

Asia and Oceania

Weakened democracies, strengthened autocracies?

While autocracy in the region continues to prove stable, democracy remains subject to erosion. So far, there is no sign of a revival of the once-rapid economic growth. The region continues to forge its own transformation path. The simultaneous pursuit of political and economic transformation remains the exception rather than the rule.

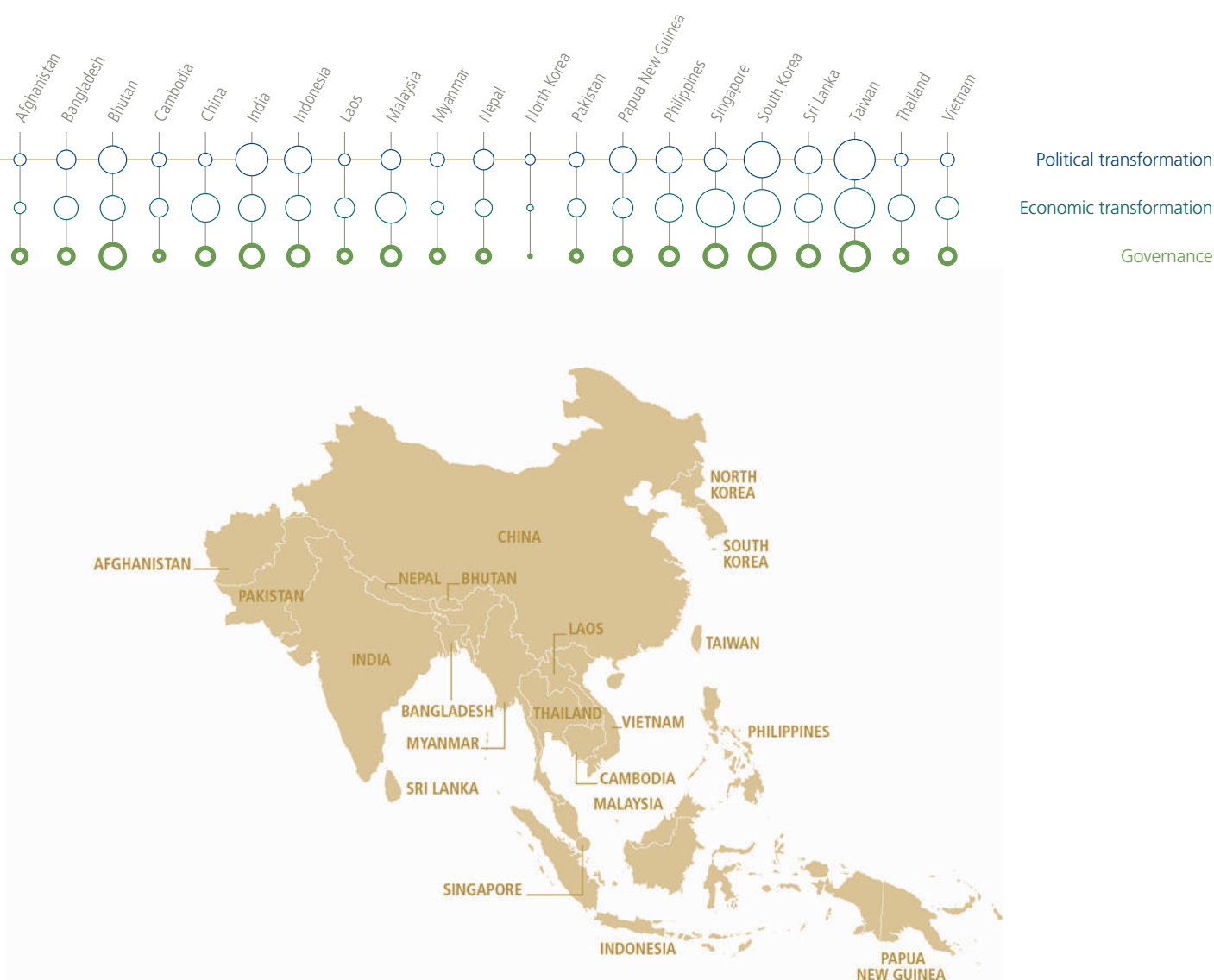
Asia and Oceania is the largest and most diverse region surveyed by the BTI. No other region features such a vast diversity – both now and in the past – of political systems, levels of democratic quality, levels of economic development, living conditions and performance in governance. The region's 21 countries include the highly developed economies of Singapore, South Korea and Taiwan, but also countries in which the GDP per capita is below \$4,000, such as Afghanistan, Bangladesh and Nepal. While Taiwan and South Korea stand out as two of the world's most successful examples of democratization in the so-called Third Wave of Democracy, the region is also home to one of the world's most repressive regimes: North Korea.

The period between 2015 and early 2017 did not see a reversal of the evisceration of de-

mocracy observed in previous years – despite counterexamples such as Bhutan and Sri Lanka. As is the case in other regions, it is primarily the governments themselves that are driving this erosion. In contrast to the critical situation in some democracies, the clear majority of autocracies have achieved considerable stability. This applies not just to socioeconomically advanced non-democracies, such as Singapore, Malaysia and China, but also to socioeconomically weak autocracies, such as North Korea and Cambodia, whose leaders are prepared to secure their own political survival at the expense of the public good.

