and grants universal adult franchise but which is dysfunctional, compromised and eludes theoretical categories. Existing literature describes Sri Lanka's democracy as majoritarian, dynastic-driven and eschewing pluralism. This trend in Sri Lanka's politics is observed to be as old as its independence from colonialism; the ethnic divide between the majority Sinhala-Buddhists and minority Tamil-Hindus and Muslims set the tone for divisive politics. Neil De Votta (2017) writes that with the Sinhalese being a clear majority, it was too easy for ambitious politicians to manipulate ethnic sentiments when seeking elected office. However, De Votta (2017) also points out that in the plural, ethnic democracies, minorities have to be accommodated and institutions have to be set up which permit multiculturalism and civic nationalism. But Sri Lanka's leaders went out of their way to do the opposite, and in the process also undermined the liberal democracy that was well within the island's grasp.' This eventually hurled the country towards authoritarianism.

Freedom House, 2021 declares Sri Lanka to be 'Partly Free' (56/100). The regime of the Rajapakse brothers (since 2019) has been a very infamous chapter on centralization, authoritarianism and corruption in Sri Lanka while following a diffused version of neoliberalism. Extremely hostile to criticism, the regime refused to undergo the necessary changes that would have created a democratic space to resolve the economic problems. Instead of promoting domestic production, import substitution and a public distribution system, it bandied the pre-crisis manifesto of Vistas of Prosperity and Splendour (The Hindu, 2022).

In retrospect, the 2015 mandate given to President Maithiripala Sirisena had been exceptional; based on the desire for reforms, restore constitutional democracy and good governance. Sirisena had served in the Rajapakse government for over nine years. He announced his candidature at a time when Mahinda Rajapakse had already served two terms as President and was looking to win a third term (he had abolished the two-term limit on the election to the presidency in 2010 through the 18th Amendment to the 1978 constitution). From the 18th to the 21st Amendments, Sri Lanka witnessed a cycle of removing various restraints on presidential power introduced and re-introducing it again.

This further distorted the constitutional imbalances in the separation of powers in Sri Lanka's executive-dominated constitutional system and political culture. A broad coalition was formed against the excessive regime of Mahinda Rajapakse which believed in upholding the democratic traditions of tolerance, pluralism and constitutionalism in the face of Rajapakse's assault and nepotism. Sirisena's government adopted very encouraging democratic measures, including the reduction in the powers of the Presidency. However, in a move touted to be 'unconstitutional', President Sirisena sacked his Prime Minister, Ranil Wickremasinghe in 2018 and named Mahinda Rajapakse as the Prime Minister.

Political analysts were quick to comment that this was largely done by President Sirisena to eye an electoral win in the upcoming Parliamentary elections in 2018. Sirisena had received the mandate of the minorities while the Sinhala-Buddhist majority continued to rally for the Rajapakse clan. Thus, pandering to populist sentiments, Sirisena capitulated and joined hands with Rajapakse again. The overall political climate in the country veered towards majority-pampering by the political elites and minority insecurities at the grassroots. The revival of Sinhala Buddhist ethnic clashes with minority Muslims in areas like Kandy in 2018 witnessed the declaration of a state of emergency. The Easter Attacks in April 2019, conducted by the ISIS-inspired National Thowheeth Jaa'maat across churches, heightened Islamophobia in the island country as well as insecurity among the Christians and foreign tourists. The stage was set for welcoming a hard regime, but it was grossly overlooked that voting in autocrats into democratic power seems to have formed a cyclical political pattern that the people are unable to break out of.

It would not be an oversimplification to state that the country has fallen in a conundrum where democracy is consistently being compromised by political elites who are wresting power by appealing to ethnic majoritarianism and enforcing a form of coercive democracy, and pushing the economy to the worst forms of patron-client networks. The avowed purpose of development projects is to bring welfare to the people; but in the long run, the crisis of leadership, as well as autocratic economic decisions, is tugging at the core of the political fabric of the country. The model of development tuned to the fluid and dynamic neoliberal markets have left the people with empty hands. Ranil Wickremasinghe being brought back as the Prime Minister by Gotabaya Rajapakse seems a vindication of justice served too late. Thus, Sri Lanka needs to rework its political matrix. Electoral victory based on the ethnic mandate is tantamount to political pandering to populism for narrow gains. If Sri Lanka continues on this path, it will be almost impossible to revive its democratic credentials. Militarisation of civilian spaces will continue leading to a possible coup. Strong, ethical (and not ethnic) political leadership based on the promise of the development of the nation is required; its democracy, as well as development, has to be re-envisioned by a willing political leadership.

