



Sri Lanka

The Democratic Socialist Republic of Sri Lanka, known as Ceylon until 1972, is a constitutional democracy in South Asia with relatively high levels of development. It is located in the Indian Ocean off the southeastern tip of India's Deccan Peninsula.

Historical Setting

The island nation was settled by successive waves of migration from India beginning in the 5th century BC. Indo-Aryans from northern India established Sinhalese Buddhist kingdoms in the central part of the island. Tamil Hindus from southern India also settled in northeastern coastal areas and established a kingdom on the Jaffna Peninsula. Beginning in the 16th century, Sri Lanka was colonized in succession by the Portuguese, Dutch, and English.

Although Ceylon gained its independence from Britain peacefully in 1948, succeeding decades were marred by ethnic conflict between the country's Sinhalese majority, clustered in the densely populated South and West, and a largely Hindu Tamil minority living in the northern and eastern provinces. Following independence, the Tamils—who had attained educational and civil service positions under the British—increasingly found themselves discriminated against by the Sinhalese-dominated government, which made Sinhala the sole official language and gave preferences to Sinhalese in university admissions and government jobs. The Sinhalese, who had deeply resented British favoritism toward the Tamils, saw themselves not only as the majority, but also as a minority in a larger Tamil context that includes over 60 million Tamils across the Palk Strait in India's southern state of Tamil Nadu and elsewhere in India.

Civil War

For two-and-a-half decades, from 1983 to 2009, political, social, and economic development was constrained by ethnic conflict and war between the government and the Liberation Tigers of Tamil Eelam (LTTE), also known as the Tamil Tigers. The war cost an estimated 70,000-130,000 lives. The LTTE rebels had sought to establish a separate state or internal self-rule in the Tamil-dominated areas of the island's north and east. The United States designated the LTTE as a Foreign Terrorist Organization in 1997.

After a violent end to the civil war in May 2009, when the military crushed LTTE forces and precipitated a humanitarian emergency in Sri Lanka's Tamil-dominated north, attention turned to whether the government had the ability and intention to build a stable peace in Sri Lanka. Former President Mahinda Rajapaksa, elected in 2005, faced criticism for an allegedly insufficient response to reported war crimes, a nepotistic and ethnically biased government, increasing restrictions on media, and uneven economic development. In the January 2015 presidential election he was defeated by President Maithripala Sirisena.

This result was affirmed in parliamentary elections later in 2015 that led to the formation of a unity government supportive of Sirisena's reform agenda, including efforts to reduce the authority of the executive presidency.



Sri Lanka in Brief

Population: 22.4 million 2017 est.

Area: Slightly larger than West Virginia

Head of Government: President Maithripala Sirisena, elected Jan. 2015

Ethnic Groups: Sinhalese 74.9%, Sri Lanka Tamils 11.2%, Moors 9.2%, Indian Tamils 4.2% 2012 est.

Languages: Sinhalese 74%, Tamil 18%.

Religions: Buddhist 70.2%, Hindu 12.6%, Muslim 9.7%, Christians 6.1% 2012 est.

GDP: 4.7% growth 2017, \$13,000 per capita GDP in PPP. 2017 est.

Unemployment: 4% 2017 est.

Labor Force: Agriculture 28.4%, industry 25.7%, services 45.9% 2016 est.

Exports: Garments, tea, spices, rubber, gems and jewelry, refined petroleum, fish and coconut products.

Destination of exports: U.S. 24.6%, U.K. 8.9%, India 5.8%, Singapore 4.5%, 2017 est.

Sources: CIA, Economist Intelligence Unit, CRS Map

Current Political Developments

Some reformers in Sri Lanka hoped that a new constitution would decentralize political power (a key interest of the Tamil minority) and reduce the strength of the executive presidency. Observers now expect, however, that the current Government of President Sirisena of the Sri Lankan Freedom Party (SLFP) and Prime Minister Wickremesinghe of the United National Party (UNP) will not be able to pass a reform constitution. Rifts within the coalition government reportedly deepened as a result of its poor performance in local elections in February 2018. The newly-formed Sinhalese nationalist party Sri Lanka Podujana Peramuna (SLPP) political party received 45% of the vote, compared

to the government's 33% for the UNP and 9% for the SLFP in the February elections. The government's full term ends in mid-2020.

Some observers expect the religious and ethnic tensions that have hindered reforms to continue. Some have viewed Sirisena's attempts to address Tamil concerns as undermining his support with elements within the Sinhalese community and possibly contributing to a rise in Sinhalese nationalism. The rise of ethnic nationalism is viewed by some observers as a threat both to Sirisena's political fortunes as well as efforts to achieve lasting reconciliation between the majority Sinhalese and the Tamil minority, which is currently represented primarily by the Tamil National Alliance (TNA), the main Tamil party in parliament. Supporters of former President Rajapaksa, who is viewed by many as a Sinhalese nationalist, formed the new SLPP to challenge Sirisena's coalition in 2016. Some Tamils have become disillusioned with the government's efforts to achieve reconciliation. The Tamil Arise movement also emerged in 2016 to push for Tamil rights.

