

RETHINKING THE *ARAGALAYA* UPRISING WITHIN THE
NEOLIBERAL TRANSFORMATION OF
SRI LANKAN DEPENDENT CAPITALISM

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SRI LANKAN DEPENDENT CAPITALISM**

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ABSTRACT

RETHINKING THE *ARAGALAYA* UPRISING WITHIN THE NEOLIBERAL TRANSFORMATION OF SRI LANKAN DEPENDENT CAPITALISM

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In 2022, Sri Lanka experienced its worst economic crisis since its independence which culminated in a mass citizens' uprising dubbed the *Aragalaya* ('Struggle' in Sinhalese). The *Aragalaya*, which ousted the incumbent President from power, is hailed as a powerful defiance of citizens against the ruling elite that saw the rise of a unified opposition for the first time in the country's history. The interpretations of the *Aragalaya* are complex. While the mainstream scholars are of the opinion that the economic mismanagement and the growing public discontent over corruption and nepotism during the previous Gotabaya Rajapaksa government were the contributing factors that gave birth to the *Aragalaya*, the alternative framing of the debate posits that *Aragalaya* is an overall response to a structural breakdown of Sri Lanka's neoliberal regime of accumulation.

In this thesis, I intend to make a further contribution to the alternative interpretations of *Aragalaya* by putting the economic crisis that led to the uprising into a long-term perspective. Employing an eclectic approach, I conduct a critical historical analysis of Sri Lanka's post-independent capitalist development in order to situate the *Aragalaya* in the context of the country's history since the colonial period. My

dissertation is a modest attempt at finding answers to the core question of under what conditions the Sri Lankan economy developed into a catastrophe in 2022 with a series of fiscal and debt crises, ultimately triggering an uprising that stands as a unique social and political phenomenon of the times.

Keywords: Dependent Capitalism, Neoliberalism, Uprising, Debt Crisis, Sri Lanka

ÖZ

ARAGALAYA AYAKLANMASININ SRİ LANKA`NIN BAĞIMLI KAPİTALİZMİNİN NEOLİBERAL DÖNÜŞÜMÜ KAPSAMINDA YENİDEN DEĞERLENDİRİLMESİ

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2022 yılında Sri Lanka, bağımsızlığından bu yana en kötü ekonomik krizini yaşadı ve bu kriz *Aragalaya* (Sinhalese dilinde ‘Mücadele’) olarak adlandırılan kitlesel bir vatandaş ayaklanmasıyla sonuçlandı. Görevdeki Devlet Başkanını iktidardan düşüren *Aragalaya*, ülke tarihinde ilk kez birleşik bir muhalefetin yükselişine tanıklık etti ve vatandaşların yönetici elite karşı güçlü bir meydan okuması olarak takdir edildi. *Aragalaya*'ya ilişkin yorumlar karmaşıktır. Ana akım akademisyenler, bir önceki Gotabaya Rajapaksa hükümeti döneminde ekonominin kötü yönetilmesinin ve yolsuzluk ve adam kayırmacılığa karşı artan halk hoşnutsuzluğunun *Aragalaya*'yı doğuran faktörler olduğu görüşünderken, tartışmaya ilişkin alternative bir bakış açısı *Aragalaya*'yı Sri Lanka'nın neoliberal birikim rejiminin yapısal çöküşüne verilen genel bir tepki olarak yorumlamaktadır.

Bu tezde, ayaklanmaya yol açan ekonomik krizi uzun vadeli bir perspektife oturtarak *Aragalaya*'nın alternatif yorumlarına katkıda bulunmayı amaçlıyorum. Eklektik bir yaklaşım kullanarak, *Aragalaya*'yı ülkenin sömürge döneminden bu yana şekillenen tarihi bağlamda ele alabilmek için Sri Lanka'nın bağımsızlık sonrası kapitalist gelişiminin eleştirel bir tarihsel analizini yapıyorum. Tezim, Sri Lanka ekonomisinin

2022'de bir dizi mali ve borç kriziyle bir felakete dönüşerek, zamanının benzersiz bir toplumsal ve siyasi olgusu olarak duran bir ayaklanmayı nasıl tetiklediği temel sorusuna cevap bulmaya yönelik mütevazı bir girişimdir.

Anahtar Kelimeler: Bağımlı Kapitalizm, Neoliberalizm, Ayaklanma, Borç Krizi, Sri Lanka

To my family and friends

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CHAPTER 1

INTRODUCTION

Following an acute balance of payments crisis, triggered by the COVID-19 pandemic, Sri Lanka officially defaulted on its sovereign debt in April 2022, triggering one of the country's worst economic crises since its independence in 1948. The crisis exposed the island's long-term economic and financial vulnerabilities and sparked a series of economic crises in the country's fiscal, debt, and balance of payment ratios and exchange and inflation rates. The ensuing socio-political upheaval worsened by a fuel shortage and power outages led to a series of mass protests that culminated in the social uprising called *Aragalaya* ('Struggle' in Sinhala). The people's movement compelled the former President Gotabhaya Rajapaksa to hand over his resignation, making him Sri Lanka's first president to be forced out of office by a popular uprising in the post-independence period. Consequently, based on a majority parliamentary vote, Ranil Wickremesinghe was elected as the interim President of Sri Lanka, who promised to redefine economic policies to be able to manage the economy in turmoil.

The *Aragalaya* started off as a peaceful candlelight vigil in one of the middle-class suburbs of Sri Lanka's capital Colombo on the 1st of March 2022 as a response to the hardship endured by the economic crisis. As the prevailing crisis worsened with long power cuts and shortages of essentials, hundreds of Sri Lankans rushed to President Gotabaya Rajapaksa's private residence to express their frustrations with the regime, vociferously demanding his resignation. As the protest gained momentum, it gradually grew into a fully-fledged resistance movement carrying the main slogan "Go Home Gota". On 9th of April 2022, large crowds from different ethnicities and social classes of Sri Lankan society gathered at the Galle Face Green, a public place in the heart of Colombo which later became the agitation site of the uprising, marking the beginning of *Aragalaya* uprising. For the first time in the

history of Sri Lanka, the *Aragalaya* demonstrated a peaceful ethos and unleashed a democratic energy and a powerful agency that represented a unified opposition cutting across gender, ethnicity and most notably class identities, drawing in even the passive and silent middle classes. Located in the heart of Sri Lanka's capital Colombo with its powerful slogan "*Gota Go Gama*", the *Aragalaya* served as a political, social and intellectual space to diverse groups from good governance campaigners, human rights defenders, ethnic minorities, LGBTQ+ groups, women, children, university students and artists to express their concerns over exclusive, discriminatory, majoritarian, oppressive, authoritarian and ethno-religious centric policies in Sri Lanka (Silva and Ramasamy, 2023). The spirit of *Aragalaya* continued to spread across other major cities in the island and beyond, as offshoots of *Aragalaya* sprang up in Australia, Europe, and the United States with the support of Diaspora.

To the people who participated in the uprising, the *Aragalaya* carried many meanings. It was primarily a mass protest against the ruling elite and a political process that challenged the established parliamentary institutions, by giving the opportunity to the people to reform the system and build a new one (LST Review, 2023) with the protesters' main demand for "*system change*" via the resignation of the President Gotabaya Rajapaksa. However, despite the ultimate change in presidency, whether the popular uprising *Aragalaya* was a success remains to be questioned. As expected by historical experience, the *Aragalaya* led to the counter revolutionary attempts of the ruling classes, to keep the old regime in a reconfigured version (Gunawardena and Kadirgamar, 2023). Most of the proponents in the *Aragalaya* who demanded the system to change perceived the new presidential appointment as a co-optation by the Rajapaksas who lacked popular legitimacy, indicating that the new president was chosen by the powerful family to sustain their system of power (Uyangoda, 2023). Wickremesinghe, who served as Sri Lanka's prime minister five times before, is a longtime political actor in Sri Lanka's illiberal politics and known as a pro-West free-market reformist with close links to the urban elite of Sri Lanka (Gupta, 2022). Upon his appointment as the interim President of Sri Lanka, he declared the urgent need for radical economic restructuring to restore a functional government and ensure the stability of the country's economy. He was

quick to prove himself as a successful crisis manager by implementing crucial economic reforms that would help refinance the island's massive and unsustainable debt through Western creditors such as the International Monetary Fund (IMF). President Wickremesinghe's immediate measures to steer the country away from an impending humanitarian crisis helped him to win the trust and support of the business, middle, and professional classes, and also Sri Lanka's diplomatic community (Uyangoda, 2023). Moreover, the newly appointed President was proved to be also successful in exploiting Sri Lanka's executive presidential powers cleverly to create a wedge between the classes in order to alienate the upper and middle classes from the citizen's protest movement. For, the former is normally conditioned to think that an imminent 'radicalization' of the protest movement would risk the political order to fall into an anarchy. President Wickremesinghe and his new government made radical efforts to manage the immediate problems generated by the neoliberal regime and put Sri Lanka arguably on the path to economic stability.

Furthermore, the reconsolidation of the control of the state by the dominant sections of the political elites and the neoliberal elements within the new governance system is indicative of the continuation of neoliberalism in Sri Lanka. It remains highly doubtful whether the new government elites with their vested financial and political interests will be able to prevent future policy failures. This poses the question of whether the *Aragalaya* uprising was a successful attempt in bringing a new form of governance that would ideally reflect the demands of the citizens who wanted indeed a sort of a systemic change, notably a reform of Sri Lanka's political system and the recognition of, and accountability for, injustice and human rights violations that had long been unaddressed in Sri Lanka (FIDH report, 2023).

The interpretations of the *Aragalaya* are complex. Mainstream scholars are of the opinion that the economic mismanagement and the growing public discontent over corruption and nepotism during the previous Gotabaya Rajapaksa government were the contributing factors that gave birth to the *Aragalaya* (FIDH report, 2023). Gotabaya Rajapaksa who is from one of Sri Lanka's well-known dynastic political families took office as the eighth President of Sri Lanka in November 2019, promising to prioritise national security and promote sustainable economic

development. He was known for his authoritarian tendencies and populist policies that favored the majority Sinhala Buddhists. However, within a year in his tenure, Sri Lanka faced with a deep economic crisis that impacted the basic needs of the average citizens causing severe shortages of fuel and medicine, and prolonged power cuts. Even though the high inflation and shortages of fuel and main items were the triggering points for the *Aragalaya*, the uprising ultimately made people critically question the existing political system in Sri Lanka which has been defined for long by corruption, exclusionary politics and authoritarianism for decades (LST Review, 2023). Even though the crisis was compounded by factors such as the Covid-19 pandemic, depletion of foreign exchange reserves, and the skewed economic relations with China, many analysts argue that Gotabaya's various political missteps and ill-advised policies such as sweeping tax reforms, or the abrupt ban of the import of chemical fertilizers eventually resulted in the acceleration of the country's economic collapse. According to these analysts, *Aragalaya* was an active call by large numbers of citizens from all segments of society against the rampant corruption and nepotism within the Rajapaksa administration. According to the alternative framing of the debate on the other side, the *Aragalaya* was a structural breakdown of the neoliberal regime of accumulation in the country (Gunawardena, 2022) where the election of the new president Wickremesinghe represents only a provisional attempt to postpone, rather than resolve, the problems generated by this regime.

Agreeing with this alternative perspective, I contend that framing the *Aragalaya* as only an anti-Rajapaksa struggle, sparked by the collective contempt against the former President's political choices, is an argument that needs further explanation. Furthermore, I will contribute to these critical analyses by situating the economic crisis that led to the *Aragalaya* within the history of Sri Lanka since the colonial times. Hence, I will move beyond the period of neoliberalism while investigating the socio-economic reasons of the uprising. For, Sri Lanka has been a dependent capitalist country since the end of colonial rule and its economic problems long predate the economic crisis in 2022. The specific colonial integration of the Sri Lankan economy to the capitalist world market was determinant in shaping the specificities of this dependent capitalism. Furthermore, the class struggles in the postcolonial period still persist in different forms today. Throughout history, Sri

Lanka's vulnerability to exogenous shocks due to this dependency became apparent at various global economic downturns, and since its independence, the successive regimes have followed various strategies ranging from a closed-economy to an extensively liberal open market economy for dealing with the country's foreign exchange crises. The manner in which the economic crisis in 2022 pushed the country further into the depths of a worsening debt crisis needs to be hence understood through a longer-term analysis than that of the neoliberal period.

This thesis will go beyond the neo-liberal argumentation of *Aragalaya* through an historical analysis that will utilise the existing critical scholarship on Sri Lanka's capitalist development and the challenges it faced since its independence in 1948. Since the *Aragalaya* uprising is a fairly recent social and political phenomenon in Sri Lanka and given the fact that the post-developments are still being unfolded, the existing scholarship on the subject is relatively limited in its scope. Therefore, in this historical investigation, I will refer to credible sources of primary and secondary literature, and select the conceptions and concepts that best explain my understanding from them without necessarily being loyal to one systematic fully-fledged theory. This means that I will employ an eclectic approach to understand the different complex dimensions of the *Aragalaya* uprising.

I hope that my thesis will serve as a valuable contribution to the relevant academic studies, as the critical analysis of *Aragalaya* provides an insight into looking at similar political developments in the region in the same period. In light of the recent youth-led mass uprising in Bangladesh that erupted on July 2024, external experts observe parallels between the economic and democratic trajectories of both countries. Odrika (2024) states that since Bangladesh just like Sri Lanka' has been governed by authoritarianism under dynastic rule, one can derive lessons from the aftermath of the *Aragalaya* to ensure the reformation of Bangladesh's democracy. Moreover, during the time when Sri Lanka, an upper-middle income country in 2019 was battling with the economic crisis, Paksitan too was facing economic and political uncertainty, giving an impression globally that it might lead to another uprising in the region. However, it is interesting to note how Pakistan, a lower middle-income country with a relatively larger population and agriculture sector proved a great level

of resilience in a post-pandemic global commodity crisis with better economic management of the Government (Hussain et al, 2022). Therefore, these developing issues give us further reasons to explore the uniqueness of Sri Lanka's *Aragalaya* uprising in comparison to other countries in the region and beyond.

I was not present in Sri Lanka during the period of *Aragalaya* uprising. However, as a native Sri Lankan having lived through the country's critical events for 30 years such as the ethnic war, the Rajapaksa regime and the onset of the economic crisis of 2022, I believe that I can still consider myself an internal observer of events to comment critically on the social and political context of the uprising. Furthermore, during the *Aragalaya*, I was in constant contact with my family members, friends as well as professionals from the media.

The main questions that I will try to answer in this thesis are as follows: What were the long- and short-term reasons of the 2022 economic crisis? Under what conditions did this economic crisis develop into such a catastrophe with a series of fiscal and debt crises, pushing the entire economy to a complete halt, and consequently triggering a social and political upheaval like the *Aragalaya*? Why could the regime in 2022 not manage the economic and social crises in the country? What were the driving forces for the open popular anger against the former President?

1.1. Chapter Overview and Main Argument

My thesis is structured in three chapters and grounded on a long-term analysis of Sri Lanka's capitalist development starting from the island's transition to a classical colonial export economy in the 1840s up until the 2022 economic crisis. In Chapter 2, a brief account of Sri Lanka's pre-colonial economy is provided as the colonial legacy of Sri Lanka is useful for understanding the state, class composition and social exclusion that exists in contemporary Sri Lanka. In Chapters 3 and 4, I provide a critical political economy analysis of the two regimes of accumulation in the post-independent Sri Lankan economy: state-led industrialization and neoliberalism, and the industrial policies associated with them. At the end of every chapter, I discuss the social and political implications of the above policies that created lasting

implications on the class composition, urban-rural divide and the ethnic relations in Sri Lanka which may have contributed to the mobilization of the mass uprising in 2022.

Sri Lanka, an island nation in South Asia, was colonized by the Portuguese, Dutch and the British. The country saw its economy transitioning from a pre-colonial mercantilist economy to a capitalist export economy and then from state-led industrialization to neoliberalism over the course of its pre-colonial and post-colonial history. The capitalist transformation of Sri Lanka would be incomprehensible, without understanding the last phase of the colonial rule under the British (1796-1948). Since its transition to a capitalist export economy in the colonial days, Sri Lanka has been experiencing various macroeconomic deadlocks linked to its unsustainable webs of exchange and trade as well as global shocks. In the early British administration, the country followed trade policies that favored the merchant companies such as the British East Indian Company which controlled the external and internal trade of the colonial region. Their state intervention in trade and settlement patterns were based on mercantilism, which monopolized trading routes at the expense of laissez-faire policies (Wickramasinghe and Cameron, 2005). In the 1840s, the development of capitalism during the industrial revolution increased demands for coffee and tea, paving the ground for Sri Lanka's transition into a plantation economy based on coffee production. These global conditions opened up opportunities for capitalist growth and investment in British colonies such as Sri Lanka (Ibid.). With the introduction of the plantation economy in Sri Lanka, the mode of production changed and a home market for capitalist commodities was created with a labor force geared exclusively for the capitalist industry and agriculture. Consequently, the economy saw the rise of the new classes, namely the bourgeoisie and the proletariat, where the latter started being torn from the means of traditional subsistence farming. Moreover, in line with the colonial export economy, a wide range of social welfare policies were implemented in the country along with a well-developed economic and social infrastructure. Scholars have interpreted Sri Lanka's colonial economy as a dual economy consisting of market-oriented labour and capital-intensive plantation sector, and the subsistence-oriented smallholding peasant sector. As mentioned in Gunasekara (2020), this 'dual' colonial economy

had a significant influence in shaping the emergent polity of the country. Taking Sri Lanka's transition to capitalist development as a point of analysis, the second chapter sheds light also on the political climate of colonial Ceylon, the changes brought by the development of plantation capitalism in the country's organization of land, labor and capital as well as class composition and the political structure.

The second part of the Chapter 2 looks into the politics of economy in post-independent Sri Lanka in the context of a post-colonial state building project. As elsewhere in the Third World, decolonization involved a universal nationalist resurgence in Sri Lanka. The newly-independent nations aimed at building national development and organized national economic growth by mobilizing people and money. In order to support these policies, the state formed coalitions where elites would use their power to accumulate capital and wield influence over the bureaucracy, by various means such as selling public resources to cronies or capturing foreign aid distribution channels (McMichael, 1996). According to Lakshman (1985), the economic structure that Sri Lanka had at its political independence in 1948 was the outcome of certain capitalist forms of organization introduced during the colonial period. As other postcolonial states, at the time of the independence, Ceylon sought to reverse the inherited colonial division of labor through economic nationalism. It is in this context that policies like import-substitution industrialization came into place in the 1960s as governments stimulated domestic industrialization via protection, i.e. tariffs and public subsidies to reduce the dependence on imports and primary exports (McMichael, 1996). By the 1970s, Sri Lanka had become a "control regime" of import substitution, with multifarious controls over investment, trade and foreign exchange. The path of industrial development after 1960 was a response to the country's growing payments difficulties. The state made efforts to promote national development by facilitating domestic entrepreneurship in the field of manufacturing to strengthen local industries to be able to compete effectively with Western producers in the market (Lakshman, 2017). It is important to note that starting from the last stage of the colonial rule (1930s) extending to the early 1970s, Sri Lanka's politico-ideological milieu was under the influence of a powerful socialist left in the country. It was in this environment that a huge state sector and a welfare state structure emerged in Sri

Lanka. Taking the welfare state practices of the former colonial master as a model, the government in power was committed to provide free education and health facilities to people and implemented a system of rationed and subsidised distribution of rice.

Chapter 3 provides a critical analysis of Sri Lanka's neoliberal capitalist development. In the late 1970s, market liberalization became a global policy forefront as a response to a series of inefficiencies associated with state-led industrialization. It was widely believed that market mechanisms would improve efficiency, competitiveness and growth in the economy through increased capital flows, production and employment. In developing countries worldwide, privatizations became popular as a development strategy that had the potential to ease the state's financial burden by generating the required resources to settle the public debt (Balasooriya et al, 2007). During this period, Sri Lanka was one of the pioneers to embark on this neoliberal transition after a two-decade-long more inward-oriented and state-led capitalist development process. As a reaction to the dire economic consequences of the state-led industrialization policies in the late 1960s, Sri Lanka went through an extensive liberalization process in 1977 under a government led by a party with pro-Western orientation. This was done by implementing various policies of market reforms such as liberalization of trade, devaluation of exchange rate, dismantling of price controls and introduction of a massive public investment program to attract FDI into the country. While the primary objectives of these market reforms were to raise revenue, reduce budget deficit and increase efficiency of the economy, the national elites in power had their own political motives to implement these policies. Through a market-oriented capitalist system, the ruling parties were not only able to secure eligibility for aid, but also reward political loyalists and thereby provide mass support for their political agenda to sustain their capital accumulation project. The successive governments in Sri Lanka enabled these projects through strategies such as creating a powerful executive presidency that centralized the decision making in the state.

However, despite the country's strategically important location and high social-indicators conducive for the liberalization process, the open economy policies in Sri

Lanka did not achieve the expected outcomes. In the first wave of neoliberalism, under the prevailing socio-political milieu, Sri Lanka could not yield the claimed merits of a market-based system. According to liberal authors, this failure is due to the lack of a proper institutional framework, crippled within the existing political culture of the country, which could ensure the proper implementation of the reforms (Balasooriya et al, 2007) and the politically volatile climate created by the ethnic war that prevailed for more than 30 years. The second wave of neo-liberalism in Sri Lanka began after 2009 with the ending of the ethnic war in the north and the east of the country. Since the Rajapaksa regime in power at the time was viewed with hostility by the West for its alleged war crimes in the last-stages of the war, the state moved towards the East in global politics for diplomatic support and financial assistance. The regime cultivated friendly ties with China thanks to which the country was able to attract large investment funds from international capital markets (Lakshman, 2017). In 2010, the Rajapaksa regime took the lead in the development of infrastructure for the promotion of overall economic growth, gradually moving the country into the “lower middle income” status, marking the beginning of Sri Lanka’s second wave of neo-liberalism that still continues today. Some economic experts argue that the neoliberal liberalization regime increased Sri Lanka’s dependency along several dimensions. For the vulnerable debtor states in the international system, like Sri Lanka, neoliberalism arrived as an external force to restabilize and adjust their macroeconomic fundamentals. In time, the domestic economic performance of such countries has become inseparable from the extraordinary financial flows extended by important international powers such as the International Monetary Fund (Herring, 1987).

