



EXPLORING INDIA-SRI LANKA COOPERATION AMID CHINA'S RISE IN SOUTH ASIA

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Abstract

The new administration of India, led by “Prime Minister Narendra Modi,” has overtaken policy positions that represent the country’s aim “to restructure its external involvement by making significant changes in domestic and international policy.” India’s new government will implement these reforms. On the front of India’s foreign policy, there has been a rapid succession of the introduction of various pragmatic initiatives. “India’s foreign policy will no longer be a ceremonial affair but rather a proactive engagement, and as evidenced by the country’s efforts to transform its relations with great powers such as the United States of America, Japan, and China, accord its South Asian neighbors’ paramount importance; resurrect its ties with East Asian neighbors; and lead from the front in international fora.” In this context, realizing the proximity and importance of South Asian neighbors and building close ties with them, particularly with Sri Lanka, have been perceived as new outlooks for India’s foreign policy. This is particularly true because Sri Lanka is geographically located closest to India. India must add more force to the “neighborhood first” policy it has already embraced to meet the demand for intensifying cooperation on economic and other fronts. This is necessary because South Asia’s contours are shifting due to the enlargement of Chinese impact in the region.

Keywords: Regional Hegemony, Cooperation, Neighborhood Policy, Mutual Trust.

Introduction

Since Narendra Modi returned to his position as Prime Minister of India in May 2019, there has been a surge in the amount of conjecture regarding the future course of “India’s foreign policy.” The tone and tenure of India’s foreign policy look to be rebalanced under the new government led by Modi, which is highly evident from the template of invitation to the neighboring states in his swearing-in ceremony. The new government of India, led by Prime Minister Narendra Modi, has adopted many policy stances that indicate the country’s aspiration to undergo a significant transformation through the implementation of significant changes in both domestic and foreign policy. On the front of India’s foreign policy, there has been a rapid succession of the introduction of various pragmatic initiatives. “Improving its relations with great powers such as the United States of America, Japan, and China, prioritizing South Asian neighbors, reviving relationships with East Asian neighbors, and taking the lead at international fora demonstrate that India’s foreign policy would no longer be a ceremonial affair but a proactive engagement.” In this context, realizing the proximity and importance of South Asian neighbors and building close ties with them, particularly with Sri Lanka, have been perceived as a new outlook of India’s foreign policy.^[1] This is particularly true because Sri Lanka is geographically located closest to India. Sri Lanka has unarguably become an important part of Modi’s Foreign Policy 2.0 as a result of the shifting contours of South Asia as a result of the expansion of Chinese influence in the region, the urge to intensify cooperation on economic and other fronts, and the increasing temperature of the region surrounding the Indian Ocean. All of these factors combined.



India-Sri Lanka Ties and the Changing Dynamics of the South Asian Region:

India has also started strenuous attempts to develop its relationship with the countries in its immediate vicinity. It is a continuation of the “Neighborhood First” policy implemented during the first term of the Modi government that India’s new government has made it a priority to give India’s neighbors top priority. After he was elected Prime Minister in May 2014, Modi chose Bhutan as the first location for his maiden trip outside of India; during his first month in office as Prime Minister in June 2019, Sri Lanka and the Maldives were his first international stops, respectively. During his recent trip to the Maldives and Sri Lanka, Prime Minister Modi significantly boosted India’s two primary goals for its foreign policy: “Neighborhood First” and “Act East.” These actions are predicated on the achievement of certain goals, including the following: first, to improve interactions with its immediate neighbors in the South Asian region and the proximate countries that have greater strategic pertinence yet fall within the Bay of Bengal zone; second, to augment interconnection in its immediate and enlarged neighborhood, to deliver resource assistance in the form of financial aid, equipment, human resource training, and diplomatic alliances, and also to emphasize regional institutions; and third, to enhance encounters with its proximate countries that have greater strategic relevance yet fall In addition to this, India’s foreign policy has recently undergone a significant paradigm shift, with the primary focus shifting to the area surrounding the Indian Ocean.^[2] Because big powers such as China and the United States are cozily getting together with countries of the area on regional territory, the geostrategic competition between India and other countries has grown significantly more complicated. When these competing priorities are taken into account, it would appear that New Delhi gives a higher priority to “the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) than it does to SAARC. Bangladesh, India, Myanmar, Sri Lanka, Thailand, Nepal, and Bhutan are the seven nations that makeup BIMSTEC. These nations are located in South Asia and Southeast Asia, respectively.” The newly appointed Minister of External Affairs, S. Jaishankar’s, garnered a lot of attention when he declared that “BIMSTEC has energy and possibility.” He also gave his stamp of approval to India’s revived interest in the regional clustering, which had been around for twenty-two years but had been largely ignored. However, this attention shift by India from SAARC to BIMSTEC does not constitute an exclusive membership in either organization.

