



# Journal of Social and Political Sciences

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**Loc, T. M. H. (2023). India's Regional Security and Defense Cooperation: A Study of Sino-Indian Rivalry In Sri Lanka. *Journal of Social and Political Sciences*, 6(2), 31-45.**

ISSN 2615-3718

DOI: 10.31014/aior.1991.06.02.408

The online version of this article can be found at:

<https://www.asianinstituteofresearch.org/>

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Published by:  
The Asian Institute of Research

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# India's Regional Security and Defense Cooperation: A Study of Sino-Indian Rivalry In Sri Lanka

Tran My Hai Loc<sup>1</sup>

<sup>1</sup>Deputy Head of Section of Diplomatic Politics, Faculty of International Relations, Ho Chi Minh City University of Foreign Languages – Information Technology  
PhD Candidate, USSH-VNU Hanoi, Vietnam

Correspondence: Tran My Hai Loc, Ho Chi Minh City University of Foreign Languages – Information Technology, Vietnam. E-mail: loctmh@hufilit.edu.vn

## Abstract

The Sino-Indian rivalry in Sri Lanka's economic turmoil has significant implications for regional security and India's defense cooperation. Following President Xi's announcement of China's grand strategy, the Belt and Road Initiative, in 2013, China has utilized its infrastructure investment as a typical example of its implementation of soft power diplomacy on a global dimension. This has raised concerns about China's geopolitical ambitions in the Indian Ocean and the potential security threat it poses to India. Using qualitative research methods, this paper analyzes the geo-strategic importance of Sri Lanka in China's ambitions and the political strategies behind economic crises in South Asian countries. The paper evaluates the impact of China's debt-trap diplomacy on India's national security and defense cooperation with Sri Lanka. The findings suggest that Sri Lanka's economic instability has provided China with an opportunity to encircle and contain India in the region, and that India needs to take proactive steps to mitigate this threat. Overall, the paper highlights the importance of understanding the Sino-Indian rivalry in Sri Lanka's economic turmoil for regional security and India's defense cooperation.

**Keywords:** India, Security Threats, Defense Cooperation, Sri Lanka Crisis, BRI

## 1. Introduction

### *1.1 Introduce the Problem*

Sri Lanka is a strategically located island nation in the Indian Ocean region, and both India and China recognize its importance for their geopolitical and economic interests. Therefore, any developments related to the Sino-Indian rivalry in Sri Lanka can have significant implications for regional security and stability.

The Sino-Indian rivalry has experienced a marked escalation in recent years, with both nations endeavoring to establish their dominance in the region. In the context of this rivalry, Sri Lanka has emerged as a pivotal battleground, as China and India vie for influence over the country's government and military. Against the backdrop of China's investments in Sri Lanka's ports and infrastructure, India has voiced apprehension over China's

expanding presence in the Indian Ocean. Consequently, India has undertaken measures to counterbalance China's influence, exacerbating tensions between the two countries.

Sri Lanka's government has welcomed Chinese investment in the past, but there has been growing concern about the country's increasing dependence on China and the potential for China to use its economic leverage to influence Sri Lanka's policies. According to Alexander Saeedy (2022), China provided Sri Lanka with project infrastructure loans worth \$11.7 billion in the early 2000s, as part of its strategy to control India in the Indian Ocean through the "string of pearls" plan. China's investment in Sri Lanka has focused on developing port infrastructure and other strategic projects under the Belt and Road Initiative (BRI). The BRI, a modern-day New Silk Road coined by President Xi Jinping in 2013 (National Bureau of Asian Research, 2018), aims to connect China with Asia, Africa, and Europe through significant infrastructure projects. The BRI serves as a tool to promote China's economic growth, address domestic challenges, and foster collaboration with countries participating in the initiative. Zhou W (2018) emphasizes the importance of the BRI for China's economic development, energy security, maritime, and geopolitical interests. Thus, China's investment in Sri Lanka aims to establish a dominant position in the country, gain access to its ports and sea routes, and obtain strategic and economic benefits. The project serves China's political ambition and its vision of a new international order.

Conversely, India perceives China's expanding influence in Sri Lanka as a possible menace to its security interests in the region. To counter China's mounting influence and safeguard its regional security interests, India has taken steps to reinforce its defense cooperation with Sri Lanka, including providing military training and equipment. The Sino-Indian rivalry in Sri Lanka has engendered tensions between the two nations, triggering concerns about the implications of their economic and military undertakings on regional security and stability. Additionally, this rivalry has underscored Sri Lanka's significance in the evolving geopolitical landscape of the Indian Ocean region. Considering the crisis in Sri Lanka from geopolitical interests, this is likely a very crucial strategy in fulfilling China's goals to realize geopolitical ambitions in strategic regional. It is the main reason that India is expanding its military cooperation with countries in Indo – Pacific region to tackle security threats in South Asia in the new context. Additionally, the economic and military activities of China and India in Sri Lanka have raised concerns about their impact on regional security. China's increasing economic investments in Sri Lanka and its development of port infrastructure have led to concerns about its strategic intentions and potential security threats to India. India, in response, has been strengthening its defense cooperation with Sri Lanka and other major powers the region to counter China's growing influence and safeguard its regional security interests.

Based on the above-mentioned fact, the author would like to clarify two main points in this research: First, how could the Sino-Indian rivalry in Sri Lanka's economic turmoil impact India's defense cooperation with Sri Lanka, and what steps could India take to mitigate any negative effects? Second, to what extent does the Sino-Indian rivalry in Sri Lanka's economic turmoil pose a threat to India's national security, and how is India responding to this threat?

