



RESEARCH ARTICLE

IMPLICATIONS OF CHINA AND SRI LANKA RELATIONS ON INDIA SINCE 2009

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ABSTRACT

The power struggle between India and China is significant in contemporary world politics. Since 2009 military victory of Sri Lankan government against separatist movement of Tamil minority, its relationship with India turned out to be controversial as the latter emphasized for political solution while China addresses economic development of the country which was more attractive for then government and majority Sinhalese masses. On above context it is expected to find out the implications of China and Sri Lanka relationship on Indian aspirations and one of the main objectives is to identify India and China's geostrategic interests and another objective is to identify China's strategies and their implications on India. To that end documentary analysis and descriptive analysis has been used on secondary data gathered from data triangulation method. Descriptive statistics describe main features of the data in the study providing simple graphical analysis. China invested heavily in Sri Lanka and other rim states to achieve all round opening up and establishing landscape of economic cooperation. China's overwhelming intimacy with Sri Lanka in terms of trade, investments and diplomatic relations creates fear psychosis in India so as to consider China as a threat to India. Indian continuous emphasis on political solution for Sri Lanka's ethnic crisis resulted Sri Lanka's tilt towards China who don't interfere its domestic politics. Indian aspirations over Sri Lanka indicate comparatively unstable condition with China. Sri Lanka needs to reevaluate Chinese projects and should have second thought on the role of India for a balanced triangular relationship.

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INTRODUCTION

Every state has their own distinguished national interests, but certain interests are primarily common for all the states irrespective of their power status in the system. The claim for sovereignty power, territorial integrity, and wellbeing of the citizens are such commonalities in the formation of any state's national interest. There are other interests directly or indirectly relating to above mentioned. Based on their power status in the international system such interests of a state will vary in accordance with their relative power positions in the international system. Thus, interests of a powerful state could range from primary interests to the maintenance of status quo as dominant state in global politics. India and China are two Asian giants and also major players in international politics. China has reached to a significant power position in the contemporary world mostly due to its strategic approaches and planning focused on achieving its national interests. India is the regional hegemon in South Asia and China is the Asian hegemon and one of the major powers in the world.

Most important fact is that both are supporting the multipolarity in the power spectrum of the international politics. When achieving the national interests and security concerns, it is noticeable that both states are working under a mutual distrust and lack of cooperation. Therefore both have been locked in an age old security dilemma concept in the international relations theory. Today, China applies the term 'peaceful rise' approach as an alternative for hard power usage in its expansion throughout the world including South Asia. China believed the practice of hard power alone is not much effective in achieving its interests on world stage. China is one of the great powers. It has large economic capabilities and also strong military power. China very often makes use of its economic expansion as a peaceful rise to gain its interests. China now focuses on consolidating strong economic and diplomatic ties with the Indian Ocean rim states and other littoral states in order to achieve its all-round opening up and establishing landscape of economic cooperation. When it's concern with India, they consider China as a threat to wellbeing of India and its interests because of the Chinese influences over its emergence. When conducting the relations with other states China has high profile of capabilities compared to India. China tries to hinder capabilities of India as India has become the major concern as a competitor with

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China in the path of becoming a super power. Garver (1992) stated, at the top of the list of Chinese concerns within South Asia are its relations with India. Both China and India wants to make friendly relations but they still continue hostile ideology position because of their national interests and border disputes. Pathak (2009) pointed out that considering the importance of Indian Ocean that China is trying to develop good relationship with the South Asian and Indian Ocean neighborhood countries providing them with development packages, investments, loans and grants with friendly diplomatic approach. He further states "China has given massive aid to Indian Ocean nations, signing friendship pacts, building ports in Pakistan and Bangladesh as well as Sri Lanka, and reportedly setting up a listening post on one of Myanmar's islands near the strategic Strait of Malacca." (Pathak, 2009, p.85) Based on above context it is crystal clear that China's objectives has created a rift between the two powers in the Indian Ocean and Sri Lanka provided a platform for these two players to play their game specially after the 2009 military victory by the government against the Liberation Tiger's Tamil Elam which is popularly known as the LTTE. The next attempt is to identify the geopolitical and geostrategic important of Indian Ocean and Sri Lanka for these two countries.