In the area of economic transformation, the BTI 2018 shows a regional economic growth across the region that is impressive when compared to other regions but not in

historical terms. In particular, smaller, less-developed economies in South and Southeast Asia managed to further their dynamic of stabilization and growth. However, in a context of weak global trade and foreign demand, the export-oriented growth strategies of the Asian national economies remain inherently susceptible to crisis. China is at once a conduit and a source of this ongoing economic slowdown. While China's share of global economic output grew from almost 6% to 14% between 2006 and 2016, the growing weight of the country in the global and regional economy has left many countries in the region even more dependent on China's internal economic development. Economies such as Bangladesh, Cambodia and Laos benefited especially from the relocation of industries displaced by rising production costs



in China. Taiwan and South Korea, on the other hand, are coming to feel that for all the economic advantages of having closer linkages between their economies and the Chinese mainland, it also makes them more vulnerable politically.

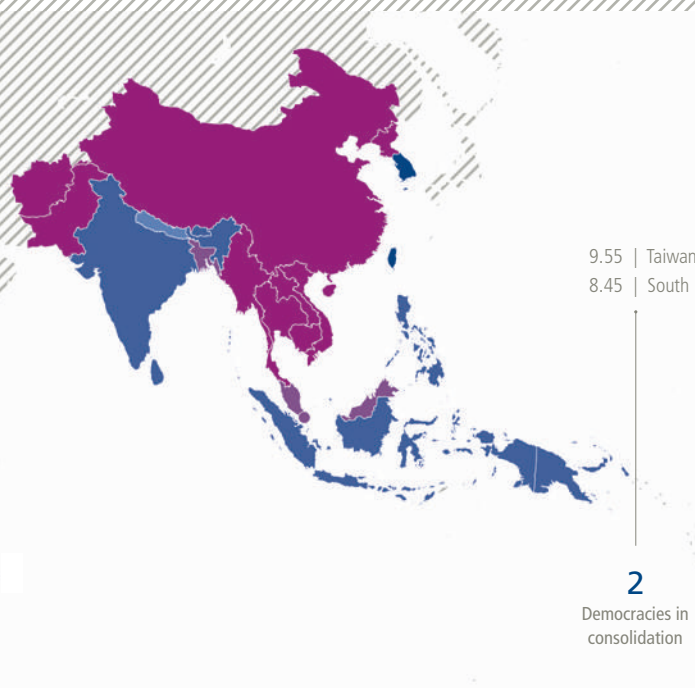
Moreover, development in most economies is less inclusive and socially balanced. This is reflected in growing inequality, the unequal distribution of opportunity, the marginalization of large segments of the population – particularly in South Asia and parts of Southeast Asia – into the informal sector or employment conditions offering low wage prospects, and structurally entrenched discrimination against women and ethnic minorities.

In terms of governance, Bhutan, Sri Lanka and Taiwan present examples of success-

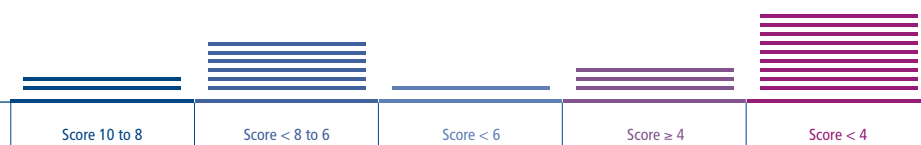
ful transformation management. However, we also find cases of persistently weak governance, such as Afghanistan, Bangladesh and North Korea. In many places, governments use available resources inefficiently and fail to establish broad societal consensus for democratic reforms. And while countries such as Afghanistan, Myanmar, Nepal and Pakistan have introduced democratic reforms since the beginning of the decade, it is becoming apparent that their effort to overcome reform blockages are only advancing slowly, if at all. Finally, the review period of the BTI 2018 saw deterioration in international and, above all, regional cooperation associated with disputes around North Korea's nuclear weapons and missile program, intraregional conflicts in South Asia, and China's military policies in the

South China Sea, which is perceived as a threat by numerous neighboring countries.

More than any other BTI region, Asia and Oceania continues to tread its own path of transformation. Partial economic modernization often comes unaccompanied by, or even at the expense of, democratic transformation. Instead of having a situation in which democratic, economic and social transformation enjoy equal status, there is another vision prevailing here – that of consecutive transformation, which favors social and economic transformation in the present and medium term while currently rejecting – sometimes explicitly – representative democracy as a transformation goal.



Political transformation



The illiberal temptation of autocratic models

Most of the democracies in the region are illiberal and weakly institutionalized. In addition, authoritarian features are re-emerging and democratic deconsolidation is gaining momentum. The example of Sri Lanka shows that such developments can be halted or even reversed. On the other hand, there is little reason to expect further democratization in the remaining autocracies.

The present review period offers an unchanged tally of democracies (9) and autocracies (12), one reversion to autocracy (Bangladesh), and one re-democratization (Sri Lanka) – and precisely the same regional average score as in the BTI 2016. This may suggest continuity and stability in the area of political transformation – but, in the medium term, it obscures the dynamics of developments that only become apparent through comparison across multiple editions of the BTI.

At the country level, it is particularly evident that Thailand, Bangladesh and the Philippines have all experienced large or even very large declines in democracy between 2005 and 2017. A look at individual criteria for political transformation can be just as sobering. In the criterion of stateness, five countries improved by at least 0.3 points between 2005 and

2017, but only one democracy (Sri Lanka). Deterioration was apparent in nine countries. Among the causes were an intensification of ethno-religious conflicts and Islamist extremism as well as ongoing problems in the area of administrative (and fiscal) state capacities. One particularly discouraging example here is Afghanistan. The country still lacks basic infrastructure, while endemic corruption and persistent security problems scare off foreign investors and local entrepreneurs. The Taliban now controls around 40% of the country's districts.

