



# Sri Lanka: Background and U.S. Relations

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June 16, 2011

**Congressional Research Service**

7-5700

[www.crs.gov](http://www.crs.gov)

RL31707

**CRS Report for Congress**

*Prepared for Members and Committees of Congress*

## Summary

This report provides historical, political, and economic background on Sri Lanka and examines U.S.-Sri Lanka relations and policy concerns. Recent interest in Sri Lanka has focused on human rights issues related to the final stages of Sri Lanka's 26-year secessionist civil war between government forces and the Liberation Tigers of Tamil Eelam (LTTE) with its attendant humanitarian emergency. A United Nations appointed panel found in April 2011 that allegations that both the government and the LTTE were responsible for war crimes were credible. The nation remains deeply divided along ethnic lines despite the end of the war. An ongoing challenge for the international community is how to assist Sri Lanka to effectively consolidate peace with the defeated Tamil minority. Sri Lanka's ethno-national conflict centered on an armed struggle between majority Buddhist Sinhalese and the LTTE whose base was drawn from the Tamil minority concentrated in the island's north and east.

Both the House and the Senate have considered legislation related to the situation in Sri Lanka. H.R. 440, "To provide for the establishment of the Special Envoy to Promote Religious Freedom of Religious Minorities in the Near East and South Central Asia," and H.Res. 177, "Expressing support for internal rebuilding, resettlement, and reconciliation within Sri Lanka that are necessary to ensure a lasting peace," were referred to Subcommittee in March 2011. The Senate agreed to S.Res. 84, "A resolution expressing support for internal rebuilding, resettlement, and reconciliation within Sri Lanka that are necessary to ensure a lasting peace," on March 1, 2011.

The Democratic Socialist Republic of Sri Lanka, an island nation in the Indian Ocean, is a constitutional democracy with a relatively high level of development. Political, social, and economic development has, however, been seriously constrained by years of ethnic conflict and war between the government and the LTTE. Between 1983 and 2009, a separatist war costing at least 70,000 lives was waged against government forces by the LTTE, a rebel group that sought to establish a separate state or internal self-rule in the Tamil-dominated areas of the north and east. The United States designated the LTTE as a Foreign Terrorist Organization in 1997. Open fighting in this conflict came to a close with the defeat of LTTE field forces and the combat death of their leader Velupillai Prabhakaran in May 2009. The government continues to face the challenge of consolidating peace with the Tamil community. Sri Lanka presents the United States and the international community with several key challenges. Chief among these is how to help and encourage Sri Lanka to win the peace now that it has won the war against the LTTE.

Sri Lanka offers a test case of how to respond to a brutal military victory over a violent ethno-nationalist separatist movement. The situation presents decision-makers questions of how to balance the imperatives of seeking accountability and resolution, providing development assistance, and promoting broad geopolitical interests. President Rajapaksa has a firm hold on government and popular support among the Sinhalese majority for his leadership in presiding over a military victory over the LTTE. But Sri Lanka remains a multi-ethnic society, where long-held historic grievances have been deepened still further by the conflict's brutal end. The government's reluctance to seriously entertain notions that the Sri Lanka army's conduct was in any way suspect at the conclusion of the war raises questions about whether public international condemnations of what appear to be heinous war crimes can be effective. Some government officials have offered the view that in such situations quiet diplomacy may actually achieve more on the ground than public condemnations. Others have argued that the promotion of international norms of proper conduct in war require international action lest those norms of behavior be undermined.