In Chapter 4, I examine how the socio-economic problems caused by the capitalist development process in Sri Lanka culminated in a political chaos in 2022. Since the fundamental mission of the neoliberal state, according to Harvey (2006), is to optimize conditions for capital accumulation no matter what the consequences for employment or social well-being” are, the economic growth under neo-liberal capitalism often comes at the cost of severe political and social problems. In the neoliberal period, Sri Lanka promoted projects that facilitated the opening of markets to global forces of capital accumulation, ranging from privatizing assets, creating

investment opportunities, implementing infrastructure projects, facilitating tax breaks and, attracting foreign direct investment (FDI). In this process, state power has become reoriented along neoliberal lines, and made committed to the protection of financial interests that consolidate the bourgeois class power around processes of financialization. This has ultimately created conditions for the recomposition of the working classes within new social inequalities. The Sri Lankan case confirms that the capital accumulation projects since independence in the post-war period have consolidated political power in the hands of the upper fractions of the elites and exacerbated the inequalities in different contexts and to distinct degrees. In many instances, such as the recent *Aragalaya* uprising, people have taken to the streets against the injustices and oppression of the state and resistance to the ruling elites in power. In the fourth chapter, I provide a detailed account of the history of these uprisings in Sri Lanka, focusing on the historical specificities of the *Aragalaya* and emphasizing the way in which it stands out as a unique social and political phenomenon which paved the way for a new process of political change.

As the thesis will ultimately argue, the *Aragalaya*'s impact on Sri Lankan state and society is yet to be seen despite Wickremesinghe's attempts for political restoration. For, the success of the oppositional groups to come together despite their earlier clashes has left an imprint in both their minds and in the minds of the ruling and political classes that would lead the latter to follow careful strategies to not to radicalize the former.

1.2. Sri Lanka's Dependent Capitalism

My thesis is a modest attempt at seeking to further the alternative critical interpretations of the *Aragalaya* by putting the preceding economic crisis into a long-term perspective. Going beyond the neoliberal focus of critical scholars, I argue that the economic collapse in 2022 must be looked at through Sri Lanka's dependent capitalism which has been reproduced in different contents over the years since colonialism. Since its independence, the Sri Lankan economy has been characterized as a 'twin deficit economy' with both a current account deficit on a budget deficit, two issues which I argue that reflects the problems of its dependent capitalism. Some

economic experts state that managing a ‘twin crisis’ of this nature has been challenging for Sri Lanka because replenishing foreign exchange reserves to maintain import flows has to coincide with the task of achieving debt sustainability (Athukorala and Wagle, 2022). The Sri Lankan economy has been integrated into the world capitalist economy for almost two centuries. In order to keep the country integrated into the global political order of capitalism, successive regimes in post-colonial Sri Lanka had implemented various capitalist development projects over the years. The general context of these policies changed from strong state-control in almost every important sector and product market to a major trade liberalization after 1977. More specifically, starting from the 1960s to the late 1970s, the government managed to keep its twin deficits within a manageable range with grants and a recourse to import substitution industrialization and intense state intervention. When the state-led experiment failed, and the era of neoliberalism was ushered in, Sri Lanka began to accumulate substantial external debt. This gained added impetus following the end of the civil war as foreign borrowings were used to drive infrastructure investment. Thus, neoliberalism subordinated weaker capitalist economies such as Sri Lanka in world capitalism through the discipline of international debt and financialization (Saad-Filho and Johnston, 2005). Moreover, examining the Sri Lankan experience with capitalist development is important as this would show how global economic policies had historically specific effects on Sri Lanka’s class and ethnic relations, an examination which would also help us understand the underlying social dynamics of *Aragalaya* better.

By the time it achieved independence from the British in 1948, Sri Lanka was a highly trade-dependent country, relying on primary exports such as tea, rubber and coconuts. In the twenty-first century, the Sri Lankan economy continues to rely on primary exports while in addition to international transactions in trade, foreign remittances from migrant workers and tourism have also emerged as new sources of foreign reserves. Moreover, its dependency on the world market for the importation of essential foods and medicines continued along with intermediate and consumer goods. This dependent capitalist development since colonialism has exposed the Sri Lankan economy to many issues such as trade fluctuations, recurrent balance of payment problems that have plagued the economy for decades. To fund the

consequent budget deficits of each period, Sri Lanka has frequently sought financial assistance from international financial agencies such as the IMF as both grants and concessionary loans. The increased dependency on external actors has resulted in recurrent balance of payments deficits that continue today. The sustainability and the stability of the Sri Lankan economy has always been short-lived as it has been exposed to the continuous deterioration in the country's external terms of trade (Lakshman, 2017). Some experts say that a full-blown economic crisis was imminent in Sri Lanka, given the economy's high vulnerability to unfavorable domestic and external shocks and persistent fiscal deficits, mounting foreign debt and current account deficits. In 2022, structural problems coupled with domestic and external shocks revealed the vulnerability of Sri Lanka's classical export economy and the socio-economic system. The economic crisis in 2022 is therefore, I argue, more of a culmination of these structural problems, exacerbated by contingent causes such as the Covid-19 pandemic, the Russian-Ukrainian war, the Easter Sunday terrorist attacks in 2019. The outcome was the *Aragalaya*, a mass uprising led by a powerful agency who were battered by the hardships inflicted by the worst economic crisis.

1.3. Patronage Politics in Sri Lanka

In addition to analyzing the capitalist development in Sri Lanka, this dissertation also explores the political mechanisms that enabled the accumulation process. Even though external forces from the West such as international financial institutions (IFIs) play an instrumental role in steering the capitalist development in developing countries, understanding this process thoroughly wouldn't be possible without considering the support and collective interest of the domestic ruling elites. Some scholars argue that developing countries are not simply victims or passive objects of neoliberalism (Saad-Filho and Johnston, 2005). There are domestic classes and social forces with their own interests and strategies aligned with the global neoliberal paradigm. As argued by Saad-Filho and Johnston (2005), neoliberalism can be described as a global capital accumulation strategy and social discipline that also serves as an imperialist project which is led by class alliances composed of the ruling classes abroad and within. Under the British hegemony, colonial Sri Lanka was made open to the flows of traded commodities from the world market. With the

independence in 1948 and electoral democracy, Sri Lanka as an individual nation-state started dealing with its own domestic issues such as advancing domestic capitalist interests and managing class conflicts and problems of capital overaccumulation within a changing global and international context. All these dynamics have acquired a new direction in the era of neoliberalism. For example, the ambitious power projects led by the Rajapaksa regime in the aftermath of the war, were dominated by the intrinsically hegemonic nature of finance, mirroring the interests of both domestic and international elites.

In the context of Sri Lanka, one could see how the ruling elites have amassed mass support for their capital accumulation projects on the back of electoral mandates. To convince their respective electorate of the desirability of the relevant policy shifts, over the years, the elites in power implemented projects through exclusive and hierarchical ethno-nationalist frameworks, privileging certain groups and preserving their interests. This was most pronounced in the post-colonial years of Sri Lanka, where the hegemony of Sinhala nationalism grew intense as the political elites pursued a nationalist project to mobilize around the projected interests and aspirations of the majority Sinhala identity. While the ruling elites in the governments have made various reforms to promote capital accumulation, less has been done to protect the marginalized communities from the negative impacts of the market. Some scholars identify the penetration of capitalist production relations and patronage politics as factors that undermine state capacity to intervene on behalf of the socially excluded. Bastian (2009) argues that the twin processes of expansion of capitalist relations and coercive apparatus of the state have resulted in disparities among different sections of the population in Sri Lanka. The *Aragalaya* in 2022 according to Rambukwella (2023) was a manifestation of these socially excluded groups who joined hands to voice their long-seated grievances and challenge the neoliberal policies which made them victims of instrumental interests of political and corporate elite of Sri Lanka.

1.4. Literature Review

Fundamentally, the 2022 economic crisis that reflected itself as a sovereign debt default was the result of Sri Lanka's failure to resolve its balance of payments crisis

due to its long-standing twin deficits in the budget balance and the external current account. The pandemic-propelled sovereign debt crisis pushed the country into an abyss of economic chaos, resulting in a social and political turmoil. Much of the literature available on the economic crisis and the resulting social and political upheaval leading to *Aragalaya* uprising is focused on the economic mismanagement of the incumbent President Gotabaya Rajapaksa. The mainstream commentaries indicate that the inherent structural weaknesses of the Sri Lankan economy were exacerbated by Gotabaya Rajapaksa's policy lapses in 2020-2021. The Central Bank of Sri Lanka (2023) associates President Gotabaya's ill-conceived policies with the overall decline in levels of taxation, an overnight ban on the import of chemical fertilizer, the depletion of the country's official reserves, and the level of negligence shown to several early warning signs causing a crisis in the economy.

Devapriya (2022) identifies the two distinct standpoints that explain the structural nature of the crisis on different grounds. According to him, while the 'orthodox camp' underlines the government's inability to liberalize the economy, the 'heterodox camp' attracts attention to the country's failure to industrialize. According to the orthodox reading as described by Devapriya (2022), the crisis is a result of the Sri Lankan government's accumulating debts due to the need to finance the inefficient state-owned enterprises and the unsustainable welfare system as well as a series of tax cuts implemented by Gotabaya Rajapaksa in 2019. On the other hand, the heterodox camp argues that although the policy measures of Rajapaksa government tried to improve industrialization by the lessons drawn from the Southeast Asian model, the experiment failed as the administration failed to complement such efforts with measures that could have increased growth in productive sectors (Ibid.).

Some financial experts trace the root causes of the Sri Lankan economic disaster and resulting social and political turmoil in 2022 to the island's fiscal problems. They argue that Sri Lanka presents a classic case of persistently increasing fiscal deficits. According to Samarakoon (2024), fiscal problems compounded by the COVID-19 pandemic sparked a series of critical conditions such as mounting budget deficits, higher public debt, foreign debt, higher and more expensive external borrowing requirements, credit downgrades, loss of foreign reserves, and debt default. These

conditions ultimately culminated with a series of fiscal, debt, currency, inflation, and balance of payments crises of unprecedented proportions and led to an enormous social and political turmoil paving the way for the *Aragalaya*.

According to Marxist authors, the dramatic collapse of the economy in 2022, was long in the making since Sri Lanka became the first country in South Asia to launch neoliberalism in the late 1970s (Gunawardena and Kadirgamar, 2023). The breakdown of the economy, they argue, was catalyzed by a sovereign debt crisis with the start of the COVID-19 pandemic and the Ukraine war. The contingent factors not only exacerbated the budget deficits in the country but also contributed to enhancing the inherent distributive inequalities, created by neoliberalism. In the late 1970s, the fierce commitment to neo-liberalism became the new global economic orthodoxy in which finance capital was central to the bourgeois global rule. As Harvey (2005) explains, this was a predatory system as the finance capital seeks to ensure the accumulation of capital through accumulation by dispossession. This was done through privatization, financialization, the management and manipulation of crises, and structural adjustment programs administered by the IMF (Ibid.). The economic catastrophe in 2022 also saw the consequences of the deepened hold of finance in the Sri Lankan economy. As part of the ongoing process of financialization under neoliberalism, raising commercial loans through sovereign bonds became an accepted practice among the emerging economies with middle-income levels such as Sri Lanka (Lakshman, 2017). In the second wave of neoliberalism after the end of the ethnic war, owing to Sri Lanka's improved creditworthiness, the country carried out large-scale debt financing of capital projects with loans, grants and borrowing through sovereign bonds in international capital markets. Even though these fund-raising practices did not appear to pose any serious threat to financial stability at that time, there were criticisms against the incumbent government for pushing the country and its people into a debt trap. As argued by Saad-Filho and Johnston (2005), the transition of developing countries toward neoliberalism has had devastating consequences that resulted in a 'Third World debt crisis'. Some scholars argue that the accumulation of debt in developing countries in the recent years via high-interest Chinese loans and sovereign debt is not necessarily a short-term issue but the result of these countries' diverse regimes inherited from the colonial times

that shaped their systems of labor and patronage which eventually led to increased dependence (Hemachandra and Sivasundaram, 2024). As finance capital has expanded across the globe, accumulating debt became attractive to successive regimes in Sri Lanka as a way of managing the import/export gap, creating however an exacerbated debt problem. In this context, Sri Lanka has had to issue more and more debt because the proposed benefits of globalization have failed to materialize in a sustainable overall balance of payments (Gunawardena, 2022). With the additional burden of the ethnic war, Sri Lanka became more dependent on foreign commercial borrowings to finance its large budget deficits. Moreover, the maturing foreign debt obligations led to an accumulation of foreign debt, resulting in a situation where Sri Lanka reached unsustainable levels of debt in 2022.

This research seeks to contribute to the critical perspectives on the *Aragalaya* uprising in Sri Lanka by investigating the long-term reasons that led to the 2022 economic crisis. It is based on an historical analysis which sheds light on the dynamics of diverse regimes in Sri Lanka's post-colonial political economy in an attempt to argue that the crisis conditions of *Aragalaya* were created historically, as a result of the prolonged process of capital accumulation by the ruling elites since its independence from the British colonial powers. Contributing to the alternative interpretation of the *Aragalaya*, I argue that the events that we witnessed during the weeks leading up to *Aragalaya* were consequences of a dependent capitalist economy that followed years of neo-liberal implications such as excessive international borrowings and excessive government overspending that severely impacted the daily lives of average Sri Lankans.

This research, however, while offering an alternative explanation of the *Aragalaya* within the context of Sri Lanka's long-term dependent capitalism and neoliberal transformation, does not provide a critical evaluation of specific government policies and interventions in the aftermath of the *Aragalaya* which leaves us with many questions, calling for the exploration of Sri Lanka's future. Given the fact that this is a research that is based on the historical accounts of the secondary sources, it will primarily focus on the period from 1948 to up until the election of the newly appointed President Ranil Wickremesinghe. The decision to exclude an analysis of

the post-*Aragalaya* was made to keep the scope of the research condense and cohesive. Relatively limited number of academic works that problematize the ongoing process was another reason of exclusion. Future studies should consider including the outcome of Sri Lanka's recent presidential election, which ended with the victory of the leftist Anura Kumara Disanayake, in order to provide a more holistic understanding of *Aragalaya*. In addition, comparative studies involving other regional countries facing similar social and political crises such as the recent uprising in Bangladesh may also increase the value of these findings.

CHAPTER 2

CAPITALIST DEVELOPMENT IN SRI LANKA UNTIL 1977

Sri Lanka aka Ceylon which was under the colonial influence of Portuguese, Dutch and the British gained independence in 1948. The colonial legacy of the pre-independence era, largely determined Sri Lanka's politics, class dynamics and social structures that persist until today. The emerging post-colonial Sri Lankan state can be described as a dependent welfare state that prioritized individual well-being, national industries and rural development. As a post-colonial state, Sri Lanka's capitalist development trajectory can be divided into two periods in its history in which it experimented with a wide variety of policies, i.e. the period from independence up until the elections in 1977 and the period from 1977 to the present.

In this chapter, I critically analyze the historical development of Sri Lanka's capitalism from the independence in 1948 up until the year 1977. Firstly, a brief overview of Sri Lanka's colonial economy is provided until it gained independence in 1948. Subsequently, I discuss how the emergence of the plantation economy along with immigrant labor and European policies of education and religion in nineteenth-century Ceylon, led to a transformation that created a specific class composition in the 20th century. Secondly, I look at post-colonial Sri Lanka in the 1960s, characterized by state control of economic and social policy. In this process, I analyze how the Sri Lankan economy was managed in line with the global capital accumulation standards and external fluctuations in the market while experimenting with various mechanisms such as state-led development and welfare and import substitution policies up until the global climate of an economic crisis in the mid-1970s. Then, I look at the various political projects through which the ruling elite would advance their corporate capitalist interests such as patron-clientage, majoritarian electoral politics, constitutional reforms and Sinhala nationalism. At the end of the chapter, the relative success and failure of Sri Lanka's post-colonial

capitalist development policies are discussed along with their social and political implications.

2.1. Dynamics of Colonial Ceylon's Capitalist Economy

Prior to becoming a republic and gaining independence, Sri Lanka, a crown colony of the nineteenth-century British Empire, was known as Ceylon. The colonial period in Sri Lanka can be divided into two distinct historical phases. The first phase was a mercantilist economy that encouraged trade policies that favored the merchant companies. The second phase begins when capitalism in British Ceylon started to expand through the plantation system (Wickramasinghe, Cameron, 2005). The island has often been referred to as a model for a colonial economy with a thriving plantation agriculture. The first century of Ceylon's modern economic development can be traced back to its era of estate agriculture in the 1840s. Ceylon had a profitable economy dominated by its estate sector where an array of cash crop exports such as coffee, tea, and rubber served as the engine of growth for the economy. According to some scholars, both the strengths and weaknesses of Ceylon's colonial economy grew out of its basic structure and dynamics (Snodgrass, 1964). The export economy had a dualistic nature distinguished by capitalistic versus subsistence, monetized versus non-monetized, modern versus traditional, export versus domestic sectors (Ibid.). The modern sector of the pre-colonial Ceylonese economy, which consisted of the central government, plantations, financial and commercial establishments and smaller cities, produced mainly for the international market. On the other hand, the traditional sector, which was made up of the villages, heavily relied on peasant agriculture and traditional service occupations, produced for the domestic market.

Although under the Portuguese, Dutch and English, Ceylon had engaged in international trade, it only became a fully-fledged plantation-based export economy with the revolutionary introduction of the coffee plantation in the 1840s (Snodgrass, 1964). The coffee plantations constituted a virile commercial agriculture in the country, bringing with it a new economic structure and eventually changing the island's prevailing economic system. While the industry was booming, new

infrastructure was built, political decisions were made with novel significance, and class in the modern sense of the term began its slow growth. As coffee contributed almost a third of the government's income, a money economy emerged, bringing with it a new world of prices, profit, wages, rent and credit (Ibid.). During the colonial period, the government of Ceylon mainly dealt with the modern sector, targeting the export economy in which the earnings provided the exogenous stimulus and national income to sustain the economy. Approximately 35 or 40 percent of Ceylon's national output went into exports and a similar proportion of the national income was spent on imports (Snodgrass, 1964). Since international trade accounted for a high proportion of GDP, revenues of the government came mainly from import duties.

2.1.1. Colonial Developments in the Political and Social Sphere

Prior to independence, colonial Ceylon went through 17 years of internal self-rule. It is noteworthy to analyze the developments in the political and social sphere during this period as it had changed the course of Sri Lanka's post-colonial journey. In 1931, by the Donoughmore Constitution, the island was granted universal suffrage. With the establishment of an internal self-government, consisting of new political leaders of a State Council, Ceylon's economy began leaning towards diversification and industrialization. The colonial government of Ceylon, administered by the British, helped to lay the foundations for a well-established education and health sector in the country, which eventually produced profound changes in the qualitative aspects of the population. In 1939 over 800,000 students were enrolled in the nation's schools, representing some 40 per cent of the total population of school age and English education was considered mandatory for efficient civil service which led to the relatively early development of education in the country (Snodgrass, 1964). It is reported that there were 120 hospitals in Ceylon in 1939 indicating advanced health services by Asian standards (Ibid.). Improved public health facilities, and successful campaign to control malaria continued to lower the death rates in the post-1946 period, resulting in demographic changes and rising living standards, bringing hence a considerable benefit to the whole country. Among many of the public services the government provided was an expansive transport network consisting of

roads, and railroads, which was instrumental in ensuring the continual flow of exports and profits in a thriving plantation economy.

Despite a democratic system of electoral politics and universal adult franchise, since its independence from the British, Sri Lanka has been governed by an exclusive group of small elites. In the mid twentieth century, independent Sri Lanka's vision of development was spearheaded by the same group of national elites whose decision-making played a key role in determining the destinies of the nation. Throughout the post-independent history of Sri Lanka, two major parties have vied for power in electoral competition, i.e.: Sri Lanka Freedom Party (SLFP) - the party of the rural worker, and the United National Party (UNP) - the party of the urban educated and westernized elite of the nation. However, Fernando (1973) argues that the ruling parties who have wielded political power and those who claimed to be on the Left or Right ideologically, are all a part of the same social elite which has cut across political, religious, ethnic and caste divisions. The politics and the pre-modern social relations of the pre-independence Sri Lanka were dominated by a class who benefited from the sources of capital accumulation provided by the colonial economy. When we look at the social background of those elected in 1947 – in the election to the first parliament in independent Sri Lanka-, it is evident that it was the colonial bourgeoisie who inherited the political and economic power over the country (Bastian, 2014). A significant proportion of the political leadership in the first parliament in independent Sri Lanka, came from elite families who had privileged positions granted by the British. The electoral base of this leadership was nurtured through patron-client networks established within pre-modern feudal relationships in rural areas (Ibid.). Since the survival of elite politics is dependent on an expanding capitalist economy, over the years the elites in power have maneuvered their strategy with different rhetoric and mechanisms that would help masses to retain faith in them.

Ceylon's anti-colonial nationalist movement was led by a group of political elite and national bourgeoisie. The 'political elite' or the 'new elite' (Fernando, 1973) of Sri Lanka were the members of the legislature of the country, who had the decision-making power that tended to remain in the hands of the British-educated and

western-oriented elite (Oberst, 1985). The current President of Sri Lanka as of 2024 Ranil Wickremesinghe, who comes from a politically well-connected family belonging to this group, reaffirms this colonial legacy of western-elite domination which continues to exist within Sri Lanka's democratic framework up until today. The elite of Ceylon was made up of the middle and upper classes, consisting of landowners and professionals such as doctors, lawyers, engineers, academicians, superior government officials, mercantile executives, western-type entrepreneurs, western educated trade union leaders (Fernando, 1973).