In terms of political participation, Myanmar and Nepal, in particular, have both seen significant improvement, although it is not at all certain whether these developments are sustainable. And while political and social integration has improved in the majority of

countries – indicating greater trust and more robust social networks – the stability of democratic institutions has suffered considerably in some places.

The decline in rule of law is also striking. Here, we see poorer results in 12 countries since early 2005. Only Indonesia, Myanmar, Nepal, Vietnam and, to a lesser extent, Afghanistan and Taiwan have improved the practiced rule of law in their countries. Indonesia is the only country that has managed to improve significantly on an already stable rule of law; but, even here, reduced civil rights protections (–1) partially diminish the improvements in separation of powers (+3) and the prosecution of office abuse (+1).

Generally, when viewing regime types in Asia and Oceania, the majority of democracies appear to be illiberal and insti-

tutionally weak, and these deficits have tended to grow over the last 12 years. A look at the latest trends reveals three analytically distinct facets of democratic erosion, which are actually interlinked in political reality. First, Bangladesh, Nepal, Papua New Guinea, the Philippines and, to a lesser extent, Indonesia have been affected by democratic backsliding. Governments with democratic legitimacy in these countries are consolidating their power, pursuing their own political or economic interests, or responding to pressure from societal interest groups in a way that has a profoundly negative impact on the quality of democracy.

However, as the example of Sri Lanka shows, backsliding doesn't have to be an irreversible process. The electoral fall of President Mahinda Rajapaksa (2005–2015) surprised many observers, and his successor, Maithripala Sirisena, has wound back the autocratic practices of his predecessor, introducing constitutional reforms that will make it difficult for future governments to follow Rajapaksa's example.

Second, there is a noticeable trend toward deconsolidation even in the more entrenched democracies. In India, South Korea and Taiwan, satisfaction with the functioning of democracy among citizens, their trust in democratic institutions, and their estimation for democracy are all in retreat – although the roots of these qualities were already shallow, with illiberal or even authoritarian views of democracy often prevailing. The terms of the last two conservative presidents in South Korea, Lee Myung-bak (2008–2013) and Park Geun-hye (2013–2017), were marked by efforts to erode democracy. Nonetheless, the political controversy brought about by corruption allegations leveled at the president served to advance a new “mobilization narrative.” A coalition of various political and societal forces brought liberal opposition candidate Moon Jae-in to victory in the presidential elections, and democratic deconsolidation seems to have been halted in South Korea for the time being.

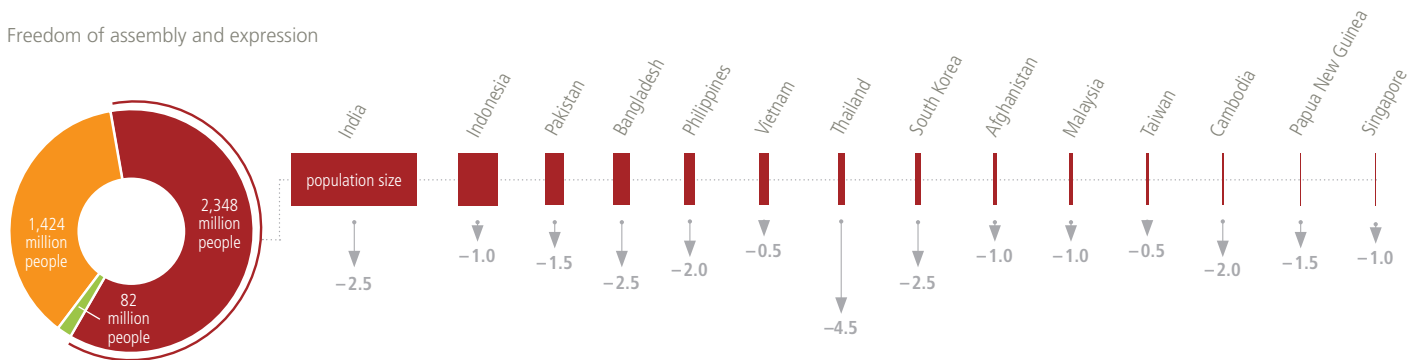
Third, the blockade of further democratic reforms can be observed in a range of conflict-riven countries that inhabit the gray zone be-

tween democracy and autocracy. This particularly applies to Afghanistan, Myanmar, Nepal and Pakistan. In the last five years, these countries have undergone substantial political reforms, yet the authority of their governments is still restricted by the broad privileges granted to the military and other veto powers (e.g., major landowners, warlords, business tycoons), chronic state weakness in bigger or smaller regions of each country, and widespread political extremism.