## **Contents**

Historical Setting .....	1
Domestic Politics .....	1
Sri Lanka's Economy .....	2
Human Rights and War Crimes .....	3
U.S.-Sri Lanka Relations.....	4
Geopolitical Context .....	5
Sri Lanka Chronology .....	7

## **Figures**

Figure 1. Map of Sri Lanka .....	8
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## **Tables**

Table 1. Direct U.S. Assistance to Sri Lanka, FY2010-FY2012 .....	5
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## **Contacts**

Author Contact Information .....	9
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## Historical Setting

Once a port of call on ancient maritime trade routes, Sri Lanka is located in the Indian Ocean off the southeastern tip of India's Deccan Peninsula. The island nation was settled by successive waves of migration from India beginning in the 5<sup>th</sup> century BC. Indo-Aryans from northern India established Sinhalese Buddhist kingdoms in the central part of the island. Tamil Hindus from southern India settled in the northeastern coastal areas, establishing a kingdom in the Jaffna Peninsula.<sup>1</sup> Beginning in the 16<sup>th</sup> century, Sri Lanka was colonized in succession by the Portuguese, Dutch, and English, becoming the British crown colony of Ceylon in 1815. In the late 19<sup>th</sup> century, Tamil laborers were brought from India to work British tea and rubber plantations in the southern highlands. Known as Indian Tamils, the descendants of these workers currently comprise approximately 5% of Sri Lanka's population and are clustered in the south-central "tea country." Descendants of earlier Tamil arrivals, known as Sri Lankan or Ceylon Tamils, constitute up to 13% of the country's population and live predominantly in the North and East. Moorish and Malay Muslims (largely Sunni) account for another 8% of the population. The majority of Sri Lankans (about three-quarters) are ethnic Sinhalese, most of them Buddhist.<sup>2</sup> In 1972, Ceylon was renamed Sri Lanka ("resplendent land"), as it was known in Indian epic literature.

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 predominance 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 as the majority, however, but as a minority in a large Tamil sea that includes approximately 60 million Tamils just across the Palk Strait in India's southern state of Tamil Nadu.

## Domestic Politics

The Republic of Sri Lanka has a multi-party democratic structure with high levels of political conflict and violence. The country's political life long featured a struggle between two broad umbrella parties—President Mahinda Rajapaksa's Sri Lanka Freedom Party (SLFP) and the United National Party (UNP). The president's United Freedom People's Alliance (UFPA), of which the SLFP is the main party, has consolidated power. President Rajapaksa gained widespread popularity among the Sinhalese majority for ending the war. The SLFP may be viewed as more Sinhala nationalist and statist.<sup>3</sup> There are reportedly concerns among Tamil politicians that the government intends to maintain a robust military presence in the north and promote population transfers from the Sinhalese south to historically Tamil areas as a way of

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<sup>1</sup> Estimates of the size of the Tamil community in Sri Lanka vary. The State Department Background Notes estimates the community at 18% of the total population while the CIA World Factbook estimates it to be 8.5%.

<sup>2</sup> U.S. Department of State, "Background Notes: Sri Lanka," November 2007, at <http://www.state.gov/r/pa/ei/bgn/5249.htm>.

<sup>3</sup> David Rampton and Asanga Weelikala, "The Politics of the South," Asia Foundation Sri Lanka Strategic Conflict Assessment 2005 Series, 2005, at [http://www.asiafoundation.org/pdf/SL\\_Politics\\_of\\_the\\_South.pdf](http://www.asiafoundation.org/pdf/SL_Politics_of_the_South.pdf).

reducing Tamil nationalism.<sup>4</sup> There are indications, however, that the SLFP's influence may have reached its high point as rising discontent is reported due to increased costs of living.

Initially, Sri Lanka followed the Westminster parliamentary model. In 1978, however, the UNP instituted a strong executive presidential system of government. Under this French-style system, the popularly elected president has the power to dissolve the 225-member unicameral parliament and call new elections, as well as to appoint the prime minister and cabinet.

President Rajapaksa's was reelected to second six-year term in January 2011; the current parliament was elected in April 2011. The president's family plays an important role in government. The U.S. State Department found that "both elections were fraught with violations of the election law by all major parties and were influenced by the governing coalition's massive use of state resources."<sup>5</sup> The ruling UPFA now has a significant majority in parliament. The leader of the opposition, General Sarath Fonseka, was arrested following the presidential election and found guilty by court martial of engaging in political activity while in uniform. As a result, he lost his rank and pension. He was also subsequently found guilty of corruption and was sentenced to 30 months in jail.<sup>6</sup> The next presidential election is scheduled for 2015 and the next parliamentary election is to be held by 2016. Given the UPFA's large majority in parliament, it is likely that it will serve out its full term.