To fully understand the impact of the Sino-Indian rivalry in Sri Lanka on regional security and India's defense cooperation, it is necessary to analyze the crisis caused by China's debt-trap diplomacy and its grand strategy to control the global order. Through this analysis, the author will examine the threats that China's Belt and Road Initiative poses to India's interests in South Asia. The economic and political collapse of Sri Lanka serves as a warning to other countries in the region about the dangers of sovereign debt in the context of geopolitical competition between India and China. By exploring these factors, the author aims to shed light on the complex nature of the Sino-Indian rivalry in Sri Lanka and its potential implications for regional stability and India's defense cooperation.

## *1.2 Literature Review*

Recent studies have largely examined the competition between India and China in South Asia, with a particular focus on China's BRI and how India has responded to it. One significant study by Chien Peng CHUNG (2017) highlighted the political and economic implications of China's Maritime Silk Road strategy for the countries of South Asia. However, the expansion of China's influence into the Indian Ocean has become a primary concern for

India, whereas countries such as Pakistan, Sri Lanka, the Maldives, and Bangladesh are worried about the power imbalance between them and India. Consequently, these countries have sought to use China as a counterbalance to India's regional dominance.

Pattanaik (2019) conducted an analysis of the struggle for influence between India and China in Sri Lanka, Maldives, and Nepal. According to the study, the ongoing competition between the two Asian giants is markedly different from previous periods as it has intensified significantly due to China's significant presence in the region, primarily through its massive investment projects under BRI. This has prompted India to step up its aid, investment, and economic commitments with smaller countries in the region in order to maintain its own influence. Tang (2000) examined the historical context of the competition between India and China and China's strategy in South Asia. The study concluded that China's strategic objective in the region is not to contain India but rather to safeguard its own interests by ensuring that India's dominant position in South Asia does not pose a threat to China. According to Attanayake and Atmakuri (2020), China's investments in port development in Sri Lanka have sparked India's own investments in maritime and port development, in close proximity to Chinese projects. This has led to infrastructure investment becoming a point of competition between the two countries. The authors evaluate how Sri Lanka is managing this rivalry and taking advantage of the competition in South Asia. They examine the economic and aid assistance provided by China and India to Sri Lanka and how it is distributed geographically. Chinese projects dominate in the Sinhalese majority south, while India is more prominent in the Tamil majority north and east. The author intends to further support these arguments.

Le Thi Hang Nga's (2021) article endeavors to demonstrate that India's central location in South Asia, vast geographical expanse, substantial population, and economic size afford it significant military power compared to other regional nations. Nonetheless, China's increasing engagement with smaller countries in South Asia has recently challenged India's supremacy as the regional hegemon. Consequently, Indian Prime Minister Narendra Modi has instituted a range of foreign policy adjustments to counter these developments. The authors contend that China and India's principal impetus in this rivalry is to attain power and security, rather than primarily economic objectives. While China's strategic calculations revolve around its aspiration to enhance its power in the geopolitical order, India's strategic calculations prioritize ensuring its security. China seeks to replicate and eventually surpass India's traditional influence in the region, whereas India's strategy is to maintain and strengthen its preeminent position. Despite China's seemingly dominant influence in the region, India's robust military strength and strategic policies indicate that it remains a formidable power.

Through an overview of foreign studies, it is shown that the above-mentioned studies have not yet mentioned or clearly explained China's debt trap diplomacy to Sri Lanka under the perspective of international relations theories to complete the "String of Pearls" strategy in the Indian Ocean. If it were done, China could control India in South Asia while disrupting India's cooperation with QUAD members to threaten Chinese strategies on a global scale. To achieve this goal, China has applied debt trap diplomacy to not only Sri Lanka but also other countries in South Asia. However, in Sri Lanka's crisis, the country plays an essential role in the commercial and security activities of China to India in the Indian Ocean. So, the author will analyze that Sri Lanka's crisis is caused by both internal elements and China's political goal as a scientific contribution to the study.

## **2. Methodology and Conceptual Framework**

### *2.1 Methodology*

This study employs a case study methodology, which is a type of qualitative research that utilizes secondary sources. The data were obtained and analyzed from various literature sources such as government reports of related countries, international financial institutions, reputable journals, books, and scientific information in mass media. The aim of this research is to analyze and explore the implications of the Sino-Indian rivalry in Sri Lanka on India's regional security and defense cooperation. The study aims to examine the factors contributing to the rivalry, the strategies employed by both countries, and the impact of the rivalry on Sri Lanka and the wider region. The study also seeks to identify potential opportunities for India to strengthen its regional security and defense cooperation, including with Sri Lanka and other neighboring countries, in response to China's growing influence.

Although the study examines the Sino-Indian rivalry in Sri Lanka, it may not provide a comprehensive understanding of India's broader regional security and defense cooperation, as its narrow geographic focus may overlook important regional dynamics and strategic considerations. Furthermore, the study's reliance on secondary sources and limited access to primary sources may limit the depth and accuracy of its analysis.

## *2.2 Conceptual Framework*

The author has utilized the theoretical frameworks of Mahan's concept of sea power, Joseph Nye's concept of smart power, and the Gramscian concept of hegemony to analyze the Sino-Indian rivalry and its impact on regional security. By using multiple theoretical perspectives, the study aims to provide a more nuanced and comprehensive understanding of the complex dynamics of regional security and defense cooperation in South Asia. The author's use of multiple theoretical frameworks enriches the analysis and provides a more comprehensive perspective on the subject matter.