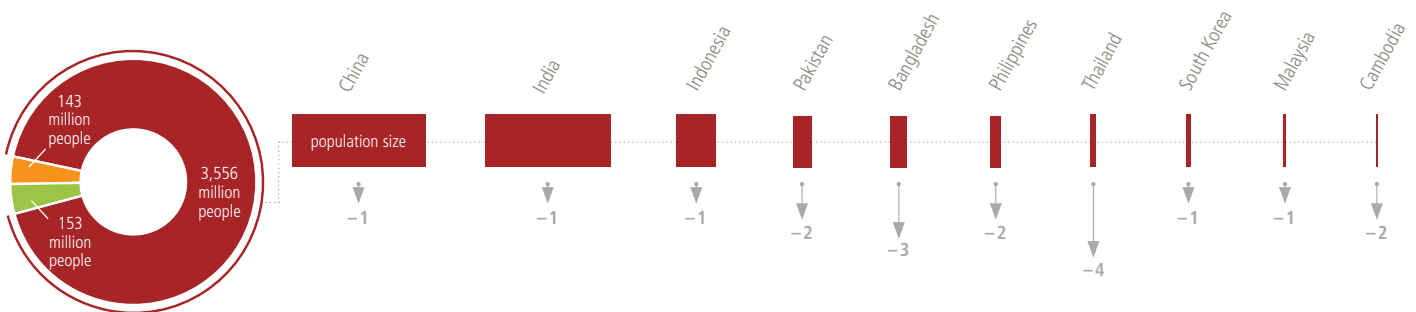
The impression of a stagnant, if not negative dynamic of democratic transformation increases when we look at the development of autocracies. In contrast to Myanmar and Pakistan, where the transformation trend has been relatively positive in recent years, Cambodia and Malaysia are showing signs of toughening. In Singapore, the September 2015 parliamentary elections strengthened the position of the People's Action Party, which has enjoyed sole rule since 1963. The BTI 2018 also revealed a lack of discernible, substantial steps toward political liberalization in the one-party states of the region.

Many Asians are experiencing a decrease in civil liberties

Freedom of assembly and expression

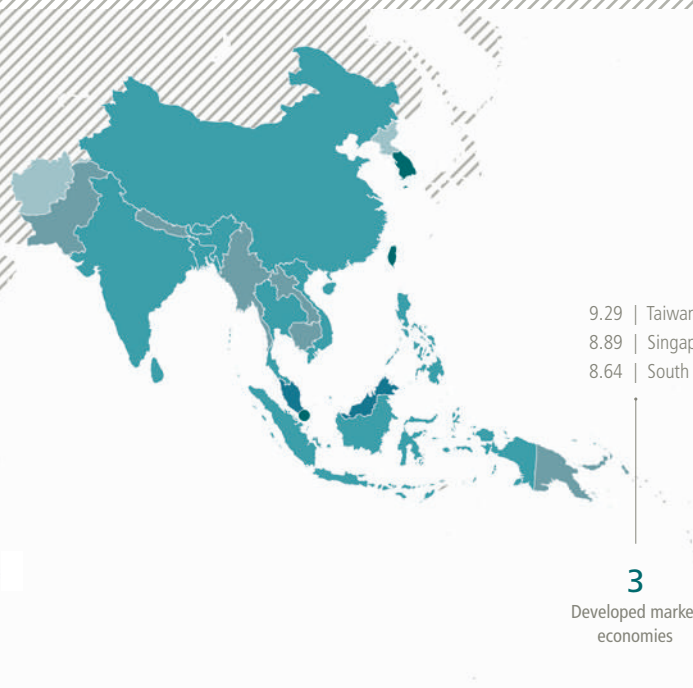


Civil rights

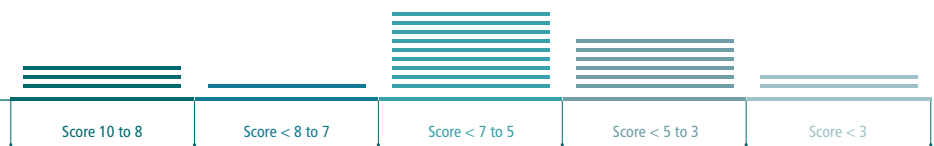


● Improvement ● Unchanged ● Decline

Trends in association/assembly rights, freedom of expression, and the rule of law; weighted by population; BTI 2006–2018



Economic transformation



China's attraction

The economies of Asia and Oceania still display high levels of performance and stability. On the other hand, socioeconomic development often – and disappointingly – remains much lower. Overall, growth in many countries is increasingly dependent on China.

No region offers a more varied picture of economic transformation than Asia and Oceania. The largest group is made up of nine market economies with functional flaws – although, with a score of 6.75, China is approaching the threshold for functioning market economies. This score is even more striking when set against the slightly negative long-term trend in India, and it once again confirms the outstanding levels of performance and innovation that distinguish the Chinese transformation model. On the other hand, Afghanistan, Bangladesh and Cambodia offered considerable cause for concern, as do regressive developments in Nepal, North Korea, Pakistan, Sri Lanka and (as is hardly surprising given the crisis since 2006) Thailand.

China also maintains its position at the center of economic development. Owing to its exposed role as a hub in global

value-creation chains and the partial realignment of its growth model toward domestic consumption and services, China is both conduit and source of the current economic slowdown. Across the region, economic growth strategies are still under pressure from continually sluggish foreign demand and global trade as well as low oil prices. As a result, economic growth in Asia-Pacific economies is relatively moderate, coming in at around 6% for the region's least-developed countries in 2016. On average, however, the performance of the national economies continues to be the region's greatest strength.

The region saw a slower inflow of funds in the form of foreign direct investment (FDI) in 2016 compared to the previous year, although it is still at a high level compared to the trends of recent years. The greatest cross-border revenues in absolute terms

were recorded in the Chinese mainland (including Hong Kong), Singapore and India. Bangladesh, Cambodia and Myanmar have also been major beneficiaries of FDI increases in recent years, which can partially be explained by the transfer of production away from China. These inbound funds brought relatively strong production growth to these economies. For the region as a whole, the growth of private investment has been disappointing in many countries despite low interest rates in 2015 and 2016.