### SRI LANKA IN BRIEF

**Population:** 21.3 million; *growth rate:* 0.9% *Urban pop.* 14% with 1.1% annual increase

**Area:** 65,610 sq. km. (slightly larger than West Virginia)

**Capital:** Colombo (est. population of 1.3 million)

**Head of Government:** President Mahinda Rajapaksa (Sri Lankan Freedom Party)

**Ethnic Groups:** Sinhalese 74%; Tamils 18%; Moors 7%

**Languages:** Sinhala 74%; Tamil 18%; English widely used

**Religions:** Buddhist 69%; Muslim 8%; Hindu 7%; Christian 6%; unspecified 10% (2001 census)

**Life Expectancy at Birth:** female 77 years; male 73 years

**Literacy:** 90.7%

**Gross Domestic Product:** 7.4% growth. per capita GDP in purchasing power parity \$4,900

**Inflation:** 6.5%

**Unemployment:** 5.4%

**Labor Force:** Agriculture 32.7%, industry 26.3%, services 41%

**Exports:** Garments, tea, rubber, gems and jewelry, refined petroleum, and coconuts

**Destination of Exports:** U.S. 20.6%, U.K. 12.9%, Italy 5.5%, Germany 5.3%, India 4.5%

## Sri Lanka's Economy

The left-leaning UPFA government and President Rajapaksa are reportedly mistrustful of calls to privatize state enterprises, despite having implemented well-received reductions to taxes and bureaucracy related to investment. Rajapaksa has reportedly identified improving the investment climate in Sri Lanka as a priority. Large trade deficits and balance of payments remain a concern. Other presidential economic priorities reportedly include rural and infrastructure development. Development in war-ravaged Tamil parts of the north and east of the nation could do much to

<sup>4</sup> "One Country, Two Nations," *The Economist*, November 27, 2010.

<sup>5</sup> U.S. Department of State, Bureau of Democracy, Human Rights, and Labor, "2010 Human Rights Report: Sri Lanka," April 8, 2011.

<sup>6</sup> "World Report Sri Lanka," *Human Rights Watch*, <http://www.hrw.org>

lessen Tamil grievances. India is Sri Lanka's largest source of foreign direct investment and invested an estimated \$110 million in 2010. The economy grew by 8% in 2010 and is expected to grow by 7.4% annually for the period 2011 to 2015.<sup>7</sup> Rising costs of living may be driven by a spike in oil prices and increasing food costs. Floods in January and February 2011 destroyed an estimated 35% of the country's rice crop, leading some to speculate about the prospect of potential future food riots.<sup>8</sup>

## Human Rights and War Crimes

A March 2011 U.N. panel of experts has found credible allegations<sup>9</sup> of war crimes by both the government and the LTTE and recommended the establishment of an independent mechanism to investigate war crimes in Sri Lanka.<sup>10</sup> The report found that most of the casualties in the final stages of the war were caused by government forces which shelled "no-fire zones" where they had urged civilians to congregate. The government also reportedly shelled hospitals and food distribution lines. The LTTE apparently used civilians as human shields and shot civilians trying to escape being used as a strategic human buffer in the fighting. At one point, 280,000 or more civilians were trapped in the fighting.<sup>11</sup> The government has denied that it killed civilians during the final stages of the war.<sup>12</sup> It also described the U.N. panel of experts as "an unwarranted and unnecessary interference with a sovereign nation." Media reports indicate that there is little prospect that the government of Sri Lanka will hold anyone accountable for war crimes because of the involvement of top government figures. Sri Lanka established its own Lessons Learnt and Reconciliation Commission (LLRC), which has been described as lacking credibility or impartiality.<sup>13</sup>