Without question, Sri Lanka occupies a geostrategic location of the utmost importance, and this placement places it smack dab in the middle of the Indian Ocean region. “It is a small island located at the primary marine lines of communication between the Bay of Bengal and the Arabian Sea, as well as between the South China Sea and the Indian Ocean.” Both of these seas are part of the Indian Ocean. In his book titled “Monsoon: The Indian Ocean and the Future of American Power,” Robert Kaplan does a good job of explaining the geostrategic significance of Sri Lanka. According to Kaplan, “Sri Lanka is an important part of the new marine geography and should be regarded as a geostrategic hub because of its location in the Indian Ocean. In this regard, Hambantota Port is in the spotlight due to its geographical location, which places it near the southernmost tip of Sri Lanka and closer to some of the busiest shipping lanes in the world.”^[3] As a result, it is in an ideal position to serve as the focal point of this discussion. It would appear that China’s aim to build a “String of Pearls” through a series of ports that it does not own but can use for its warships across the Indian Ocean is moving closer to becoming a reality as a result of this development. The critical factors that contribute to Sri Lanka’s importance in the region are as follows: firstly, Sri Lanka’s location on the busiest international maritime route; secondly, China’s new-found interest in Hambantota Port is at the epicenter of the Indian Ocean; thirdly, the region that is adjacent to Sri Lanka has the potential to have vast reserves of natural gas;



and fourthly, Sri Lanka's peaceful rise with democratic firmness will help enlarge the zone of democracy within the region.

The Proactive Strategy Adopted by India Towards Sri Lanka

India and Sri Lanka share a rich historical and cultural heritage, which appears to translate into present-day political and economic cooperation within and beyond the region. Because of this, India has always prioritized developing friendly and harmonious ties with Sri Lanka, which it believes will help preserve the historical and cultural ties between the two nations. Because of its advantageous location at the convergence of two seas, Sri Lanka has become a more important participant in South Asia and beyond this region. "Because of its close vicinity to the region of the Indian Ocean, its relevance to the great countries of Asia and Europe, in addition to the United States, has expanded. Despite this, the relationship between India and Sri Lanka has been through many highs and lows throughout their history." The most important factor in Indo-Sri Lankan relations is attributed to the internal political trends of both countries, as well as China's close gambit with Sri Lanka. This is because China's increasing presence to encircle India through the Maritime Silk Road Initiative and registering its naval presence in India's backyard has further strained the relationship between the two countries.^[4] There is no question that both nations have been trying to preserve the cordial relationship between them for more than 2,500 years. "The rich history of intellectual, cultural, religious, and linguistic exchange between the two societies is highly valued." India and Sri Lanka have tried to widen and strengthen their current contacts in various domains, including trade and commerce, infrastructure development, education, cultural exchange, and military cooperation. Since the end of the "civil war in 2009, Sri Lanka and India" have continued to engage in various activities to make the most of the potential for friendly relations.