## **3. Results**

### *3.1 Theoretical perspectives on the Sino-Indian rivalry in Sri Lanka*

#### 3.1.1. Theory of hegemony and its implications for the Sino-Indian rivalry

The theory of hegemony explains how a dominant country or group of countries can use various means to exert influence over other countries in the international system to shape their political, economic, and military policies in their favor. The competition between China and India for influence in Sri Lanka is an example of this. Both China and India seek to establish their hegemony in the Indian Ocean region, with Sri Lanka being a key player due to its strategic location and economic significance.

China has been increasing its economic investments in Sri Lanka, particularly in the development of port infrastructure and other strategic projects. By doing so, China seeks to establish a dominant position in Sri Lanka and gain access to its ports and sea routes for strategic and economic benefits. This has raised concerns in India that China's growing influence in Sri Lanka could pose a threat to India's security interests in the region.

India, on the other hand, has been strengthening its defense cooperation with Sri Lanka, including providing military training and equipment, to counter China's growing influence. India also seeks to establish its hegemony in the region and maintain its dominant position in the Indian Ocean. Therefore, the theory of hegemony highlights the importance of maintaining a strong presence in Sri Lanka and other countries in the region to counter any attempts by rival powers to establish their dominance. For India, this means continuing to provide economic and military assistance to Sri Lanka to maintain its influence and control over sea routes and regional security.

#### 3.1.2. Mahan's Sea Power Theory

Mahan's Sea Power Theory is a concept developed by Alfred Thayer Mahan (1889), a 19th-century American naval officer and strategist. The theory emphasizes the importance of sea power in a nation's military strategy and its ability to influence global politics and economic affairs. According to Mahan, a country that controls the sea has a significant advantage over its rivals in terms of trade, military power projection, and access to resources. It is proven at the 18th National Congress of the Communist Party of China (2012) emphasized that China must become a maritime power within the next decade.

The strategic significance of Sri Lanka as a key maritime nation in the Indian Ocean region can be explained through Mahan's Sea Power Theory. China's plans for growth as a maritime power involve substantial co-development of ports and marine support centers across various countries, including Malaysia, Indonesia, India, Sri Lanka, Kenya, Djibouti, Greece, and Italy. This vast network of ports will enable China to support its merchant fleet and eventually establish a Blue-water navy (Richard Ghiasy et al., 2018). With its crucial ports and harbors

servicing as vital hubs for shipping and trade, Sri Lanka is an asset for any nation aiming to control sea routes and exert influence over maritime trade.

China and India are competing for influence in Sri Lanka due to its strategic importance. China has been investing in Sri Lanka's infrastructure, while India has been strengthening its ties with the Sri Lankan government and providing military assistance. Mahan's Sea Power Theory emphasizes the significance of Sri Lanka's strategic location and the importance of controlling its sea routes for maintaining regional dominance. For India, maintaining a strong presence in Sri Lanka and ensuring the country remains stable and democratic is crucial to safeguard its strategic interests. India needs to maintain control over sea routes and maritime trade while countering China's growing influence.

### 3.1.3. Smart power theory

According to Joseph Nye (2011), smart power is "neither hard nor soft", rather "the skillful combination of the hard power of coercion and payment with the soft power of persuasion and attraction. It means increasing an integrated strategy, resource base, and tool kit to achieve. Smart power theory refers to the concept of combining hard power (military and economic strength) with soft power (cultural influence and diplomacy) to achieve a country's strategic objectives. It involves leveraging a country's strengths in both areas to influence other countries and shape international relations in a favorable manner.

In the context of the Sino-Indian rivalry in Sri Lanka, smart power theory can be applied to India's approach towards Sri Lanka because India has historically maintained strong cultural, economic, and political ties with this country. However, in recent years, China is primarily using economic and cultural soft power to gain influence in Sri Lanka. By investing heavily in Sri Lanka's infrastructure and building ports, China is seeking to increase its economic clout in the region. Additionally, China has been using its cultural influence to promote Chinese language and culture in Sri Lanka, thereby enhancing its soft power in the country.

To counter China's growing influence, India has been using a combination of soft and hard power. India has increased its economic assistance to Sri Lanka and has also been providing military and defense assistance. India has also been engaging in diplomatic efforts to strengthen its relationship with Sri Lanka and limit China's influence.

Additionally, India's smart power approach towards Sri Lanka has important implications for regional security and India's defense cooperation. To create a natural frontier with Chinese maritime strategy, India's defense cooperation with Sri Lanka can help build a strong defense network in the region, which can serve as a deterrent against any potential threats to India's security.

## 3.2 *Sino-Indian Rivalry in Sri Lanka*

### 3.2.1. The significance of Sri Lanka's geopolitical position to India and China

According to Shelton U. Kodikara's (1972) analysis, Sri Lanka holds a significant place in India's security architecture in the Indian Ocean, and it is also pivotal for India's global trade expansion. India's interest in the Sri Lankan port can be viewed primarily from a geopolitical perspective rather than a purely economic one. India's aim is to establish control over the Trincomalee Port as a counterweight to China's presence in Hambantota and to maintain dominance in the Indian Ocean. In this regard, India seeks to minimize China's influence in Sri Lanka and has therefore strengthened its defense partnership with the country.

