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The Indo-China Balance of Power in South Asian Region: A Sri Lankan Perspective

H. E. N. Priyadarshani

Department of Political Science, University of Sri Jayewardenepura, Sri Lanka

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*Corresponding author

E-mail address:

nilupriyadarshani@sjp.ac.lk



<https://orcid.org/0009-0002-8054-486X>

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ABSTRACT

China and India are two states with which Sri Lanka has maintained close relations in the past. These two states have given a lot of support to Sri Lanka in many crisis situations that Sri Lanka has faced in international politics. China is one of the main countries that have helped Sri Lanka from the past until recently. Also, in view of the severe economic crisis in Sri Lanka after Covid-19, India has also given special support to Sri Lanka. Thus, it can be stated that China and India are keen to provide support to Sri Lanka in a very competitive manner. As a result of all these factors, India and China, the two most powerful nations in Asia, are in a furious power struggle over Sri Lanka in the Indian Ocean. That is, the South Asian region is facing a problem of balance of power. The primary goal of this research is to examine Sri Lanka's role in the rivalry in South Asia between China and India. The research objective is 'what policy Sri Lanka should adhere to when managing its relations with India and China?'. This study's methodology, which is qualitative in nature, depends only on secondary data to gather information. Content analysis was used for data analysis. According to this study, for Sri Lanka, India and China are equally important and China has provided a lot of assistance to Sri Lanka financially. However, in view of the current economic crisis Sri Lanka is facing, China's response to Sri Lanka has become sluggish. Nevertheless, Indian engagement has recently become increasingly crucial for Sri Lanka due to the terrible economic crisis the country is experiencing in the wake of Covid-19. Sri Lanka should, however, maintain a neutral stance in its interactions with the two adversarial nations, India and China.

1. Introduction

A basic analysis of the geographical differentiation of the South Asian region is very important in analyzing the Indo-Chinese influence in the South Asian region. Accordingly, all established states in the world can be divided into four main geopolitical regions: Europe, Asia, Africa, Latin America, and the Caribbean. Among them, the Asian region is unique because it is the largest geographical region in the world. Hence, the Asian continent can be divided into a number of sub-divisions such as East, West, Central, South-East, and South. Each of these sub-geographical regions consists of specific geographic region boundaries. An example of this is how the South Asian region is divided. That is, the area known as the Indian Peninsula is surrounded by the Indian Ocean to the south, the Himalayan Mountain range in the north, the Arabian Sea in the south-east, the Bay of Bengal in the south-east and the Hindu Kush, Kirtar, and Naga mountains in the east have been recognized as the South Asian region (Chathurvedi, 2019). In international politics, one or more economically, socially, politically, and technologically powerful states are identified in each region. Those powerful states exert influence on other states to maintain hegemony in the region and it can be direct or indirect. India is the most powerful state that has this influence in the South Asian geographical region (Paul, 2018). Also, some states in the South Asian region accept India as a powerful nation in their region and they are trying to follow policies favorable to India (Ciorciari, 2009). But here the problem lies in China's access to the South Asian region as an external state to the South Asian region. China is doing it not as a military strategy but as a state strategy. Sri Lanka is known as a small country that maintains very direct international relations with China, which is located close to India. The study of the impact of this situation on Indian hegemony and the policies to be followed by Sri Lanka is very important. Thus, India is the leading country in the South Asian region. India's supremacy

has been harmed by China's relationship with smaller countries in the South Asian region. Therefore, rivalry between China and India has been created. Due to this, a study was conducted on how the rivalry and competition between India and China has affected maintaining the balance of power in the South Asian region. The research problems of this study is; 'what is the role of Sri Lanka in the face of the rivalry between India and China in the South Asian region? And what policy should Sri Lanka adopt in its relations with India and China?' The objectives of this research are, first, to study India's role in China's entry into the South Asian region and Sri Lanka's role in it. Second, to find out the policy to be followed in Sri Lanka's relations with the India and China.