India has again recovered as Sri Lanka's top commercial partner, resulting in a fresh impetus in the nation's economic relations. This has marked a new beginning for Indo-Sri Lankan relations. Both countries are geographically, culturally, and economically intertwined with one another. As a result, they have made significant attempts to close the rift caused by the previous political dispensation in Sri Lanka, which Mahinda Rajapaksa led. After 2014, India and Sri Lanka's relations started on a new course, helped by two energetic leaders: "Prime Minister Narendra Modi of India and President Maithripala Sirisena of Sri Lanka." Both leaders took various steps to inject new life into their bilateral ties. India has again recovered as Sri Lanka's largest trading partner, demonstrating that the new government in Colombo is committed to the economic links the nations are maintaining.^[5] As a result of these efforts, India has taken over the top spot. Both countries are geographically, culturally, and economically intertwined with one another. As a result, they have made significant attempts to close the rift caused by the previous political dispensation in Sri Lanka, which Mahinda Rajapaksa led. After 2014, "relations between India and Sri Lanka" entered a new phase with the help of two influential leaders. "The Prime Minister of India, Narendra Modi, and the President of Sri Lanka, Maithripala Sirisena, took many steps to inject new life into their relationship. Prime Minister Narendra Modi's visit to Sri Lanka in 2015, the first by an Indian head of government in 28 years," seems equally set to catalyze positive improvements in the bilateral relationship, given the new administration's apparent desire to address India's sensitivities and engage with India in a spirit of friendliness and amity. Relationships between India and Sri Lanka have unquestionably entered a post-2014 phase characterized by more realistic and pragmatic approaches to foreign policy matters.



C. Raja Mohan correctly observes that previous Indian governments made “monumental errors” in their policy toward Sri Lanka. However, at this time, India has the opportunity to “rebuild” the special relationship it has with Sri Lanka by “reclaiming the shared spiritual heritage,” “recognizing its special position in the sacred geography of Buddhism,” and “acknowledging Colombo’s leadership role in Asia and the Indian Ocean.” The Sirisena government of Sri Lanka adopted a balanced foreign policy approach. This was accomplished by rejecting the overtly pro-Chinese policies of the previous administration and acknowledging the sensitivity of India’s position in the area. This, along with Modi’s “neighborhood first” approach, helped to create an environment of friendliness and mutual comprehension between the heads of state of the two countries. Prime Minister Narendra Modi made his second trip to Sri Lanka in May 2019, shortly after being reinstated as the leader. However, the decline over seven decades could not be reversed in such a short amount of time; yet, the bond between Modi and Sirisena has the potential to perform miracles in reshaping the relationship that previously existed between the two countries.^[6]

The Effective Use of India’s “Soft Power” Diplomacy

During the subsequent phase, India and Sri Lanka agreed to demonstrate deep economic ties. During Sri Lankan Prime Minister Ranil Wikremesinghe’s visit to India in April 2017, the two sides signed an MOU for “Collaborations in Economic Projects.” This document outlined the agenda for bilateral economic cooperation shortly. In addition, the two countries have agreed to establish deep economic ties in the subsequent phase. In contrast to the Mahinda Rajapaksa administration that came before it, the current government in Colombo, which has been in power since 2015, has worked to strike equilibrium in its policy toward India and China. This effort has granted “India a stake in the Hambantota airport, the Colombo port project, and a key expressway. It has prohibited Chinese submarines from operating in Sri Lankan waters. This comes against the backdrop of loans from Beijing.”^[7]

The transition of “the Chinese-built Hambantota airport near the deep-sea port” on lease to India is a favorable indicator towards India and Sri Lanka relations, noting the recent developments showing positive signs towards India and Sri Lanka relations. If Sri Lanka were to turn over to India the Mattala Rajapaksa International Airport (MRIA) in Hambantota, which was operating at a loss, it would be able to settle its debts with the China Exim Bank, which had supplied funds for the construction of the airport. According to “the government of Sri Lanka, there is the potential for India to make an investment of \$205 million in MRJA in exchange for 70 per cent participation for 40 years. MRJA, situated 250 kilometers south of Colombo, was constructed at the cost of \$209 million, the majority of which was contributed by the Chinese (\$190 million). It is important to note that at the end of 2016, MRJA had incurred a loss of around 113 million dollars.”

