

Sri Lankan opposition mounts anti-China campaign over Colombo Port City bill

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As the Sri Lankan government prepares to ram its Colombo Port City Economic Commission Bill through parliament, several opposition parties have launched a campaign claiming that the proposed measure will pave the way for a “Chinese colony” in Sri Lanka.

The main opposition party, the Samagi Jana Balawegaya (SJB), and the United National Party (UNP) and Janatha Vimukthi Peramuna (JVP), as well as the Sri Lanka Bar Association and several other organisations and individuals, have filed petitions in the Supreme Court against the bill.

The petitioners claim that it violates the constitution. They are asking the court to rule that the bill must be passed by a two-thirds majority in the parliament and put to a national referendum. The court began hearing these arguments this week.

The Colombo Port City (CPC), constructed by the China Communications Construction Company (CCCC) with a \$US1.4 billion loan from Beijing, is the largest single investment in Sri Lanka so far. When it is completed, the CPC will be a 230-hectare complex, built on a landfill near the Colombo harbour seafront.

According to the original agreement, the CCCC would control 108 hectares—20 hectares on a freehold basis and the remainder on a 99-year lease. Sri Lanka would own the remainder.

The government’s bill is designed to provide a legal framework for the establishment of a Special Economic Zone (SEZ) within the CPC and an Economic Commission to oversee its activities. This body will comprise five to seven members appointed by the president.

Only financial and commercial institutions will be set up in the SEZ. They will be exempted from a number of statutory tax laws and commercial regulations in order to provide major concessions for local and

foreign investors. The Economic Commission’s activities will not be subjected to parliamentary scrutiny.

The bill would deny employees in the SEZ the limited legal protections for other workers on wages, employment, pension and medical benefits. The government has stated that around 83,000 jobs will be created in the zone, but the workers will be at the mercy of the corporations operating there.

Sri Lanka already has 16 free trade zones (FTZs) with about 300,000 employees. Some labour laws still apply to these FTZs, though employers frequently refuse to adhere to them. The Port City SEZ, without even these nominal restraints on brutal exploitation, will be used as a model to suppress the rights of workers across the country.

The opposition groups that are against the bill are not concerned about this suppression of workers’ rights, which is aimed at facilitating international finance capital’s ruthless drive to extract profits amid the global pandemic. They are instead whipping up a nationalist, anti-China campaign based on assertions that the government is betraying the country’s sovereignty.

SJB leader Sajith Premadasa told the media: “It is a step of enslaving and subjugating this country to foreign countries.” He did not name the “foreign country” but implied it was China.

JVP leader Anura Kumara Dissanayake was more explicit, telling a press briefing that the CPC was going to be “another province of China” if parliament passed the bill. “The people never gave a mandate to President Gotabaya Rajapaksa or his government to build a Chinese territory,” he declared.

Wijedasa Rajapakshe, an MP from the ruling Sri Lanka Podujana Peramuna (SLPP), and

Muruththettuwe Ananda, a prominent Buddhist monk who supported the government's election, also denounced the bill as an attempt to establish a Chinese colony.

The so-called campaign to protect Sri Lanka's sovereignty against China is based principally on the fact that Beijing funded the Port City project and has indicated its readiness to invest more. The SJB, UNP and JVP are not opposed to setting up FTZs or SEZs.

In addition to diverting social discontent in a reactionary nationalist direction, the opposition campaign aligns with US imperialism's escalating confrontation with China. Washington, along with its allies such as Japan and Australia and its "strategic partner" India, is preparing for conflict against Beijing, in order to shore up US hegemony in the Asia-Pacific and internationally.

As part of this drive, Washington is attacking the Chinese government for supposedly drawing countries such as Sri Lanka into a "debt trap" with cheap loans and investment.

The US Ambassador to Sri Lanka, Alaina Teplitz criticized the bill and warned of "unintended consequences and of course among those is creating a haven for money launderers and other nefarious actors." Teplitz warned: "[E]conomically vulnerable countries risk their sovereignty and independence," she said, adding that the US was willing to help Sri Lanka with its current debt crisis.

Sri Lanka has been increasingly drawn into the geopolitical maelstrom produced by the escalating US confrontation with China.

Having backed the government of President Mahinda Rajapakse in its bloody communal war against the separatist Liberation Tigers of Tamil Eelam, the US became increasingly concerned about its growing ties with China after the LTTE was defeated in 2009. As part of its "pivot to Asia" against China, the Obama administration pressured Colombo to break its ties with Beijing and used the threat of war crimes charges to do so.

When that failed, the US sponsored a regime-change operation in the January 2015 presidential election, ousting Mahinda Rajapakse and installing the pro-US Maithripala Sirisena. The UNP, JVP, Tamil National Alliance and pseudo-left groups backed this intervention. Sirisena and Prime Minister Ranil

Wickremesinghe rapidly shifted foreign policy in favour of Washington, integrated its military with the US Pacific Command and halted Chinese projects, including the CPC.

Washington has increasingly expressed concern that the current President Gotabhaya Rajapakse, who came to power in 2019, is reorienting Sri Lanka towards Beijing. Gotabhaya Rajapakse is the brother of Mahinda and served as defence secretary under him. Mahinda Rajapakse is now prime minister.

Facing economic collapse and hit by the pandemic, the Colombo government is again relying on Beijing for loans and is desperate to seek foreign direct investments by providing a tax-free cheap labour haven. Once again, the US is seeking to use the threat of war crimes charges to pressure Colombo with the Biden administration co-sponsoring a UNHCR resolution in March to investigate human rights abuses in Sri Lanka.

The US is particularly hostile to the Port City project because Washington views it as an attempt by Beijing to counter encirclement by the US. The project is part of Beijing's Maritime Silk Road, a plan to secure access to crucial supplies of energy and raw materials via the Indian and Pacific Oceans. China's Defence Minister General Wei Fenghe is scheduled to visit Sri Lanka at the end of this month.

Workers should oppose Rajapakse's SEC bill, because it seeks to ruthlessly suppress their social and democratic rights. Its pro-investor measures are part of a broader onslaught against the working class, which has been accompanied by moves toward a presidential dictatorship.

The working class should no less forcefully reject the anti-China campaign of the opposition parties. It aims to divide the working class and align the population with the US plans for a potentially catastrophic conflict with China.



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