

The National



Sri Lanka looks east to China for funding and support

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COLOMBO // The Sri Lankan president's decision to shift foreign policy "eastward" after persistent and damaging human-rights abuse allegations from the West was confirmed last week when China emerged as the island's biggest financial donor in 2009.

Europe, Japan and the United States have been the biggest donors until a few years back when the president, Mahinda Rajapaksa, was compelled to rely on China, India, Iran, Saudi Arabia and Libya for support after intensive battles between government troops and Tamil rebels triggered civilian deaths and strong protests from the West.

Since then Mr Rajapaksa has chosen to reject western concerns on human rights and instead build new alliances with other countries.

"I have little doubt that there is a shift in foreign policy and an anti West attitude since the last stages of the war," said a veteran Sri Lankan economist, who declined to be named. He said the government believes the West is not of much significance as long as Sri Lanka has "other friends, most notably India and China".

Rohan Gunaratna, a specialist on Sri Lankan affairs and a professor of security studies at Nanyang Technological University, Singapore, also agreed foreign policy is aligned more towards Asia and other countries against the West, a traditional friend. "However, engagement with the West is most crucial," he said, arguing that Asia is still a decade away from becoming the dominant global power.

Last week, the treasury department at Sri Lanka's ministry of finance said China was the biggest donor to Sri Lanka in 2009 with US\$1.2 billion (Dh4.4bn) worth of assistance in the form of grants, loans and credit representing 54 per cent of the total \$2.2bn committed by foreign countries and multilateral agencies. The next highest contributors were the Asian Development Bank with \$423m and the World Bank with \$241m.



China's contribution is essentially for two major projects – a huge port in the south and a coal power plant on the north-western coast.

Japan, once Sri Lanka's biggest donor, made a commitment of just \$19.5m last year, compared to an average of \$250-\$300 million in previous years.

Japan was a facilitator along with Norway of the 2002 peace talks between the government and Tamil fighters which broke down two years later. The rebels were finally defeated in May 2009, ending a near 30-year secessionist movement.

The foreign policy shift comes at a time when Sri Lanka desperately needs billions of rupees to fund post-war infrastructure development in the war-ravaged northern and eastern regions.

However Dayan Jayatillake, Sri Lanka's former ambassador in Geneva and a commentator on foreign policy issues, said the West does not seem interested in development aid and infrastructure development. "Rather it seems more interested in post conflict rehabilitation and reconstruction especially in the former conflict areas," he said.

Mr Jayatillake said in the fields of development aid and infrastructure, it is the rising economic powers – China and India – that are the most interested, together with Japan. "In the development field partnerships have shifted 'Asiawards or Eastward', which is in keeping with the new global economic trends," he added.

Though Sri Lanka resents interference – so far only verbally from the West – in its internal affairs, it continues the process of engagement with the West. Britain, another critic of Sri Lanka's human rights record, was sending Sir Peter Ricketts, the permanent under-secretary of the British foreign office to Colombo on a two-day visit to discuss various issues starting yesterday.

In another development, a government delegation will head to Brussels next week for talks with the European Union (EU) on suspended trade concessions, the government spokesman and minister GL Pieris said. The team includes the foreign secretary and the treasury secretary, both high-level government officials.

The EU last month said duty-free imports into Europe benefiting mostly Sri Lanka's clothing exports will be withdrawn from June after the government failed to meet obligations outlined in the UN human and labour rights conventions. However, the EU has said it is willing to reconsider the decision if the government prepares a workable road map on enforcing the conventions.

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Construction workers bore a hole in the harbour bed at the site of the Hambantota port project, about 160km south of Colombo. Most of China's massive funding is meant for the port and a power plant. *Gemunu Amarasinghe / AP Photo*