Despite what has been stated above, “India and Sri Lanka enjoy a thriving and expanding economic and commercial partnership. Bilateral trade has increased rapidly over the past decade, and many leading Indian private sector companies” have established a presence in Sri Lanka through investments. Within the SAARC bloc, India’s one of its most important trading partners in Sri Lanka. “The country of India is Sri Lanka’s most important trading partner worldwide. The Free Trade Agreement (FTA) was signed in 1998 and went into effect in 2000. This event is mostly credited with providing the impetus for the current degree of economic contact between the two countries. India and Sri Lanka have established the Indo-Sri Lanka Free Trade Agreement (ISFTA), the South Asian Free Trade Area (SAFTA), the Comprehensive Economic Partnership Agreement” (CEPA; this agreement has not yet been signed),



and the East Trade and Cooperation Area (ETCA) for bilateral trade cooperation (The Economic and Technology Cooperation Agreement). Both governments have put up the idea of ETCA and begun negotiations on it to widen the scope of the Free Trade Area; as of right now, eleven rounds of negotiations have been completed. The fact that it encompasses both the sale of products and services is the defining characteristic of this deal.^[8]

Since 2003, India's overall investments in Sri Lanka have surpassed USD 1.2 billion, placing it among the top investors in the country. The investments are being made in a variety of industries, including petrochemicals, retail, information technology, "financial services, real estate, telecommunications, hospitality and tourism, banking, food processing (tea and fruit juices), metal industries, tyre manufacturing, cement manufacturing, glass manufacturing, and the development of infrastructure (railway, power supply, water supply, etc.). According to the data provided by the Board of Investment (BOI) for the year 2017," Indian investments totaled USD 173.84 billion, which is a significant increase from the sum of USD 112.13 million that was invested in the previous year (2016). The amount of US\$ 1,710.29 Million that came into Sri Lanka in the form of FDI for the year 2017 was the most it had ever been, with India being the country's third largest foreign direct investor overall. In 2019, India demonstrated its commitment to giving USD 3 billion as development aid to the people of Sri Lanka, based on the priorities put out by the government for the population's needs. Imf will act on these development initiatives based on, led by, and inspired by the rationale of South-South Cooperation. These projects will encompass capacity-building, human resources development, notably the lifting of weaker sections, and facilities efforts.

The cultural linkages between two countries are essential to the bilateral relationship. Since 2015, Prime Minister Narendra Modi and his predecessor "Ranil Wickremesinghe, re-elected as Prime Minister on August 21 2015," have made significant efforts to improve the bilateral relationship by promoting high-level exchanges in the fields of culture, education, and Buddhism. Anuradhapura, Talaimannar, and Jaffna were on the itinerary for the Indian Prime Minister's visit in 2015. Narendra Modi, the Prime Minister of India, returned to Sri Lanka in May 2017 for a second time to serve as the Chief Guest of the opening ceremony of the 14th International Vesak Day celebrations in Colombo. The birth, the attainment of awakening, and the passing away of Lord Buddha are all commemorated on Vesak Day.^[9]

In this chain of events, External Affairs Minister Sushma Swaraj paid another crucial visit to Sri Lanka in August and September 2017 to attend the Second Indian Ocean Conference held in Colombo. Subsequently, a series of high-level interactions took place to strengthen the relationship between the two countries. For instance, Sri Lankan President Maithripala Sirisena travelled to India in November 2016 to participate in the 7th Session of "the Conference of Parties to the World Health Organization Framework Convention on Tobacco Control, held in New Delhi." A trip to the India Economic Summit by Sri Lankan Prime Minister Ranil Wickremesinghe at the time followed this. Notably, the first stop on Prime Minister Modi's second-term overseas trip was Sri Lanka. This might be interpreted as a gesture of sympathy for the people of Sri Lanka following the tragic terrorist attacks that occurred around Easter in April of this year. The fact that India prioritises its 'Neighborhood First' strategy and the SAGAR Doctrine in its Modi Foreign Policy 2.0 was made clear by the fact that Indian officials travelled to the Maldives and Sri Lanka.