U.N. Secretary General Ban Ki-moon has reportedly taken the position that he alone does not have the authority to establish an independent mechanism to investigate alleged violations of international humanitarian and human rights law in Sri Lanka as recommended by the U.N. panel. Such a mechanism, he argues, would require either the consent of Sri Lanka or an international body such as the Security Council or the General Assembly.<sup>14</sup> The U.N. High Commissioner for Human Rights has called for a "fully fledged international inquiry" and added that she thought the panel's report would shock the international community into finally taking action.<sup>15</sup> Sri Lanka has stated that it does not consider the report an official U.N. report. Sri Lanka is not a member of the International Criminal Court (ICC). Thus, the Security Council would have to request the ICC to investigate war crimes in Sri Lanka. Russia and China, as permanent members, have veto power in the Security Council and are thought to oppose formal Security Council involvement in the matter.<sup>16</sup>

<sup>7</sup> "Sri Lanka: Country Report," *The Economist Intelligence Unit*, May 2011.

<sup>8</sup> "Key Political Risks to Watch in Sri Lanka," *Reuters*, March 1, 2011.

<sup>9</sup> Joe Lauria, "Sri Lanka War Crimes Claims Credible," *The Wall Street Journal*, April 26, 2011.

<sup>10</sup> Report of the Secretary-General's Panel of Experts on Accountability in Sri Lanka, March 31, 2011.

<sup>11</sup> Joe Lauria, "Sri Lanka War Crimes Claims Credible," *The Wall Street Journal*, April 26, 2011.

<sup>12</sup> "World Report Sri Lanka," *Human Rights Watch*, <http://www.hrw.org>.

<sup>13</sup> "UN Panel on Sri Lanka Delivers Report," *Aljazeera*, April 12, 2011.

<sup>14</sup> "UN Chief Says Can't Order Probe into Sri Lanka War," *Reuters*, April 25, 2011.

<sup>15</sup> Catherine Washington, "War Crimes Inquiry Only Hope of Justice for Victims," *The Times*, April 27, 2011.

<sup>16</sup> "Sri Lanka Rejects UN War Crimes Report, Calls it Unofficial," *Reuters*, April 26, 2011.

Some have observed that a strong effort by the United Nations and the international community to force a criminal investigation into war crimes could be counter-productive as it would likely further bolster Rajapaksa's popularity on the basis of Sinhalese nationalism. These observers argue that a focus on building the institutions of civil society and democracy, including freedom of the press and a more open political process, may have a stronger long-term affect on peace, stability, and ethnic integration.<sup>17</sup>

The 2010 State Department Human Rights report on Sri Lanka issued on April 8, 2011, found "the government [of Sri Lanka] and its agents" were responsible for "serious human rights problems" in 2010. These included arbitrary and unlawful killings, disappearances, discrimination against the Tamil minority, a continuation of a climate of fear among minority populations, the torture and abuse of detainees by security forces, as well as restrictions of freedom of the press, assembly and association. It also observed that official corruption with impunity and a lack of transparency were also serious problems.<sup>18</sup>

## U.S.-Sri Lanka Relations

U.S. policy towards Sri Lanka has historically supported Sri Lanka's sovereignty and territorial integrity as well as its democratic institutions and socio-economic development. The United States has also supported policies that would foster inter-communal harmony and ethnic reconciliation with the Tamil minority of the country.