Sri Lanka's strategic importance has been recognized throughout history as a valuable resource for a naval base to control the Indian Ocean and its busy maritime routes. No other South Asian nation can claim the same geographic significance as Sri Lanka. While countries like Pakistan, Bangladesh, and the Maldives offer strategic and geographic value, Sri Lanka provides a crucial location for military bases and maritime security, particularly from

a naval strategic perspective. As such, it can be argued that Sri Lanka plays a critical role in the geostrategic, economic, political, and military objectives of India and other major powers. The fact that China and India are increasing their investment in Sri Lanka's vital ports and enhancing their defense capabilities in the Indian Ocean is a manifestation of the application of Mahan's concept of sea power to ensure their global interests.

China places significant importance on Sri Lanka's strategic location as it is situated at a crucial point of marine trade routes that connect West and East Asia, Africa, the Arab world, and the Eastern world. Sri Lanka's role in maintaining India's security on the mainland is also crucial. The strategically located Hambantota Port in the Indian Ocean has become a vital factor in China's BRI and "String of Pearls" policy, contributing significantly to Sri Lanka's growth. According to Roy-Chaudhury's research (2019), China's acquisition of Hambantota port will connect this link to the "Maritime Silk Road," creating a sea corridor through China to Southeast Asia, a system of Chinese-invested ports in Africa, and passing through the Middle East and Europe. It is believed that China's strategies in Sri Lanka encompass several political issues, including encircling India and blocking its approach to the Indian Ocean, highlighting the importance of Sri Lanka to India and what China requires to advance its geopolitical interests.

Moreover, Sri Lanka is rich in natural resources such as coal, iron, hydrocarbons, natural gas, and oil, some of which remain underutilized (Asian Development Bank Institute, 2014). China's investment budgets, financial aid, or loans often request favorable access to Sri Lanka's natural assets, from mineral resources to ports, to support infrastructure projects (Ronak Gopaldas, 2018). As a large potential market for commerce and Chinese goods, Sri Lanka plays a critical role in China's BRI. With established diplomatic relationships, cultural and religious understanding, and commercial strategies employed in Sri Lanka during the past two decades, China aims to contain India in South Asia to achieve its political ambition in the Indo-Pacific region.

### 3.2.1 Comparison of economic and military activities of China and India in Sri Lanka

It is evident that Sri Lanka has become a point of contention for China and India in multiple spheres, such as commerce, funding, and foreign assistance. After the implementation of the India Sri Lanka Free Trade Agreement in 2000, India emerged as Sri Lanka's primary trading partner, and bilateral trade between the two countries has since grown substantially. Similarly, China's business relations with Sri Lanka have also expanded significantly since 2004, making it Sri Lanka's second-largest trading partner after India in 2018. China recognized the potential for untapped investment opportunities in Sri Lanka and has since amplified its investments in the country since 2008 (*see Figure 1*). In the context of the Sino-Indian rivalry in Sri Lanka, both countries have been using a combination of hard and soft power to try and influence Sri Lanka's foreign policy decisions and gain a strategic advantage in the region. India, not wanting to fall behind, has also heightened its investments in Sri Lanka since 2000 and continues to do so.



Figure 1: Evolution of Trade Ties between Sri Lanka and India/China (2000-2018)

Source: Chulanee Attanayake & Archana Atmakuri (2018), pp. 73

Year	Country	Project	Type	Sector	Province
2009	China	Bunkering Facility and Tank Farm Project in Hambantota Port	Loan	Port	South
		Colombo-Katunayake Expressway Project	Loan	Road and Expressways	Western
		Puttalam Coal Power Project – Phase II	Loan	Energy	Northwestern
2010	China	Mattala Hambantota International Airport	Loan	Airport	South
		Power Sector Development Programme (Uthuru Wasanthaya)	Loan	Energy	North
		Rehabilitation of Kandy-Jaffna Road (A009)	Loan	Road and Expressway	North
		Rehabilitation of Jaffna-Point Pedro Road (AB020), Puttur-Meesalai Road (AB032), Jaffna-Kankasanthurai Road (AB016), Jaffna-Palali Road (AB018)	Loan	Road and Expressway	North
		Rehabilitation of Mulaithivu-Kokavil-Pulmodai Road (B297), Oddusudan Nadunkerny Road (B334), Mulaithivu-Puliyankulam Road (B296)	Loan	Road and Expressway	North
		Southern Expressway from Pinnaduwa to Matara	Loan	Road and Expressway	South
		Rehabilitation of Puttalam – Marichikade Mannar Road (B379, B403)	Loan	Road and Expressway	Northwestern /Northern
		Rehabilitation of Navatkuli-Kerativu-Mannar Road (A032)	Loan	Road and Expressway	Northwestern
	India	Limb Refitment Project, Rail Bus service Trincomalee to Baticaloa	Grant	Road	Eastern
		1,000 Pilot Housing Units Project	Grant	Housing	North
		Rehabilitation of the Harbour at Kankasanthurai	Grant	Port	Northern
		1,000 housing units in Northern Province	Grant	Housing	Northern
	2012	China	Hambantota Port Development Stage II	Loan	Port
India		49,000 Housing Units in Northern, Eastern, Central and Uva Provinces	Grant	Housing	Northern
2013	China	Matara Beliatta Section of Matara Kataragama Railway Extension	Loan	Road and Expressway	South
		Hambantota Port Development Phase I for Ancillary Work and Supply of Equipment	Loan	Port	South
		Construction of Outer Circular Highway Project – Phase III	Loan	Road and Expressway	Western
		Southern Expressway Extension-Section 4 from Mattala to Hambantota	Loan	Road and Expressway	South
		Southern Expressway Extension-Section I from Matara- Beliatta	Loan	Road and Expressway	Western
2014	India	Kawanthissapura Industrial Zone, Hambantota	Grant	Port	South
		4,000 housing units in Uva and Central Provinces	Grant	Housing	Uva and Central
2018	India	Credit Line for Development of Kankasanthurei Harbour.	Loan	Port	Northern
2019	India	Development of East Coast Terminal at Colombo port	Loan	Port	Central