Together, they ideologically helped legitimize the elite rule. The non-elite of post-colonial Ceylon can be grouped into peasants, urban blue-collar workers, minor white-collar employees and the south Indian workers in the plantations, who constituted more than 90% percent of Ceylon's population at that time (Fernando, 1973). Given that this non-elite group holds the majority of electoral strength, the elite model has operated in Ceylon in a more liberal and humane manner to benefit the masses. Over decades, the ruling elites in power and in every political party in Sri Lanka have used the non-elite "common man" as a sacred cow to win the majority of village votes through mechanisms such as social welfare that promised them a solid foundation of social security and greater standards of living. However, owing to their Western background, this 'new elite' has often become alienated from the masses both culturally and economically. Even after independence, they were able to consolidate power by claiming to represent the common man, i.e. the poor rural farmers and urban working class, appealing to them as one of their own. The outcome has been the continuation of political parties that claim to be the party of the common man but remain culturally and economically removed from the latter.

2.1.2. Social and Political Implications of Colonialism

The social and political implications of colonialism, which stemmed from the unequal division of labor and unequal exchanges between ethnicities, continued to shape the sovereignty and development trajectory of independent Sri Lanka. The lasting impacts of these inequalities were felt on several groups as discussed below.

2.1.2.1. Indian Tamil Labor

Ceylon's plantation sector functioned as an enclave under the colonial administration separated from the rest of the economy. With the expansion of the semi-industrialized, large-scale plantations in Ceylon in the 1820s, the need for alternative, cheap labor and land resources intensified. Due to several socio-economic reasons, the British transferred south Indian laborers to Ceylon who settled in the plantations until they became a permanent feature of the Sri Lankan ethnic composition as Indian Tamils. However, until they were granted citizenship under the new republic in 1972, the Indian Tamil workers on estates were classified as stateless, temporary immigrants by the enactment of the Citizenship Act 1948. The colonial system imposed many restrictions on the Estate Indian Tamils, who were treated like a captive labor force, subjecting them to slavery-like work conditions and depriving them of basic rights. Debt bondage, the enclave nature of the plantation system, and colonial state intervention in the wage administration and labor mobility were some of the significant factors that aggravated their problems (Wickramasinghe and Cameron, 2005). As mentioned in Gunetilleke et al. (2008), the plantation system in Ceylon had relied on strict control and exploitation of workers whose wages had been kept at the lowest possible levels. On the other hand, monetary incentives and a variety of benefits were offered to those performing supervisory and managerial duties in the estate sector (Peiris, 1996). This system of economic exploitation of the Indian Tamil community in Sri Lanka continues even today. The current estate workers are being exploited by private and state-owned companies for national and private profits. Despite their valuable contribution to the economy, they endure economic, social, and political marginalization in the country.

2.1.2.2. Peasant Agriculture

Ceylon's peasant agriculture throughout the nineteenth and the early twentieth century consisted of traditional subsistence crops such as rice, vegetables and small-scale coffee and coconut cultivation. Since only limited profits could be generated from the cultivation of such crops, the peasant sector was not considered as a valuable contribution to the accumulation of capital or increased social mobility in the villages

(Wenzlhuemer, 2008). Therefore, the colonial government paid little importance to the development of the native thriving export agriculture and instead continued to foster the island's thriving export agriculture. Ceylon's estate industry which was introduced by the colonial system had indirect implications on the livelihoods of peasants. The indigenous Ceylonese peasant was primarily a rice cultivator who cultivated to feed himself and his family, often enjoying his ideal of a self-sufficient life. He preferred his traditional semi-feudal village existence to the regimented life and work of the estates (Snodgrass, 1964). Therefore, during a century of estate development, the indigenous peasants had only a few opportunities to earn higher incomes offered by the estate revolution. In Ceylon, since the estate inputs such as labor and supplies were almost all imported, Sinhalese peasants only constituted a small proportion of the services used by the estates. Moreover, the great majority of peasants had a few economic relations between the estate sectors due to geographical distance. The expansion of the estates reduced the area of land available for future traditional cultivation, consequently challenging the peasants when their population began to rise rapidly in the twentieth century (Snodgrass, 1964). Some scholars locate the emergence of governmentality and biopolitics in the colonial development period in Sri Lanka. In the nineteenth century, the colonial state made significant changes to the legal status of land and agrarian relations in Sri Lanka which had a direct impact on the economic production of peasant agriculture. As mentioned in Rampton (2011), several land policies were introduced to monopolize land rights under the colonial control in order to acquire land for plantation development. The Crown Lands Encroachment Ordinance of 1840 had an impact on labor within the estates. Through this policy, the colonial government could acquire all 'waste' land and distribute them to colonial commercial companies.

2.1.2.3. Class Relations and Nationalism

Rampton (2011) contends that the colonial intervention in Ceylon produced a racialized and ethnic based social mapping of contemporary Sri Lanka. As a result, since independence, successive governments have pursued anti-minority policies with a strong hierarchy of Sinhala majoritarianism, a strategy which the ruling elites have utilized to mobilize around the interests of the majority Sinhala population.

According to Rampton (2011) this has resulted in a biopolitical mode of power which has subordinated Sri Lanka's ethnic minority Muslim and Tamil communities (Ibid.) in many spheres. Whilst colonial power created transmutations in the island's ethnic dynamics, one could observe the continuation of the hegemonizing nationalist discourses in the postcolonial period through Sinhala nationalist movements such as the JVP uprisings in the 1970s and 1980s led by Sinhala youth, the 1983 Anti-Tamil pogroms and the Anti-Muslim riots in the late 2010.

Moreover, the Western education introduced by the British created a class between the mass of the people, which ultimately became a source of social ferment that would affect the class dynamics in the country's future. Sri Lanka's current educational system mirrors the nation's social structures and disparities that can be traced back to its colonial history. The British educational policies were deliberately geared to create a westernized element among the indigenous population (Fernando, 1973). Those receiving a western style missionary English education were favored by the British in Ceylon in administrative efforts, creating a cultural alienation of the lower classes and leading to the rise of cultural hegemony of the elite.

2.2. The Emergence of a Post-Colonial State (1948-1950s)

At independence, Sri Lankan society, economy and polity were identified as a modern bureaucratic state (Moore, 2017) where the capitalist colonial plantation economy had restructured the social, economic and political relationships across the island. When Sri Lanka attained independence in 1948, the pre-existing colonially-instituted economic structure remained the same in which the principal economic activity continued to center around the island's capital-intensive plantation sector. In the rural peasant agriculture, a considerable importance was given for paddy (rice) cultivation and a few other crops grown for domestic consumption. As other postcolonial states, Ceylon made, as discussed before, attempts to reverse the colonial division of labor through protectionist policies. In the realm of politics, one could observe the dominance of patron-client relations, electoral majoritarianism, and state and constitutional reform on the one hand and, Sinhala nationalism on the other. In order to analyze Sri Lanka under state-led industrialization, this chapter will

be divided into three separate periods such as early years of independence, the long 1960s, and the six-year plan of self-reliance for the period of 1972-1976. In each subchapter, a detailed account of the specific economic policies implemented and its impact will be discussed. Moreover, in order to sustain the state-led capitalistic project, the ways that national elites and leftist groups influenced the masses and economy will be analyzed. At last, the social and political implications of these projects and how the public grievances resulted in uprisings will be discussed with specific examples from the history of post-colonial Sri Lanka.

2.2.1. The Post- Colonial Economy of Ceylon

Sri Lanka's post-colonial economy was characterized by its traditional dependence on limited commodities such as tea, rubber and coconut. This was a typical 'underdeveloped country' as defined by the structuralists and dependency theorists (Kelegama, 2000). At the time of independence, Sri Lankan economy was heavily trade-dependent where the level of the trade dependence ratio (TDR) had been dominated by the import behavior. Throughout the 1950s, the total imports and exports of goods and non-factor services as a share of GDP was around 70 percent, and in the 1950s and 1960s, commodity exports were more than 90 percent of total foreign exchange earnings (Central Bank of Ceylon, 1961). Until the early 1970s, Sri Lanka's three plantation crops contributed for over 90 percent of the island's total merchandise exports, with tea accounting for almost two-thirds of the total value (Ibid.). In addition, during this period earnings from tourism and remittances by migrant workers became important sources of foreign exchange. Sri Lanka became a high-tax economy after independence in 1948. Between 1950 and 1989, the Sri Lankan government's tax revenue averaged 21 percent of GDP (Moore, 2017). From the 1940s until the 1970s, the successive governments of Sri Lanka were under strong electoral pressure by trade unions and Marxist parties to expand public spending. They were committed to large-scale public welfare spending, which necessitated an increase in the revenue to fund it. According to experts, the governments were influenced more by highly competitive electoral politics, aiming to garner high rates of voter support, than by various material class interests of the political elite (Ibid.).

Kelegama (2000) argues that the economic conditions in the post-colonial Ceylon were interlocking in nature in which the welfare program was based on plantation taxes which were depending on remunerative prices in the world market where the fluctuations would ultimately affect Ceylon's foreign exchange problems. The deteriorating external terms of trade and worsening foreign-exchange position have compelled the successive governments of Ceylon from 1948-1960 to seek solutions through balancing measures such as implementing selective controls on imports, protecting national industries and firms, and import substitute industrialization.

2.2.2. Ceylon's State-led Industrialization (1948-1960)

The 1948-1960 period saw Ceylon's transition from a classical dependent export economy to state-capitalism. As mentioned in Lakshman (1985) since imports of industrial goods had to be substantially cut for war-related reasons during the Second World War, private capital failed to invest in Sri Lanka's industrial sector, making the state take measures towards development and accumulation of domestically-owned capital (Amarasinghe, 1979). After the end of the Second World war, the government initiated a program of accelerated capital investment and development with the assistance of the IMF and World Bank. The main purpose was to attract private capital inflows into the island through both financial resources and skills and techniques of value for economic development as during this period, the foreign capital inflow into the country remained extremely low. Soon after its independence, with the outbreak of the Korean war in 1949, Ceylon's economy enjoyed a short-term prosperity as a result of the stimulus given to the local rubber industry. This boom enabled Ceylon to sustain its economic activity with reasonably high standards of imports. As part of the government's Six Year Plan of Development 1948-1953, a greater emphasis was given to the peasant economy with measures to remove the long-standing social barriers emanating from the colonial past. Peasants were provided with incentives to increase the productivity of the land, and agricultural production cooperatives were set up across the island and were assisted by credit from co-operative unions and banks (Central Bank of Sri Lanka, 1975). Coinciding with these advancements, in 1950, with the aim of accelerating economic development and diversification, the Central Bank of Ceylon was established,

marking the beginning of a monetary policy that would later become an active influence on the path to Sri Lanka's future capitalist development journey. The expansion of commercial banks and other financial institutions in the country, helped channel credit to areas which had development potential. The development policies throughout the 1950s and 1960s were geared towards modernizing the rural economy and achieving self-sufficiency in food. During the early years of independence, Ceylon played an important role in prioritizing agricultural production over industrialization. As part of the agricultural development, the government planned and subsidized 'colonization schemes' to remove the landlord and land-poor from the deteriorating peasant sector to farms in new irrigated tracts (Herring, 1987). In 1953, the World bank mission recommended a six-year program of development for Ceylon, emphasizing the need for the development of agricultural techniques and for making new lands for cultivation through irrigation, jungle clearance and settlement. Their policy recommendations included the proposal of colonizing the landless peasantry in the dry zone and recognizing the significance of community-based institutions such as co-operatives and Rural Development Societies (Kadirgamar, 2017). In addition, the substantial investments were proposed for transport, communications and power. Among other recommendations were that the foundations for industrial growth be laid by research and education, and a variety of new industries be fostered (IBRD, 1953). Moreover, within a policy framework of achieving monetary and fiscal stability in Ceylon, the World Bank mission recommended an investment program for growth that could be financed through non-inflationary sources (Lakshman, 1985). Through the IMF-World Bank intervention, the economy saw an increasing flow of private capital into the country through means such as investment guarantees, public administration programs directed toward helping governments improve the investment climate and support to local institutions which aided private investors through loans and technical advice (Colombo Plan, 1960).

Some scholars argue that the policy proposals of the World Bank Mission of 1951, was a continuation of the type of dependent capitalist relations introduced and maintained by the British colonialism in Sri Lanka. Lakshman (1985) contends that these policies were intended to strengthen dependent capitalism in Ceylon within the

existing economic and social structure. He further argues that the World Bank projects not only discouraged the introduction of industrial capitalism but also disregarded the significance of creating a national bourgeoisie for self-reliant capitalist development in Ceylon, which eventually led the country to continue to be dependent on foreign sources. (Ibid.).

2.3. The Closed Economy of Ceylon

As the foreign exchange reserves of the country depleted in the early 1950s, the island's vulnerability to external shocks became more prominent. As a result, in the 1960s, Sri Lanka resorted to a 'closed' economy in which both the scope and the magnitude of the state's role became greater in the country's capitalist development. As current account deficits became chronic, the state intervened in the economy further through nationalization of leading sectors, establishment of state-owned trading corporations, tighter regulations for control, and the development of export-oriented public sector firms (i.e. petroleum products) (Herring, 1987). Throughout much of the 1960s, Ceylon's economy prioritized industrialization over agrarian transformation.

In the years immediately following independence, Ceylon's banking sector was dominated by foreign commercial banks which were mostly engaged in financing the island's plantation sector and foreign trade. However, in the 1960s, the financial sector in Ceylon saw an evolution of commercial banking with the nationalization of the indigenous bank 'Bank of Ceylon' and the launching of a new state bank. The nationalization of state banks largely insulated the Sri Lankan financial sector from international markets, and in this process credit provision became a major tool of state's investment policies (Athukorala and Jaysuriya, 1994).

2.3.1. Import-Substitution Industrialization

By the end of the 1960s, Ceylon had accumulated a substantial short-term debt and the amount of long-term capital inflows stagnated due to the increased reliance on imported capital goods. In the background of a worsening balance of payments crisis,

policymakers in Sri Lanka restricted imports while setting up a protective system in line with national priorities. Similar to its counterparts in other developing countries, the government followed an industrialization strategy that represents a classic example of 'forced' import substitution (Athukorala, 1998). In line with the import saving measures, the Central Bank of Ceylon made changes to the monetary policy by including high bank rates, reserve requirements, cash margins on letters of credit and restrictions on hire purchase finance (Central Bank of Sri Lanka, 1956).

Through the implementation of import substitution, policymakers in Sri Lanka were convinced that increased growth of domestic production would reduce the traditional dependence of the economy on foreign trade, making the economy less vulnerable to adverse movements in the global arena. Contrary to their expectations, the import substitution strategy did not work effectively in Sri Lanka for many reasons. For example, imported raw materials inputs used in Ceylon's domestic manufacturing in 1964-66 saw an increase from 62 percent to 75 percent by 1970-72 (Athukorala and Jayasuriya, 1994). When the domestic production in the country expanded, the demand for essential food imports, intermediate and investment goods also increased. In comparison compared to 28 percent in 1950-51, the combined share of these imports was 52 percent in the period of 1970-72 (Ibid.).

In the closed economy era, import restrictions became the basic tool for managing the balance of payments up until 1977. However, the reality proved to be different as ultimately the import compression policies strengthened the country's import dependence. By 1973 the import-substitution policy implemented along with high trade restrictions had made the country's economy extremely fragile to external shocks such as the global economic crisis and the oil crisis of the 1970s (Athukorala and Jayasuriya, 1994).

2.3.2. Self-Sufficiency

Over the years since its independence, the significant dependence on imports for food stuff has weakened the Sri Lankan economy and its national political independence. The necessity of food imports and the operation of the food subsidy

whose main targets are to prevent consumers from high food prices and to ensure a more equal distribution of income have caused a heavy drain of the available foreign-exchange resources, while rising cost of imported food items have tended to exacerbate the balance-of-payments problem (Herath, 1981). Given these external and internal factors, since the early 1960s, achieving self-sufficiency in food has been at the fore-front of national food and agriculture policies in Sri Lanka. In the post-colonial government policies, a considerable emphasis was given on rice self-sufficiency as it was the dominant crop produced for domestic consumption. Many institutional changes were implemented in order to provide a system of incentives for rice farmers to increase output and improve their livelihoods. The Paddy Lands Act of 1958 was a major institutional attempt that sought to overcome the exploitative nature of the tenancy relations in paddy lands by ensuring security of tenure to all tenants, and also by establishing favorable crop-sharing arrangements (Ibid.). Among the other changes were the establishment of a crop insurance scheme for rice in order to alleviate hardships caused by uncertainties in production and introduction of a new agricultural credit scheme through co-operative rural banks to provide loans for paddy cultivation. Aligning with the global Green Revolution toward the latter part of the 1960s, some major technological advancements were made with the development of the high-yielding rice varieties to achieve a sustained productivity growth in the paddy cultivation (Ibid.).

2.3.3. Social Welfare Policies

In the first two decades after independence, Sri Lanka's standard of living remained well above those of other low-income dependent capitalist countries. The overall outstanding performance of Sri Lanka in terms of social welfare indicators can be attributed to government social welfare policies.

In the mid-1970s, the government spent a considerable amount of its budget on welfare services such as education and health. The distribution of rice on ration at subsidized prices was a significant part of the social security and welfare expenditure during this period. In the face of classical and severe structural dependency of the Sri Lankan Economy, the government was able to effectively mediate between national

poverty and individual well-being of the citizens through wide state intervention in the economy, with specific politically-driven priorities (Herring, 1987). Despite being one of the world's poorest countries in terms of per capita income (US\$470 in 1990) with a vulnerable dependent economy, Sri Lanka's recorded high human development indicators in achieving standards of literacy, health, and life expectancy compared to those of many industrial countries (Athukorala and Jayasuriya, 1994). By 1988, Sri Lanka's adult literacy rate was 85 percent, almost all children of primary school age were enrolled in schools. Infant mortality was reported as 37 per thousand, which was well below the average of 56 for upper-middle income countries (Ibid.). These impressive social indicators enabled by the social welfare policies, made Sri Lanka is a country that could offer its citizens a high standard of living in that period despite having a relatively low GDP.

2.3.4. The Leftist Influence in State Capitalism

From attaining universal franchise in 1931 to the early 1970s, the electoral politics of the country was influenced by a powerful socialist left wing. In the right wing of Sri Lankan politics, there were strong personalities leaning towards a Keynesian and socialist ideology and in a large part of the bureaucracy, the state-centric development ideology was acceptable (Lakshman, 2017).

Some economists argue that it was in this politico-ideological environment led by trade unions and Marxist political parties that a large welfare state structure emerged in Sri Lanka in the 1960s. They mobilized around universalistic programmatic demands such as free health and education for all the working classes and the peasantry, and ensured the provision of a large food subsidy program such as the rice ration which was originally implemented to deal with food scarcity during the World War II (Moore, 2017). Moreover, the leftist's parties exercised their collective power in labor markets against class-conscious proletariats in the government sector. Some analysts emphasize the importance of Sri Lanka's progressive left-wing intelligensia who were effective in shaping the 1956 coalition government's economic policy during this period. The Communist Party of Sri Lanka in the 1960s were of the opinion that the United National Party was represented by the imperialist bourgeoisie

while the Sri Lanka Freedom Party (SLP) voiced the interests of the national bourgeoisie whose interests were aligned with national economic development through industrialization and therefore, were the only ones who could implement a centrally planned industrialization for the economic development of the Third World (Pathirana and Aluthge, 2020).

However, the industrialization encountered severe political economic obstacles to achieve its expected goals and eventually enabled the emerging neoliberal right to capitalize on this mistake (Gunarawardena and Kadirgamar, 2021) and initiate an open-market economy in 1977.

2.3.5. Partial Liberalization: 1965-1970

Ceylon's economy went through a partial liberalization from 1960-1970. The pro-western government led by the United National Party (UNP) created a favorable environment for western-aid and had greater reliance on external financing sources such as agreement with the International Monetary Fund to overcome its payments problems without further restrictions on imports (Athukorala and Jayasuriya, 1994).

During this period, the industrial sector of the country was under strain with bleak prospects for exports. In this context, the government in power emphasized the importance of import-substitution in agriculture as the best solution to overcome Sri Lanka's external imbalances. Liberalization efforts were made to increase the output in production through regulation and subsidies. However, Kelegama (2000) refers to these efforts as a weak and hesitant attempt in which the government failed to achieve a full-scale liberalization in fear of a possible political opposition and anti-government agitation.

2.3.6. The Five-Year Plan of Self-Reliance (1972-1976)

Sri Lanka formally became a republic under the left government in 1972. From 1970 to 1977, the state was suffering from a combination of external and internal shocks that imposed severe economic hardships on the people including mass

unemployment increases in the prices of food imports. The repercussions of the 1971 youth uprising, the oil price hike effected by the Organization of Petroleum Exporting Countries (OPEC) led to a crisis in the balance of payments, fiscal sustainability of the Sri Lankan economy. Under this worsening economic climate, a new coalition government came into power with a pledge to create a socialist society. The government pursued an extreme ideology of state capitalism with further state intervention in various spheres. The Five-Year Plan of Self-Reliance was implemented to set the path for the structure of the economy from 1972-1976. The overarching vision of the government was to establish a self-reliant base for future growth by inducing a higher growth from the industrial sector. Some scholars argue that the concept of self-reliance here reflected a broader attempt to construct the “Third World” as a political project which was intended to strengthen the capital base (Gunawardena and Kadirgamar, 2021). Furthermore, they contend that the left’s push for self-reliance and self-sufficiency in the 1970s emerged against the background of the *longue durée* of dependency.