Two important theories have been used by the researcher to address and evaluate the research problem statement. That is realism and China's Threat theory. Conceptually, the concepts of maritime security and regional cooperation have been used for the study. Using theory of realism, China's rise in the South Asian region, and India's attitude and performance are studied. According to realism, the form of international relations will become anarchic and since there is no control over sovereign states, those states should only pursue their own interests. Thus, in other words, realists interpret that all states must protect their own resources in order to protect their interests. States enter into agreements with various external states to achieve their ambitions and try to enforce them. According to realists, a state should dominate or try to dominate as best it can. Realists view politics as a contest for power and use variables like power, security, and national interests to examine how states interact in international politics (Glaser, 1994). Here, China's approach to the South Asian region as well as India's response and performance are considered in relation to this principle. It is important to go beyond the classical realism of realist theory and use new realism or structural realism here. According to the new realists, the factors of anarchy,

structure, ability, distribution of power, polarity, and national interests are fundamental here, and these six factors have been used less and less for the Sino-Indian activity in the South Asian region.

The China's threat theory is a theory introduced by Western states that the future of the world is not secure due to uncertainty, fear, etc. caused by the rise of China. This Chinese threat theory assumes that China cannot rise peacefully and is harmful to the West and the current world (Ai, 2016). Accordingly, these ideas reflect the view of the West and India on the peaceful development or rise of China. Here, this principle can be expressed as the principle which highlights China's ascent as a threat to global security, peace, and stability, peace, and security of the world. While the Western powers and their supporting states are trying to control China's rise, China's rise is shown to be a threat to global stability (Broomfield, 2003). However, China's attractive economic growth, China's ability to handle economic, political, and social factors as a large state is very important for China's rise. The rise of China has the potential to undermine and destroy the concept of power. Every power strives and their ultimate goal is to reach the top of world power. However, the rise of only one nation as a world power threatens other nations and as a result; such emerging states are seen as a threat to global or regional hegemony. In relation to China, it was a threat not only to the United States of America but also to emerging global and regional powers such as India. Therefore, the basis of China's intervention in the Indian Ocean region is a threat, and loss of balance of power has been studied utilizing China's Threat Theory.

2. Materials and Methods

Qualitative methodologies have been used to attain the goals outlined above. The main source of data is secondary information, which is found in books, journal articles, newspaper articles, agreements, treaties, and other pertinent printed and digital materials.

Content analysis was the main method used to achieve the research objectives. Data analysis techniques include document analysis and theoretical analysis.

3. Results and Discussion

India and People's Republic of China are two countries that have received the most attention in international politics. One of the main factors influencing this is the policy and activism of China, the closest power to India, in determining India's policy and activism, not only on the global balance of power but also on the balance of power in the strategically important Indian Ocean region. It is therefore important to study India's position as a South Asian regional powerful nation in examining the prospects and existing challenges facing the South Asian region. This is because Indian activism within the South Asian region is very important to all the states in the region. Overall, relations between India and other South Asian states within the South Asian sub-geographical region are complex in nature. However, several South Asian countries have developed close ties with India based on the stability of political security as well as development in the areas of economy, science and technology. At the same time, small states in the South Asian region are interested in strengthening relations with India based on a broader vision of achieving the objectives of South Asian regional cooperation. But the activism of small states within the South Asian region illustrates the persistent tactical maneuvering of long-standing fears, suspicions and mistrust of India, as the South Asian powerful nation. However, in order to achieve their political, economic, defense and scientific and technological objectives, some states in the South Asian sub-geographical region have sought to establish relations with external powerful nations (Desai, 2010). Number of researchers mentioned that if those relations affect India's stability or are of an influential nature, then the small states within the South Asian region will have to

face India's direct and indirect influence under such circumstances (Rahman, Kharti, and Brunner, 2012). Except Bhutan, all the other states within the South Asian region are open to the world and engage in international relations with powerful external nations. Among them, the existing relations with the People's Republic of China are unique. The reason is that small states within the South Asian region are able to move their states towards development without being affected by any political policy decisions. Of these, China's foreign policy, notably One Belt One Road (OBOR) is the most important one. It can be described as a policy initiated not only for South Asia but for global development as a whole.

3.1 The Rise of China and Rivalry in South Asia

India has been the dominant state in the South Asian region since ancient times. India is making constant efforts to maintain it without any change even now. Due to the issue between Pakistan and India, especially centered on the Kashmir border, India is often trying hard to maintain regional hegemony.