MATERIALS AND METHODS

This study has used some principal methodologies to examine the study area. When consider about the type of data and analysis that has used in the study, secondary data have been used as its sources and Mainly documentary analysis is the key analyzing method that has used to examine the above mentioned objectives Document analysis defines a form of qualitative research in which documents are interpreted by the researcher to give voice and meaning. Thus in the documentary analysis, it collects available documents and data which are related to the particular study and interpret them to find out specific issues. It helps to develop deep understanding about the study and to collect new knowledge.

Geostrategic importance of Indian Ocean and Sri Lanka Indian

Ocean is one of the wealthiest oceans in the world which is rich in abundance of resources including oil, natural gasses, marine food, fish and minerals. Both the littoral states and well as extra regional states are interested in Indian Ocean and among some of these actors there is ongoing competition to own these resources. Indian Ocean is the foremost geostrategic location for India with immense importance vested in it due to number of reasoning. One of the most important objectives of India is to ensure its dominance in the Indian Ocean. As pointed out by Zhu (2018, p.25- 26) "Just as Kavalam Madhava Panikkar once said, "after all, India's security rests with the Indian Ocean. If India doesn't have a well-considered, practical and effective ocean policy, it will always depend on others and be weak". According to the Wang and Zhu (2014) with the rise of India in the twenty first century, its objectives go beyond the economic aspirations to strategic space. They further concluded that it is undisputable the fact that India second to none of the South Asian states in terms of land mass, population, resources and economic strength that contributed for the supremacy of India in the region whose influence shape the relations among South Asian states and its strategic patterns. Wang and Zhu (2014) further elaborate the idea of "The Indian Navy Theory" which was a publication by India

and the core theme of this document is to build up reliable maritime nuclear deterrent force to build modern Blue Water Navy.¹ Sri Lanka, the little island is popularly referred as the pearl of Indian Ocean. With the end of the suffocating war lasted for 30 years, it started to known as the wonder of Asia. Strategic location of Sri Lanka in the middle of Indian Ocean and values inside the country are the main reasons behind these identifications. Although Sri Lanka is a little island it had to come across many invasions throughout the history due to aforesaid strategically important location of Sri Lanka. As per historical records since the arrival of prince Vijaya many invaders struggled to seek the power of the little island. Among those invaders there were Indian and Chinese invaders. As an example South Indian invaders like 'Chola', 'Kalinga Maga', 'Pandaya' and invasion of Ming-empire can be illustrated. The maritime route positioned around Sri Lanka paved the way for such invasions time to time. Even the Europeans followed the same path and Britain was the last empire to invade Sri Lanka. Post conflict Sri Lanka faced with number of challenges and one them is to accelerate the economic development in terms in trade, infrastructure development, and these development goals requires massive funding. Chinese economic cooperation in the South Asia provided very good incentives for the Sri Lankan needs and ports development was once such area that the China invested massively throughout the South Asian rim nations. Uyangoda (2010) stated Sri Lanka also moved away from the West toward other Asian and Middle Eastern powers. India and the U.S. appeared to be reluctantly willing to back the Sri Lankan state's war against the LTTE at the time. In contrast, China, Pakistan, and Iran were more unequivocal in their economic, military, and political support for the Sri Lankan government and its efforts against the LTTE.

India and Sri Lanka relations during post conflict era

India is the closest neighborhood of Sri Lanka. Its influence on Sri Lanka as a regional hegemon is strong and inevitable. Recently, India is very keen on the growing intimacy between China and Sri Lanka. Thus India is suspicious about the engagements of China in Sri Lanka. China tactically owns interests of India in to their side with their involvements during and after the 2009 conflict in Sri Lanka. Until last year India had only security concerns regarding security threat of China. Now this has become an economic treat as China has become the largest trading partner of Sri Lanka. China has invested hugely in Sri Lanka for enhancement of infrastructure facilities and economic development of the country. China utilizes certain strategies such as One Belt on Road(OBOR) and Strings of Pearls, to expand throughout the Indian Ocean providing development opportunities and assistance which unable every state to reap benefits from China's Peaceful development concept. On the other hand India perceives this as a threat as China is attempting to emerge as economic hegemon by implementing their Neo Liberal policies. China has been able to develop their economic power through the modern globalization policies and not only Sri Lanka but many other littoral states also have subjected to China's development