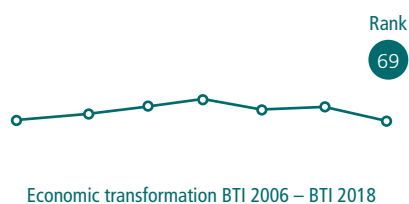
Next to economic performance, currency and price stability is another strength of the region. It was India's monetary policies that attracted the most international attention. In November 2016, the government made the surprise announcement that the central bank would withdraw all 500- and 1,000-rupee notes – or 85% of the country's physical cash flow – from circulation. Prime



Population: 92.7 mn

Life expectancy: 75.8 years

GDP p.c. PPP: \$6,424



Minister Narendra Modi justified this radical step by referring to the shadow economy, corruption and the circulation of counterfeit notes. It was the country's low-income individuals, households and businesses that were most affected by this measure. In the medium term, however, the expectation is that the monetary initiative will redirect more economic activities to the formal sector, promote the digitization of financial transactions, and contribute to the expansion of the tax base, thereby securing the fiscal leeway necessary for public social and infrastructure expenditure.

Once again, however, the region fared worst in terms of socioeconomic development as well as welfare regimes and sustainability policies. But these are not conditions that call for black-and-white statements. True, the lower-income and poorer segments of the population may enjoy fewer of the rewards of economic growth in many countries, a fact reflected in growing income disparity across the region. And it cannot be denied that decent, productive jobs are often simply not to be found. However, as the UNDP's Human Development Index (HDI) demonstrates, several indicators (e.g., per capita income, educational background and life expectancy) have improved over the past five years. Between 2010 and 2015, every country for which data was available made progress in absolute terms, and 14 countries improved their relative positions. Only Afghanistan and Papua New Guinea remain in the group of countries with a low HDI score, which stands in marked contrast to the situation in sub-Saharan Africa, where around half of the countries fall into the lowest development category.

When it comes to environmentally sustainable development, the region lags some distance behind the rest of the world – despite gradual decreases in CO₂ intensity. Naturally, the major economies (e.g., China,

India and Indonesia) are responsible for a large part of these emissions. And, generally speaking, while resource efficiency is significantly lower in Asia than in the rest of the world, Asia's proportion of global raw material extraction (which almost doubled between 1985 and 2005) did increase further. On the other hand, following decades of rapid industrialization, an increasing number of countries are concentrating on "green growth" and the development of energy-efficient renewable technologies. Here, too, China is central. Together with Japan, it is now responsible for around half of the global commercial investment in clean technologies – and is leading the world in patent registrations for climate change mitigation technologies.

Vietnam: Eroding stability

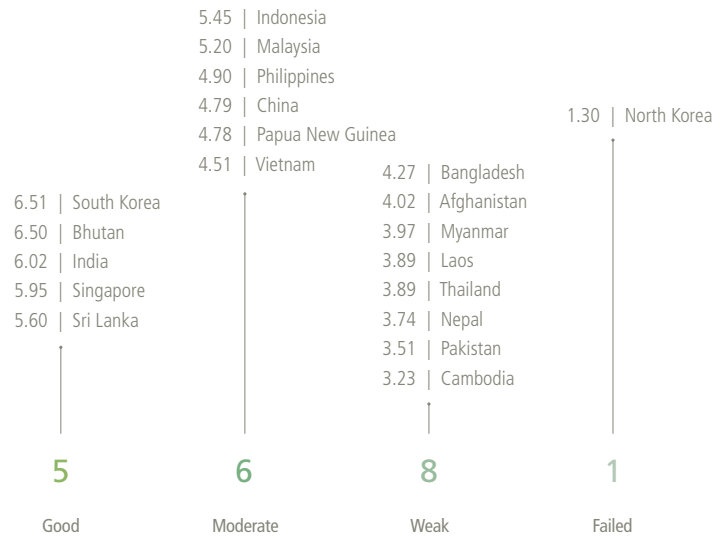
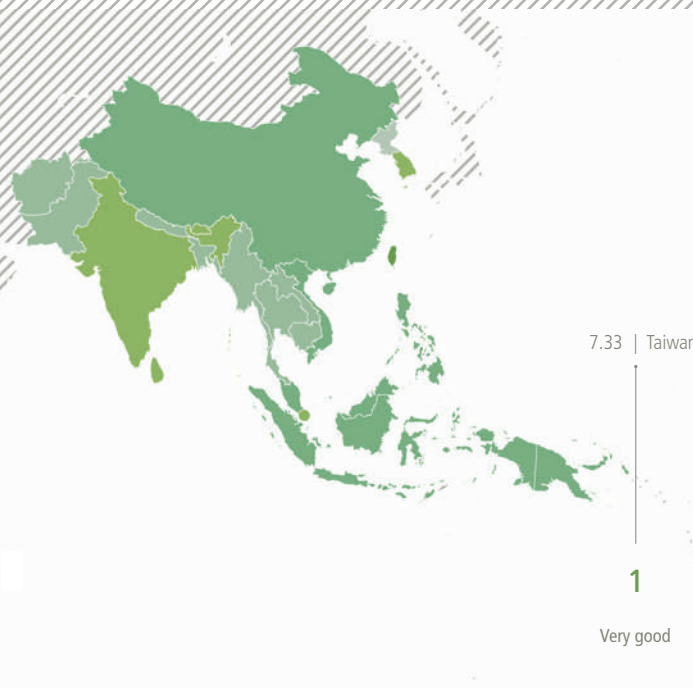
For many years regarded as Southeast Asia's most stable autocracy, Vietnam is showing signs of growing social unrest. A combination of political and economic factors account for these developments. Highlighting a process of decay within the Vietnamese Communist Party (VCP), the BTI report points out that "money thoroughly penetrates the party and its patronage networks," which raises oft-justified suspicions that even high-ranking government officials are lining their pockets.