Even though Sri Lanka was at the forefront of the Non-Aligned Movement during the Cold War period, the leftist coalition government in power leaned more towards the Soviet Bloc, maintaining close ties to socialist nations. With this shift towards the East, aid from the West was reduced to Sri Lanka, and import substitutions policies came to the fore (Kadirgamar, 2017). The leftist parties wielded a great influence on the course of economic policy of Sri Lanka in this period. The government imposed a system of quantitative restrictions on imports, gave higher priority to the problems of inequality, provided stronger support to the public sector, and did not want to be disciplined by IMF and World Bank conditionalities (Athukorala and Jayasuriya, 1994). These measures were aimed at averting the adverse conditions of Sri Lanka’s balance of payment position and adverse foreign exchange crisis triggered by a rapid increase in the import bill and a rapid fall in external reserves of the previous government (Ibid.). In order to counter the foreign-exchange drain and evasion of control, the government tightened regulations, nationalized some sectors and established state-trading corporations and export-oriented public sector firms (Kelegama, 2000). In addition, the shortage of imported consumer goods led to an increased concern and emphasis on averting an immediate food crisis. In this context,

the government extended control over distribution of necessities and launched a “grow more food campaign” to encourage domestic food production (Ibid.).

By the mid-1970s, Sri Lanka was pushed to the edge by the economic crisis, where the economy was described as one of the most inward-oriented and highly regulated ones in the region, characterized by pervasive state interventions across all economic spheres and stringent trade controls (Athukorala, 1998). Sri Lanka’s state-led capitalist economic experiment in the 1970s had both positive and negative consequences. But the left’s strategy of seeking solutions through the state proved out to be a failure when both external and domestic shocks triggered a crisis in 1973. Some analysts attribute the cause of this failure to the government’s inability to maneuver during the crisis of the 1970s as the country faced many constraints which limited the policy options available to the government (Gunawardena and Kadirgamar, 2017).

2.4. Political Projects Carried out by the Elites

Ceylon’s post-independence development trajectory can be described as a highly paternalist affair, led by the national bourgeoisie. The elites pursued developmental goals through exclusive and hierarchical ethno-nationalist frameworks, privileging certain groups and preserving their interests. For example, the state intervention in irrigation settlements in the 1950s evolved mostly as an elite’s quest for stability and maintenance of the political and administrative *status quo*, “Keeping some in power and the offices in being” (Siriwardana, 1989). Granting differential levels of access to development through an ethnicized hierarchical ordering of populations led to further marginalization of ethnic minorities. This particular developmental practice has remained consistent, and in fact, intensified in the neoliberalization period of Sri Lanka up until the present.

Rampton (2015) contends that the development strategies pursued by successive Sri Lankan governments in the post-independence period have reproduced a governmental and biopolitical logic which privileges the Sinhala rural peasant sphere and population. In the years leading to Ceylon’s independence from the British in

1948, the ruling-elite consolidated their power using a nationalist rhetoric to mobilize people towards reform and religious revival movements. In the early years of independence, the ruling-elites initiated various development projects to assist the peasantry whom they believed was rendered powerless in the society as a result of consequences brought about by colonialism and foreign capital.

2.4.1. The Hegemonization of Sinhala Nationalist Discourse

Sinhala nationalism, which has its roots in British colonialism, saw its revival in anti-colonial nationalist movements. With independence and electoral democracy, the hegemonization of Sinhala nationalist discourse grew intense, acting as a powerful unifying force for the Sinhala-dominated political parties to use it as a platform for populist agitation. In 1956, led by the newly elected Prime Minister S.W.R.D. Bandaranaike, the political elites pursued a nationalist project to mobilize around the projected aspirations of the majority Sinhala identity. Some scholars refer to this land-mark shift to nationalist hegemony with profoundly populist overtones as a cultural or social revolution (Tambiah, 1992) where the ‘rural’ Sinhala-speaking intelligentsia triumphed against the colonial and neo-colonial forces which included the English educated elites (Amarasuriya, 2015).

From this period on, the dynamics of postcolonial state-building such as welfare and social policies and practices of the state would operate on an axis of the hegemonization of Sinhala nationalism in which racial supremacy became the mediating principle of politics. As part of his electoral politics, Prime Minister Bandaranaike pledged to recreate a Sinhala state on an exclusive languages policy called “Sinhala Only” act that granted privilege to Sinhala - the majority language as the only official state administrative language. While some analysts perceive the language policy as a mechanism to capture the votes of rural, Sinhala-educated elites who felt marginalized by the colonial regime’s Anglicized western education, others see it as an instrumental project in the populist mobilization of ethnic nationalism in which the ruling elites used it to divert the attention from their failure to address the economic and social issues and corruption (Crisis Group, 2007). The mandatory ‘Sinhala only’ requirement in 1956 denied most of the Tamil population from

accessing government employment opportunities due to their inadequate proficiency in Sinhalese. It is in this context of newly established Sinhala-Buddhist political supremacy that Ceylon saw the emergence of radical Tamil sectionalist nationalism (Pathirana and Aluthge, 2020).

2.4.2. Privileging the Sinhala Peasant

The agrarian policy in Sri Lanka since its independence has made efforts towards the economic and social upliftment of the Sinhala peasantry. Some scholars argue that the preservation of the peasantry was not just another development goal, but one of the most crucial aspects of a political project of post-colonial state-building. For Ceylon's post-colonial elite, the emphasis on rural areas and paddy agriculture served as means of redressing colonial grievances. A nationalist imagery of peasantry was propagated among the people on the idea that capitalism and market economies introduced through colonialism sabotaged the ideal self-sufficient village life of the Sinhala Peasant (Bastian, 2009).

In order to fulfil this political project, the Sri Lankan state implemented a range of policy measures from land reforms to the establishment of land settlement schemes that benefited the peasantry as a class. These policies were a part of a larger national development strategy of state building projects of post-colonial Sri Lanka. Bastian (2009) is of the view that these policies in turn consolidated the relationship between the ruling class that controlled the state apparatus, and the rural paddy producing smallholder farming community who formed the majority of voters. Advancing the cause of the peasants was proved to be an effective tool for the ruling elites in reinforcing their power in electoral politics. Therefore, protecting the peasantry and paddy production through material improvement of the rural masses provided the nationalists a sound justification to wield considerable power in government as representatives of the peasants who could offer greater opportunities to the masses and the development of their regions (Gunasekara, 2020).

2.5. Social and Political Implications of State Capitalism in Post-Colonial Sri Lanka

Sri Lanka's post-colonial context was founded on inequality which was reproduced by the cultural and economic legacies of colonialism. In the newly independent state

in 1948, the national elite and the bourgeoisie spearheaded a vision for development, which later intensified economic disparity within the society. Since then, the policies over the course of Sri Lanka's post-colonial history contributed to successive economic and political crises which left lasting implications on the country's class dynamics and social structure. By the mid 1970s, Ceylon's state-led experiment consisting of economic policies of import-substitution and state intervention came to an end. According to some economic analysts, the state-lead experiment was based on an illusion that the Sri Lankan economy could insulate itself from the world market and follow a path of self-reliant development (Athukorala and Jayasuriya, 1994). The experiment, however, failed due to the exposure of the vulnerability of the economy to external developments.

At the time of Ceylon's independence in 1948, divisions among social classes and ethnic groups started surfacing in the political and social scene. Politically, the society was divided between the conservative nationalist right and the Marxist-oriented left, which ultimately caused an industrial strife that erupted into general strikes in 1946 and again in 1947 (Athukorala and Jayasuriya, 1994). In the agricultural sector, problems such as low levels of food growth, landlessness, rural unemployment and external dependency on food remained persistent. Some scholars argue that these problems were not merely the result of the colonial plantation development but also the consequences of specific intervention strategies adopted by the post-colonial administrations. The post-colonial policies of successive regimes in the 1950s and 1960s saw a systematic discrimination of minority Tamils in favor of the Sinhalese. This exacerbated the already existing ethnic antagonisms between the majority Sinhalese and the minority Tamils, resulting in a full-blown ethnic conflict and civil war in 1983. To make matters worse, persistent inequalities in the realm of education and job market left constraints on the future prospects of rural youth which ultimately led to two bloody-uprisings in the south of Sri Lanka.

2.5.1. The Hartal of 1953 - The First Uprising against the Capitalist Rule

In August, 1953, Sri Lanka was on the brink of revolution as the Left mobilized a demonstration of a massive demonstration of opposition to the government with the

power of the masses in action. The uprising in 1953 known as the *Hartal* is referred to as a veritable people's uprising and a wholly democratic movement. Marxist intellectuals in Sri Lanka argue that it was the first great uprising in Ceylon's history against the capitalist rule which exemplified the worker-peasant alliance that saw the mass seizure of power and the active involvement of a government of workers and peasants (de Silva, 1953).

The trigger to the uprising was the abolition of the rice subsidy and increasing of the price of ration rice from 25 cents to 70 cents, measures implemented due to the increasing costs during the Korean War. In addition to this, the rail fares and postal rates were increased and the free mid-day meal for schoolchildren was withdrawn, causing heavy blows to the country's marginalized population. The struggle against the removal of rice subsidies eventually took the shape of an organized protest against the capitalist UNP government. The uprising drew in the predominantly rural masses from the most densely-populated and politically advanced regions in the island under the leadership of Ceylon's principle trade union centers and leading Marxist parties. The strike not only provided a solid framework for the worker-peasant alliance in action (Ibid.), but it also enabled the rural masses to enter into the arena of struggle to demonstrate their loss of confidence and discontent over the government and discontent.

As a response to the public revolt, the UNP government in power prepared its apparatus of repression to prevent the escalating protests. This only outraged the people to rise in their might and rendered the government powerless, compelling the capitalist class to bow to the people's will (Ibid.). The great *Hartal* of 1953 forced the Prime Minister to hand over his resignation, and subsequently the price of rice was immediately reduced.

2.5.2. The Peasants' Struggle

Even though the colonial administration in Ceylon came to an end in 1948, its heritage left a considerable effect on post-colonial state intervention in the peasant sector. The peasantry was at the heart of newly independent Ceylon's nationalist

elite's campaign towards decolonization. A centralized government of institutions was established to exercising authority through planned legal and institutional frameworks (Siriwardena, 1989). As a way of claiming their ability to represent the masses, elite politicians in Ceylon capitalized on the issue of majority Sinhala peasants who had been evicted from crown lands during the British colonial period (Guanwardana and Kadirgamar, 2021). However, the transition from a British to Sri Lankan ruling class did not change the *status quo* to a greater extent, as the Sinhala elites strategically developed their own paternalistic relationship with the peasantry, maintaining a tutelary and custodial attitude with the farmers (Moore, 1988).

In the post-colonial Ceylon, efforts were made in the realm for rural development through land reforms, extensive state-supported infrastructure, subsidizing irrigated colonization settlements in the dry zone. Through these measures, the state was able to preempt both class-mobilization and farmer discontent (Herring, 1988). However, the farmers could not substantially benefit as the elites instrumentalized agricultural extension services for their own purposes. Bastian (2009) argues that the overall effect of land reforms in the mid 1950s resulted in consolidating policies that primarily benefited only the Sinhala peasantry, but failed to address the exploitative aspects of tenancy relations, thereby constraining the benefits of land reform process.

Some experts argue that peasant inability to exert pressure on the formulation and implementation of policy reflects rural political incapacity in an elite-dominated process and social structure of agriculture of Ceylon. Given the dependency of smallholders on the state and the absence of traditions of local autonomy to oppose the state in the surplus-producing periphery, powerful brokers and bureaucrats have maintained power and legitimacy by controlling access, often diverting the land question from class-welfare issues to local questions of allocation - in the sense who should benefit (Herring, 1988).

2.5.3. The 1971 Youth Insurrection

In 1971, Sri Lanka's economy reported a negative growth rate due to the turmoil in the wake of a youth uprising. Commonly known as the JVP insurrection, this

political uprising marks the first major crisis of the post-colonial Sri Lankan state. Just like the *Hartal* in 1953, the uprising in 1971 was an expression of discontent with the “ruling classes” but it had potent populist-nationalist overtones. On 5 April 1971, at least 20,000 predominantly Sinhala-educated and rural-based youth attempted to overthrow the government and take over state power by launching a series of attacks on Sri Lanka’s rather rudimentary security forces such as police stations throughout the country.

In the 1966-1967, there was an awakening of political consciousness of Sri Lanka’s ‘*nirdhana pantiya*’ (dispossessed classes). During this time, the JVP emerged as a revolutionary force serving as an agency for the discontent of both the subaltern and poorer rural classes, especially small-holder and landless rural farmers of the southern polity (Rampton and Welikala, 2005). By the late 1960s, Ceylon’s economy was struggling against the post-war population growth and decline in terms of trade. In this background, the socialist coalition government was unable to fulfil the aspirations of rural youth. The 1971 insurgency is often characterized as a youth struggle caused by a mismatch between employment sought and opportunities available (Hewage, 2000). The Sinhalese youth who benefited from the advantages of expanding state-sponsored vernacular university education had difficulties as English continued to be a necessary resource for access to employment and social mobility.

The JVP (Janata Vimukti Peramuna, or People’s Liberation Front) was a Sri Lankan political party which followed an ideology combined Sinhala Buddhist nationalism with a home-grown version of Marxism (Kadirgamar, 2017). Dissatisfied by Ceylon’s established left in redressing their frustrations and the neglect of the Sinhala rural youth, the JVP mobilized a powerful vernacular- educated youth base belonging to the rural classes who remained marginal to the mainstream political parties (Rampton, 2015). The JVP members pursued a nationalist-populist discourse in their mobilization process. Some scholars argue that incorporating such ideology and discourses into the social fabric not only reinforced their stronghold but also prevented any eventual challenge to such dominance in the society (Ibid.). However, the insurrection was violently quelled by the state reprisal where the elites unleashed

a fury of violent attacks against insurgents and suspects insurgents as a way of avenging the JVP's attempt to challenge their legitimacy.

CHAPTER 3

NEOLIBERAL TRANSFORMATION IN SRI LANKA

In the late 1970s, Sri Lanka went through a ‘paradigm shift’ in its economy with far reaching implications on the social and political relations in the country. Neoliberalism was launched with a claim for open economy reforms and structural adjustment programs, marking the end of decades-long protectionist policies. The period between 1977 and 1983 can be categorized as the first wave of neoliberalism in Sri Lanka (Kadirgamar, 2017). In 1983, the country went through an ethnic war between the majoritarian Sinhalese and minority Tamil Liberation movement which lasted for 3 decades. The war, however, did not disrupt the neoliberal trajectory. The system was sustained through various projects and political regimes, transforming ultimately the post-civil war economy through accelerated liberalization in various markets, making it the second wave of neoliberalization (Kadirgamar, 2017).

This chapter will discuss different economic policy packages implemented during each wave of neoliberalism in Sri Lanka. It should be noted that these waves are characterized by different priorities on privatization, financialization, trade, subsidies and state services depending on the global and domestic climate, the character of the political regime and its social base. In every sub-chapter, the facets of each period of neoliberalism are problematized together with the mechanisms and political projects such as populism and nationalism that the Sri Lankan ruling elite deployed to garner mass support of the citizens, the crises of neoliberalism and how the state managed the counter the opposition against their policies. Finally, the social and political implications of the neoliberal development is analyzed with a specific emphasis on class and identity relations.

3.1. First wave of neoliberalism in Sri Lanka (1977-2009)

Crippled by the global economic downturn, the ensuing oil crisis of the 1970s, and the political repercussions of a youth insurgency in 1971, Sri Lanka’s state-led

economic experiment came to an end. It ushered in the beginning of Sri Lanka's first wave of neoliberalism. The implications of the inward-looking policies in the 1960s led to balance of payment problems and increasing budget deficits in the domestic economy. This was aggravated by external shocks such as the global oil crisis, making the 1971-1977 period a hallmark of low growth, rising youth unemployment and deteriorating social services. As a reaction and rejection of these policies, the elections of 1977 led to the development of a new regime with the United National Party (UNP) - the party of the urban educated and Westernized elite of the nation declaring a sweeping victory.

The new government was led by J. R. Jayawardena who became the President with an overwhelming legislative majority in 1977. Backing away from the pro-Soviet-leaning policies of the previous government and pledging to establish a market economy, Jayawardena moved Sri Lanka towards US-oriented policy initiatives with his allegiance to the United States (Kadirgamar, 2017). Sri Lanka became the first country in South Asia to initiate one of the world's earliest experimentations in neoliberalism, known locally as the "open economy". This meant departing from a welfare state to an export-oriented industrialization, creating a new policy environment in Sri Lanka. The "open economy" reforms were implemented in two stages: during 1977-80 and in the early 1990s. The first stage of the package included lifting quantitative import restrictions and elimination of tariffs, capital controls, and social subsidies, allowing the economy to attract foreign direct investment and liberalizing trade. In the second stage that began in 1990, further tariff cuts and removal of exchange controls were implemented under an ambitious privatization program (Athukorala, 1998). As part of this new policy regime, export processing zones (EPZs) were established to encourage foreign direct investments. The balance of payment crisis of the mid-1970s compelled Sri Lanka to seek development assistance. In 1978, with the aid of the World Bank and other foreign agencies and governments, then President J.R. Jayawardena carried out the "Accelerated Mahaweli Development Program" (AMDP) - a large-scale irrigation project in the island, mainly aimed at achieving self-sufficiency in rice production and generating employment. After the first stage of open economy reforms in Sri Lanka, the banking and financial sector expanded both in volume as well as

complexity. Prior to 1977, there were only four indigenous commercial banks in Sri Lanka. By mid-1990, the financial system consisted of 24 commercial banks, 11 regional rural development banks, 3 development banks, 3 merchant banks, 1 savings bank and about 45 operational finance companies (Central Bank of Sri Lanka, 1989).

As a result of the implementation of so-called open economy reforms, the island's century old reliance on agricultural commodity exports was replaced by a new economy of tourism, textile and financial services, in which Sri Lanka's economy witnessed a surge in private-sector led growth and foreign trade (Venugopal, 2015). During the period of 1989-1994, the liberation trajectory was characterized by financial, trade, tax and exchange rate liberalization. Privatizations continued at a slower pace, with no significant change in the direction of economic policies. Over time, the appeal of liberalization policies won the support of Sri Lanka's two major political parties as they maintained a strong personal commitment to market reforms and continued on the path of economic liberalization even during the war. By the late 1980s, Sri Lanka was grappling with a severe political crisis, the ethnic war in the north and east, and the southern youth insurgency. During the period of 1988-89, economic growth was roughly 2% per annum and rural poverty became a considerable concern (Dunham and Kelegama, 1994) while the domestic and global economic and political climate was impediment to reaching the ultimate objective of Sri Lanka's export-led growth. After 1989, several poverty alleviation programs were instituted such as the two hundred garment factory scheme for rural job creation, and village development 'awakening' schemes. These initiatives were over-ambitious and reflected the political interests of the government- to secure a firmer political base in the rural areas and acquiescence of the poor to continue with market reforms (Ibid.). During the brief period of 1990-93, in the Premadasa regime, some scholars argue that Sri Lanka which reached its pinnacle of an authoritarian market-driven globalized economic growth resembled an authoritarian East Asian developmental state which was characterized as corrupt, but efficient, intolerant and critical, but and results-oriented. While being generous and innovative with welfare schemes, the government in this period used their power to suppress unions and voices of opposition (Venugopal, 2015).

3.1.1. Political Projects in the First Wave of Neoliberalization

The open economy period in Sri Lanka saw the strengthening of capitalist relations and furthering of the interests of capital. The demands of capital in this era left lasting changes in the structure of the Sri Lankan state. The establishment of a presidential system of government and a proportional representation system of elections were two of the critical institutions that were put into effect in this period (Bastian, 2009). Parallel to the liberalization of the Sri Lankan economy, the newly elected UNP regime brought about a new episode in Sri Lanka's constitution-building. Sri Lankan state was redesigned under a newly formed executive presidency in 1978, replacing the Westminster-style parliamentary system that existed before. The drastic open economy reforms were enabled by the strengthening of the executive vis-à-vis the judiciary and the legislative. Then president J. R. Jayawardene used his executive powers to both execute major development projects as well as to control resistance of the oppositional groups, including the trade unions (Kadirgamar, 2017). The UNP regime that pioneered the open economy in Sri Lanka displayed an ideology of extravagant Sinhala-Buddhist nationalism to appeal to the masses.

In addition to its immensely powerful executive presidency, the new postcolonial constitution in 1978 gave foremost place to Buddhism - the religion of the majority ethnic community, Sinhalese. Ethno-nationalism was used as part of strategic politics of market reforms by the UNP government to formulate development projects such as the AMDP mentioned above. The AMDP not only generated economic benefits, but also created vast opportunities for elites to expand their patronage distribution and electoral consolidation most notably to garner the support of the Sinhala-Buddhist populace (Venugopal, 2011). Therefore, the Mahaweli project was infused with Sri Lanka's geographic, historical and religious imagery of nationalism to such an extent that Venugopal (2011) contends that it was not just a development project, but a vast enterprise in the accumulation of symbolic capital for the government. Massive development projects like the AMDP and housing programs served the political aspirations of the ruling elite by creating a desired image of the government that is concerned with the country's poor and the marginalized providing the state

with an invaluable mechanism for dispensation of patronage (Dunham and Kelagama, 1994).

3.1.2. Ethnic Conflict in Sri Lanka

The growth of Tamil militancy and the escalation of Sinhala mob violence in Sri Lanka during the 1983 conflict can be examined as the outcome of the socio-political repercussions of the market reforms that gripped Sri Lanka since the late 1970s. While the state continued its reforms to promote a market economy and accumulate capital, the Tamils (Sri Lanka's second major ethnic group) have been excluded in the process. After 1977, there were few institutional reforms by the Jayawardene regime to meet the grievances of the socially excluded Tamil population. Aggressive attempts were made to repress the voices of Tamil youth which ultimately led to the pogrom of 'Black July' in 1983. The pogrom caused death, displacement and destruction to property of Tamils which in effect started the armed ethnic war that continued for three decades. There are different hypotheses that seek to find answers to whether the Sri Lankan neoliberal elites engineered the civil war to conceal their economic intentions or whether the economic consequences of the reforms spurred Tamil grievances or Sinhalese mob violence (Venugopal, 2011).

