

EU moves to end preferential imports from Sri Lanka

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International tensions over Sri Lanka were highlighted last Friday when European Union ambassadors to Sri Lanka recommended the suspension of tariff concessions to the country, citing unresolved concerns about human rights abuses. The decision followed months of warnings.

European finance ministers are set to endorse the decision under the EU's Generalised System of Preferences Plus (GSP+) when they meet on February 16. If the decision is ratified, it will be effective after six months, still allowing time for negotiations with President Mahinda Rajapakse's government.

A European diplomat told the AFP news agency: "The EU Commission's investigation showed Sri Lanka has not demonstrated that it has taken the steps that would allow it to retain or regain the GSP+ status." However, indicating that the EU may seek an accommodation with Rajapakse following his January 26 president election victory, diplomats told the AFP in Brussels: "We will look to work with Sri Lanka to identify concerted steps and actions which could help us to plot the course together that would enable Sri Lanka to regain GSP+."

A European Commission investigation report last October catalogued extensive human rights violations in Sri Lanka, including civilian deaths, extra-judicial killings, detentions without trial, mass detentions of war refugees, use of emergency regulations, abductions, disappearances and media suppression. It declared that Sri Lanka had failed to implement the International Covenant on Civil and Political Rights (ICCPR), the Convention against Torture (CAT) and the Convention on the Rights of the Child (CRC). EU regulations make GSP+ status dependent on observance of these conventions.

The Sri Lankan government bluntly refused to

cooperate with the investigation, which began in October 2008, even though its GSP+ status was at stake. Rajapakse accused the EU of trying to interfere in the country's affairs and halt the war against the separatist Liberation Tigers of Tamil Eelam (LTTE). Colombo also flatly rejected the final report.

The EU is the country's largest market, with exports valued at \$US3 billion (more than 300 billion rupees)—37 percent of all Sri Lankan exports—in 2008. The US follows with \$US1.88 billion and 23 percent. If the GSP+ facility were withdrawn, tariffs of 5 to 18 percent would be imposed on exports that currently enter the EU tariff-free. Sri Lanka would lose about \$150 million annually, according to trade estimates.

The Sri Lankan garment industry, a major export earner, would be hard hit because nearly 60 percent of its exports go to Europe. A large portion of the Sri Lankan working class would be seriously affected. Around 300,000 workers are directly employed in the garment industry and about 1 million work indirectly for the apparel industry.

Speaking to the media yesterday, Sri Lankan Foreign Minister Rohitha Bogollagama was defiant. "We will not adhere to a set of regulations presented by them [the EU], but engage in bilateral relations which are in the domestic interest of Sri Lanka." Earlier, the Sri Lankan ambassador to the EU, Ravinatha Aryasinha, said his government "remains hopeful that better sense will prevail upon member countries of the EU who themselves have faced similar situations in their long history and are acutely conscious of the complexity of democracies fighting terrorism".

Hypocrisy dominates the stances of both the EU and the

Colombo government. Aryasinha's comments continue the government's repeated claim that if the major European and American powers can violate human rights in Iraq, Afghanistan, Pakistan and elsewhere in the name of fighting "terrorism," Sri Lanka should have the same license.

The EU report condemned the indiscriminate bombing of hospitals and the killing of aid workers, including the 17 staff from the French-based Action Contre la Faim (ACF) at Muttur in August 2006. It repeated the UN's estimates about 7,000 civilians were killed during the final offensives against the LTTE last January to May.

But the EU is not interested in promoting democratic rights in Sri Lanka, including those of the Tamil minority—80,000 of whom remain in detention camps. EU trade concessions, currently granted to 16 countries, are a tool to advance its members' strategic and commercial interests. In the case of Sri Lanka, the EU is attempting to boost its influence in Colombo at the expense of its rivals—especially China.

The EU was critical of Rajapakse's moves to resume the war in 2006. At the same time, however, the EU's decision to proscribe the LTTE as "a terrorist organisation" in May 2006 effectively gave the Sri Lankan government a green light to proceed. Rajapakse launched the first military offensive in July 2006 in open breach of the 2002 ceasefire.

As the war escalated, and thousands of Tamil civilians became casualties, the EU, like the US, expressed concerns about "human rights" and appealed for a "political solution" between the Sinhala and Tamil elites. In part, the European powers feared that unrest in Sri Lanka could spill over into southern India, where there was widespread anger among Tamils.

Increasingly, Rajapakse turned for support to other allies, particularly China, which openly backed his war and provided financial aid and arms. That support was underlined at a UN Human Rights Council meeting last May, where China, Russia and India defeated a motion by EU countries calling for an investigation into human rights violations and war crimes by the Sri Lankan military and the LTTE.

In return, Colombo has awarded investment

opportunities to Beijing, notably to build a major port in the southern town of Hambantota. China is building a chain of ports, with others in Myanmar and Pakistan, to protect its sea routes to the Middle East and Africa and to counter US moves to encircle it strategically.

Behind the veneer of human rights concerns, some media commentary in Europe has identified the real strategic issue: China's influence in Sri Lanka. In a column welcoming the EU's GSP+ decision, Peter Foster wrote in the British *Telegraph* on February 9: [T]he People's Democratic Dictatorship of China is actively bankrolling the emergence of a new 'People's dictatorship' in Colombo that highlights the increasingly malign influence of China in global affairs."

The mounting rivalry between the major powers is a significant factor in the bitter feuding that has erupted in Colombo after the presidential election. In the course of the campaign, the main opposition candidate, General Sarath Fonseka, was critical of the Rajapakse's government for alienating the "international community" and threatening the island's GSP+ status and thus sections of Sri Lankan business.

A post-election crackdown in opposition supporters escalated on Monday when the government ordered military police to detain Fonseka on allegations of attempting to overthrow Rajapakse. The arrest only compounds the dilemmas facing the major powers as they manoeuvre for position in Colombo. At this stage, despite its posturing on democratic rights, the EU has adopted a very low key response to Fonseka's extraordinary detention.



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