The fact that such criticism is voiced so loudly is in part a product of market reforms that were once introduced by the formally socialist country. Industrialization and the resulting export strength ensured impressive economic growth for more than two decades. Indeed, from 1990 to 2010, the country saw its GDP triple and the poverty rate fall well below 20%. These improvements created a milieu of independent intellectuals and a middle class that has grown increasingly vocal since the boom. But, as the report notes, the quality of life for ordinary Vietnamese appears to have worsened in recent years, and inequality is growing, not only in terms of income, but also in consumption, in particular with regard to social services such as education or health.

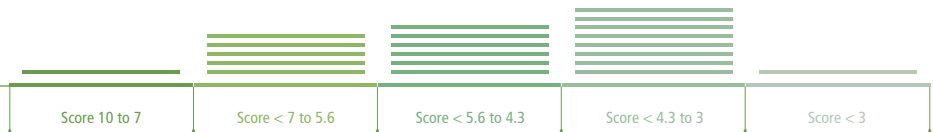
And while the VCP itself has recognized growing public debt as a threat, it is unclear whether officials are willing or even able to implement the measures recommended in the country report, which include reducing the government payroll and introducing stricter budget constraints, not to mention doing more to fight corruption.



The full country report is available at
www.bti-project.org/vnm



Governance



Democracies perform better, though not by much

Most countries in the region recorded weak transformation management – now also including Bangladesh, the eighth-most populous country in the world. Some autocracies do relatively well, but a comparison of regimes yields a clear result.

Peaceful changes in government are now commonplace in Taiwan. Following orderly government transitions between the nationalist-conservative Guomindang (GMD) and the liberal Democratic Progress Party (DPP) in 2000 and 2008, the third such transition came in 2016. Taiwanese politics have so far proved immune to abrupt changes in direction, erratic populism and political extremism. While the sovereignty issue continues to split the population no matter who is in power, both the GMD and DPP have demonstrated a strong or even very strong willingness and ability to build consensus among citizens at home and promote international cooperation. Considering the fact that the Taipei authorities operate under the difficult conditions imposed by Beijing’s “One China” policy, this last fact merits particular emphasis.

While Taiwan thus managed to defend its third-place ranking among all BTI countries surveyed, the quality of governance in South Korea deteriorated for the fourth time in a row. With months of street protests and impeachment proceedings against President Park, who was charged with abuse of power and breach of official duties, the government has been more or less paralyzed since the second half of 2016. The Constitutional Court has since stripped the president of her powers, and the liberal opposition won the early presidential elections in May 2017. It seems doubtful that President Moon Jae-in will offer any marked improvement in governance. His party does not have a majority in parliament, and will not have one until April 2018 at the earliest.

The largest group in the Governance Index is made up of the eight countries with weak transformation management – now including Bangladesh. The country has been subject to an intensification of the conflict between the secular Awami League (AL) and the religious-conservative Bangladesh Nationalist Party (BNP). The two parties have been determining national policy since the country gained its independence in 1971. Relations between the BNP’s Begum Khaleda Zia and the AL’s Sheikh Hasina Wazed are strained on a personal level, a fact partially explained by the interconnected tragedies in their families. Since the parliamentary elections of January 2014, which were boycotted by the BNP, the AL has had enormous, almost unrestrained power. Also problematic is the government-led judicial

reappraisal of crimes associated with the war of independence. Trials against high-ranking defendants and frequent death sentences have opened old wounds and contributed to an escalation of violence between Islamists and secular forces. Moreover, the government is not positioned to stem regular outbreaks of intra- and inter-religious violence.

This last scenario also holds true for the National League for Democracy government in Myanmar. Structural obstacles on the path to good governance and successful transformation management have proved overwhelming, even after the transition from military to civilian rule. It is still unclear how much latitude the government actually has, how strong further changes under the “democratic” government elected in November 2015 will be, and whether the country will see a situation like Pakistan’s, where the opposition’s electoral victory under then-Prime Minister Sharif in May 2013 resulted in “change without transformation.”

Once again, North Korea features the worst governance performance in the region – and one of the worst three in the world. However, the West’s perception of capricious rule – in a bizarre country under a mad dictator with an odd haircut – is not entirely justified. In a certain sense, after almost seven decades, the North Korean regime remains in place not despite, but precisely because of poor governance, as it is defined by the BTI. Focusing its economic resources on maintaining an enormous military apparatus as well as its nuclear weapons and missile program is, from Pyongyang’s perspective, the only effective safeguard in a world full of enemies.