China and the Changing Face of South Asia Contours

The unstoppable ascent of China to the status of a dangerous global power has pushed strategic experts to reevaluate their calibration concerning China's participation in international affairs. China's economic weight, military power, and political influence have all grown significantly in recent years. The status quo in South Asian relations has been thrown into disarray due to this transformation. The presence of China may be felt throughout Asia and all its sub-regions "(Indo-Pacific Bay of Bengal, Indian Ocean Region etc.). The proximity of China to South Asian states such as Sri Lanka, Nepal, Pakistan, the Maldives, and Bangladesh" has disrupted the established order, which in turn presents India with a significant task to restructure the traditional manner in which it interacts with its surrounding countries.^[10]

On the other hand, China's aspirations are thwarted by India's presence at the regional level. Both countries are growing powers that wish to become important actors on the global stage. Due to these regional dynamics, China has reshaped its foreign policy toward Asia and is concentrating on India's path forward. The most effective strategy for China to use in its rivalry with India is to strengthen its ties with the "countries that share a border with India in South Asia. As a result, China views South Asia as a strategically significant region, and Sri Lanka is the country that holds the key to unlocking this particular blueprint." Encirclement, envelopment, and entanglement are the three essential components that makeup China's policy in South Asia. Encirclement is the first component, and envelopment is the second. The term "encirclement" refers to a type of "strengthened Chinese strategic presence" that "encircles India in Tibet, Pakistan, Nepal, Sri Lanka, Bangladesh, and Burma, as well as in the states that make up the Indian Ocean." The term "envelopment" refers, more or less, to the process of "integrating all of India's neighbors into the Chinese economy." And "Entanglement" is "exploiting India's domestic contradictions and diverse security worries." These three components can also be interpreted separately as related strategic, economic, and internal security issues. "The evolving geo-political dynamics of the Indian Ocean and the rising prominence of Sri Lanka as a jewel of the Indo-Pacific region have impacted the new era of relations between China and Sri Lanka." The significance of Sri Lanka in China's strategic calculus was ably articulated by Swaran Singh, who stated that "Sri Lanka in China's eyes have moved from once being a savior for isolated China to becoming a staging post for China's strategic game plan. "This is an excellent analysis of Sri Lanka's role in China's grand strategy. "This island's strategic position in the Indian Ocean is important to China today."^[11]

In addition, the significance of Sri Lanka to China's overarching strategic plan for South Asia might be seen as the following: To begin, the goal of the approach that Beijing is taking toward Colombo is to increase China's power while simultaneously decreasing India's influence in the region. China has tried to reduce the potential danger posed by competing extra-regional powers, particularly the United States and Japan. Second, Sri Lanka fits into the Chinese maritime security design and nonconventional security against crippling threats originating from nonconventional sources of insecurity such as terrorism, the smuggling of arms and drugs, and the trafficking-in of human persons, amongst other things. Thirdly, China's "String of Pearls, a system of Chinese military and commercial facilities and partnerships along its marine communication lines that stretch from the Chinese mainland to Port Sudan in the Horn of Africa, could not have been built without Sri Lanka's cooperation." In addition, it has attempted to encircle its most formidable competitors, such as India, with the assistance of Myanmar, Bangladesh, Sri Lanka, and Pakistan by connecting various ports located in various regions of the world. Fourthly, China views the role of Sri Lanka in its ambitious "Border and Road Initiative



(BRI) and 21st-century Maritime Silk Road Project” (MRI) as crucial for greater economic cooperation, sociocultural exchanges, and, most importantly, in seeking connectivity. China sees Sri Lanka as a gateway to the Indian Ocean. Fifthly, India and its growing malign influence in the Asian sub-continent is seen as an impediment to China’s grand strategic design. This is because India has leveraged its proximity with China’s archrivals, the United States and Japan, to gain an advantage in this competition.^[12]

The Expansion of China’s Economic Priorities in Sri Lanka, as well as India’s Reservations over this Development