Figure 2: Chinese and Indian investment projects in Sri Lanka (including loans and grants) 2009-2019

Source: Chulanee Attanayake & Archana Atmakuri (2018), pp. 72

India and China have been competing in the development of ports in Sri Lanka in recent years. The construction of the Hambantota deep-water seaport, which was originally proposed to India, was eventually undertaken by China in 2005. Between 2009 and 2019 (see Figure 2), China and India were involved in several investment projects in Sri Lanka, which contributed to the intensification of the Sino-Indian rivalry in the country. China's investment projects were particularly significant, as they were focused on building strategic infrastructure projects such as the Hambantota Port and the Colombo Port City. These projects were viewed as key elements of China's Belt and Road Initiative, which aims to increase China's connectivity with the rest of the world, while also advancing its economic and strategic interests.

India, on the other hand, focused on providing development assistance and technical expertise to Sri Lanka, while also investing in its infrastructure following Chinese investment in Hambantota<sup>1</sup>. India's projects are mainly aid

<sup>1</sup> India closely monitored the situation and even established a consulate in Hambantota in 2010, despite the absence of a significant Indian or Sri Lankan Tamil community in the area. This heightened Indian concern has led to increased competition between India and China to invest in Sri Lanka's infrastructure.



grants which aimed at strengthening its economic and strategic ties with Sri Lanka, while also countering China's influence in the country.

One of the important activities for Sri Lanka's existence and development is the defense field. Throughout the 30-year long conflict against the LTTE, Sri Lanka received unwavering support from China (PP de Silva<sup>2</sup>, 2015, pp.62). Despite the absence of support from other nations, China consistently stood by Sri Lanka, offering financial aid, weaponry, military training, and sharing sensitive intelligence (see Figure 3). While there may not be as many defense cooperation activities between China and Sri Lanka compared to other South Asian countries, Sri Lanka is still viewed as a crucial component of China's "string of pearls" strategy, which aims to encircle India by establishing a series of military and commercial base throughout the region.

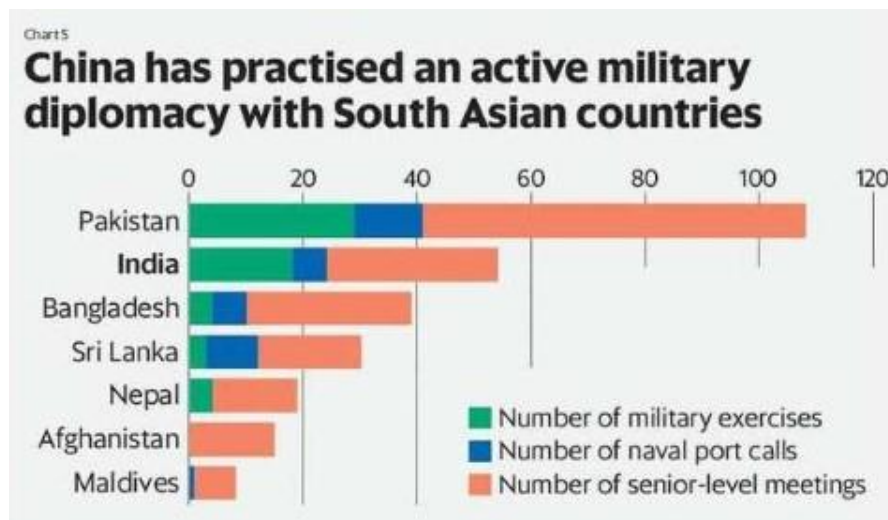


Figure 3: China's military diplomacy in South Asia (Livemint, 2020)

Sri Lanka has invited China to participate in the multinational Cormorant Strike exercise, and China has given Sri Lankan military officers the opportunity to improve their education in China. The two countries previously conducted Exercise Silk Route in 2015, but there have not been any subsequent iterations of the exercise (Abhijit Singh, 2015). Furthermore, China and Sri Lanka have also cooperated in military exercises and drills, such as joint passage exercises and humanitarian assistance. The People's Liberation Army Navy has provided assistance to the multinational counterpiracy mission in the western Indian Ocean and has used Sri Lanka as a midway refueling point. China has also provided military equipment, including small arms, ammunition, landmines, naval vessels, and aircraft to Sri Lanka, with some of these armaments possibly being given as aid. Notably, China ranked Sri Lanka as its eighth-largest arms market between 2005 and 2010 (SIPRI, 2011), although this represents only a modest fraction of China's overall arms trade. Such developments reflect China's expanding involvement in global arms, transfers and its growing presence in South Asia, while also highlighting the potential risks associated with China's provision of military assistance to other nations.