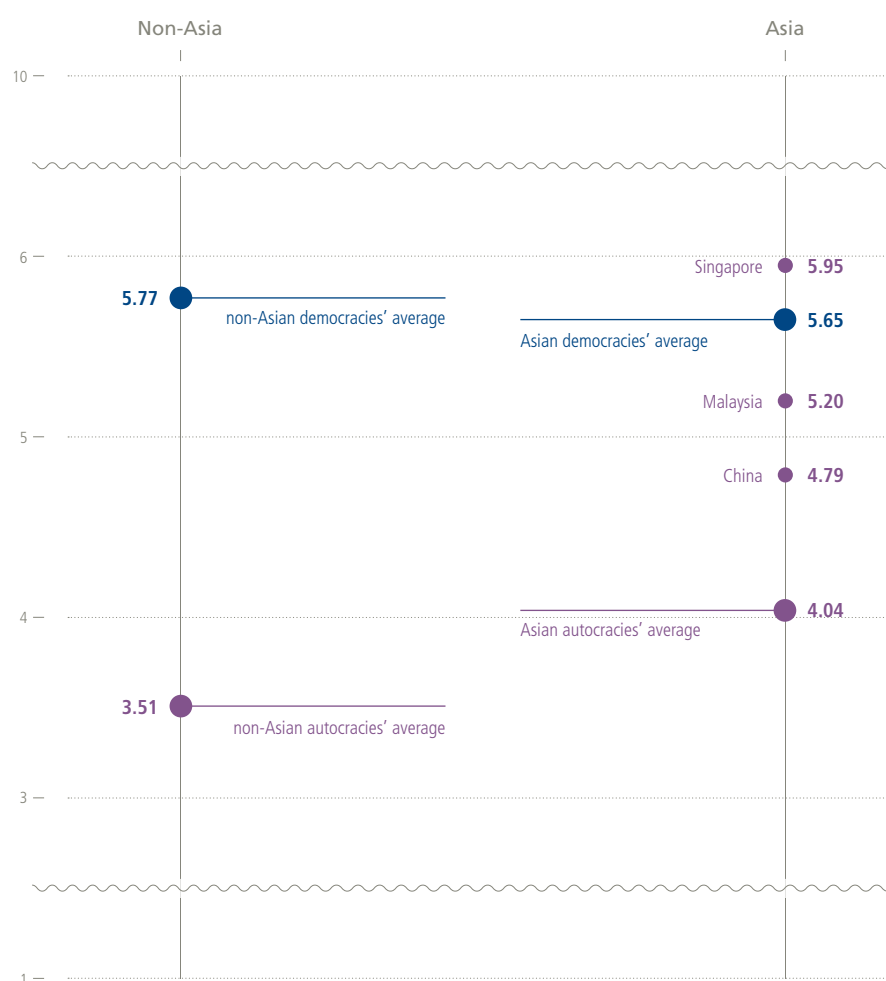
Nonetheless, there is a group of seven countries in which management performance has improved by at least 0.3 points since the BTI 2006. However, only one of them – Bhutan – enjoys good governance in the estimation of the BTI. Although four of the seven most improved countries are still autocracies, the governance capability of some Asian autocracies is remarkable. Singapore, for example, has by some distance the best governance of the 58 au-

tocracies in the BTI, and performs better than 41 of 71 democracies. Malaysia and China, too, leave numerous democracies far behind. It needs to be noted, however, that these countries represent the exception rather than the rule. Save Vietnam (with a markedly declining governance score), the transformation management of all other autocracies in the region is weak or failed, with glaring deficiencies particularly in resource efficiency and consensus-building.

So, do autocrats really make better transformation managers? The present BTI has an unambiguous answer to this recurring question: no. But because the trend barometer among democracies is pointing down, and democracies in Asia – as a group – fare worse than those in Eastern Europe and Latin America, it would be fair-

er to say that, on average, transformation in Asian democracies is less poorly managed than in autocracies.

Compared to the rest of the world, Asia’s democracies are governed worse and autocracies better



Average scores and outliers in the Governance Index by regime type, BTI 2018



Simmering conflicts and new hot spots

Overall, transformation in Asia and Oceania presents a mixed picture. Certainly, it is reassuring that hardly any regime in the region can now do without instituting some element of representative democracy, even if they selectively adapt the tools of democratic legitimation in doing so. Also encouraging is the fact that most countries are essentially striving for a stable market economic system.

However, apart from a few exceptions, there is little cause for optimism. Weak democracies sliding into the gray zone of hybrid regimes – this is a danger that can be observed in numerous parts of Asia and Oceania. Moreover, relatively well-established democracies, such as India and South Korea, are facing the threat of deconsolidation as citizens grow more and more dissatisfied with democratic institutions and increasingly throw their support behind alternative modes of rule. Populists are gaining ground in the Philippines, Indonesia and Thailand, in particular.

When it comes to economic development, lasting reform initiatives remain the exception. This can be attributed in large part to differences in the extent to which stateness is developed. The ongoing state weakness in South Asia, on the one hand, and well-developed stateness in countries of Northeast and Southeast Asia that are heavily influenced by Chinese culture and state traditions, on the other, points to a

cultural path dependency in the development of political administrative capacities and “remnants” of earlier bureaucratic rule that reach far into the past. For South Asia, and for countries such as Myanmar, this is not good news. Since there is also no pan-regional consensus on whether an inclusive market economy and democracy based on the rule of law are equally desirable, it would be unreasonable to expect any major positive changes in the BTI rankings in the short and medium term.

The greatest risk to economic growth in the near future may be the danger of increasing trade protectionism in Western economies and throughout the world. Moreover, the most recent political developments in the advanced OECD economies threaten multilateralism. The Asian economies can therefore no longer rely on traditional export markets, and must increase domestic and regional demand instead.