In recent years, China’s geo-economics objectives have moved to the forefront of its relationship with Sri Lanka. The recent improvement in economic ties between “China and Sri Lanka” has been the subject of much debate, particularly after September 2014, when Chinese President “Xi Jinping became the first Chinese President to visit Sri Lanka.” This event sparked a lot of interest in the topic. In the meantime, Sri Lankan President Mahinda Rajapaksa visited China seven times.” Consequently, both countries have strengthened their connections by sustaining a rapidly expanding bilateral trade and significant investments in Sri Lanka’s infrastructure. Regarding the bilateral trade relationship between China and Sri Lanka, trade growth with Sri Lanka was driven by a significant increase in Chinese imports. This has led to an increasing trade deficit between the two nations.^[13]

In 2016, “Sri Lanka’s imports from China” surpassed those from India, making China the country’s top supplier of imports. Nevertheless, “the value of Indian imports has marginally outpaced Chinese imports in successive years.”³⁰ The number of goods China sent to other countries nearly quadrupled between 2011 and 2018. Even though Sri Lanka’s total level of international trade decreased due to the rise of protectionism, the number of Chinese goods imported into Sri Lanka increased. On the other hand, India is going through a period of fluctuation in its import-to-GDP ratio, which is currently around 5 per cent and has decreased since 2005. This occurs despite India having a “free trade agreement (FTA)” with Sri Lanka, whereas China does not have an equivalent agreement with Sri Lanka. Although India is not a geo-political concern for India, its fluctuating trade indicates its failure to strengthen trade ties with Sri Lanka. Despite having FTA and planning to have ECTA (Economic and Technology Cooperation Agreement), a growing volume of Sino-Sri Lanka trade worries India. Even though it is not a geo-political concern for India. China overtook India as Bangladesh’s most important trading partner in 2015, and it seems likely that Sri Lanka will follow Bangladesh’s lead in the not-too-distant future.

China has unequivocally established itself as the nation with the most rapid investment growth rate in Sri Lanka. In particular, during the bloody civil war in 2009, this pattern experienced a rise in its prevalence. Hambantota, which was finished in 2010, symbolises today as the most significant “flagship” project of their ever-expanding alliance, which involves a variety of big projects. The fact that these Chinese investments were made when Sri Lanka desperately needed growth is a crucial consideration. China has made significant financial investments in constructing several infrastructures in Sri Lanka, including the ports of Hambantota and Colombo, four-lane motorways, a cricket stadium, and a conference center.

China took on the construction of the Hambantota port after India declined the opportunity to do so. The port may be located near the southernmost point of the island and close to the busiest shipping channels at sea. Not only may China lessen its reliance on major marine routes through this port, but it



also has the potential to gain a strategic advantage over other powers operating in “the Indian Ocean region.” The construction of the port has received over \$1.5 billion in funding from China. Soon after the port was finished being built, it became clear that the economic toll it would take on Sri Lanka would be significant. Due to the country’s limited financial resources, Sri Lanka agreed to a lease agreement with the Chinese government-owned maritime firm for ninety-nine years.^[14] “The China Merchants Port Holdings (CMPort) agreement, which was completed on July 29, 2017,” comprised purchasing the land and leasing around 15,000 acres for industrial use. Currently, CM Port has a stake in the port that amounts to seventy per cent, while the remaining stake, roughly thirty per cent, is held by the Sri Lanka Ports Authority. Concerns about the potential for this port to be used for military purposes have been deeply ingrained in the minds of many in authority in India, specifically, the question of whether or not this deep-sea port will eventually serve as a base for the Chinese navy. However, Indian experts do not rule out the possibility of this being true, considering China’s so-called String of Pearls plan has not been scrapped and still extends “from the Bay of Bengal to the Arabian Sea.” The Chinese government is eyeing this port as a potential staging area for their Maritime Silk Road initiative. 35 An additional Chinese investment in Colombo port to rehabilitate and develop a new terminal is further evidence of how deeply China has accelerated its strategic interest in the economic revival of Sri Lanka. “The port of Colombo is considered to be the busiest port in the Indian Ocean. Because Indian businesses use this port to ship merchandise to India,” it is extremely important for India strategically and economically. Roughly seventy per cent of the port’s shipments are directed toward India. Aside from that, the development of the Colombo Port City megaproject, which is a joint venture between China and Sri Lanka, is scheduled to be completed in 25 years by China. “China Communication Construction Company Limited is leading the development of this project as part of the Belt and Road Initiative being undertaken by China.”