Also, India's role as a power in the South Asian sub-geographical region has attracted global attention, not only in South Asian countries. It is due to the fact that India has bilateral and multilateral relations outside the South Asian region. However, even in those relations, it can be indicated that India follows a centralized policy. Also, India follows a unique security policy on the basis of being a regional power. Confirming that basis, other states in the Indian Ocean geographical region are responding to it. Accordingly, India constantly exerts a definite influence on the problems faced by the South Asian geographical region as well as shaping the future vision of that region. As a result, it is a globally accepted opinion that India's performance, philosophy, and national objectives are decisively influencing the internal and external policies of the majority

of states in the South Asian geographical region (Kumara, 2018). However, China's rise as a global power has made it a trend for several states in the South Asian geographical region to work closely with China to achieve their national goals. Under this situation, it can be said that India's role in the South Asian geographical region has been devalued, but India's role as a regional power in the South Asian geographical region is very important.

Due to this hegemonic power of India, it is following a policy of influencing other states in the region for Indian interests. Due to this situation, there is a tendency for South Asian countries to lean towards China. China is a powerful state belonging to the East Asian region, and it is also a state that has a unique position in global politics. China has followed a successful process of wooing South Asian states to China by adopting a policy of peaceful coexistence with small states, which is currently in effect. This activity has threatened India's position as a regional powerful nation and this has developed into a power balance rivalry within this region. Also, India is attempting to maintain, reassert and maintain its hegemonic role over other Asian countries through its policy.

However, at the moment, China and India are vying for dominance in South Asia. Although China is not a South Asian country, its South Asian regional reach has influenced its influence. Because of this, hostile attitudes have been created between India and China, and this rivalry has also had an impact on other states in the region. One of the main countries is Sri Lanka. China and India are two powerful nations that inherit rapidly growing economies. China is primarily interested in South Asia as an important maritime trade hub, as China's expansion of power over the Indian Ocean is essential. There are two trade routes based on land and sea in the plan called One Belt One Road. The 21st Century Maritime Silk Road, which travels through sea and passes through South East Asia, Africa, South Asia, and Central Asia, is significant. Here, China's approach focusing

on the South Asian region is not a general matter but can be described as a challenge to the regional dominance maintained by India so far. Through OBOR, China aims to create the world's largest platform for economic cooperation, including policy coordination, trade, and financial cooperation, and social and cultural cooperation. OBOR is a project designed to fulfill future aspirations and covers about 65 countries. For the states involved in this project, China is providing development assistance and has started various infrastructure-related projects and maintain them. Sri Lanka is also one of the main hubs of its strategic Maritime Silk Road. This has given China the opportunity to influence or undermine Sri Lanka by giving benefits to Sri Lanka. OBOR is not just a regional policy but a global strategy. Although it is unlikely that China will be able to exert much influence around the world, its potential impact on global politics cannot be ignored. (Aoyama, 2016) The importance of the utility of the South Asian Ocean region to China is the same in the case of India. At present, the total value of goods exported and imported by India has crossed USD \$800 billion. Most of this trade takes place by the sea. Due to the fact that protecting communication through sea routes is a very important commercial issue, this transport network is being dealt with in the affairs of the maritime sector of India as well as China. (Vaidya, 1959) Due to this situation, the attention of both countries has been focused on naval infrastructure programs. Since the population of the two states is high, they have to rely on the existing raw materials, minerals, and energy resources of the other states.

The main reason for both countries to increase their marine capabilities is to protect their entry to nations that can supply raw materials, especially to Africa and the Middle East. 77% of China's petroleum supplies come from Africa and the Gulf region. Therefore, the activities of the Indian Ocean region have been developed by economic investment, investment in ports and

infrastructure, supply of arms, and supply of energy resources in the states that own the sea routes. Also, China is following two effective strategies to approach other South Asian countries. They are namely; China's String of Pearls Strategy and Beijing's 'hexiao gongda' policy (Marantidou, 2014). China has been strategic in conducting foreign policy with small states in South Asian countries through the String of Pearls Strategy. China has made a clear approach to the South Asian region through the concept of peaceful coexistence. China's intended objective in starting this strategy is to form a chain of hubs in the Indian Ocean region that can be connected and act as an economic as well as military and intellectual hub. Accordingly, the strategies of the Maritime Silk Road and String of Pearls are important in this regard.