¹(Frazier 2011, p. 41) explains "To the south, China attempts to complete the circle by sea. Its so-called 'string of pearls' strategy is a three-pronged approach to check US naval power in the Indian Ocean and to achieve strategic maritime advantage over India. It is seen as involving the construction of a series of naval bases/berthing points along its sea lanes to the Middle East, the improvement of its diplomacy throughout the Indian Ocean area, and the rapid attempt to build a 'blue-water' navy to project power effectively."

projects. India tries to strengthen its diplomatic relations during post-conflict period of Sri Lanka and India even attempts to develop its economic and political ties through diplomatic relations as a way of the countering Chinese threats. India also expects to gain the economic advantages by the maritime trade routes like China but India is lacking a comprehensive strategic planning and massive financial programme to achieve such. The migration of Tamils from South India to Sri Lanka still happening since colonial period and those Tamils who settled in Sri Lanka even after being permanent residents further believe that they are part of India. Tamil political system in Sri Lanka encourages separatism and as a result the victory of thirty years war make South Indians more desperate and they continue to influence the Central government on all the possible means to act against Sri Lankan government. India extended its support for the resolutions drafted by United Nations Human Rights Commission against Sri Lanka regarding the war crimes committed by Sri Lankan Army during 2009 conflict.

Influence of Tamil Nadu regarding this was considerably higher than western nations influence. Even the foreign policy professional of India dislike this direction on national foreign policy of India. As mentioned before South Indian political parties used this issue as a means of achieving their political aspirations. Under such circumstances India happened to support for the UN resolutions against Sri Lanka in each year of 2010, 2011, 2012 and 2013 until present. Besides the Tamil Nadu factor the other reason for Indian to pressurize Sri Lanka on power devolution and other Tamil minority related issues was to counter the Chinese threats. While China was chasing economic benefits India searches for political interests over Sri Lanka. On this context China supported Sri Lanka to achieve the expected economic growth and development while Indian involvement was largely enunciated on political maneuverings.

The China Threat Theory

Broomfield (2003, p.265) pointed out that "it is inconceivable for China to have a peaceful rise; a superpower China will inevitably be a threat". Al-Rodhan (2007, pp. 46-47) further describes according to Mearsheimer's explanation on China's rise will be most significant as a hegemon in Northeast Asia. The author further emphasized that China's growth has become a hotly debated topic in the international relations. The Chinese rise has been perceived by many other existing powerful nations as ideological, economic, and strategic threat (Mearsheimer, 2001, p. 30-31) describing the behavior of states and the international system pointed out that international system is always anarchic, that means there is no hierarchical superior power, which can guarantee the behavior of states.

Any powerful country could make use of its military capabilities against another state and it is not certain that a state will refrain from using its power against another state in the system. Fourth, states seek to maintain their territorial integrity and sovereignty above all and finally states are rational actors, which means that they consider the immediate and long-term consequences of their actions, and think strategically about how to survive. For realists international relations are best understood by focusing on the distribution of power among states, because relations among states take place in the absence of a world government, which means that the international system is anarchical.

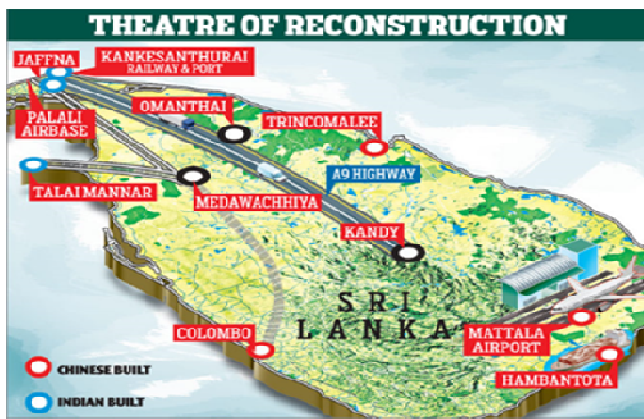
Relevance of China perceived threat for the present study

When observe the development in Sri Lankan economy it has started to dramatically increase in the past few years. After the war, like other provinces the North and East parts of the country also contributed for the economy. Example for this was there was an amazing growth in fishing industry during this period. Not only in fishing industry but also a distinguished growth in other industries is also noticeable within this particular period. Main reason behind this economic growth resulted from the fact that thirty years of prolonged military conflict ended up with opening new opportunities for the people to develop the livelihood and look for expansion in the market. Despite war and terror young generation began a fresh start with new aspirations in their lives. Aforesaid trend in the economy accelerated throughout the country. Moreover both domestic and foreign investments started to flow in to the country in large shares. The government by that time expected a growth rate target of 8% in Sri Lanka. In order to reach this level of growth rate, it requires about 35% investment as a share of Gross Domestic Production (GDP). Generally investment are derived from domestic savings of a country.

