

### **"Unlike China, India has not accomplished much in Sri Lanka in the Sirisena years."**

The imposing Lotus Tower in Colombo, which was opened to the public recently, is considered to be the latest symbol of Sri Lanka-China ties. An agreement to build this structure, which is to serve as a multi-functional telecommunication tower, was signed by the two countries in 2012.

It may look ironical that much of the project's execution took place under a regime which came into office at a time when there was a "strong anti-China mood". In the run-up to the 2015 presidential election, Ranil Wickremesinghe, who was backing Maithripala Sirisena, had assured people that another Chinese project, the \$1.4 billion Colombo Port City, would be scrapped. Soon after Mr. Sirisena became the President, work on the Port City came to a grinding halt. Then, there was also uncertainty over the fate of the Hambantota port, the development of which was originally offered to India by Mahinda Rajapaksa on becoming Sri Lankan President in November 2005. (India was said to have examined Hambantota purely from the point of view of economics, overlooking the strategic angle.)

Two different records

However, all of this is now history, as Colombo-Beijing ties have stood the test of time. China has been able to resolve all the controversies over these projects. The Port City's execution is underway without any major hitch. When it becomes a reality, it will stand beside the Colombo port, which serves as a major transshipment hub for India. A Chinese company has got Hambantota on lease for 99 years along with associated land of 15,000 acres. More importantly, Sri Lanka is a member-country of the Belt and Road Initiative.

Notwithstanding an argument by some international experts that economic ties with China are driving Sri Lanka into a "debt trap", the bilateral relationship on the economic front is only becoming stronger. According to the 2018 annual report of the Central Bank of Sri Lanka, imports from China accounted for 18.5%, just a little less than the 19% from India.

On the other hand, India cannot claim to have accomplished much in the Sirisena years, despite its "neighbourhood first" policy since May 2014. Apart from clinching a joint venture deal in May with Japan and Sri Lanka to develop the East Container Terminal at the Colombo Port, India cannot boast of having taken up any major infrastructure project in Sri Lanka. Not much is known about the status of a project to renovate the Kankesanthurai harbour in the Northern Province, for which India provided over \$45 million in early 2018. There seems to be little progress in India's proposals to develop the Palaly airport in the North, (where commercial flight services in a limited way are expected to be launched shortly) and acquire a controlling stake in the Mattala Rajapaksa International Airport. And for all practical purposes, the Economic and Technical Cooperation Agreement, an improved version of the existing bilateral Free Trade Agreement,

has been shelved.

In recent years, only a couple of social sector projects of the Indian government — building 60,000 homes for Tamils of the civil war-torn Northern and Eastern Provinces as well as those in the hill country region, and the provision of ambulance services all over the island — gathered momentum. Both these are being carried out using grants of the Indian government. In July, an agreement was signed to upgrade a key railway segment, connecting the north and the south, at \$91 million.

However, given its potential and willingness to do more in development cooperation, India cannot remain satisfied with such a modest track record. When Mr. Wickremesinghe visited New Delhi about a year ago, Prime Minister Narendra Modi expressed concern over delays in projects proposed by India. The joint development of an oil storage facility in Trincomalee is one such project which has been discussed for years. What can be a matter of consolation for New Delhi is that Colombo, about a year ago, reversed a decision to award a \$300-million housing project, meant for the North, to Beijing.

### **Deeper ties**

China-funded infrastructure projects in Sri Lanka may look great, but India-Sri Lanka ties are deeper and more complex. As Mr. Modi said, “In good times and bad, India has been and will always be the first responder for Sri Lanka.” India’s assistance during the 2004 tsunami and Mr. Modi’s visit to Colombo in June (the first foreign dignitary to do so) in the aftermath of the Easter Sunday attacks show India’s sincerity of approach.