Explaining the connection of market reforms to the ethnic conflict, Venugopal (2011) states that in the Sri Lankan society where class divisions tend to overlap with regional and ethnic identities, the Sinhala-Tamil hostility erupted as a result of the frustrations brought about by the unequal distribution of costs and benefits of the market reforms. Venugopal (2011) offers a variety of hypotheses, analysing the unequal impact of the reforms between the rich and poor, ethnically- politicized business strata and the uneven regional impact upon the north-south of Sri Lanka to explain the connection between the first wave of neoliberalization period and the increase of political tensions among the two main ethnicities in the early 1980s.

Using a modified Marxian framework, Sri Lanka's first Marxist anthropologist Newton Gunasinghe argues that differential impact of the reforms on the Sinhalese *versus* Tamil business strata was what heightened anti-Tamil sentiments that

escalated in the period of the 1983 riots. Gunsasinghe is of the view that the J.R. Jayewardene government's liberalization of the economy enabled a level playing field for Sinhala and Tamil business interests (Devapriya, 2021). According to Gunasinghe, controls on foreign exchange, banking and credit sector and political patronage had protected Sinhala mercantile interests during the closed economy era. The removal of import restrictions in 1977 had a significant impact on this group as they could no longer have preferential access to state power against the competitive Tamil merchants who seemed to have benefited from the removal of trade barriers and the consequent economic boom in the country (Venugopal, 2011). It should be noted that the liberalization process facilitated certain groups to advance their capital interests by benefiting from the climate of heightened tensions and authoritarianism. As Venugopal (2011) underlines, the ethnic conflict served as a fertile ground for politicians, bureaucrats, police and military to reinforce their dominance through the control of state power. The first wave of neoliberalism saw the mutually developing process of economic 'reforms' and socio-political decay (Dunham and Jayasuriya 2001) that eventually ended up in a three-decade war. Despite a more than three decades long armed conflict, major macroeconomic problems, the liberalization of the Sri Lankan economy led to reasonable economic growth. The World Bank reports (2008) that Sri Lanka achieved three decades of sustained growth, averaging 4.9 percent annually from 1977 to 2008, which saw the doubling of the per capita incomes over the past two decades to over \$1600 in 2007 (Bastian, 2009). According to a report by the World Bank, this resilience is the outcome of the persistent liberalization reforms initiated in late 1970s (Sri Lanka Development Policy Review, 2004).

3.1.3. Social and Political Implications of the First Wave of Neoliberalism

As Sri Lanka was hit by the first wave of neoliberalization, the nationalist populism took prominence and the nature of class and ethnic relations started changing against the backdrop of economic liberalization. In this process, many subaltern groups such as peasants, ethnic minorities, women, and wage earners were exploited and excluded, unable to benefit from a globalized market economy. In the context of the deepening capitalist production relations, some scholars attribute the failure of the

Sri Lankan state to intervene and address the grievances of the socially excluded and to continue with patronage politics that undermined the state capacity (Bastian, 2009).

3.1.3.1. Peasants

The first wave of neoliberal market reforms had an unequal impact on the peasants, causing disorienting social repercussions on their lives. State intervention in the peasant population was channeled through rural restructuring projects involving both land development and irrigation settlement. Such projects can be referred to as neo-colonial development projects as they dated back to the colonial reforms of the 1840s (Siriwardena, 1989). The AMDP can be seen as the country's first structural adjustment program to revive the rural economy. Even though it was initiated with the promise of creating an agrarian change favoring the Dry Zone farmers in Sri Lanka, the project highlighted inequalities, alienation, and social differentiation between settler farmers, leading to rapid de-agrarianizing. Some argue that the AMDP put immense pressure on small-scale farmers and pastoralists through deepening market compulsion in agriculture, land grabbing, and expropriation for agri-business, failing to acknowledge the value of the traditional agrarian economy (Lund and Baudouin, 2023). The process of rural "incorporation" and "modernization" of the farmers impinged on the economic institutions and social fabric of the societies, sometimes leading to farmers' resistance. The AMDP project had a deep Sinhala-Buddhist nationalist significance which ultimately acted as an instrument to displace, exclude, and attack the 'other' ethnic and religious minorities (Kelegama, 2023). In terms of ethnic composition of the 75,000 households settled, most were Sinhalese Buddhists, only 1.9% were Hindu and 2.9% were Muslim (Lund and Baudouin, 2023). Indeed, the MDP was heralded as a project to revive the glorious past of Sinhalese civilization in the Dry Zone. The propaganda of the project facilitated the regime to advance their populist ideology to legitimize the regime's Sinhalese nationalist policies and to incentivize the movement of people to Mahaweli settlements. Some refer to the AMDP as a Sinhala colonization project where the Sri Lankan government relocated landless Sinhalese peasants to predominantly Tamil areas, perpetuating the ethnic tensions even further (Witharana, 2018). Similar to

Venugopal (2011), Moore (1990) also emphasizes the differential impact of agricultural trade liberalization on the long-standing Tamil peasant grievances. Given that the island's export agriculture sector was concentrated largely in the Sinhala-south, agriculture in the Tamil majority Jaffna peninsula was restricted to minor domestic food crops. This resulted in a sharp depression of prices of domestic food crops in the north.

3.1.3.2. Women

With the triumph of the open economy in 1977, the elites facilitated the exploitation of women's labor by undermining their social reproduction in the rural areas (Gunawardena, Kadirgamar, 2021). During the open economy, wage labor in the garment industry and migrant domestic labor to the Middle East constituted the main sources of surplus and foreign exchange of the country. Since the UNP government removed the social safety nets, the youth and mostly women were forced to migrate to urban areas in search of work in the garment factories of Export Processing Zones (EPZs) and as migrant domestic labor in the Middle East, where they were often subjected to poor labor rights (Bastian, 2009). EPZs were established as part of Sri Lanka's structural adjustment programs in the open economy. The EPZs housed several multinational industries, mostly garment factories that practice a distinctively late capitalist form of gendered working relations (Hewamanne, 2019). Mostly young rural women from economically and socially marginalized groups were recruited to work within the EPZ's apparel industry where they were demanded maximal output for minimal wages in highly exploitative working conditions and underdeveloped labor-relations systems. As mentioned in Hewamanne (2019), the availability of "well-disciplined and obedient women workers who can produce more in a short time" (Dabindu Collective, 1997) was used as bait to attract investors to Sri Lanka's EPZs. These EPZ's introduced Sri Lankan rural women neoliberal ways of manipulating varied forms of capital. The women supported these reforms on the belief that they allowed them to acquire enhanced social status, which in turn initiated novel forms of incorporating villages in capitalist market relations. This often resulted in disparities among groups of people within villages, highlighting how fast global capitalism was encroaching Third World women and their

communities, and how they later became agents of this capitalist encroachment (Ibid.).

3.1.4. Social Uprisings during the First-Wave of Neoliberalization

The post-war regime in Sri Lanka (1977-1983) can be heralded as the first of its kind, which endorsed values of Sinhalese Buddhist ethno-nationalist populism and the neoliberal reform agenda (Chaminda, 2011). While the north and east were engulfed in an ethnic war, the south of Sri Lanka experienced growing tensions on both social and economic fronts. The benefits of the market-economy growth were overwhelmingly concentrated in urban districts while there was a persistent poverty of paddy farmers and wage earners in the outer rural periphery. The industrial and service sectors had an imbalanced growth, whereas there was an unusually rapid decline in the agricultural economy as the inequality grew sharply in the 1990-2002 period (Venugopal, 2015). This period saw considerable resistance and opposition from the citizens. Against a climate of worsening economic conditions, people started criticizing open market policies which resulted in disparities among the middle classes. A popular political slogan which developed during this period was “*Colombata Kiri Gamata Kekiri*” (Milk for Colombo, the capital of Sri Lanka, but nothing for the village) in which the “milk” symbolically represented the availability of better comforts in the cities (Chaminda, 2011). It is in this context that the JVP’s second armed insurrection took place in 1987-1989. The uprising led by radical youth saw elements of anti-capitalism, anti-UNP populist sentiments articulated with anti-Indian patriotic discourse. As the mainstream Sinhalese opposition was weakened, mass protests took place through democratic means which however were obstructed by the powerful executive presidency.

3.1.5. Path to Prosperity (1994-2005)

From 1994 - 2004, the open market policies continued with the privatization of several key state-owned enterprises and the management of state-owned plantations. During this period, the military conflict between the Sri Lankan government and the separatist Tamil group, the Liberation Tigers of Tamil Eelam (LTTE) intensified,

paralyzing the economy. Due to the high level of defense spending and budget deficits, in 2001, Sri Lanka's GDP contracted by 1.4 per cent, marking the first negative growth since independence (Central Bank of Sri Lanka, 2001). The government's economic difficulties were also compounded by global conditions such as the rise in world oil prices during 2000, weaker equity markets, a slump in USA's high-tech sector, deterioration in Japan's financial and corporate sectors. These slower growth prospects in the USA, Europe and Japan translated into lower demand for developing country exports like Sri Lanka plummeting its economic and business activity (Ibid.). In an attempt to recover the country that had been marred by political and economic instability, Sri Lanka's government led by the United National Front (UNF) in 2002, initiated peace negotiations with the LTTE, in which Oslo played a prominent role. The peace process was led with the ideological underpinnings of reforming the state to promote a market economy, devolution through negotiations with LTTE and good governance (Bastian, 2009). The peace talks continued to reach a political settlement between the two parties with the strong support from INGOs, aid agencies and civil society actors. The ceasefire was successful in many aspects, at least up until 2005. It ended most of the daily outbreaks of violence in the conflict zones where attacks by the LTTE or government forces on each other ceased temporarily. Economic life began to revive in the war-torn north and east of Sri Lanka, when rapid moves were made towards normalization. However, the hope engendered by the peace talks collapsed in time as violations in the ceasefire agreement continued with no sign of a change in the LTTE's tactics on the ground, leaving little progress for negotiations on the substantive political issues (Crisis Group, 2006).

According to some scholars, the Sri Lankan government's willingness to settle for a ceasefire and make negotiations with the LTTE were critically driven by economic factors. The intensity of the conflict in the previous six years, resulted in a negative growth of the economy and the prevailing interest rate on loans reached 22% in 2001, affecting the business and propertied classes of Sri Lanka - which constituted the social base of the UNF government (Shastri, 2003). The ceasefire agreement in 2002 brought new inflows of foreign aid to the country, providing a relief to the cash-strapped government and the war-ravaged economy (Ibid.).

3.2. Second Wave of Neoliberalism in Sri Lanka (2009-2019)

In the aftermath of the failed Norwegian-negotiated ceasefire of 2002, Mahinda Rajapaksa became the 6th President of Sri Lanka with a broad coalition consisting of the nation's majority-Sinhala Buddhist parties. Withdrawing from the political and peaceful solution, the Rajapaksa government resorted to a military solution to end the civil conflict, eventually terminating thirty years-long ethnic war in the country in 2009. The victory helped Mahinda Rajapaksa to secure his political power and reinforce his image as the 'Savior of the Nation' among the majoritarian Sinhala-Buddhist populace, marking the beginning of a new era of dynastic politics that would continue up until the *Aragalaya* uprising in 2022. Mahinda Rajapaksa's electoral strategy after the war was driven by a strong authoritarian regime at the helm of centralized state power, and the emergence of stability was characterized by militarized security (Kadirgamar, 2017). The regime had a stronghold of majoritarian ethno-nationalistic Sinhala Buddhist supporters and was increasingly unpopular among ethnic minorities. The government faced criticism by the international community for its alleged wartime and post-war human rights violations, and supporting groups accused of inflicting religious violence (Vérité Research, 2017). On the economic arena, the Rajapaksa regime adopted populist policies to get support from the Sinhala community in the south by investing in rural roads and electrification and expanding public sector employment. In 2007, Sri Lanka issued its first international sovereign bond, in order to fund the large-scale urban beautification and infrastructure projects. Moreover, the Rajapaksa regime accelerated their efforts in privatizing SOEs that by the end of 2005, 98 out of more than three hundred SOEs had been privatized (Balasooriya, Alam and Coghill, 2008).

The global conditions following the 2008 economic crisis in the West resulted in the large flow of finance capital to the 'emerging markets' in the East. When the ethnic war in Sri Lanka came to an end in 2009, the Rajapaksa regime capitalized on the emerging markets with a pledge to make the country the "Miracle of Asia" (Rajapaksa, 2010), paving the way for the second wave of neoliberalism in Sri Lanka. The political economy of post-civil war Sri Lanka can be analyzed by the prominent aspects of this second wave (Kadirgamar, 2017) such as the continuing

inflow of finance capital, financialization, greater integration with the global capital markets, an authoritarian regime controlling a national security state through repressive apparatuses, the changing relationship between the state and citizen where the individual is held accountable for the economic repercussions caused by neoliberal policies. In this subchapter, I look at the influences of the global economic crisis of 2008 on Sri Lanka's post-civil war development agenda, neoliberal policies of the postwar state such as financialization, urbanization as well as infrastructural developments shaped Sri Lanka from stagnation to high growth, and how the neoliberal urban development resulted in social injustices such as gentrification of the urban poor, indebtedness among the peasants, and displacement of ethnic Tamils from the war-torn north.

3.2.1. Neoliberal Policies during the Post-Civil War Period

The post-civil war transformation has been remarkable. The Sri Lankan economy in the immediate years after the war reported an exemplary growth record, graduating the country from a low-income to middle income emerging market status (IMF, 2010) The government followed a clear strategy of financialization, where it enabled global financial flows into the country through borrowings in the international financial markets by the state, banks and financial companies. The financialization in Sri Lanka's second wave of neoliberalization experienced greater integration with the global capital markets via the credits provided from the IMF, World Bank, the Asian Development Bank. As the government advanced their agenda of financialization, trade liberalization and privatization were also promoted. Some political analysts observe an intense structural shift in the workings of financialization during the second wave of neoliberalism in Sri Lanka. Kadirgamar (2017) contends that the depth of financialization in the immediate years after the war was far more extensive that the global circuits of financial accumulation were able to reach the rural households of Sri Lanka through a range of new financial mechanisms. Kadirgamar (2017) refers to this financial and market integration as a political project led by the Rajapaksa regime who won the trust of the people, by claiming that financialization would help the development of war-torn regions. The post-war boom in the Sri Lankan economy from stagnant growth was made also

possible thanks to the multi-dimensional development projects funded by sovereign bonds as well as commercial borrowings from international capital markets that came at high interest rates. However, the impact of these debt-infused development endeavors in post-war Sri Lanka must be questioned as the actual cost and ground-level benefits have shown disparities (Buthpitiya, 2013).

3.2.2. Sri Lanka's Post-Civil War Capitalist Development Trajectory

Sri Lanka's postwar development agenda aligned with President Mahinda Rajapaksa's manifesto to "transform Colombo into a world-class city, globally recognized as a thriving, dynamic and attractive regional hub that is the centerpiece of "21st Century Sri Lanka: The Miracle of Asia" (Rajapaksa, 2010). The President's vision aka '*Mahinda Chintana – Vision for the Future*' was an ambitious and bold project, arguably set to change the national development trajectory in Sri Lanka. Establishing Sri Lanka as one of Asia's foremost commercial centers, providing vibrant financial services and capital market, and a macroeconomic policy direction, increasing public-private- partnerships and FDI, promoting technology-intensive industries and accelerated development programs for tourism were among the promises of Rajapaksa (Ministry of Defense and Urban Development, 2010). In the post-war development era, during the Rajapaksa presidency, China became indispensable to Sri Lanka as a donor, investor, trader, builder, and most importantly a partner to counter the Western powers. The Sino-Sri Lankan relationship was strengthened with billion-dollar Chinese funded infrastructure development projects such as the Hambantota Development Zone, the Colombo Port City project, and the Norochcholai Coal Power Plant project. Following the end of war, the Rajapaksa regime was subjected to immense international pressure concerning the alleged war-crimes against Tamil civilians in the no-fire zone. In order to gain political support against Western-led resolutions in the UN general assembly, the government followed a China-oriented foreign policy. When the US ended direct military aid in 2007 on the pretext of Sri Lanka's deteriorating human rights record, the Chinese supported Sri Lanka in military and diplomatic ways. In the final years of the civil war, China fulfilled its promise of providing the Sri Lankan government with the required military hardware. In the immediate post-civil war years, Beijing remained

closed to Sri Lanka by defending the Rajapaksa government from being censured over war crimes at international human rights forums (Ramachandran, 2018).

3.2.3. Social and Political Implications of the Second Wave of Neoliberalism

As discussed, the post-civil years saw the second wave of neoliberalization in Sri Lanka. In the process of meeting the President's postwar vision of making the country a 'modern megapolis', the Rajapaksa regime in power initiated an accelerated and expansive urban development trajectory that was grounded in neoliberal processes of accumulation by dispossession. The market-oriented infrastructural developments were mainly concentrated in the capital of Colombo and were funded through foreign-aid, public-private-partnerships, and financial investments. The haphazard policies of state-led restructuring projects and militarized control of north in the postwar development left lasting socio-economic, class and spatial implications on the ethnic minorities and the lives and livelihoods of the urban poor. The large-scale infrastructure projects in Sri Lanka were implemented at the cost of the working-class urban poor. The outcome was a transformative physical restructuring of geographical space that was essentially pro-finance and pro-investor class. Moreover, Rajapaksa's post-civil war development plan brought to the fore the military as a major agent. As a consequence, ethnic Tamil communities in the north and east were alienated and excluded by the government's land grabbing and relocation efforts, culminating in increasing inter-communal tensions.

3.2.4. Rural Indebtedness

Following the end of the civil war in 2009, the process of financialization penetrated into the rural population of Sri Lanka, through the expansion of credit with a variety of financialized mechanisms such as pawning of gold jewelry, micro credit and lease hire purchasing. The consequences of credit expansion led to high levels of indebtedness among rural individuals and eventually the inability to sustain their way of life. As a result, a new circuit of accumulation was created, in which financialized debts caused rural dispossession resulting in out migration (Kadirgamar, 2017). This

credit expansion followed by financialization had impact on the dynamics of rural debt, as high interest rates greatly increased the levels of indebtedness of the rural population. Contrary to the popular narrative about microfinance which promised the enhancement of socio-economic wellbeing of low-income people in the Global South, the unsustainable microfinance debt lent at exploitative rates by finance companies further increased their dependency and deprivation (Wedagedara, 2021). As in other developing countries, the rural indebtedness has caused causing immense physiological and physical impact mostly on vulnerable women in Sri Lanka. The women in war-torn regions seeking avenues of credit to start their business or achieve financial independence were caught in a debt trap. Their lingering war-time trauma was intensified by the fear and harassment of debt collectors, which led to a concerning increase in suicides (Kadirgamar and Kadirgamar, 2019). However, in the last few years, against deepening indebtedness, women victimized by microfinance started struggles and resistance which called for a ban on microfinance companies. This crisis of indebtedness according to Kadirgamar (2019) can be traced back to history as a consequence of series of cuts in welfare, policies of financialization that accompanied neoliberal globalization, where the state started transferring its responsibility of expanding the self-employment of rural citizenry to NGOs and finance companies.

3.2.5. Class Dynamics of Gentrification

Coupled with neoliberal urban development, the government of Sri Lanka intensified economic reconstruction initiatives and gentrification strategies around the metropolitan capital of Colombo. The urban regeneration drive resulted in relocation of residents from low-income settlement areas such as slums, creating class dynamics of gentrification in the urban landscape. Therefore, it is important to identify the social injustices that resulted from the spatial restructuring of communities and cities and see how it has reflected neoliberal and capitalist schemas of urban development that undermined the wellbeing of all of its people (Van Dort, 2016). The post-war urban development initiatives not only changed the class structure and urban labor market, but they appeared to have intensified the city's existing social disparities, affecting especially Colombo's urban poor. Moreover,

these urban projects necessitated the removal of ‘slums and shanties’ that used to be home to Colombo’s poor working-class population (Van Dort, 2016). In the pursuit of re-engineering the physical and social landscape of Colombo, the poor working-class communities were relocated to high-rise apartments far away from their inner-city dwellings with the promise of a luxurious life. Their presence in the city was declared an urban blight and their dwellings have been labelled ‘underserved settlements’ and slums (Van Dort, 2016). To exacerbate their living conditions, the politicians have also neglected the well-being of the evicted families by disregarding their right to receive compensation as per the law (Ibid.).

3.2.6. Ethnic Division

Despite the post-civil war neoliberal transformation of the economy, the northern and eastern Sri Lanka continued to grapple with increased inequalities and uneven development. After decades of neoliberal development and displacement by the civil war, the subaltern segments of the war-torn areas were faced with dispossession and social exclusion (Kadirgamar, 2017). The postwar Sri Lanka reflected the characteristics and intentions of an ethnocratic state. The main aim of the state led by the Rajapaksa administration was to promote the ethnicization of the contested territory and power apparatus to reinforce the majority Sinhalese dominance in Sri Lankan politics (Yiftachel et Ghanem, 2004). Touristic developments and commercial enterprises in the postwar era were mostly spearheaded by the Sri Lankan military with a centralized government control, detrimentally undermining the civil liberties of people in the conflict-affected northern Sri Lanka. As mentioned in Buthpitiya (2013) post-war mega development projects in the South and North have resulted in local youth being driven away from their traditional livelihood activities such as farming and fisheries, leaving them with no viable compensation (Fonseka and Raheem, 2010; Gunasinghe, 2012; Liyanaarachchi, 2013). The Rajapaksa government continued the ‘Sinhalaization’ strategy of the 1950s with landgrabbing and setting up militarized high-security zones, and special economic zones in the north and east of Sri Lanka, the Tamils’ traditional homeland. The impingement of the military into the lives and livelihoods of Tamils led to a further

marginalization of the communities, challenging the peace and reconciliation efforts in post-war Sri Lanka.