As for India, defense relationship between India and Sri Lanka has been established for several decades, strengthened by their shared historical, cultural, and ethnic ties. India has been providing military aid and training to the Sri Lankan Armed Forces, as well as assistance in the form of patrol boats, communication equipment, and other hardware to enhance their capacity to deal with security challenges such as terrorism and maritime security. India and Sri Lanka have also conducted joint military exercises to enhance their combat readiness and interoperability. India has also been involved in the reconstruction and development of infrastructure in war-torn areas of Sri Lanka to promote stability and security in the country. The Indian military institutions, such as the National Defense College, have played a significant role in producing leaders for the Sri Lankan armed forces. Each year, around 1,500 to 1,700 slots are reserved for Sri Lankan personnel, which requires an expenditure of

<sup>2</sup> He was a Major General in the Sri Lanka Army, stationed at the Ministry of Defense, Sri Lanka.

approximately ₹500 million to ₹550 million (equivalent to more than \$6 million). Similarly, the Sri Lankan armed forces host Indian military officers for specialized training programs in areas such as counterinsurgency (Hindustan Times, 2022).

Overall, China and India have been engaged in a competition to extend their economic and military influence in Sri Lanka. China has been actively seeking to deepen its political influence in the country through building close ties with the Sri Lankan government and providing development assistance and other forms of support. China has also been a major investor in Sri Lanka's infrastructure, particularly in ports and highways. In contrast, India has traditionally focused on providing development assistance and technical expertise to Sri Lanka but has recently increased its investment in Sri Lanka's infrastructure and has signed trade agreements with the country. While China has been more assertive in its economic and military influence in Sri Lanka, India has been more cautious in its approach. However, India has also been more active in deepening its political ties with Sri Lanka in recent years, particularly in response to security threats from China's strategies in Sri Lanka and other South Asian countries. The impacts of China's investments and military presence in Sri Lanka on India's regional security have been significant, as China's deepening ties with Sri Lanka could potentially encircle India and limit its access to the Indian Ocean.

### 3.2.2 Threats to India's regional security from China's strategies in Sri Lanka crisis

Sri Lanka's need for Chinese aid is linked to its historical issues, particularly the civil war that lasted for over 25 years and ended in 2009. The war had a significant impact on the country's infrastructure, particularly in the war-torn regions of the north and east. After the war ended, the Sri Lankan government prioritized infrastructure development in these regions to promote economic growth and stability. Sri Lanka's economic crisis has made it an attractive destination for Chinese investment. China's pursuit of strategic objectives in the Indian Ocean region has been focused on enhancing its global influence and securing energy resources in Sri Lanka. This has involved significant investments in Sri Lanka's infrastructure, with particular attention paid to the Hambantota Port, which is strategically located near key shipping routes.

While many international scholars view Sri Lanka's economic crisis as a result of China's debt-trap diplomacy, the author genuinely thinks the intersection of Sri Lanka's economic turmoil and China's strategic ambitions is to control India and assist to China's Grand Strategy. Because China's debt ratio is not the factor that caused Sri Lanka's crisis and insolvency (*see figure 4*). However, due to Sri Lanka's strategic position and interests with China and India, it has unintentionally become a battleground for the strategic competition between these two countries. The more Sri Lanka tries to balance, the more it falls into crisis due to the economic and military strategic deployments of China and India.

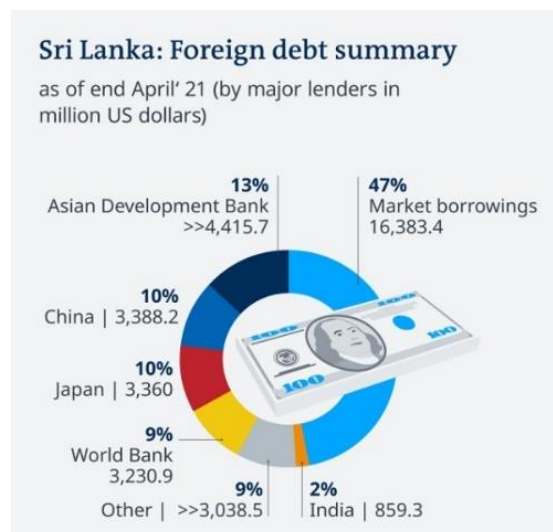


Figure 4: Sri Lanka's foreign debt summary until April 2021

Source: Department of External Resources, Sri Lanka

It is apparent that China's intentions in Sri Lanka extend beyond just trapping the country in debt repayments. The author cites the equity swap of the Hambantota deep-water port as an example to demonstrate that China's interests in Sri Lanka's economic crisis are not solely driven by debt-trap diplomacy. The Rajapaksa Administration transferred the Hambantota port to China on a 99-year lease in exchange for debt forgiveness when Sri Lanka was unable to repay its debt. China has invested heavily in Sri Lanka's infrastructure, including ports, airports, highways, and power plants, with the promise that these projects will boost trade and help Sri Lanka pay off its foreign debts. However, these projects have failed to generate foreign revenue, leaving Sri Lanka unable to repay its debts and raising concerns about its national security and domestic stability.



Figure 5: China's "String of Pearls" Strategy

Source: China Briefing (2019)

Moreover, the Hambantota port is part of China's "String of Pearls" strategy in the Indian Ocean, which aims to extend China's influence in the region through civil and military infrastructure projects from the Chinese Mainland to Port Sudan (*see Figure 5*). This strategy, along with the China-Pakistan Economic Corridor, poses a threat to India's national security. China has significant strategic and economic interests in the Indian Ocean region, and its "Belt and Road" initiative will only further expand its presence in the region.

According to the Institute for Security & Development Policy's report (2022), China has added a military component to its strategic trap diplomacy by providing Sri Lanka with military aid, including a warship and training courses funded by China. Most of the Chinese projects in Sri Lanka have a long-term strategic objective that could potentially result in a "hybrid model" of civil and military activities in the region. Such a model poses a security threat not only to Sri Lanka but also to the wider Indo-Pacific region through China's "String of Pearls" strategy. The report indicates that China's debt trap diplomacy in Hambantota, Sri Lanka, along with its investments in the China-Pakistan Economic Corridor, serves as a primary strategy for encircling India and limiting Indian alliances in South Asia and beyond.