Sri Lanka claimed for very low level of domestic capital and then government encouraged foreign Direct Investments in order to fulfill this need in the economy. The private sector also perceived this trend as new boon for their industries and China and India considered this as a wonderful opportunity for them also to invest in Sri Lanka. Sri Lankan government took certain measures to reduce and to completely substitute the welfare expenditure on education, health and social services. The former Indian High Commissioner of Sri Lanka, Ashok K. Kantha once mentioned with the end of war in 2009 it provides wonderful opportunity to enhance the bilateral economic relations between two countries gaining mutual satisfaction and productive engagement. Not only that Indian involvements in Sri Lankan economy is comparatively lower than China but also they are mostly concentrated in Northern part of Sri Lanka. Above mentioned arguments clearly represents the position of China in today's world. Indian suspicion on China is inevitable. Therefore, rise of China with the high involvement with other regions of the world will makes competition and challenges to other regional powers.

India VS China in Sri Lanka

Both India and China make use of various policies and strategies to gain their regional dominancy in the Indian Ocean region and these strategies contain different implications towards one another and the host country of their focus. To that end Sri Lanka has been a focus country for both India and China and this focus increased largely during the post conflict period after 2009. On the part of China many of the economic activates targeted at Sri Lanka came with no political strings whereas Indian approach explicitly compelled Sri Lanka for devolution of power with the minority Tamils and most of the projects funded by India were concentrated largely on North and Eastern parts of Sri Lanka where the Tamil minority lives. Chinese economic aid contains both the economic and geopolitical interests plus Chinese need to develop strong diplomatic ties with the Sri Lankan government through certain mega constructions those had small economic significance for China but carrying its name throughout the country.



Source: (www.indiatoday.in: 2013)

Map. India-China Constructions in Sri Lanka

In order to appear for the Tamil majority living in Northern of Sri Lanka Indian Government seems to be concern more on particular areas of the country as depicted by the map. Otherwise India would have showed their contribution earlier in other areas of the country where the majority is Tamil community like Hill country of Sri Lanka. Another political interest behind is as a response to the projects executed by Chinese Government in South of Sri Lanka implementing projects under their authority in Northern Sri Lanka. However, by examining above noted facts it is clear while reaching their own economic aspirations over Sri Lanka Indo-China involvements have become a significant advantage for the post-war economic development of Sri Lanka.

Foreign Financial assistance to Sri Lanka

Foreign Financing Disbursements of Official Development Assistance 2016

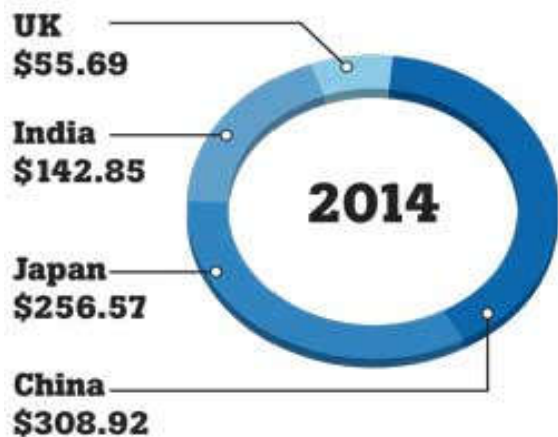
Development Partner	Amount Disbursed (US\$ million)		
	Loan	Grant	Total
Bilateral			
China	440.76	-	440.76
Japan	152.69	7.01	159.7
Netherlands	47.98	-	47.98
UK	45.54	-	45.54
India	44.07	-	44.07
Spain	29.26	-	29.26
Korea	18.37	-	18.37
United States	-	23.83	23.83
Singapore	16.6	-	16.6
Saudi Arabia	14.12	-	14.12
Germany	5.43	3.98	9.41

(Source: Economynext, 2017)