3.3. Gotabaya's Presidency (2019-2022)

In the climate of a vulnerable national security stemming from the previous government's failure to prevent the alleged ISIS-inspired Easter Sunday attacks, in November 2019, Gotabaya Rajapaksa, brother of former President Mahinda Rajapaksa became the eighth president of Sri Lanka with an overwhelming majority. Gotabaya made three major promises: first, he promised to reinforce national security and counter terrorism. Second, he made a proposal for a sustainable economic development and introduced tax cuts in order to boost the economy. Third, he promised to strengthen the unitary state, meeting the desire of the country's majority Sinhala-Buddhist population (Karcher et Kapur, 2022). With these promises, Gotabaya Rajapaksa was able to capitalize on the prevailing political climate and continued the dynastic politics, marking the return of the Rajapaksa's power. As the former defense secretary who played a key role in the country's ethnic war, he paraded himself as a nation savior with a strongly ethno-nationalist Sinhala agenda, pledging to prioritize security.

3.3.1. Gotabaya's Domestic and Foreign Policy

In his manifesto, President Gotabaya introduced a people-centric economic policy called "Vistas of Prosperity and Splendor" which contained a four-year national program. He sought the support of the business elite, academics and intellectuals with initiatives such as "Viyathmaga" - Professionals for a better future, and established programs such as "Conversation with the Village" to build a rapport with the country's farming community (Presidential Secretariat of Sri Lanka, 2019). In order to induce economic growth, following his election as President, Gotabaya's administration introduced sweeping tax cuts to personal and corporate taxation as well as to VAT (Value Added Tax), a cut to 8% from 15%. However, given the country's already exceptionally low tax-to-GDP ratio, these tax exemptions, further decreased public revenues. President Gotabaya vowed to follow a neutral foreign

policy that would allow the country to maintain its sovereignty, security, national pride, and deal with all nations on equal terms. However, following his brother, Former President Mahinda Rajapaksa, President Gotabaya also used a nationalist rhetoric to justify Sri Lanka's pivot away from the West and their overly interventionist and intrusive policies, leaning towards China—which they portray as a successful challenger to Western imperialism (Gupta, 2021).

3.3.2. Social and Political Implications of Gotabaya's Policies

Gotabaya Rajapaksa took office as the President during a volatile macroeconomic situation. The economy was yet to fully recover from the Easter Sunday terrorist attack in April 2019. As reported in the IMF (2022), in 2020, COVID-19 and ensuing lockdowns triggered a severe economic downturn in Sri Lanka, causing a significant loss of revenue generated by tourism. In addition, pre-pandemic tax cuts led to fiscal deficits larger than 10 percent of GDP in 2020 and 2021 and the economy experienced a rapid increase in public debt to 119 percent of GDP in 2021 (Ibid.). During this period, as reported by the IMF (2022) Sri Lanka's access to international capital markets was also lost, causing a decline of international reserves to critically low levels. In the context of elevating risks to public debt sustainability, Sri Lanka became a country to have one of the highest levels of gross financing needs among emerging market economies (Ibid). Experts attribute Gotabaya's downfall to his failure to address the economy's many structural shortcomings, owing to his political immaturity and militarized background. In the climate of Sri Lanka's unfavorable debt dynamics, the Gotabaya's government made concessions to rent-seeking crony capitalists and followed an agenda of ethno-nationalism, continuing to marginalize the minority communities such as Tamils in the war-torn north and east while also provoking anti-Muslim hate campaigns (Arudpragasam, 2022). The Gotabaya Rajapaksa government passed the 20th amendment to the Sri Lankan Constitution, further strengthening his executive powers as the President. The constitutional amendment which was associated with a unitary state structure with sovereignty, severely undermined the independence of democratic institutions and enabled the President to lean towards autocracy. The implications of

his populist policies, coupled with contingent factors would eventually culminate in Sri Lanka's worst economic crisis in 2022.

3.3.2.1. Agrarian Crisis

Parallel to the snowballing effects of the economic and debt crisis, Sri Lanka was also confronted with an agrarian and food crisis which was fueled by the country's reliance on importing food and vulnerability to agrochemical price hikes. Sri Lanka had a very ecologically-sustainable agricultural system up until the 1960s' Green Revolution which changed the island's agrarian landscape along with a shift to an entirely commercialized food system. Even though the goal of this was to make the country self-sufficient in rice, and improve the living conditions of rural peasants, the high cost of farming has always outweighed the high-yielding harvest. For decades, profits from the harvest mostly benefitted the intermediary businesspeople, not the peasant farmers or their families. With the aim of advocating for organic farming and agroecology in 2021, then-President Gotabaya Rajapaksa announced a temporary restriction on the use and importation of chemical fertilizer. While a majority of Sri Lankan farmers supported the government policy to transition to organic fertilizer, this overnight transition to organic agriculture turned out to be a complete failure, leaving farmers with lack of knowledge less support and sufficient time to switch to organic. The consequences of the ban came at a catastrophic cost to the farmers and food security, affecting high-yield crops and cash crops such as tea. The island's rice production dropped 20 percent in the six months since the implementation of abrupt agrochemical ban, impacting the livelihoods of paddy farmers who provided the country with rice, its staple food, making them the highest users of chemical fertilizer (94%) (Verité Research, 2021). Since Sri Lanka has relied on agriculture for both sustenance and export income, some experts believe that moving away from an agrochemical-heavy food system makes sense in many ways. However, the Sri Lankan experience crystalizes the importance of being mindful of the economic, political, and social context of any abrupt reform (Torrella, 2022). However, according to various independent observers, the banning of chemical fertilizer was purely driven by economic motives, i.e. to reduce the budget deficit and save foreign reserves as the imported fertilizers costed about \$300-\$400 million a year (Economy

Next, 2020). However, in doing so, some scholars note that the Sri Lankan government ended up creating a new poor while worsening the existing foreign debt situation (Amarasinghe and Perera, 2022).

3.3.2.2. Favouring the Wealthiest

The tax exemptions by Gotabaya administration were proven detrimental to the country's fragile public finances from 2019. Even though the goal behind these tax reductions was to stimulate economic growth, some economic analysts argue that the primary beneficiaries of these corporate tax exemptions were the wealthiest segment of Sri Lankans and foreign investors whose powerful commercial interests have eroded the tax base (Human Rights Watch, 2022). Given the country's already exceptionally low tax-to-GDP ratio, these tax exemptions further decreased public revenues to 8 percent, making it among the lowest in the world (IMF, 2022).

3.3.2.3. Ethnic Division

Sri Lanka under Gotabaya Rajapaksa represented a militarized ethnocracy (DeVotta, 2021) that employed a racially divisive governance style to secure the support of the vast majority of Sinhalese Buddhists. The Gotabaya regime conveniently disregarded minority concerns in many instances. An expanded system of surveillance and militarization in the minority-dominated northern and eastern region was used to keep Tamils marginalized and insecure while allowing the Sinhalese Buddhist forces to colonize the traditional Tamil and Muslim lands (Ibid.). Despite the World Health Organization recommendations, the government deliberately imposed a ban on COVID-19-related burials of the Sri Lankan Muslim community and forcibly cremated those who died of the virus. As Sinhala Buddhist nationalism became further institutionalized in Gotabaya Rajapaksa's autocratic and majoritarian trajectory, he failed to incorporate productive minority citizens into its nation-building projects, which led to alienating and excluding them. The consequences of his discriminatory policies consequently widened the pre-existing ethnic divide in the country.

3.3.2.4. Suppressing the Opposition

The Rajapaksa regime legitimized autocratic politics to ensure security with ethnocentric and counter terror policies. These laws were implemented to target and harass minorities, activists, journalists and critics of the government at the expense of civil liberties and rights. During Gotabaya's power, thousands of Tamils and Muslims were arbitrarily arrested and detained using the Prevention of Terrorism Act (PTA). During the *Aragalaya* protests in 2022, the newly appointed President Ranil Wickremesinghe continued to use excessive and unnecessary force and emergency laws to fiercely clamp down on protests and demonize protesters, in an effort to curb further demonstrations and dissent. Even after Gotabaya's departure, during President Ranil Wickremesinghe's tenure, over 200 protesters and organizers linked to the *Aragalaya* movement have been arrested under anti-terror laws (Amnesty International, 2022).

CHAPTER 4

THE ARAGALAYA: THE CITIZEN'S UPRISING IN 2022

Sri Lanka's *Aragalaya* ('Struggle' in Sinhala) is a unique phenomenon in the history of Sri Lanka. Since its independence from the British colonial powers, the country has witnessed citizen's defiance against the injustices and oppression of the state and resistance to the ruling elites in power. Although there had been many protests aiming to reform the state over the last few decades, nothing parallels the *Aragalaya* in 2022 in terms of its scope and scale which paved the way for a new process of political change. This chapter provides a critical evaluation of the *Aragalaya*, starting from the crisis situation that provoked the spontaneous citizen's protest movement and then the subsequent developments since mid-July 2022 that turned it into a mass political movement. By analysing the contingent factors, motives, participants and external influences that facilitated the *Aragalaya*, I intend to find the reasons that made the citizen's protest movement in 2022 different from other uprisings in the history of Sri Lanka. Moreover, by weighing *Aragalaya*'s strengths and failures, I question whether it can be considered successful in reaching its objective of making a pathway for a 'system change' against the current political context of Sri Lanka.

4.1. History of Uprisings in Sri Lanka

Sri Lanka possesses its own history of civic activism and popular uprisings against the ruling elites in power. Prior to independence, colonial Ceylon had three significant uprisings in 1818, 1848 and 1915. While the aim of the 1818 struggle was feudal in nature with the aim of restoring a feudal king, the 1848 uprising was modern in many aspects. It was a violent protest of rural peasants against the process of capitalist dispossession of their land. Even though the uprising was not deemed a success, as a result of the uprising, the old feudal elites were made powerless and a

new class, capable of leading the struggle emerged (de Silva, 1953). In 1915, under the newly-developing capitalist class in Ceylon, religious-communal tensions started to surface within the population. For, the colonial Western education created a wide cultural and economic gulf between the lower classes and the elite, creating a cultural alienation of the lower classes and ethnic minorities. The clash against the British imperialists, setting the road for the struggle for national liberation (Ibid.), happened within a divided society as such.

Following independence in 1948, Sri Lanka witnessed its first struggle against the new capitalist rule. In August, 1953, there was a mass demonstration against the government who earned people's discontent after the abolition of the rice subsidy. According to de Silva (1953), the August uprising comprised the imprint of the worker-peasant alliance that had served as the instrument of Ceylon's national liberation and social emancipation. Then, in the 1970s and 1980s, the island witnessed a series of uprisings against injustices and oppression of the majoritarian state. As discussed before, the two Marxist armed revolts in the Sinhalese-majority south (1971, 1987-1989), and the Tamil separatist movement in the north (1983-2009) which ultimately led to a 30-year-old war, shaped the course of Sri Lanka's history. However, unlike the *Aragalaya* in 2002, the previous uprisings in the history of Sri Lanka were extremely violent in nature. For example, in the youth insurgencies of 1971 and late 1980s, the protestors advocated the use of militant force to overthrow the ruling government and the uprisings were ethnically and geographically confined to a specific region of the country (Rambukwella, 2023). A detailed account of the ethnic war is provided in Chapter 3. The uprising in 1953 known as the *Hartal* is referred to as a veritable people's uprising and a wholly democratic movement in Sri Lanka. It is hailed as a struggle against the capitalist rule which bears the imprint of the worker-peasant alliance that points the way to the mass seizure of power and the emergence of the Workers and Peasants Government. (de Silva, 1953). By the late 1960s, Ceylon's socialist coalition government was struggling to keep the economy afloat against the post-war population growth and decline in terms of trade. The dire economic conditions affected the aspirations of rural youth. It was during the time of 1966-1967, Sri Lanka witnessed an awakening of political consciousness of Sri Lanka's '*nirdhana pantiya*' (dispossessed classes).

The 1971 insurgency is often characterized as a youth struggle caused by a mismatch between the employment expectations sought by the youth and the opportunities that were made available to them (Hewage, 2000). The Sinhalese youth who benefited from the advantages of expanding state-sponsored vernacular university education had difficulties as English continued to be a necessary resource for access to employment and social mobility. Just like the *Hartal* in 1953, the Uprising in 1971 was an expression of discontent with the ruling classes but it had potent populist-nationalist overtones. On 5 April 1971, at least 20,000 predominantly Sinhala-educated and rural-based youth attempted to overthrow the government and take over state power by launching a series of attacks on Sri Lanka's state authorities. The second armed insurrection led by radical Marxist youth which took place during 1987 and 1989 was mainly a struggle that had anti-capitalist, anti-liberal and populist sentiments articulated with anti-Indian patriotic discourse. As the mainstream Sinhalese opposition was weakened, mass protests took place through democratic means which however were obstructed by the powerful executive presidency. However, it should be emphasized again that unlike the *Aragalaya* in 2002, the previous uprisings in Sri Lanka that challenged the state were violent in nature in many aspects starting from the protestors use of militant force to state suppression. They were also ethnically-defined and geographically concentrated to a particular territory of the island (Rambukwella, 2023).

4.2. Uniqueness of *Aragalaya*

There are many aspects that make the 2022 *Aragalaya* unique in comparison to the previous citizen's movements. According to Uyangoda (2023) a critical Marxist scholar in Sri Lanka, *Aragalaya* marked the beginning of the island's citizen's defiance to an authoritarian and semi-militarized government, and aimed to transform Sri Lanka into a society of 'disciplined' citizens and a state of 'law and order' (Uyangoda, 2023). For the first time in Sri Lanka's postcolonial history, the country saw the emergence of a sense of democratic citizenship in the *Aragalaya*. Scholars like Rambukwella (2023) argue that the *Aragalaya* was a historic moment as it succeeded in breaking the vicious cycle of patron-client politics which had been distorting the electoral democracy in Sri Lanka for years. *Aragalaya* was initiated as

a people's voluntary initiative with no centralized organizational structure, ideological manifesto or a politically programmed action. It consisted of activists and participants from multiple groups representing all the ethnic bases and urban-rural segments of the society. Despite the absence of a unified leadership or an organizational structure, the protesting citizens in the *Aragalaya* shared common sentiments to achieve some common objectives. Driven by their deep disappointment with the then-president and the ruling government, hundreds of people mobilized in the Galle Face Green of Sri Lanka's administrative capital to voice their frustration over the President's systematic failures to control the economic and social crises. *Aragalaya* was a 'spontaneous', yet a thoroughly disciplined social protest. As explained by Uyangoda (2023) in the Gramscian sense, *Aragalaya* was "not the result of any systematic educational activity on the part of an already conscious leading group, but have been formed through every experience illuminated by common sense" (Gramsci, 1971:198 -199) that reflects hopes and elementary visions for change and alternatives.

Although the primary objective of the *Aragalaya* was the President's resignation, as the momentum grew with increased participants, the demands of the protests began to expand and become diverse. It allowed citizens to voice their opinions and address the chronic shortcomings of Sri Lanka's representative parliamentary democracy and gave them the opportunity to demand constitutional amendments, establish People's Councils, claim their right to recall mechanisms of direct democracy as societal checks and balances on power, and enable participatory citizens to actively take part in policy deliberations (LST Review, 2023). Some scholars refer to *Aragalaya* as a watershed moment in Sri Lanka's history of uprisings that could have surpassed the *Great Hartal* in 1953 which is hailed as Sri Lanka's first revolt against capitalist rule. In some respects, *Aragalaya* shares similarities with the 1953 Hartal protests. However, in terms of the momentum, class dynamics, intensity and outcome, *Aragalaya* stands out as a unique phenomenon that marks the first-ever open expression of public contempt against a head of government in Sri Lanka. Skanthakumar (2023) argues that in contrast with the 1953 *Hartal*, a more middle-class discourse dominated in the 2022's multiclass uprising. Moreover, despite the support received across the country and overseas, one could argue that the *Aragayala*

was still more effective in Sri Lanka's administrative capital, Colombo located in the urbanized western province.

4.3. Crisis Conditions Before the *Aragalaya*

Since 2019, Sri Lanka has been hit hard by a series of shocks that gave rise to the crisis conditions which resulted in the economic disaster in 2022. Over 2020 and 2022, the COVID-19 pandemic and the war in Ukraine created an unprecedented economic crisis around the world. The subsequent cost-of-living crisis and social implications were much severe on developing countries like Sri Lanka. During the COVID-19 lockdowns, GDP decreased by 17.1 per cent in the second quarter of 2020 (ILO, 2023). However, even though the pandemic is considered one of the major contributing factors to Sri Lanka's economic crisis in 2022, prior to the onset of the COVID-19 pandemic, the country was already facing considerable macroeconomic imbalances and structural weaknesses. The mainstream liberal economists attribute the economic disaster in 2022 to the incumbent President Gotabaya Rajapaksa's ill-conceived economic policies and fiscal mismanagement. Among them were the *ad hoc* policies of Gotabaya Rajapaksa to implement the abrupt ban on chemical fertilizers with the aim of shift to organic farming, as discussed before. This led to successive loss and reduced harvest of paddy and vegetables, causing devastating impacts on staple food supply. This not only affected the peasant communities but also led to a food insecurity situation throughout 2021-2022. The Central Bank of Sri Lanka (2023) argues that due to measures like ill-timed tax reductions, an overnight shift to organic agriculture, and the delay in the exchange rate adjustment, the economy was severely impacted by excessive balance of payments (BOP), acute shortage of foreign exchange, pressured exchange rate and inflation by the early 2022. These issues resulted in shortages and rationing of essentials such as electricity, fuel and medicine, causing severe distress among all the citizens. The hardships of the economic crisis were spread through the society on multiple levels - public health, economic, social, governance and eventually political. It soon led to a social crisis spawned by the combination of public health and economic crises exacerbating the already existing social conditions of poverty and inequalities (Uyangoda, 2023). Amidst the unprecedented heightening of socio-

economic and socio-political tensions, characterized by long waiting lines for food and fuel and loss of welfare and livelihoods, people's trust in the government rapidly deteriorated. It was in this crisis condition that the world saw the unfolding of the uprising in Sri Lanka.

The *Aragalaya* started off as a peaceful candlelight vigil in one of the middle-class suburbs of Sri Lanka's capital Colombo on the 1st of March 2022 as a response to the hardship endured by the economic crisis. As the prevailing crisis worsened, on 31st of March 2022, hundreds of Sri Lankans who were weary of long power cuts and shortages of fuel and food gathered near President Gotabaya Rajapaksa's private residence to express their frustrations with the regime. This protest which vociferously demanded the resignation of the former President Gotabaya Rajapaksa was violently suppressed by the Sri Lankan Security forces and resulted in the government imposing a curfew to contain further agitation. After this day, the protests gradually grew into a fully -fledged resistance movement carrying the main slogan "#Go Home Gota". Continuing their cause, on 9th of April 2022, large crowds from different ethnicities and social classes of Sri Lankan society gathered at the Galle Face Green, a public place in the heart of Colombo, marking the beginning of *Aragalaya* uprising. As outlined by Uyangoda (2023), the *Aragalaya* can be seen as having evolved through 4 stages: The *formative phase* from the early 2020 to March 2021 during which sporadic and spontaneous protests took place; early March to 9 May 2022 - the day that saw a violent clash between the opponents as well as supporters of the *Aragalaya* and the resignation of the Prime Minister; from 9 May to 9 July - the day that made global headlines where mass of unarmed civilians occupied the presidential secretariat in Colombo and his official residence. 9th July is known as the *triumphant moment* of the *Aragalaya* as was a symbolic reenactment of the storming of the Bastille (Ibid.). The *last stage* of *Aragalaya* ended on the 13th July with the resignation of President Gotabaya Rajapaksa.

4.4. Participants of the *Aragalaya*

As mentioned by Uyangoda (2023), the year 2021 was described as a year of defiance and resistance by the rural poor, plantation workers, and the public sector

workers against a president and regime that came to power by promising a strong government under a 'strong leader.' However, contrary to their expectations, the Gotabaya Rajapaksa could not live up to his promise of prosperity and development, as the country ran into a deep crisis within two years of being elected. As a result of his incapacity to mitigate the crisis conditions, the Rajapaksa regime lost its credibility, legitimacy and the capacity to govern the country. Frustrated by the power outages and shortages of essentials, people started taking into the streets to express their anger. A series of public demonstrations later turned into a mass uprising.

The *Aragalaya*, which initially started off as a spontaneous, voluntary, unorganized citizens' protest against a government that many thought had betrayed their trust, gathered momentum soon with a wider participation of supporters from all segments of the society. The forms of class struggle which the economic crisis in 2022 provoked were of a radically different nature from the previous struggles in the history of uprisings in Sri Lanka. The *Aragalaya* uprising saw a broad social coalition of citizens made up of the non-elite and subordinate social classes as well as the urban and rural middle classes. Diverse interest groups, stakeholders, participants from peasantry, business communities, trade unions, the students, women and religious clergy contributed to the *Aragalaya* providing political, ideological and financial support. The mass participation of the *Aragalaya* mirrored the far-reaching consequences of the coercive side of the Sri Lankan state since its independence. As a country that had been plagued with deep seated ethnic and religious divides for many decades, the *Aragalaya* stands as a unique social and political phenomenon as it gained widespread legitimacy among the general public, demonstrating cross-ethnic and class solidarity. Transcending the deep-seated ethnic and religious divisions, people showed their support to the *Aragalaya* not just to express their frustration over economic hardship but also to address their long-standing grievances relating to social, political, and economic problems, including Sri Lanka's authoritarian politics. Some of the issues that became core components of this People's Protest Movement were the alleged forced disappearances of the minority Tamils during the war, actions against media freedom, justice for victims of

the Easter Sunday terror attack, the dire situation of the farmers, following the overnight Chemical Fertilizer ban.