Recent U.S.-Sri Lanka relations have centered on human rights abuses committed at the end of the civil war between Sri Lankan government forces and LTTE fighters. The U.S. Permanent Representative to the United Nations, Ambassador Susan Rice, welcomed the U.N. Panel of Experts Report on Sri Lanka and stated that the U.S. supports:

an effective, transparent post-conflict reconciliation process in Sri Lanka that includes accountability for violations by all parties. The report indicates the need for an independent and full accounting of the facts in order to ensure that all allegations of abuse are addressed and impunity for human rights violations is avoided.<sup>19</sup>

U.S. Assistant Secretary of State for South and Central Asia Robert Blake, who was also previously U.S. Ambassador to Sri Lanka, reportedly stated that the U.S. first looks to host governments to take responsibility for such issues but that "international mechanisms can become appropriate in cases where states are either unable or unwilling to meet their obligations."<sup>20</sup>

Among other objectives, the U.S. Department of State has described U.S. development assistance priorities for Sri Lanka as seeking to

increase human and economic security, improve public confidence in local and regional authorities, promote political reconciliation and land reform, facilitate community

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<sup>17</sup> "The United Nations and Divided Sri Lanka," *The Wall Street Journal*, April 28, 2011.

<sup>18</sup> U.S. Department of State, Bureau of Democracy, Human Rights, and Labor, "2010 Human Rights Report: Sri Lanka," April 8, 2011.

<sup>19</sup> Ambassador Susan Rice, U.S. Permanent Representative to the United Nations, "Statement on the Release of the UN Panel of Experts' Report on Sri Lanka," New York, April 25, 2011.

<sup>20</sup> "US Wants Sri Lanka to Act First on Wartime Rights Violations," *Reuters*, May 4, 2011.

reintegration, uphold military and police professionalism and respect for human rights, and strengthen the Government of Sri Lanka's counterterrorism, port and border security, civilian authority, and demining capabilities.<sup>21</sup>

Congress has also expressed its views on the situation in Sri Lanka. In December 2010, 17 U.S. Senators and 30 Representatives called for an international accountability mechanism to investigate alleged human rights violations by Sri Lanka at the end of the war.<sup>22</sup> Senator Casey for himself and others submitted S.Res. 84, "Expressing support for internal rebuilding, resettlement, and reconciliation within Sri Lanka that are necessary to ensure a lasting peace," which was considered and agreed to by unanimous consent in the Senate on March 1, 2011. Congressman Wolf for himself and others submitted H.R. 440, "To provide for the establishment of the Special Envoy to Promote Religious Freedom of Religious Minorities in the Near East and South Central Asia," which was introduced and referred to the Committee on Foreign Affairs, Subcommittee on Africa, Global Health, and Human Rights, on March 1, 2011.

U.S. foreign assistance for Sri Lanka in 2010 and the FY2012 request for bilateral assistance for Sri Lanka are outlined in **Table 1** below. FY2011 levels of funding on a country by country basis are as of yet undetermined.

**Table 1. Direct U.S. Assistance to Sri Lanka, FY2010-FY2012**

(in millions of dollars)

Program or Account	FY2010 (actual)	FY2012 (Req.)
DA	9,900	15,994
Food For Peace Title II	17,822	0
FMF	1,000	500
IMET	731	695
INCLE	0	1,600
NADR	450	3,450
<b>Total</b>	<b>29,903</b>	<b>22,239</b>

**Sources:** U.S. Departments of State, Congressional Budget Justification for Foreign Operations FY2012, Annex: Regional Perspectives.

**Abbreviations:** DA: Development Assistance, FMF: Foreign Military Financing, IMET: International Military Education and Training, INCLE: International Narcotics Control and Law Enforcement, NADR: Nonproliferation, Anti-Terrorism, Demining, and Related (mainly humanitarian demining assistance, but includes modest anti-terrorism assistance to be increased in FY2008), P.L. 480 Title II (grants), Section 416(b) of the Agricultural Act of 1949, as amended (surplus donations), and Food for Progress. Food aid totals do not include freight costs.

## Geopolitical Context

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 East Asia. The West's ability to

<sup>21</sup> U.S. Department of State, Congressional Budget Justification for Foreign Operations, FY2012, Annex: Regional Perspectives.