In the same opinion as the above analysis, Thomas Wheeler (2012, p.15) emphasized that "... China has for a long time had relations with Sri Lanka, from the beginning, China did not have strategic interests in Sri Lanka until recently when its geographic position became more important to China's a trade and energy routes. About 62 percent of China's global trade and 90 percent of its imported energy passes through the Indian Ocean Sea lanes surrounding Sri Lanka" – Thus, China approached Sri Lanka because the rise of India and its alliance could influence China's strategies in the region. The traditional influence of India in South Asia will help countries escape the debt trap of China. To protect the "String of Pearls" strategy, China practiced debt-trap diplomacy in Sri Lanka for strategic and political purposes.

### 3.3 *India's identified risks and status from Sino-Indian rivalry in Sri Lanka*

China's increasing investments and military presence in Sri Lanka have raised concerns about India's regional security. China's BRI has led to significant investments in Sri Lanka, including the development of the Hambantota port and the Colombo International Financial City. These investments have not only increased China's economic influence in Sri Lanka but have also raised concerns about its military intentions. China's military presence in Sri Lanka has also grown in recent years, including visits by Chinese submarines to Sri Lanka's ports. In contrast to China's Belt and Road Initiative, India is advocating for a "Free and Open Indo-Pacific" concept. India's vision emphasizes the importance of a rule-based system in the region that upholds the sovereignty of nations and guarantees freedom of navigation. The contest between China and India for dominance in the Indian Ocean region is therefore a crucial element of their rivalry in Sri Lanka.

India sees China's growing influence in Sri Lanka as a threat to its regional security. The Hambantota port has been a source of concern for India. Located near the southern tip of India, the port could be used by China to monitor Indian naval activity in the Indian Ocean. Furthermore, there are concerns that China could use its military presence in Sri Lanka to encircle India and limit its access to the Indian Ocean. Therefore, the Sri Lankan crisis caused by Chinese strategies has had a significant impact on India's regional security, which can be demonstrated by the following reasons:

Firstly, historically, Sri Lanka has been under India's influence, and India has invested in Sri Lanka's economic development and infrastructure to maintain its regional control. However, Sri Lanka's economic crisis, which includes its rising debt, has raised doubts about India's ability to sustain its power in the country. Sri Lanka has been seeking economic assistance from China, which could potentially undermine India's regional influence. Due to Sri Lanka's strategic location in the Indian Ocean, China might establish military bases in the area, which could have implications for India's security in the region. India's concerns are valid since China has opened a combined navy and air force base in Djibouti in August 2017 (Femi Rachma Pertiwi, 2021) and is developing a naval base near Gwadar Port in Pakistan (Gurmeet Kanwal, 2018), as part of its "String of Pearls" strategy in the Indo-Pacific region. The Maldives has also arranged a port lease with China, as part of China's "two-ocean" strategy. China's "String of Pearls" strategy has created a security imbalance in the Indian Ocean region, increasing the risk of political instability and potential government collapse (Aswani RS, 2022). A new government could be vulnerable to China's influence. Therefore, India's security is threatened not only by its disputed borders with Pakistan and China but also by China's expanding influence in the region.

Secondly, Sri Lanka's economic turmoil could also have implications for regional stability. The country's debt crisis and economic challenges could lead to social and political unrest, which could spill over to neighboring countries, including India. This could have significant implications for regional stability and security. Under pressure from China's assistance to Sri Lanka, India must limit China's goal policy of debt-for-equity swap would lead to direct interference in others' internal politics which easily lead to civil, regional, and international urgent financial assistance. This will also have a heavy impact on India's economy, especially since the Covid-19 pandemic has negatively affected the Indian economy.

Thirdly, the Indian Ocean is strategically vital to India's great power ambitions in South Asia (Johnson O, 2020). To achieve these goals, India has enormously competed with China's strategy by boosting long-standing cultural and political relations with countries in South Asia. In recent years, India has developed as a regional military power with economic strength, nuclear capacity, and missile capability. It directly threatens China's expansion and interests in the region. India has been seeking to build strategic partnerships with major powers in the Indo-Pacific region, such as the United States, Japan, and Australia. Enhancing defense cooperation with Sri Lanka and other countries in the region can help to strengthen these partnerships and ensure that India remains a key player in the region to counter China's growing influence in the country. However, Sri Lanka's economic turmoil could affect the effectiveness of this cooperation. Sri Lanka's mounting debt has led to concerns that it may not be able to sustain its defense expenditures, which could weaken its ability to counter security threats in the region. This could, in turn, have implications for India's defense cooperation, which relies on Sri Lanka's ability to counter security threats effectively. At the same time, India has to promote strategic cooperation with the United States,

Japan, and Australia in the QUAD alliance creating a significant security threat to China. In spite of cooperating with other major non-regional countries, such as Russia, Japan, and the European Union, India can keep China's influence in check. However, the overlapping geopolitical interests of these major countries will greatly affect India's role, as well as increase the risk of conflict between China and India.