Despite rather radical demands voiced during the mass uprising, the momentum of *Aragalaya* waned when its primary objective of ousting the incumbent president was achieved. This might be explained by the activists' lack of a coherent strategy to act beyond. The *Aragalaya*, I contend, failed in clearing the path for further progress for democratic reforms, allowing a successor who is well-fitted for the politics of parliamentary maneuver. It is during this time that FSP, The Front-Line Socialist Party with revolutionary and radical nationalist histories entered the arena, played a prominent activist role in the latter stage of the citizen's movement. Even though they provided an ideological organizational direction to the popular uprising, given their commitment to economic and social justice as well as reforms outside the neo-liberal as well as conventional liberal frameworks (Uyangoda, 2023), the interim-government perceived them as an obstacle to their system of governance. Sri Lanka has a long tradition of trade unionism. While there was trade union contribution in the series of protests leading up to the *Aragalaya* in Galle Face Green in 2022, some scholars argue that the overall working-class movement was largely passive in the people's uprising. Underscoring the weakness of the contemporary Sri Lankan left and its politics, Skanthakumar (2023) refers to the *Aragalaya* as a glorious rebellion of the discontented which produced an outcome that impeded the rejection of the existing system of the economy and the state.

4.5. Political Mobilization

In addition to this, the use of social media had a profound impact on the *Aragalaya* protest movement. From mobilization, coverage of events to resistance to authority happening on multiple levels, in multiple places, social media networking was able to reach much larger segments of the public than was ever possible in the previous uprisings (LST Review, 2023). The scale of this mobilization process was best exemplified in the July 9th protest, when thousands of people defied the curfew and gathered at the mass protest site in Colombo in support of the resistance movement. Several days prior to the protest, different posters in Sri Lanka's all 3 official

languages were circulating across social media, bearing the slogan *Ratama Colambata* – meaning ‘the whole country to Colombo’, the capital of Sri Lanka (Ibid.). Memes, hashtags and slogans became a key driving force in *Aragalaya*’s political communication, reflecting the power of social media in consolidating mass support. Slogans like #Gotagohome stressing the resignation of the president enabled protestors to understand the ultimate goal of the people. But it can be argued that this slogan crosscutting shared by all oppositional groups also limited the transformative implications of the *Aragalaya*. For, once the president resigned more radical demands for direct democracy were addressed. These included calling for constitutional reforms, restoring justice, setting up People’s Councils that would enable citizen to question the power exercised by the political and bureaucratic elites (LST Review, 2023). Rambukwella (2023) contends that the cultural dynamics of the *Aragalaya* challenged the hegemonic Sinhala national cultural form that was deeply conservative and allowed little space for marginal identities such as the LGBTQ community to express their concerns. Galle Face Green in Colombo, the arena where the *Aragalaya* took place became a space for creative expression and youth activism. The protestors formed initiatives such as “*Jana Aragalaye Kalakaruwo collective*” (Artists of the People’s Struggle) to express their resistance through music, murals, poetry and theatre. Despite a time, which was characterized by hyper vigilance, bigotry, extreme polarity, and uncertainty, Sri Lankan artists were able to bring together people through alternative art, overcoming the limitations imposed through the mainstream narrative (LST Review, 2023). These various artforms helped mobilise citizens for the *Aragalaya*, reinforce their identity and make their participation public.

4.6. State Response to the *Aragalaya*

As the history of uprisings in Sri Lanka demonstrates, the state had used various responses to mechanism to counter the citizens defiance and curtail further agitation. For example, in the 1953 *Hartal*, fearing for their safety, the cabinet ministers of the government met on the British battleship in Colombo’s port after which Emergency rule was declared that afternoon, and consequently, the military was deployed to restore law and order (Skanthakumar, 2023). In the case of *Aragalaya*, the state made

administrative political concessions in order to keep the ruling elite in power and prevent the further radicalization of the masses towards chaos. When the *Aragalaya* started gaining momentum, attracting bigger crowds to Colombo's protest site, the Prime Minister gave his resignation. This gave new life to the citizens' protest campaign mobilize towards achieving the primary objective of the *Aragalaya* - to oust the president. Following the occupation of both the President's official residence and the office, on 13th of July, forced into exile in Singapore, President Rajapaksa resigned from office. The strong wave of political dissent in the *Aragalaya* subsided in the aftermath of expelling the former Head of State Gotabaya Rajapaksa. In the early days of the *Aragalaya*, as a response to the island wide protest, the government led by Gotabaya Rajapaksa directly blocked all forms of social media in order to restrict political mobilization. Moreover, on being elected as the interim-President, Ranil Wickremesinghe carried out various measures to suppress the continuation of *Aragalaya*. The state response to the on-going protests were intense. He launched a crackdown on the on-going protesters and implemented a number of laws such as the draconian PTA to curb freedom of expression and control assembly and public dissent.

According to some analysts, the most surprising phenomenon of the *Aragalaya*, was the pace at which people started withdrawing from the protest and returned to normalcy with the election of the new executive president Ranil Wickremesinghe (LST Review, 2023). In order to suppress the leftist involvement in the post-uprising climate, the new government carried out a propaganda against them, labelling their actions as an imminent 'radical takeover' that could drive the country to a state of anarchy. Uyangoda (2023) contends that this had a swift impact on reducing the participation of the urban middle-class supporters in the protest movement, who obviously preferred the 'stability' of law and order over 'anarchy' of mass political action.

4.7. *Aragalaya*: A Success Story or Not?

One could argue that the *Aragalaya* was successful in terms of achieving its immediate political demands and unleashing the democratic essence of the citizens to

challenge the unaccountable leaders in power, which is reflective of the strength and success of a people's uprising. I believe that there are several key trigger events that led to this one-of-a-kind citizen's uprising. For the first time in Sri Lanka's history, the magnitude of the hardships inflicted by the 2022 economic crisis was felt by almost all segments of the society, including the middle classes. The climate was another contributing factor that exacerbated the frustration of the citizens. The long-hour power outages and fuel shortage happened during the hottest and the most humid period of Sri Lanka. Being a tropical country with mosquitoes breeding at night, the power outages affected people's basic standards of comfort such as sleep. The need to stay-up in long lines to get the weekly quota of fuel and gas, battling with the scorching heat, I argue may have contributed to the accelerating anger and resentment towards the government. However, it should be noted that the collective suffering also created a sense of community among people, cutting across all classes and ethnicities. An average person who was lining up through the night to get his weekly share of fuel quota with hundreds of other people made the impression that everybody was in it together. The economic hardship in 2022 also led to the disheartenment of the Majority Sinhala Buddhist, who constituted the biggest supporters of Gotabaya Rajapaksa as they were not in a position to celebrate the traditional new year. April is the month where they would usually prepare to welcome the arrival of Spring and harvest season with a series of celebrations and since the pandemic, the festive cheer took a slow pace.

The following findings of a survey on *Aragalaya* (Centre for Policy Alternatives, 2023) suggest that the fuel crisis took the hardest toll on people's lives as transport was an essential need in their lives. A university professor from one of the city universities sharing his experience said:

"I had to stay in fuel queues three times just to get seven liters of petrol. Each time, I stayed for more than 15 hours in miles long fuel queues and had to return home with no success as fuel ran out as my car approached the fuel pump. Due to the scarcity of fuel and the desperation of people, those queues often turned into very tense spaces that did not suit a decent human being. Therefore, after buying seven liters I did not use my car until there were no shortages anymore. I started cycling to my university."

A domestic worker from Colombo who's paid a daily wage said:

"I work as a domestic worker at a house six kilometers away from my own house. I have to reach work by 9 and work until 5 in the evening. I get paid 1200 LKR per day and I am the sole income earner at home. I have to feed three people with my income. During the fuel crisis there was no public transportation and so I had to walk 12 kilometers daily, to and from work. Walking long distances after working all day is extremely tiring. However, I did not have an option as that was the only income for my entire family."

The most surprising and remarkable aspect of the *Aragalaya* I argue, was the active involvement of the business elites and upper middle classes who were never socially conscious about the economic problems of the average citizen. The impact of the economic crisis and shortages was unprecedented even on the well-off city dwellers. Feeling betrayed by a government that promised to usher in an era of prosperity, the business elites, entrepreneurs who socially profited from the Rajapaksas started showing their support to the *Aragalaya*. I am convinced that this was also done in fear of the social humiliation they face in the hands of the general public for voting and publicly campaigning for Gotabaya Rajapaksa and investing in his ventures. Also, amidst a severe shortage of basic necessities, politicians and their families continued to misuse their privileges to access fuel and food that were beyond the rationed limits. The blatant disregard for the lack of rule of law in the sense of equality flared up the frustrations of ordinary citizens which peaked in March, as pockets of people across the island took to the streets to voice dissent against the government.

According to scholars like Rambukwella (2023) the overall dynamics of the *Aragalaya* reveals a great deal about Sri Lanka's social and economic uncertainty and fragility brought about by neoliberal policies. Even though *Aragalaya* represented a historical moment in Sri Lanka's post-colonial history as an exceptional expression of democratic activism that ultimately ousted the executive president of the country, *Aragalaya* consisted of contradictions as well that compel us to question its success, limits and potential to create a radical change in the future. Post-*Aragalaya* discussions also sparked controversies concerning the Western influences that facilitated the continuation of the uprising. Many spectators and

participants deem the *Aragalaya* as successful, since the popular resistance managed to secure the resignation of the prime minister and then oust the president by means of peaceful mass demonstrations. However, as Uyangoda (2023) explains, the presidential resignation, in a paradoxical way, marked not only the highpoint of the popular movements of resistance, but also signaled the beginning of a phase of setbacks to the *Aragalaya* as a whole, heralding maybe the start of a restoration period. Upon the parliamentary appointment of Ranil Wickremesinghe as the interim-President, the changes that have taken place under his authority, reaffirms the political power of the dominant political class in Sri Lanka. The democratic gains of the people's protest were rapidly reversed when the new government under the interim-President started unleashing repressive measures to control the wave of dissent. This resulted in an outcome where the very political forces that were rejected and lost its legitimacy by the *Aragalaya* movement started to re-consolidate their power (Rambukwella, 2023).

CHAPTER 5

CONCLUSION

In spite of mainstream claims that the *Aragalaya* in 2022 was a collective call against the Rajapaksa government, the political outcome and the post-developments of the citizens' protest movement reveal contradictions that necessitate a broader reading of the *Aragalaya*. Since the structural and contingent causes that led to the economic crisis and the ensuing uprising are complex with deeper historical roots, I argue that the answers must be sought through a long-term historical analysis of Sri Lanka's capitalist development. The above analysis leads to a conclusion that the uprising should be interpreted beyond its framing as an anti-Rajapaksa struggle, but a culmination of the social and political implications of Sri Lanka's long-term capitalist development. In order to justify my argument, this thesis has been concerned with processes of capital accumulation and their significance in the era of state-led development and neoliberalism in Sri Lanka since its independence in 1948. To understand Sri Lanka's economic, political and social upheaval in 2022, one has to trace its economic and financial conditions preceding the independence. Therefore, the first section of the second chapter has provided a brief account of how Sri Lanka made its first forays into a capitalist system, with the transition to a classical export economy. The second and third chapters have outlined pivotal moments in Sri Lanka's history of capitalist development starting from the colonial to post-colonial periods. The processes of capital accumulation, the projects that facilitated it and the social and political implications of those in the society have been discussed at the end of every chapter. The objective of charting out these critical policies and its implications on the island's class dynamics and social inequalities is to argue that Sri Lanka's dependency was produced and has been reproduced as part of broader political economic continuities both locally and globally. Hence, by critically studying the capitalist development in Sri Lanka, an attempt has been made to find the answers to the contradictions of the mainstream

interpretations of the country's economic crisis in 2022 that led to a mass citizen uprising. The third chapter provides an overview of the recent *Aragalaya*, examining the elements that made the citizen's protest movement in 2022 different from other uprisings in the history of Sri Lanka.

Global economic downturns in the 20th century created the conditions for renewed expansion and the accumulation of capital on a global scale. As any developing country, since its independence from the British monarchy, Sri Lanka too adopted various economic policies as an effort to restructure the system to be in line with the global prevailing ideology. In the face of multiple crises and reorganizations of global capitalism order, accompanied by left-leaning and pro-liberal governments, the entire 'system' of Sri Lanka had to be re-engineered over the years. In the first decade of Sri Lanka's independence, policy makers made concerted efforts to finance balance of payments deficits with foreign exchange reserves accumulated during the boom years (Athukorala and Wagle, 2022). From the late 1950s to the 1960s, following the depletion of foreign reserves, the strategic solutions were found in the state-led development and policies like import substitution in both agriculture and manufacturing. In 1977, marking an end to the decades of protectionist policies, Sri Lanka embarked on an extensive economic liberalization process opening the economy to a market-oriented neoliberal model of capitalist development. The liberalization of the economy continues in Sri Lanka till today where the recent governments have been channelling their economic policies towards expanding and deepening capitalist market relations.

In line with my historical analysis, I have concluded that the crisis conditions that triggered the *Aragalaya* in 2022 were created historically via a prolonged and turbulent process of capital accumulation since its transition to a capitalist economy under the British colonial administration. In the face of a major crisis, Sri Lanka would continue to experience uncertainties and implement further restructuring and reproduction of its capitalist development. The *Aragalaya* ended with no overhaul of the political system. The developments which unfolded during the post-*Aragalaya* leaves us with many questions, calling for the exploration and strategizing of this possibility of Sri Lanka's future. In this regard, we ask whether Sri Lanka's revolt

could yet become a revolution or whether the *Aragalaya* in 2022 was a harbinger of more global political economic changes to come. Since assuming duties as Sri Lanka's eighth Executive President, Ranil Wickremesinghe made concerted efforts to mitigate the crisis, with the support of the International Monetary Fund (IMF) bailout and other bi-lateral and multilateral creditors. Following the *Aragalaya*, the current economic discourse has been dominated by neoliberal reforms such as privatization, slicing welfare spending and downsizing governments. On the new economic front, the question arises whether the ongoing neoliberal attempts to stabilize the economy would in turn reproduce the conditions that would extend this crisis into the foreseeable future. Political analysts like Gunawardena argue that the direction toward which Sri Lanka's elites will turn as a response to the breakdown of existing patterns of accumulation and popular resistance will be a determining factor in Sri Lanka's political sustainability. Despite Sri Lanka's weak electoral and parliamentary democracy, critical theorists like Uyangoda (2023) argue that resolving the question of political power through electoral means is still possible. *Aragalaya* demonstrated that popular mobilization outside the established constitutional framework has the potential to challenge Sri Lanka's traditional power structure that prevailed in society. It was found in the online survey that 92.5% of the respondents who actively participated in *Aragalaya* agreed with the point that the uprising served to enhance people's power to protect democracy and hold the government accountable (Silva and Ramasamy, 2023). On September 21, 2024, Sri Lanka held its presidential elections since the *Aragalaya*, with a leftist candidate becoming victorious. This reflects the extraordinary ways that the political landscape in Sri Lanka changed since the former President Gotabaya Rajapaksa was ousted in 2022. The policies to be followed by the new leftist President will be significant in showing whether the *Aragalaya* really made an impact on the politics of Sri Lanka.

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APPENDICES

A. TURKISH SUMMARY / TÜRKÇE ÖZET

Sri Lanka, COVID-19 salgını ile daha da derinleşen ani bir ödemeler dengesi krizinin ardından Nisan 2022'de devlet borcunu resmi olarak ödeyemeyerek 1948'deki bağımsızlığından bu yana ülkenin en kötü ekonomik krizlerinden birini tetikledi. Bu kriz, adanın uzun süredir devam eden ekonomik ve finansal kırılganlıklarını ortaya çıkardı ve ülkenin mali, borç ve ödemeler dengesi oranları ile döviz ve enflasyon oranlarında bir dizi ekonomik soruna yol açtı. Yakıt sıkıntısı ve elektrik kesintileriyle daha da kötüleşen sosyo-politik kargaşa, *Aragalaya* (Sinhala dilinde 'Mücadele') adı verilen toplumsal ayaklanmayla doruğa ulaşan bir dizi kitlesel protestoya neden oldu. Halk hareketi eski Devlet Başkanı Gotabhaya Rajapaksa'yı istifasını vermek zorunda bırakarak Sri Lanka'nın bağımsızlık sonrası döneminde bir halk ayaklanması tarafından görevinden uzaklaştırılan ilk devlet başkanı oldu. Sonuç olarak, parlamentoda yapılan oylamada Ranil Wickremesinghe Sri Lanka'nın geçici Devlet Başkanı olarak seçildi ve ekonomiyi daha fazla kargaşadan uzak tutmak için politika önceliklerini yeniden tanımlama sözü verdi. *Aragalaya*, Sri Lanka tarihinde ilk kez demokratik bir enerjii ve toplumsal cinsiyet, etnik ve en önemlisi sınıfsal kimlikleri aşan, şimdiye kadar pasif ve sessiz orta sınıfları bile içine çeken birleşik bir muhalefeti temsil eden güçlü bir kurumu ortaya çıkardı. Ayaklanma, Sri Lanka'nın etnik azınlıklarının yanı sıra LGBTQ topluluğu gibi ezilen gruplara da ulaşarak onlara şikayetlerini dile getirebilecekleri siyasi, sosyal ve entelektüel bir alan sağladı.

Aragalaya, ayaklanmaya katılanlar için birçok anlam taşıyordu. İlk olarak, yönetici elite karşı kitlesel bir protesto olarak, parlamenter demokrasinin eski temsili kurumlarına meydan okuyan ve protestocuların Başkan Gotabaya Rajapaksa'nın istifasıyla ifade ettikleri "Gota Go Home" sloganıyla "sistem değişikliği" talebini

yansıtan bir siyasi süreci (LST incelemesi, 2023). Başkanlık değişikliğine rağmen, *Aragalaya*'nın halk ayaklanması olarak başarılı olup olmadığı hala tartışılmaktadır. Tüm büyük isyanlarda olduğu gibi, *Aragalaya* da yönetici sınıfın karşı devrimi ile, eski rejimin yeniden yapılandırılması sürecine yol açmıştır (Gunawardena ve Kadrigamar, 2023). Sistemin değişmesini isteyen protestocuların büyük bir kısmı, yeni başkanın atanmasını, halkın meşruiyetinden yoksun Rajapaksa ailesinin bir kooptasyonu olarak görmüş ve yeni başkanın güçlü aile tarafından kendi iktidar sistemlerini devam ettirmek amacıyla seçildiğini belirtmiştir (Uyangoda, 2023). Daha önce beş kez başbakanlık yapan Wickremesinghe, Sri Lanka'nın liberal olmayan siyasetinde uzun süredir yer alan ve Batı yanlısı serbest piyasa reformisti olarak bilinen bir figürdür. Kentli elitlerle yakın bağları olan Wickremesinghe, geçici Devlet Başkanı olarak atanmasının ardından, işlevsel bir hükümet kurmak ve ekonomiyi istikrara kavuşturmak için radikal ekonomik reformlara ihtiyaç olduğunu açıkladı. Uluslararası Para Fonu (IMF) gibi Batılı kreditorlerin yardımıyla adanın büyük ve sürdürülemez borcunu yeniden yapılandıracak ekonomik reformları hızla hayata geçirerek başarılı bir kriz yöneticisi olduğunu gösterdi. Wickremesinghe'nin bu acil önlemleri, iş dünyasının, orta sınıfların ve Sri Lanka'nın diplomatik çevrelerinin güvenini ve desteğini kazandı (Uyangoda, 2023). Ayrıca, başkanlık yetkilerini kullanarak üst ve orta sınıfları protesto hareketinden uzaklaştırmayı ve sınıflar arasında bir ayrılık yaratmayı da başardı. Bu kesimler, protestoların 'radikalleşmesinin' siyasi düzeni anarşiye sürükleyebileceğine inanmaya başlamıştı. Wickremesinghe ve hükümeti, neoliberal rejimin neden olduğu sorunları yönetmek ve ülkeyi ekonomik istikrar yoluna sokmak için radikal adımlar attı.

Ayrıca, siyasi elitlerin baskın kesimlerinin ve yeni yönetim sistemi içindeki neoliberal unsurların devlet kontrolünü yeniden sağlamlaştırması, Sri Lanka'da neoliberalizmin devam ettiğinin göstergesidir. Kazanılmış mali ve siyasi çıkarlarını koruyan yeni hükümet elitlerinin gelecekteki politika başarısızlıklarını önleyip önleyemeyeceği oldukça şüphelidir. Bu durum, *Aragalaya* ayaklanmasının, başta Sri Lakanın siyasi sisteminde reform olmak üzere, gerçekten de bir tür sistem değişikliği ve Sri Lanka'da uzun süredir ele alınmayan adaletsizlik ve insan hakları ihlallerinin tanınması ve hesap verebilirlik isteyen vatandaşların taleplerini ideal olarak

yansıyacak yeni bir yönetim biçimi getirme konusunda başarılı bir girişim olup olmadığı sorusunu ortaya çıkarmaktadır (FIDH raporu, 2023).