<sup>22</sup> "US Lawmakers Urge Sri Lanka Rights Probe," *Agence France Presse*, December 17, 2010.



pressure the Sri Lankan government was viewed as somewhat limited due to China's growing involvement in the country.<sup>23</sup> China's aid to Sri Lanka has reportedly increased dramatically since 2005. In the view of some analysts and observers, China is seeking to gain influence with the Sri Lankan government as part of a "string of pearls" naval strategy to develop port access in the northern reaches of the Indian Ocean.<sup>24</sup> Indian defense planners are reportedly particularly concerned with Chinese efforts to develop ports in the region.<sup>25</sup> India is home to an estimated 60 million Tamil people and New Delhi has raised concerns over the treatment of Tamils in Sri Lanka. China is reportedly investing significantly in the development of a port in Hambantota, Sri Lanka, on the country's southeastern coast. China is also reportedly helping to develop port facilities in Gwadar, Pakistan; Chittagong, Bangladesh; and Sittwe, Burma.<sup>26</sup> Colombo was also reportedly upset with Western calls for a truce in the lead up to their defeat of the LTTE in May 2009. Rajapaksa stated "They are trying to preach to us about civilians. I tell them to go and see what they are doing in Iraq and Afghanistan."<sup>27</sup>

Sri Lanka will likely be watched closely by the international community for how it handles human rights and war crimes issues related to the end of the war and for how it handles its reconciliation with its Tamil minority. The international community may also be increasingly interested in the role that Sri Lanka may play in the evolving geopolitics of the Indian Ocean region.

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<sup>23</sup> Sujan Dutta, "USA, India Engaging with Sri Lanka Amid Growing China Role," *BBC News*, March 11, 2009.

<sup>24</sup> Michael Richardson, "Full Steam Ahead for Naval Might," *The Straits Times*, January 15, 2009.

<sup>25</sup> India and China continue to have unresolved border disputes that date back to their 1962 border war, and broader rivalries over influence in the region.

<sup>26</sup> "Chinese Billions Helping Lanka Ward Off Western Peace Efforts," *Asian News International*, May 2, 2009.

<sup>27</sup> Nicolas Revise, "Bitter With West, Sri Lanka Turns East for Cash and Support," *Agence France Presse*, May 3, 2009.

## Sri Lanka Chronology<sup>28</sup>

5 <sup>th</sup> century BC	Sinhalese emerge as dominant group on Ceylon
3 <sup>rd</sup> century BC	Tamil migration from India begins
1505	Portuguese arrive in Ceylon
1658	Dutch replace Portuguese influence
1796	British influence in Ceylon begins
1815	British begin to bring Tamil laborers from India to Ceylon
1948	Ceylon gains independence
1949	Tamil plantation workers disenfranchised
1958	Anti-Tamil riots
1971	Sinhalese Marxist uprising
1972	Ceylon changes its name to Sri Lanka
1976	LTTE formed
1983	Separatist civil war begins
1987	Government forces push LTTE back to Jaffna and Indian peacekeeping forces are deployed to Sri Lanka
1988	Left wing nationalist Sinhalese JVP campaign against Indo-Sri Lankan Agreement
1990	Indian troops leave Sri Lanka as conflict escalates
1991	LTTE responsible for assassination of Indian Prime Minister Rajiv Gandhi
1995-2001	War escalates
2002	A Norwegian-mediated ceasefire is signed
2004	Karuna leads a split within the LTTE and a tsunami kills 30,000
2005	Then-Prime Minister Mahinda Rajapaksa wins presidential election
2006	Fighting between government forces and LTTE resumes
2008	Government pursues military option to end conflict
2009	Kilinochchi falls to government forces as international concern over plight of civilians grows and the LTTE is defeated
2010	President Rajapaksa wins reelection by a wide margin and his ruling coalition wins a substantial victory in parliament. The constitution is changed to allow Rajapaksa to seek an unlimited number of terms as president

<sup>28</sup> Much of this chronology is drawn from “Sri Lanka Timeline,” *BBC News*, <http://newsvote.bbc.co.uk>.

Figure I. Map of Sri Lanka



Source: Map Resources. Adapted by CRS.

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