U.S.-Sri Lanka Relations

Through its foreign aid and diplomacy the United States has supported initiatives intended to strengthen governance, democratic reform, the rule of law, and human rights in Sri Lanka. The U.S. Agency for International Development (USAID) has maintained a presence in Sri Lanka since 1948. The FY2019 budget request is outlined below. (See **Table 1** below.) The United States is Sri Lanka's single largest market, accounting for approximately 25% of Sri Lankan exports. Sri Lanka's largest exports are garments, tea, spices, rubber, gems and jewelry, refined petroleum, fish, and coconuts/coconut products.

Table 1. U.S. Foreign Assistance to Sri Lanka
(\$ in thousands)

	FY2016 Actual	FY2017 Actual	FY2018 Req.	FY2019 Req.
Total	42,504	38,478	3,380	11,480
DA	—	—	—	—
ESF	38,040	31,017	—	—
ESDF	—	—	—	8,100
FMF	—	500	—	—
IMET	584	581	500	500
INCLE	1,000	1,000	—	—
NADR	2,880	5,380	2,880	2,880

Source: Department of State, Congressional Budget Justification, Foreign Operations, FY2017, FY2018, FY 2019.

The United Nations, Sri Lanka, and Human Rights

Sri Lanka co-sponsored a U.N. Human Rights Council resolution on accountability for human rights abuses during the Sri Lanka civil war that was adopted by the Council in October 2015. The resolution followed the September 2015 publication of the Report of the U.N. Office of the High Commissioner for Human Rights Investigation on Sri Lanka and was viewed by many at the time as a positive step to advance justice in Sri Lanka. Since the adoption of the resolution, however, President Sirisena has appeared to

back away from supporting any significant involvement of international judges in a special judicial mechanism to prosecute war crimes. The High Commissioner for Human Rights Zeid Ra'ad Al Hussein noted steps taken by Sri Lanka but also called for a transitional justice mechanism to deal with past human rights abuses. A Sri Lankan Office of Missing Persons is being established, and a Right to Information law was passed by the Sri Lankan parliament in June 2016. Intercommunal tensions between Sinhalese and Muslim groups led to a wave of violence and a state of emergency in the Kandy District of the central highlands in March 2018.

Strategic Setting

Sri Lanka is situated near strategically important sea lanes that transit the Indian Ocean. These sea lanes link the energy-rich Persian Gulf with the economies of Asia. To some observers, maritime trade is increasingly integrating the Indian and Pacific Oceans' littoral regions into a more unified strategic arena. Sri Lanka and India share close, longstanding historical, cultural, and religious ties. India became entangled in a counter-insurgency war against the LTTE following the signing of the Indo-Sri Lanka Agreement of 1987. Between 1987 and 1990, India lost over 1,200 soldiers in this conflict. Prime Minister Rajiv Gandhi was later killed by an LTTE suicide bomber in 1991. The Sri Lanka-India relationship was strengthened by President Sirisena's February 2015 visit to India, his first foreign visit as president, and also by Indian Prime Minister Narendra Modi's March 2015 return visit to Colombo, the first by an Indian prime minister in 29 years. During his visit, Modi articulated his government's desire that the Tamil community in Sri Lanka have a just and dignified life in a unified Sri Lanka. India's native Tamil populations feel kinship with Sri Lanka's Tamils. India, along with the United States, has been an active voice for reconciliation and fair elections. India has also played host to a large number of Tamil refugees, 100,000 by some estimates, both during and after the Sri Lankan civil war.

China-Sri Lanka Relations

Some analysts in India have expressed concern over Sri Lanka's deepening relationship with China, including Chinese submarine visits to Sri Lanka. Beijing has invested significantly in Sri Lanka's infrastructure in recent years. Debt to Chinese entities accounts for \$8 billion out of Sri Lanka's total debt burden of \$65 billion. In 2017, Sri Lanka leased port facilities at Hambantota to China for 99 years for an estimated \$1.1 billion to help Sri Lanka reduce its debt. China considers its activities in Sri Lanka to be part of its Belt and Road Initiative aimed in part at gaining access to ports in the Indian Ocean to help secure China's interests along vital sea lanes. China's presence in Sri Lanka and elsewhere in the Indian Ocean, in combination with recent border tensions between India and China on the Bhutan-China border, is causing increasing concern among some strategic analysts and policymakers in New Delhi and the United States.

Bruce Vaughn, Specialist in Asian Affairs

IF10213

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.