Beijing's 'hexiao gongda' policy means "uniting with the small to oppose the big". There, it can be seen that Bangladesh, Pakistan, Nepal, and Sri Lanka are friendly and they want to unite with the smaller states. Enmity with the Indian state may be indicated under opposition to big things. However, through enhancing economic and commercial links, China has somewhat succeeded in upholding peaceful coexistence with several South Asian nations. The hostile relationship between India and China regarding the South Asian region has attracted global attention. John Gaver, a leading expert on Sino-Indian relations raises two arguments regarding China's approach to the South Asian region. That is, "China should accept the South Asian region as India's security zone and sphere of influence and refrain from all actions against New Delhi" which mean that China will not access the South Asian region. The other point Gaver points out is "accommodating China's political and military reach into the South Asian region as an inevitable development" (Garver, 2001). That is, considering China's access to South Asia as if it does not belong to India's scope. Focusing on these two arguments, China's approach to South Asia can be analyzed according to Gaver's second

argument. That is, whether India likes it or not, China's South Asian approach has been taken. Thus, in other words, China has a growing position in South Asia more than India. It has the support of the smaller states of South Asia well over China. In many cases, these small states have built bilateral economic and political relations with China, influencing India's existence. An example of this can be given through the OBOR project through China's efforts to establish the port chain in the Indian Ocean. Thus, examples include Gwadar in Pakistan, Hambantota in Sri Lanka, and Chittagong in Bangladesh (Hassan, 2022). However, due to the economic strength of China, which is trying to become powerful by accessing the South Asian region from an external region, it can be seen that although the regional small states have gained access to the South Asian region, India's dominance in the Indian Ocean region remains intact.

3.2 Sri Lanka as a Source of Rivalry

Sri Lanka is strategically situated in the Indian Ocean and is very close to India. Geographically, India is located next to Sri Lanka (Priyadarshani, 2021). Scientists indicate that Sri Lanka was connected to the Deccan Plateau of the Indian Peninsula in the early stages of geo-historical. At present, India is separated from Sri Lanka by a narrow sea belt of about thirty-two kilometers known as Polk Strait. Recently, China's approach to Sri Lanka has had a significant impact on India. Although the Indo-Sri Lankan relations are historical, the relationships were not good with the conflict in Sri Lanka. India's involvement in the Sri Lankan domestic conflict was coercive. It is clear from the chain of events that happened during the war. For example, during 1970-1980, information was revealed through various sources that various Indian organizations were providing aid to the LTTE organization in Sri Lanka. (Furman & Arulthas, 2021) However, it cannot be ruled out that the Indian **factor** is important for the Sri Lankan political stability.

The relationship between China and Sri Lanka can also be analyzed historically. Sino-Sri Lankan diplomatic relations officially started in 1957 and the first agreement reached after that was the Agreement on Economic and Technical Cooperation signed in 1962 (Santhirakumar, 2020). After that, the state leaders who ruled Sri Lanka at various times were able to get many infrastructure projects for Sri Lanka. In 1963, Sri Lanka and China signed an agreement on trade and maritime relations. In 1982, the China-Sri Lanka Joint Trade Committee was established and based on that, an agreement on economic and trade cooperation was signed in 1984. Sri Lanka co-sponsored the draft resolution that facilitated China's admission to the United Nations Security Council in 1971 while examining Sino-Lankan cooperation in international forums. Sri Lanka also supported China's entry into the World Trade Organization in 2001. Also, at the height of the Sri Lankan civil war, China provided arms to Sri Lanka as well as financial aid. In 2009, an investment facilitation agreement was signed between the China Development Bank and the Central Bank of Sri Lanka, under which the China Development Bank planned to maintain long-term economic relations through a dollar deposit with the Central Bank of Sri Lanka. Bilateral trade relations between China and Sri Lanka have gradually grown and it has increased in value compared to previous years (Kelegama, 2014). Be that as it may, India was in a prime position as one of the top five countries investing in Sri Lanka mostly in the service sector such as health, education, fuel distribution, hotel industry, tourism, IT training, computer software and aviation industry.

In the twenty-first century, relations between Sri Lanka and China have grown significantly. During former Sri Lankan President Mahinda Rajapaksa's visit to China in 2013, Sri Lanka and China upgraded bilateral relations to a strategic cooperative partnership. Also, several high-level visits have been made by the heads of state of the two countries.