In addition to China’s assistance in the expansion and functioning of ports, Sri Lanka has also looked to China for assistance in another area of vital importance. In 2012, Sri Lanka successfully collaborated with a Chinese government-owned space technology company to launch the country’s first communications satellite. “In 2017, China’s Wuhan Optics Valley BeiDou announced its plans to install 10 Continuously Operating Reference Stations (CORS) in Sri Lanka to increase its Beidou Navigation System coverage.” This relationship will be expanded further in the next sentence (BDS). This is part of an effort being made by China to expand its navigation system into South Asian waters. In retaliation, India is establishing Hambantota airport near the port to keep a close eye on China’s actions in Sri Lanka and prevent Hambantota port from becoming a naval base for China.^[15]

Relations on the Land and at Sea between China and Sri Lanka, as well as India’s Interests in this Area

India is becoming increasingly concerned about Sri Lanka and China’s expanding defence and military collaboration, which is taking place in Sri Lanka. Since the 1950s, China has been Sri Lanka’s primary partner in terms of military cooperation, supplying the country with “small arms, ammunition, landmines, naval vessels, and aircraft.” China is also the main supplier of conventional arms to Sri Lanka. “However, during the Eelam War IV, which began in July 2006, Beijing’s arms sales to Sri Lanka increased dramatically in volume and scope. Sri Lanka was China’s eighth-largest arms market between 2005 and 2010, as the Stockholm International Peace Research Institute (SIPRI) reported.”

Consequently, Sri Lanka has not yet repaid the debts owed to Chinese armaments corporations. At the same time, it is speculated that the LTTE obtained weaponry manufactured in China from the same



sources it used. Even after the end of the Tamil Civil War, China has continued to maintain its extensive defence cooperation with Sri Lanka. This cooperation includes training Sri Lankan security forces, providing military assistance with a value of \$2.6 billion, and establishing a Defense Cooperation Dialogue, which was held in Beijing in 2015 and 2016.^[16] The fact that “China is creating a naval establishment in the Indian Ocean to gain economic and strategic influence over India is another major cause for India’s concern about its national security. In 2014, Sri Lanka permitted two Chinese submarines and a cruiser to dock at the port in Colombo, located on its territory. India was disturbed by this development because sightings of Chinese submarines in the region had been a rare event up until very recently. This decision by Sri Lanka was seen as a serious violation of trust between New Delhi and Colombo (according to the deal from 1978).” As a consequence, the relationship between India and Sri Lanka became tense.

In addition, Beijing has established a foothold on the Horn of Africa. In July 2017, China established its first overseas military base in the form of a navy logistics centre in the country of Djibouti. By establishing this naval facility in the Horn of Africa, China is broadening its reach beyond the borders of the Chinese mainland and into Africa. Through the establishment of its Gwadar port base, China has also established its presence in Pakistan. India’s gradually diminishing influence in the area and the impending great power struggles that will invite the United States into its turf have caused it to be concerned about China’s strong presence there. For instance, it is well-known that the United States, which already has a footing in the region, is now apprehensive of its new neighbor China in Djibouti. This is because China is located nearby.^[17]

To compete with China

In addition to countering Chinese actions that are detrimental to its interests in Sri Lanka, India is strengthening its relationships with strategic partners “in response to China’s expansion into the Indian Ocean. This is happening simultaneously, and India is taking steps to counter Chinese actions in Sri Lanka. India, the only major country to have declined an invitation to a forum on the Belt and Road initiative, appears eager to establish an alternative to Chinese-led economic integration and its expansionist policy in the Indian Ocean region.” This is because India is the only major country to have done so. Japan and the United States have made it clear that they intend to work together to encourage the expansion of vital ports in the Indo-Pacific region. In addition, India has already created a tri-lateral naval exercise with Japan and the United States, known as the Malabar Exercise. This exercise is a kind of power projection against China in the vicinity of the Indian Ocean. “India has signed logistics pacts with Singapore, the United States of America, and France regarding its naval operations. Delhi is also working with Canberra, Tokyo, and Washington to renew the Quad, a grouping of democratic naval powers concerned with China’s power projection in the Indo-Pacific and the threat it poses to the rules-based order. The Quad concerns China’s power projection in the Indo-Pacific and its threat to the rules-based order.”^[18] Additionally, India and Japan have initiated new investment projects in Sri Lanka on a trilateral basis. Among these are the construction of a water supply project, the development of the East Container Terminal of the Colombo port, and the construction of an LNG terminal.