Sri Lanka during the post conflict period attempts to reestablish their economic development which retreated due to 30 years of war. According to the magazine Economynext, China has become the top lender to Sri Lanka by replacing Japan and Asian Development Bank in 2016. Statistically in 2016, China has given 440.76 million dollars in loans for Sri Lanka. China's contribution as a single donor is very remarkable. A fact that can be comprehended accordingly is that change of the governments ruling in the country was not effected on relations between two countries. Reason for this is China as the emerging global power, their impact on all over the world was inevitable. As mentioned before there were many projects conducted and on which invested a large

amount of money by China. If so called projects are in vain or not profitable for China they will never attempt to invest large amount of money in Sri Lanka. Thus what is more important for China is not the existing government in the country, but how important is the country to achieve their interests. Moreover an island nation like Sri Lanka does not have such capabilities to counter the involvements of giant nations like China. According to the graph the loans given by the neighboring behemoth, India is 44.07 million dollars. Consequently the amount of money lend by China is comparatively larger than the amount lend by India. Hence by surpassing India China continuously contribute for the economy of Sri Lanka. Therefore Chinese interests on Sri Lanka are still remaining same as before. Even today, the projects started by China in Sri Lanka are carried out with the assistance of Chinese labor, technology and financial support. Some examples are Hambantota harbor, Mattala Airport, Norochcholai power plant and Port city project.

Aid donations to Sri Lanka (US\$ millions)



Source: Ceylon Chamber of Commerce

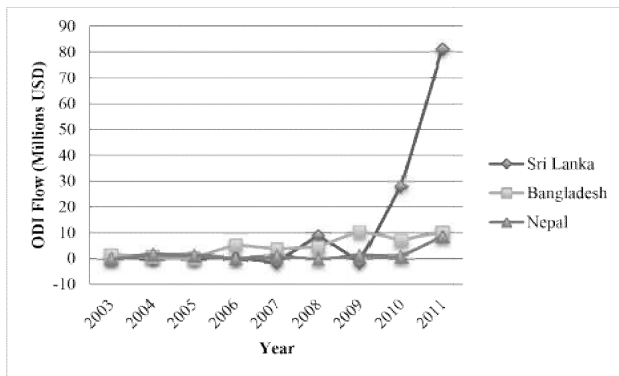
Source: (www.dailymirror.lk: 2016)

Aid donations to Sri Lanka

After the war period Sri Lanka sought foreign assistance to reboot their economy and the Chinese factor undoubtedly showed their contribution to Sri Lanka by providing huge amount of donations. Not only as a lender but also as a donor China played a significant role. According to the chart China was the largest donor to Sri Lanka in the year 2014 and in amount it was 308.92 million dollars. India was the third largest donor with a contribution of 142.85 million dollars in amount. Japan became the second largest donor by surpassing India from 113.72 million dollars. China and India are in a competition to achieve their interests over Sri Lanka. It is a well highlighted fact that China has surpassed from the two aspects of lending and donating money. According to the chart, compared to previous years in 2009 more investments from China have flowed in to Sri Lanka. End of the civil war has boosted more FDI in to the country and major share of this is hold by China. In the same manner situation has continuously grown year by year. By the year 2011 total ODI values ² more than 80 million dollars as per chart.

²Brunjes, Levine, Palmer and Smith (2013, p.2) explains "China formally began setting up international firms after implementing its Open Door Policy in 1978. Until the late 1980s, however, the Chinese government restricted the low level of ODI to state-owned enterprises and incentivized domestic over international investment (Sauvant 2005). Chinese ODI increased slightly in the

Another observation that could be arrived at by analyzing the data in Chart is the way China manipulate their economic policies.

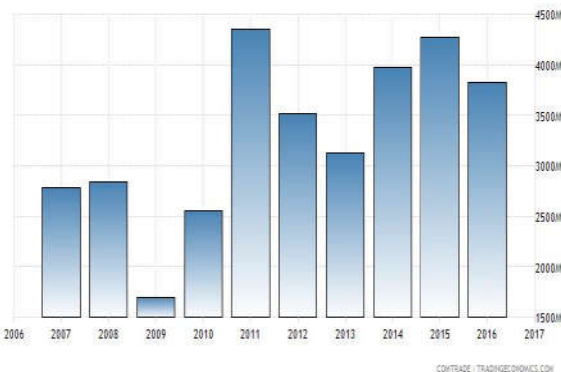


Note: China reports no ODI to Bhutan or Maldives.
Data Source: China Commerce Yearbook (2010, 2012)

Source: (China increased trade and investments in South Asia; Robert M. La Follette School of public affairs, 2013)

Chinese ODI Flow to Focus Countries, 2003-2011

Figure Shows about the Sri Lankan imports from India. When analyses the Figure it depicts that Sri Lanka's Imports from India was US\$3.82 Billion during 2016, which is lower to what Sri Lanka import form India in the same year. Considering the graph year 2006 to year 2016 there is no steadiness in imports from Sri Lanka.