Aragalaya'ya ilişkin yorumlar karmaşık. Ana akım akademisyenler, bir önceki Gotabaya Rajapaksa hükümeti döneminde ekonominin kötü yönetimi ve halkın yolsuzluk ve adam kayırmacılığa karşı artan tepkisinin *Aragalaya*'yı doğuran faktörler olduğu görüşündedir (FIDH raporu, 2023). Sri Lanka'nın tanınmış hanedan ailelerinden birine mensup olan Gotabaya Rajapaksa, ulusal güvenliğe öncelik vermeyi ve sürdürülebilir ekonomik kalkınmayı teşvik etmeyi vaat ederek Kasım 2019'da Sri Lanka'nın sekizinci Devlet Başkanı olarak göreve başladı. Otoriter eğilimleri ve çoğunluktaki Sinhala Budistlerini destekleyen popülist politikalarıyla tanınıyordu. Ancak görevde olduğu bir yıl içinde Sri Lanka, ortalama vatandaşların temel ihtiyaçlarını etkileyen, ciddi yakıt ve ilaç kıtlıklarına ve uzun süreli elektrik kesintilerine neden olan derin bir ekonomik krizle karşı karşıya kaldı. Yüksek hayat pahalılığı, enflasyon, yakıt ve temel ihtiyaç maddelerinin kıtlığı *Aragalaya*'nın başlangıç noktası olsa da, ayaklanma nihayetinde bir ruh arayışına dönüştü ve Sri Lanka'nın yolsuzluk, kayırmacılık, dışlayıcılık ve otoriterliğe batmış siyasetinin eleştirisine evrildi (LST incelemesi, 2023). Kriz, Covid-19 salgını, döviz rezervlerinin tükenmesi ve Çin ile olan yumuşak güç dinamiklerinin çarpıklığı gibi faktörlerle daha da derinleşmiş olsa da, birçok analist Gotabaya'nın çeşitli siyasi hatalarının ve kapsamlı vergi reformları veya kimyasal gübre ithalatının aniden yasaklanması gibi yanlış kararlarının nihayetinde ülkenin ekonomik çöküşünü hızlandırdığını savunmaktadır. Bu analistlere göre *Aragalaya*, toplumun tüm kesimlerinden vatandaşların Rajapaksa yönetimindeki yaygın yolsuzluk ve kayırmacılığa karşı aktif bir başkaldırısıydı. Tartışmanın diğer tarafında ise *Aragalaya*'nın, ülkedeki neoliberal birikim rejiminin yapısal çöküşü olduğu ve yeni başkan Wickremesinghe'nin seçilmesinin, bu rejimin yarattığı sorunları çözmek yerine ertelemeye yönelik geçici bir girişim olduğu görüşü savunulmaktadır (Gunawardena, 2022).

Bu alternatif bakış açısına katılarak, *Aragalaya*'yı sadece eski Başkan'ın siyasi tercihlerine karşı duyulan kolektif nefretle tetiklenmiş bir Rajapaksa karşıtı mücadele olarak çerçevelemenin son derece hatalı bir argüman olduğunu iddia ediyorum.

Ayrıca, *Aragalaya*'ya yol açan ekonomik krizi Sri Lanka'nın sömürgecilik döneminden bu yana olan tarihi çerçevesinde konumlandırarak bu eleştirel analizlere katkıda bulunacağım. Bu nedenle, ayaklanmanın sosyo-ekonomik nedenlerini araştırırken neoliberal dönemin ötesine geçeceğim. Çünkü Sri Lanka, sömürge yönetiminin sona ermesinden bu yana kapitalist dünya sistemine bağımlı bir ülke olmuştur ve ekonomik sorunları 2022'deki ekonomik krizden çok daha öncesine dayanmaktadır. Sri Lanka ekonomisinin kapitalist dünya pazarıyla sömürgecilik dönemindeki özgül entegrasyonu, bu bağımlı kapitalizmin özelliklerinin şekillenmesinde belirleyici olmuştur. Dahası, sömürge sonrası dönemdeki sınıf mücadeleleri bugün de farklı biçimlerde devam etmektedir. Tarih boyunca, Sri Lanka'nın bu bağımlılığı nedeniyle dışsal şoklara karşı kırılganlığı çeşitli küresel ekonomik gerileme dönemlerinde belirgin hale gelmiş ve bağımsızlığından bu yana birbirini izleyen rejimler ülkenin döviz kriziyle başa çıkmak için kapalı ekonomiden geniş kapsamlı liberal açık piyasa ekonomisine kadar çeşitli stratejiler izlemiştir. 2022'deki Büyük Tecrit'in tetiklediği ve ülkeyi daha da kötüleşen bir borç krizinin derinliklerine iten ekonomik bunalımın, neoliberal dönemden daha uzun vadeli bir analizle anlaşılması gerekmektedir.

Bu tez, *Aragalaya*'nın neoliberal argümantasyonunun ötesine geçerek, Sri Lanka'nın kapitalist gelişimi ve 1948'deki bağımsızlığından bu yana karşılaştığı zorluklarla ilgili mevcut eleştirel literatürden faydalanarak tarihsel bir analiz yapacaktır. Bu tarihsel incelemede, birincil ve ikincil literatürün güvenilir kaynaklarına başvuracağım ve tek bir sistematik tam teşekküllü teoriye sadık kalmak zorunda olmadan, bunlardan anlayışımı en iyi açıklayan kavramları seçeceğim. Bu da eklektik bir yaklaşım kullanacağım anlamına gelmektedir.

Aragalaya ayaklanması döneminde Sri Lanka'da bulunmadım. Ancak etnik savaş, Rajapaksa rejimi ve 2022'de başlayan ekonomik kriz gibi ülkenin kritik olaylarını 30 yıl boyunca yaşamış yerli bir Sri Lankalı olarak, aile üyelerim, arkadaşlarım ve medyadan profesyonellerle sürekli temas halinde olduğum için içeriden bir gözlemci olarak analiz yapabileceğime inanıyorum.

Bu tezde cevaplama çalışacağım ana sorular aşağıdaki gibidir: 2022'de yaşanan ekonomik krizin uzun ve kısa vadeli nedenleri nelerdi? Bu kriz hangi koşullar altında

bir dizi mali ve borç kriziyle eşi benzeri görülmemiş bir felakete dönüştü, tüm ekonomiyi tamamen durma noktasına getirdi ve sonuç olarak *Aragalaya* gibi sosyal ve siyasi bir ayaklanmayı tetikledi? 2022'deki rejim ülkedeki ekonomik ve sosyal krizleri neden yönetemedi? Halkın eski Cumhurbaşkanı'na karşı açık öfkesinin itici güçleri nelerdi?

Tezim üç bölümden oluşuyor ve Sri Lanka'nın kapitalist gelişiminin, adanın 1840'larda klasik sömürge ihracat ekonomisine geçişinden başlayarak 2022 ekonomik krizine kadar uzun vadeli bir analizine dayanıyor. Bölüm 2'de, Sri Lanka'nın sömürge öncesi ekonomisine dair kısa bir açıklama sunulmaktadır; zira sermaye ve baskının sömürgeci mirası, çağdaş Sri Lanka'da var olan devletin doğasını, sınıf yapısını ve sosyal dışlanmayı anlamak için yararlı olmaya devam etmektedir. Bölüm 3 ve 4'te, bağımsızlık sonrası Sri Lanka ekonomisindeki iki birikim rejiminin eleştirel bir ekonomi politik analizini sunuyorum: devlet öncülüğündeki sanayileşme ve neoliberalizm ve bunlarla ilişkili sanayi politikaları. Her bölümün sonunda, Sri Lanka'daki sınıf kompozisyonu, kent-kır ayrımı ve etnik ilişkiler üzerinde kalıcı etkiler yaratan ve 2022'deki kitlesel ayaklanmanın mobilizasyonuna katkıda bulunmuş olabilecek yukarıdaki politikaların sosyal ve siyasi sonuçlarını tartışıyorum.

Sri Lanka, Güney Asya'da Portekiz, Hollanda ve İngiliz sömürge mirasına sahip bir ada ülkesidir. Ülke, sömürge öncesi ve sonrası tarihi boyunca ekonomisinin sömürge öncesi merkantilist ekonomiden kapitalist ihracat ekonomisine ve ardından devlet öncülüğündeki sanayileşmeden neoliberalizme geçişine tanık olmuştur. Sri Lanka'nın kapitalist dönüşümü, İngiliz sömürge yönetiminin (1796-1948) son aşaması anlaşılmeden tam olarak anlaşılabilir. Sömürge günlerinde kapitalist bir ihracat ekonomisine geçişinden bu yana Sri Lanka, sürdürülemez değişim ve ticaret ağlarının yanı sıra küresel şoklarla bağlantılı çeşitli makroekonomik çıkmazlar yaşamaktadır. Erken İngiliz yönetiminde ülke, sömürge bölgesinin dış ve iç ticaretini belirleyen Doğu Hindistan Ticaret Şirketi gibi tüccar şirketleri destekleyen ticaret politikaları izlemiştir. Devletin ticarete ve yerleşim modellerine müdahalesinin doğası, bağımsız laissez-faire yatırımının ortaya çıkışını kısıtlayan tekelleri merkantilizme dayanıyordu (Wickramasinghe ve Cameron, 2005). 1840'larda sanayi

devriminin etkisiyle kapitalizmin gelişmesi kahve ve çay gibi içeceklere olan talebi artırarak Sri Lanka'nın kahve üretimine dayalı bir plantasyon ekonomisine geçişine zemin hazırlamıştır. Bu küresel koşullar, Avrupa metropollerindeki ilkel birikimin ötesinde kapitalist büyüme için fırsatlar sunmuş ve Sri Lanka gibi sömürgelelere yatırım yapılmasını mümkün kılmıştır (ibid). Sri Lanka'da plantasyon ekonomisinin uygulanmaya başlamasıyla birlikte üretim tarzı değişmiş ve kapitalist metalar için bir iç pazar yaratılmış, işgücü sadece kapitalist sanayi ve tarıma yönlendirilmiştir. Sonuç olarak, ekonomi yeni sınıfların, yani burjuvazi ve proletaryanın yükselişine tanıklık etti ve ikincisi geleneksel geçimlik tarım araçlarından koparıldı. Ayrıca, sömürgeci ihracat ekonomisine uygun olarak, ülkede gelişmiş bir ekonomik ve sosyal altyapı ile birlikte çok çeşitli sosyal refah politikaları uygulanmıştır. Araştırmacılar Sri Lanka'nın sömürge ekonomisini piyasa odaklı emek ve sermaye yoğun plantasyon sektörü ile geçim odaklı küçük toprak sahibi köylü sektöründen oluşan ikili bir ekonomi olarak yorumlamışlardır. Gunasekara'da (2020) belirtildiği gibi, bu 'ikili' sömürge ekonomisi, ülkenin ortaya çıkan siyasetini şekillendirmede yaygın bir etkiye sahipti. Sri Lanka'nın kapitalist kalkınmaya geçişini bir analiz noktası olarak ele alan ikinci bölüm, sömürge Seylan'ının siyasi iklimine, plantasyon kapitalizminin gelişiminin ülkenin toprak, emek ve sermaye örgütlenmesinin yanı sıra sınıf bileşimi ve siyasi yapısında meydana getirdiği değişikliklere de ışık tutmaktadır.

Bölüm 2'nin ikinci kısmı, bağımsızlık sonrası Sri Lanka'daki ekonomi politikalarını sömürge sonrası devlet inşası projesi bağlamında incelemektedir. Üçüncü Dünya'nın başka yerlerinde olduğu gibi Sri Lanka'da da dekolonizasyon evrensel bir milliyetçi dirilişi içeriyordu. Yeni bağımsızlığını kazanan uluslar, para ve insanları seferber ederek ulusal kalkınmayı inşa etmeye ve ulusal ekonomik büyümeyi organize etmeye çalıştılar. Bu politikaları desteklemek için devlet, ister kamu kaynaklarının haklarını yandaşlarına satarak ister dış yardım dağıtım kanallarını ele geçirerek olsun, devlet elitlerinin güçlerini devlette sermaye ve nüfuz biriktirmek için kullanacakları koalisyonlar oluşturdu (McMichael, 1996). Sri Lanka'nın 1948 yılında siyasi bağımsızlığını kazandığında sahip olduğu ekonomik yapı, sömürge döneminde kapitalist örgütlenme biçimlerinin belirli ekonomik faaliyet alanlarına uygulanmasının bir sonucuydu (Lakshman, 1985). Diğer postkolonyal devletler gibi Seylan da bağımsızlığını kazandığında ekonomik milliyetçilik yoluyla kolonyal

işbölümünü tersine çevirmeye çalışmıştır. Bu bağlamda 1960'larda ithal ikameci sanayileşme gibi politikalar devreye girmiş, hükümetler tarifeler ve kamu sübvansiyonları ile yerli sanayileşmeyi teşvik etmiş ve korumuş, birincil ihracata olan bağımlılığı azaltmıştır (McMichael, 1996). 1970'lere gelindiğinde Sri Lanka, yatırım, ticaret ve döviz üzerinde çok çeşitli kontrollerle ithal ikameci bir “kontrol rejimi” haline gelmiştir. 1960'tan bu yana izlenen endüstriyel kalkınma yolu, ülkenin artan ödeme güçlüklerine bir yanıt niteliğindedir. Devlet, özellikle imalat alanında yerli girişimciliği kolaylaştırarak, ulusal kalkınmayı teşvik etmeye ve benzer ürünlerin yabancı üreticileriyle etkin bir şekilde rekabet edebilmek için yerel sanayileri desteklemeye çalışmıştır (Lakshman, 2017). Sömürge yönetiminin son aşamasından (1930'lar) başlayarak 1970'lerin başına kadar Sri Lanka'nın politik-ideolojik ortamının büyük ölçüde ülkedeki güçlü sosyalist soldan etkilendiğini belirtmek önemlidir. Bu ortamda Sri Lanka'da büyük bir devlet sektörü ve refah devleti yapısı ortaya çıkmıştır. Eski sömürgeci efendisinin refah devleti uygulamalarını örnek alan iktidardaki hükümet, halka ücretsiz eğitim ve sağlık olanakları sağlamayı taahhüt etmiş ve karneli ve sübvansiyonlu pirinç dağıtım sistemini uygulamıştır.

Bölüm 3, Sri Lanka'nın neo-liberal kapitalist gelişiminin eleştirel bir analizini sunmaktadır. 1970'lerin sonlarında piyasa liberalizasyonu, devlet öncülüğündeki sanayileşme ile ilişkili bir dizi verimsizliğe bir yanıt olarak küresel bir politika haline geldi. Piyasa mekanizmalarının ekonomik verimliliği, rekabetçiliği ve artan sermaye akışı, üretim ve istihdam yoluyla ekonominin büyümesini geliştireceğine inanılıyordu. Dünya çapında gelişmekte olan ülkelerde özelleştirmeler, devletin mali yükünü tartışmalı bir şekilde azaltabilecek, kamu borçlarının ödenmesi için ihtiyaç duyulan kaynakları yaratabilecek ve bu ülkelerde ekonomik refaha yol açabilecek temel bir kalkınma stratejisi olarak popülerdi (Balasooriya, Alam ve Coghill, 2007). Bu dönemde Sri Lanka, yirmi yıl süren daha içe dönük ve devlet öncülüğündeki kapitalist kalkınma sürecinin ardından bu neoliberal geçişin öncülerinden biri olmuştur. Sri Lanka, 1960'ların sonlarındaki içe dönük politikanın iç karartıcı ekonomik sonuçlarına bir tepki olarak, 1977 yılında Batı yanlısı bir parti tarafından yönetilen bir hükümet altında kapsamlı bir liberalleşme sürecine girmiştir. Bu, ticaretin serbestleştirilmesi, döviz kurunun devalüasyonu, doğrudan yabancı

yatırımları çekmek ve özel sektörü teşvik etmek için politika önlemleri, fiyat kontrollerinin kaldırılması ve büyük bir kamu yatırım programı gibi çeşitli piyasa reformu politikaları uygulanarak yapıldı. Bu piyasa reformlarının temel amacı geliri artırmak, bütçe açığını azaltmak ve ekonominin verimliliğini artırmak olsa da, iktidardaki ulusal elitlerin bu politikaları uygulamak için kendi siyasi gerekçeleri vardı. Piyasa odaklı kapitalist sistem sayesinde iktidar partileri sadece yardıma uygunluğu güvence altına almakla kalmadı, aynı zamanda siyasi yandaşlarını ödüllendirerek sermaye birikimi projelerini sürdürebilmek için siyasi gündemlerine kitlesel destek sağladı. Sri Lanka'da birbirini izleyen hükümetler, devlette karar alma mekanizmasını merkezileştiren güçlü bir yürütme başkanlığı oluşturmak gibi stratejilerle bu projelere olanak sağlamıştır.

Ancak ülkenin stratejik açıdan önemli konumuna ve liberalleşme sürecine elverişli yüksek sosyal göstergelere rağmen Sri Lanka'daki açık ekonomi politikaları beklenen sonuçları vermemiştir. Neoliberalizmin ilk dalgasında, mevcut sosyo-politik ortam altında, Sri Lanka piyasa temelli bir sistemin iddia edilen faydalarını sağlayamamıştır. Bu başarısızlık bazı liberal yazarlar tarafından ülkenin mevcut siyasi kültürü içinde reformların uygulanmasını destekleyen kurumsal bir çerçeve eksikliğine (Balasooriya ve diğerleri, 2007) ve 30 yıldan fazla süren etnik savaşın yarattığı siyasi istikrarsızlık ortamı ile açıklanmaktadır. Sri Lanka'da neo-liberalizmin ikinci dalgası 2009'dan sonra ülkenin kuzey ve doğusundaki etnik savaşın sona ermesiyle başlamıştır. O dönemde iktidarda olan Rajapaksa rejimi, savaşın son aşamalarında işlediği iddia edilen savaş suçları nedeniyle küresel Batı tarafından düşmanca görüldüğünden, devlet diplomatik destek ve mali yardım için küresel siyasette Doğu bloğuna yöneldi. Rejim, Çin Halk Cumhuriyeti ile dostluk kurmuş, bu sayede ülke uluslararası sermaye piyasalarında devlet tahvillerini dolaşıma sokarak büyük miktarlarda yatırım fonu toplamıştır (Lakshman, 2017). 2010 yılında Rajapaksa rejimi, genel ekonomik büyümeyi teşvik etmek için altyapının geliştirilmesinde öncülük ederek, kademeli olarak “alt orta gelir” statüsüne geçti ve Sri Lanka'nın bugün hala devam eden ikinci neo-liberalizm dalgasının başlangıcını işaret etti. Bazı ekonomi uzmanları neoliberal liberalleşme rejiminin Sri Lanka'nın bağımlılığını çeşitli boyutlarda arttırdığını savunmaktadır. Sri Lanka gibi uluslararası sistemdeki kırılgan borçlu devletler için neoliberalizm, makroekonomik

temellerini yeniden dengelemek ve ayarlamak için dıřsal bir g olarak geldi. Zamanla bu tr lkelerin i ekonomik performansı, IMF gibi kurumlar (IFIs) gibi nemli uluslararası gler tarafından sađlanan olađanst finansal akıřlardan ayrılamaz hale gelmiřtir (Herring, 1987). Sri Lanka'nın bađımlı bir refah devleti olarak laissez-faire rejimine dođru evrimi, dıř havular, sopalar ve dıřsal řoklar ile sosyal cretin daha da azaltılmasına ynelik i siyasi sınırlar ve patronaj ve sıradan siyasetin i baskıları arasındaki etkileřimi yansıtmaktadır (Ibid).

Drdnc blmde, Sri Lanka'daki kapitalist kalkınma srecinin yol atıđı sosyo-ekonomik sorunların 2022 yılında nasıl siyasi bir kaosla sonulandığını inceliyorum. Harvey'e (2006) gre neoliberal devletin temel misyonu, istihdam veya sosyal refah aısından sonuları ne olursa olsun sermaye birikimi iin kořulları optimize etmek olduđundan, neoliberal kapitalizm altında ekonomik byme genellikle ciddi siyasi ve sosyal sonulara mal olmaktadır. Neoliberal dnemde Sri Lanka, varlıkların zelleřtirilmesi, yatırım fırsatlarının yaratılması, altyapı projelerinin uygulanması, vergi indirimlerinin kolaylařtırılması ve dođrudan yabancı yatırımın (DYY) ekilmesi gibi piyasaların kresel sermaye birikimi glerine aılmasını kolaylařtıran projeleri destekledi. Bu srete devlet gc neoliberal izgide yeniden ynlendirilmiř ve finansallařma sreleri etrafında burjuva sınıfının gcn pekiřtiren finansal ıkarların korunmasına adanmıřtır. Bu da nihayetinde alıřan sınıfların yeni sosyal eřitsizliklerle yeniden yapılandırılması iin gerekli kořulları yaratmıřtır. Sri Lanka rneđi, savař sonrası dnemde bađımsızlıktan bu yana sermaye birikimi projelerinin siyasi gc elitlerin st kesimlerinin elinde konsolide ettiđini ve farklı bađlamlarda ve farklı derecelerde eřitsizlikleri řiddetlendirdiđini ve bunun da bymeye zarar verdiđini dođrulamaktadır. Son *Aragalaya* ayaklanması gibi pek ok rnekten insanlar devletin adaletsizliklerine ve baskısına karřı sokaklara dklmř ve iktidardaki elitlere karřı direniře gemiřtir. Drdnc blmde, Sri Lanka'daki bu ayaklanmaların tarihi hakkında ayrıntılı bir aıklama sunarken, *Aragalaya*'nın tarihsel zelliklerine odaklanıyor ve yeni bir siyasi deđiřim srecinin nn aan benzersiz bir sosyal ve siyasi olgu olarak nasıl ne ıktığını vurguluyorum.

Tezin nihai olarak tartıřacađı zere, Wickremesinghe'nin siyasi restorasyon giriřimlerine rađmen *Aragalaya*'nın Sri Lanka devleti ve toplumu zerindeki etkisi

henüz tam olarak görülmemiştir. Daha önceki çatışmalarına rağmen muhalif grupların bir araya gelmeyi başarması, yönetici ve siyasi sınıfların zihninde bir iz bırakmış ve onları muhalefetin daha fazla radikalleşmesini önlemek için dikkatli stratejiler izlemeye yönlendirmiştir.

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