Chinese President Xi Jinping visited Sri Lanka in 2014 and former President of Sri Lanka Maithripala Sirisena visited China several times. Additionally, in 2017, Sri Lanka and China celebrated the 60th anniversary of the establishment of diplomatic relations (Asirwatham, 2018). Currently, China has become Sri Lanka's main trading partner. In 2017, the total trade turnover between Sri Lanka and China was 4202 million US dollars. The trade balance is not in favor of Sri Lanka but bilateral trade relations are in favor of Sri Lanka. An agreement on trade and economic cooperation was signed in May 2013, where both states agreed to form a joint working group to study the feasibility of a China-Sri Lanka Free Trade Agreement and discuss the expansion of Sri Lanka's exports to China (Asirwatham, 2018).

Also, in the investigation of how much China's economic and political measures have developed, they have completely entered the South Asian region. The friendly relations of South Asian regional states have also led to that. This situation has had an impact on the power of South Asia as a whole. Sri Lanka is facing a serious situation as an intermediary in the Indo-China rivalry through China's South Asian regional approach. As a superpower in Asia, China's South Asian regional approach has been of great advantage to Sri Lanka as it has Chinese cooperation to achieve all of Sri Lanka's development goals. India has on many occasions articulated its annoyance at the rising Chinese interference in Sri Lanka. In 2014, Chinese submarines entered Sri Lankan harbor twice, India expressed deep concern with regard to the same. Also, in spite of New Delhi strongly expressing its concern that a Chinese vessel engaged in space and satellite monitoring activities will dock at Hambantota port in August 2022, the Ministry of Defense of Sri Lanka without any hesitation allowed the Yuan Wang 5 ship to dock at Hambantota port to get fuel. However, in view of the current economic crisis in Sri Lanka, the importance of diplomatic relations between Sri Lanka and India was clearly

demonstrated. Indian External Affairs Minister Jaishankar stated that India will continue to stand with Sri Lanka. He further stated that he will work on the principle of "neighbors first" ("India Present Sri Lanka's", 2022).

4. Conclusion and Recommendations

Currently, China has entered the South Asian region in the face of India's strong reluctance and concern, and it has had an effect on maintaining the balance of power in the South Asian region. However, India and China are two world powerful nations that help small states in the South Asian region to maintain their development. The China Development Bank granted Sri Lanka a Foreign Currency Term Financing Facility (FTFF) of \$1 billion in 2018 and another \$500 million in March 2020. Sri Lanka and the CDB entered a new deal at the start of April 2021 to receive \$500 million as an FTFF. These credit facilities show that Sri Lanka is largely dependent on China to prevent external sector vulnerabilities, particularly with the currency swap given in March 2021 (Moramudali, 2021). Thus, it can be pointed out that China has helped Sri Lanka more economically and politically than India, but in the face of the severe economic crisis faced by Sri Lanka after the Covid crisis, Indian assistance was very important and unique. But it can also be concluded that the intervention will have an impact on Sri Lanka's internal politics. Although China's policy towards South Asia has little impact on the internal politics of states, it has been problematic for maintaining regional cooperation and leverage. Also, Sri Lanka is an important hub in the strategic Silk Road created by China. Therefore, China and India are more interested in Sri Lanka and are engaged in a competition to help fulfill their desires. The reason is that Sri Lanka is located in the middle of one of the world's busiest international shipping routes. The strategic position brings the highest advantage to Sri Lanka, but it is the responsibility of the rulers of Sri Lanka how to protect their own

interests and how to manage the interests and power struggles of powers like China and India regarding the country. Accordingly, under such circumstances, small states in the South Asian region like Sri Lanka should act with a neutral policy. But until now, Sri Lanka has not followed a specific policy regarding the implementation of foreign policy. Observing the ways in which foreign relations were conducted, it is clear that each government is doing things according to its wishes. For example, the "non-aligned approach" was basically accepted and implemented as Sri Lanka's foreign policy, but successive governments follow it based on their party's political philosophy and relationships. Therefore, if Sri Lanka is to deal with the prevailing problem of balance of power under China-Indian relations in the South Asian region, there is a need to follow the non-aligned approach properly.

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