### 3.4 Outlook for India's regional security and defense cooperation

The Sino-Indian rivalry in Sri Lanka is likely to continue to be a complex and multifaceted issue. It is important to note that not all conflicts result in negative outcomes. China is likely to continue investing in Sri Lanka's infrastructure, particularly in the development of port infrastructure. The Hambantota port project is a key example of this investment, and China is expected to continue expanding its presence in the port. This is likely to continue to be a major point of contention between China and India, as India views Chinese investment in Hambantota as a strategic threat. However, India is likely to limit China's investment in Sri Lanka's infrastructure by strengthening its own investments in the country's infrastructure, particularly in areas such as energy and transportation by cooperating with major powers such as Japan and the United States, to provide alternative sources of funding for Sri Lanka's infrastructure development, thereby reducing Sri Lanka's dependence on Chinese investment.

Increased Indian defense cooperation in Indo-Pacific region is likely to continue strengthening its defense cooperation with Sri Lanka to counter Chinese influence in the country and South Asia in advance. Then, India will upgrade all cooperations with key major powers in Indo-Pacific region through military training, equipment, and joint exercises to counter Chinese influence on India's security (*see Table 1*).

It can be seen that India has a policy of engaging in military activities with various countries, including China, for several reasons. Firstly, India seeks to promote peace and stability in the region, and engaging in military exercises with other countries helps to build trust and confidence between the militaries of different nations. Secondly, India seeks to enhance its own military capabilities by learning from other countries and sharing its own expertise. By engaging in joint military exercises, India can learn about new technologies and tactics, and improve its own operational readiness. Finally, India seeks to build strategic partnerships with other countries, including those that may have competing interests with India. By engaging in military activities with such countries, India can develop a better understanding of their capabilities and intentions, and work to build relationships that are based on mutual respect and cooperation.

Table 1: List of significant India's military exercises

Name of military exercises	Participating countries with India
SIMBEX	Singapore
AUSINDEX	Australia
Mithra Shakti	Sri Lanaka
Nomadic Elephant	Mongolia
Garuda	France
Hand in Hand	China
KONKAN	UK
Surya Kiran	Nepal
INDRA	Russia
MALARBA	QUAD (US, Japan, Australia, India)
J-MEX	Japan
Samudra Shakti	Indonesia
Naseem-Al-Bahr	Oman

Source: Collected by the author from Ministry of External Affairs, India

Additionally, countries in the region, such as Japan and the United States, Australia, South Korea, or some EU's countries may work more closely with India to counter Chinese influence in Sri Lanka and the wider region. These countries also recognize the importance of maintaining regional stability and preventing any one country from

dominating the region. Working together to counter China's influence in Sri Lanka and the wider region are seen to promote regional stability and prevent the emergence of any single dominant power.

#### 4. Conclusion

The Sino-Indian rivalry in Sri Lanka's economic turmoil has the potential to significantly impact regional security and India's defense cooperation with Sri Lanka. China's debt-trap diplomacy and infrastructure investments in Sri Lanka have raised concerns about its geopolitical ambitions in the Indian Ocean and the potential security threat it poses to India. This rivalry also highlights the importance of understanding the political strategies behind economic crises in South Asian countries.

After researching, the author believes that: *For the first research question*, The Sino-Indian rivalry in Sri Lanka's economic turmoil could impact India's defense cooperation with Sri Lanka by creating tensions and mistrust between the two countries. If Sri Lanka becomes too reliant on China for its infrastructure investments, it may be more likely to align with China's strategic interests in the Indian Ocean, potentially creating a rift between India and Sri Lanka. This could further undermine India's ability to maintain its strategic presence in the region. To mitigate any negative effects, India could increase its own infrastructure investments in Sri Lanka, thereby reducing Sri Lanka's reliance on China. India could also engage in more regular and transparent communication with the Sri Lankan government, to ensure that India's concerns about China's influence in Sri Lanka are addressed. Additionally, India could explore new areas of cooperation with Sri Lanka, such as joint military exercises, to build trust and confidence between the two countries. These steps could help to maintain India's strategic presence in the region and enhance its defense cooperation with Sri Lanka; *For the second research question*, the economic instability in Sri Lanka can lead to political instability and social unrest, which can spill over into India's southern states, particularly Tamil Nadu. India has a large Tamil population, and any ethnic conflict in Sri Lanka can have repercussions for India's internal security. To respond to this threat, India has been trying to increase its economic and strategic engagement with Sri Lanka. India has offered financial assistance and investment in Sri Lanka's infrastructure projects, such as the Colombo Port City project. India has also been providing development assistance to Sri Lanka in various sectors such as health, education, and agriculture. Furthermore, India has been engaging with Sri Lanka at the political and diplomatic levels. India has been advocating for Sri Lanka's reconciliation and ethnic harmony, particularly with the Tamil community. India has also been closely monitoring China's investments in Sri Lanka and has been trying to counterbalance China's influence in the country.

Based on the above-mentioned results, it can be concluded that the Sino-Indian rivalry in Sri Lanka has far-reaching implications for regional security and India's defense cooperation. As this competition continues to evolve, India must remain vigilant and proactive in mitigating any negative impacts and defending its national interests in the region. To limit further threats in the context of the Sino-Indian rivalry in South Asia, India needs to enhance its defense cooperation with major powers in the region. This includes infrastructure development, military cooperation, and political alliances, which have ultimately affected the stability of the region.

#### Acknowledgments

I would like to express our sincere gratitude to the anonymous reviewers for their valuable insights and constructive feedback. Their comments have significantly improved the quality and rigor of our research findings. I also acknowledge their efforts in reviewing our manuscript thoroughly while maintaining anonymity. I declare that there are no potential conflicts of interest that could influence our research outcomes. Lastly, I thank the entire team involved in this study for their dedicated efforts and support throughout the research process.

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