Sri Lanka is now mired in a mountain of debt as a direct result of the massive investment made by China. Because these investments have not resulted in profitable returns, Sri Lanka’s economic condition has deteriorated and become more precarious. In 2015, Sri Lanka’s external debt was equivalent to 94 per cent of the country’s GDP, up from 36 per cent in 2010. In 2016, the International Monetary Fund provided Sri Lanka with a bailout of 1.5 billion dollars. Swaran Singh said that Sri



Lankan officials had been forced by the country's rising debt to acknowledge that their nation has become mired in a debt trap, which continues to be their most serious existential dilemma with few available escape routes. A constructive kind of economic intervention is India's assistance to Sri Lanka in its fight against "predatory economic investments," which are responsible for the country's current situation of being mired in China's huge debt trap. India has assisted Sri Lanka in recovering from the financial crisis it has been experiencing over the past few years.^[19] The Sri Lankan government announced in July 2018 that the Indian Airport Authority would run the Mattala Rajapaksa International Airport (MRIA) as part of a joint venture with Sri Lanka's civil aviation. India's acquisition of a controlling position in the MRJA port is such a brilliant strategic countermove that it has virtually put an end to China's future aspirations of utilizing Hambantota to exert control over India's strategic backyard. This is because India now owns 70 per cent of the port. The revival of confidence in India that may be considered a victory over Chinese growth in the region in general and in Sri Lanka, in particular, can be observed in Sri Lanka's offer to India from the previous year to help build both Colombo and Trincomalee ports.

Conclusion

By implementing the Neighborhood First strategy, India's efforts to cultivate a cordial and intimate connection with Sri Lanka have reached a new pinnacle of success. However, a newly adopted "SAGAR (Security and Growth for All in the Region) Doctrine" has been launched, reinforcing the existing, more comprehensive strategy already in effect. The ties between "India and Sri Lanka" have, over time, gone through turbulent ups and downs as a result of forces on the national, regional, and global levels. Some people believe that because Indian governments have been so ineffective at resolving bilateral issues and developing confidence in the South Asian neighborhood, particularly Sri Lanka, attention should be paid to the "near neighborhood" rather than the "extended neighborhood." In addition, India's position as a regional hegemony causes profound unease in geographically adjacent countries, such as Sri Lanka. This country views India as a threat and strives to limit it by cultivating close relations with China and other extra-regional powers. In addition, India is constrained when engaging with its neighbors. India's internal political dynamics and its financial limits, when compared to China's, are not in India's favour. China's political and economic system is more stable. On the other hand, China appears to be a reliable ally in the eyes of India's neighboring countries, which gives China an advantage over India regarding these concerns.

In spite of these constraints, India's stance to Sri Lanka looks to be evolving dramatically under Modi's Foreign Policy 2.0. India and Sri Lanka have resolved to enhance cooperation in combating terrorism and protecting the maritime area, and they continue to have in-depth conversations on tough subjects like guaranteeing justice for ethnic minorities and seeking ways to expand commercial and defence relations. The fact that India & Sri Lanka are still having discussions shows how much their relationships are beginning to align. When it comes to infrastructure, railroads, energy, community projects, farming, capacity building, science & technology, space, as well as the civil nuclear sphere, Prime Minister Modi assured Prime Minister Wickremesinghe that India is dedicated to its development partnership. He expressed appreciation to Prime Minister Wickremesinghe for making India the destination of his first international tour since he assumed his fourth term as Prime Minister.



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