The fact that the gap between rich and poor is not only immense but also growing remains a problem for which the region's governments have thus far failed to offer any compelling solutions. Social security systems remain underfunded and insufficient in their coverage. Finally, the rapidly increasing environmental cost of economic growth is a burden on societies. For this reason, the development and implementation of better sustainability policies will remain a major challenge for transformation in Asia and Oceania.

One of the greatest potential threats comes in an area for which the BTI has offered a relatively positive picture in recent years: regional and international cooperation. One hot spot is the South China Sea, where there is a threat of militarization of territorial disputes. In one way or another, this involves numerous Southeast Asian countries, Taiwan and China – but also, indirectly, the United States. There is considerable potential for conflict as China's military presence expands and Beijing refuses to recognize the authority of the Permanent Court of Arbitration in The Hague. This applies even more to the tensions caused by North Korea's nuclear weapons and missile program. Indeed, military conflict on the Korean peninsula would have dramatic consequences not just for the two Koreas, but for the entire Asia-Pacific region.



This summary is based on the Asia and Oceania regional report by Aurel Croissant, available at www.bti-project.org/aso



The full reports for each country in the region are available at www.bti-project.org/countryreports/aso



Nigel Nugawela is an independent researcher with interests in human rights archiving, archival activism and reconciliation. In 2016, he was a member of the research team associated with the Consultation Task Force on Reconciliation Mechanisms (CTF). Prior to this, Nigel worked at the Centre for Policy Alternatives and was co-editor of Groundviews.org. He holds an MA in Politics from the University of Edinburgh, Scotland. He has been a member of the Transformation Thinkers network since 2010.



Interview

“Empty rhetoric and half-baked measures”

Nigel Nugawela on political progress, transitional justice and reconciliation in Sri Lanka

In terms of political participation, rule of law and consensus-building, political transformation in Sri Lanka has improved significantly since former President Mahinda Rajapaksa was voted out of office in January 2015. How do you assess such a rapid turnaround?

Though we have turned the corner, I wouldn't call it a full turnaround. A number of issues give cause for concern, in particular ongoing human rights violations, repression and a culture of impunity. There are still reports of intimidation, assault, surveillance and torture. Religious minorities are still subject to attacks, development projects have led to evictions and domicile, and authorities continue to place restrictions on memorialization events in the north.

The government appears to be unable or unwilling to make progress in a number of other areas. Key aspects, like constitutional reform and transitional justice, are moving very slowly as the government navigates competing ideological positions within the alliance and attempts to deal with the pressure imposed on it by the Joint Opposition. If the government intends to distinguish itself by overcoming the severe shortcomings and transgressions of previous governments, it must demonstrate the courage and political will to substantively address the issues of truth and justice. So far, it has continually sidestepped the harder issues and has instead come up with empty rhetoric as well as hurried and half-baked measures in an attempt to placate the international community. In doing so, it has failed to address the demands and needs of communities affected by multiple conflicts in the country.

You were a member of the research team for the Consultation Task Force on Reconciliation Mechanisms (CTF), which submitted its report and recommendations to the government in January 2017. What is the current state of implementation?

The final report of the CTF reflects the submissions made at public consultations around the country. It also put forward a number of recommendations on the reconciliation mechanisms proposed by the government of Sri Lanka and other measures. The CTF's recommendation for international participation – which would eventually be phased out once there is enough trust and confidence in exclusively national mechanisms – was picked up and criticized by several ministers in the government. They opposed international involvement, dismissed the recommendations and questioned the credibility of CTF members, despite the fact that they were appointed by the prime minister. It would not be an exaggeration to say that the final report of the CTF has been cast aside by the government, with tragically no

acknowledgment of the report's diverse narratives and valuable suggestions, all of which were submitted by affected persons and members of the public.

The judicial mechanism and the prosecution of human rights violations and abuses are arguably the most controversial aspects of the transitional justice agenda, particularly with regard to allegations of abuses committed by the armed forces. Whereas calls for truth and justice have grown, the government's unwillingness to move forward can be attributed to concerns about the possible fallout from pursuing transitional justice in the context of a fragile political process for constitutional reform, conflicting attitudes toward justice, and how these issues will play out in the run-up to the elections.

In terms of the implementation of the mechanisms, the government has passed legislation for only one mechanism. In September 2017, President Maithripala Sirisena signed a Gazette notification to operationalize the Office on Missing Persons (OMP). The status of the other mechanisms is unclear and, despite repeated requests from civil society and the Office of the United Nations High Commissioner for Human Rights, the government has not established a fixed time line for implementation. It is highly unlikely that the remaining mechanisms will be established in the next two years.

Is Mahinda Rajapaksa still a political force to contend with, and what are the chances that he could resume power?

Mahinda Rajapaksa is a political force in the country with an impressive support base. However, the 19th amendment to the constitution makes it impossible for him to contest the next presidential election. Rajapaksa's loyalists formed a new political party last year – Sri Lanka Podujana Peramuna – and there is plenty of speculation about a possible candidate to lead the party at the upcoming elections. The former president's brother, Gotabhaya Rajapaksa, is favored by some. And though he has downplayed his entry into politics, he continues to speak out on a number of issues.

The governing Sri Lanka Freedom Party (SLFP) and United National Party (UNP) appear to be considering their strategies. Even though both parties leave much to be desired, some would argue that the only viable option is to maintain the SLFP-UNP alliance in order to stave off the threat of Rajapaksa and his loyalists. But the fissures within the alliance could make this extremely difficult.