Source: (<https://tradingeconomics.com>)

Sri Lanka imports from India

It shows only a fluctuation between year 2007 to year 2016. It shows a minimum level in 2009 and highest level in 2011. China by implementing its diplomatic and economic capabilities and strategies reduces regional influences of USA and India. As per today's context China will achieve its maximum advantage of the region. The nature of International politics always changes time to time. Balancing power is always shifting from one country to other. Through the strategies like String of pearl, OBOR China will gain maximum benefits in the region by surpassing other competitors. Those implementations are based on economic, diplomatic, and soft power factors. China already did their part to engage in any competition with India.

1990s. Later, in response to the 1997-1998 Asian financial crisis, The Chinese government tightened government approval procedures to rein in ODI." Brunjes, Levine, Palmer and Smith (2013, p.10) further explains Sri Lanka, on the other hand, has seen its percentage of Chinese ODI stock rise roughly four-fold between 2009 and 2011. Yet this percentage remains quite low (0.04 percent in 2011). As with trade, it is instructive to examine overall FDI trends within our focus countries and compare these to the Chinese ODI trends in each."

Therefore China will surpass United States and India from South Asian region as a global power in near future. The Figure determines about the Indian exports to Sri Lanka. It only mention about January 2016 to January 2017. When we consider above graph it clearly depicts that exports to Sri Lanka from India has decreased gradual from 2016 January towards 2017 January which was 21.94 INR Billion in January from 34.32 INR Billion in January 2016. It shows a continuous decrease from January to April in 2016. But after April there was a fluctuation until the January 2017. And this graph point out that there is no Indian exports to Sri Lanka in May.



Source: (<https://tradingeconomics.com>)

India Exports to Sri Lanka

Conclusion

Sri Lanka offered many opportunities for the outside world to enhance post economic developments with the involvement of grate power game. It brings huge advantages for Sri Lanka in post war period to regain its collapsed economy which suffered many setbacks for about thirty years. Sri Lanka had to face with many difficulties at the International context due to the human rights allegations against it which was backed by the U.S. led Western powers and later on with the help of India also. On this context India stressed upon the power devolution for Tamil minorities who were represented by Tamil Nadu people in Indian domestic politics. Tamil Nadu politicians use the Sri Lankan ethnic issue as a popular election slogan as well as to pressurize the Indian Central Government on that behalf against Sri Lanka. India supported the final battle and stood behind Sri Lankan government against western pressures with the hope of fair power devolution and political solution for Tamil people. Yet the Sri Lankan government neglected Indian aspirations and Indian proposals for such devolution and brought to the for4efort that economic development is the major concern of post conflict Sri Lanka. India perceived this as a betrayal on the side of Sri Lanka while China makes use of this urge for economic development as boon for accomplishing China's development goals. Sri Lankan governments allowed neo liberal policies in to the country for some extent in order to achieve their economic interests as a country. As a result of unstable political, economic and foreign policies of India, it has lost its interests over Sri Lanka. It gradually decreases its status in the region due to Chinese involvement. With neoliberal policies and political stability in China, it provides great advantages for their expansion process which named as peaceful rise. With the Chinese assistance extended to developing nations through investments, loans and other terms of trade and finance Sri Lanka also got engaged in Chinese assistance programme in South Asia which in turn put Sri Lanka in to a huge debt crisis. Sri Lanka received many of these debts for infrastructure development and China not only invested the capital to receive the returns but also make use of

their materials and laborers. Sri Lanka is now caught in China's debt trap and China has already created a greater dependency on it on one side and on the other side China has earned its strategic foothold on Sri Lanka. Sri Lanka has the question whether China is a trustworthy stakeholder and how would this greater dependency affect Sri Lanka in the future. Sri Lanka needs to reevaluate Chinese projects and should have second thought on the role of India for a balanced triangular relationship.

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