Despite these deep ties, it is true that India and Sri Lanka have seen some unpleasantness in bilateral relations in contemporary times. The anti-Tamil pogrom of 1983 dragged India into the Sri Lankan Tamil question. Events such as the withdrawal of the Indian Peace Keeping Force in March 1990 and the assassination of former Prime Minister Rajiv Gandhi in May 1991 made New Delhi adopt a “hands-off approach” towards Colombo till the final phase of the civil war. In the last five months of the war that ended in May 2009, India repeatedly conveyed to Sri Lanka that the rights and welfare of the civilian population should not get enmeshed in hostilities against the LTTE. But this was not considered sufficient by protagonists of the proscribed organisation and some others who have been accusing the Indian government of having played a role in the LTTE’s defeat.

However, with all their shortcomings, the Rajiv Gandhi-Jayawardene Accord of 1987 and the 13th Amendment to the Sri Lankan Constitution, envisaging devolution of powers for provinces, still provide a solid framework to address the ethnic question. Apart from a political settlement, the Northern and Eastern provinces, which account for less than 10% of Sri Lanka’s GDP, require economic development as there are signs of the youth there getting distracted from the pursuit of greener pastures. The Indian government is willing to walk the extra mile in this area, but what is wanting is a proper response from the Tamil political leadership.

When Sri Lanka gets a new President in two months, India must sit with that leader not just to get expeditious approvals for all the pending infrastructure projects but also contribute to a holistic development of Sri Lanka’s youth. Also, New Delhi should sustain its interest on developmental issues concerning the hill country Tamils, regarded as the most backward in Sri Lanka. It will also be worth making one more attempt to encourage the voluntary repatriation of nearly 95,000 refugees who live in Tamil Nadu back to Sri Lanka. As a step towards this direction, the authorities should resume ferry services between Talaimannar and Rameswaram at the earliest.

As once stated by the High Commissioner of India to Sri Lanka, Taranjit Singh Sandhu, “Our aid is not to raid or invade”. A benign and comprehensive approach, backed by the sincerity of purpose, will not only earn India greater respect of Sri Lankans, but also send a message to other international players about the strength of its ties with Sri Lanka.

## India-Srilanka Relation

### Brief History and Background

- India is the only and closest neighbor of Sri Lanka which is separated by the Palk Strait.
- The two countries have been part of a relationship of more than 2500 years, sharing the heritage of intellectual, cultural, religious and linguistic intercourse.
- The two countries have generally shared a cohesive relationship but were impressed by the controversial Sri Lankan civil war and the failure of Indian intervention during the war.
- Both countries occupy a strategic position in South Asia and have sought to build a common security umbrella in the Indian Ocean.
- Historically and culturally, the two countries are very close to each other, with 70% of Sri Lankans presently following Theravada Buddhism.
- Sri Lanka has become closer to China in recent years, especially in the context of naval agreements. India has signed a nuclear energy agreement to improve relations.
- Buddhism was introduced to Sri Lanka in the fourth century BCE by the venerable Mahinda, the son of the Indian Emperor Ashoka, during the reign of Sri Sri Devanampiya Tissa.
- During this time, a plant of the Bodhi tree was brought to Sri Lanka and the first monasteries and Buddhist monuments were established.
- Apart from these, Isurumuni-Vihar and Vesagiri-Vihar remain important centers of worship.
- Ashoka is also credited with the construction of the Pathmak-Chaitya, Jambokola-Vihara and Hatthalhaka-Vihara and the refinery.
- Pali was first preserved as an oral tradition that Sri Lanka was committed to do in writing around 30 BCE.
- Since its inception in the fourth century, the Sangha, which existed as a large and unbreakable dynasty, has the longest continuous history of Buddhism of any Buddhist nation in Sri Lanka.
- In Sri Lanka, the ancestors of most Tamils were from India.

### Issues and Conflicts

- In recent years, China has extended billions of dollars of loans to the Sri Lankan government for new infrastructure projects, which is not good for India's strategic depth in Indian Ocean Region.
- Sri Lanka also handed over the strategic port of Hambantota, which is expected to play a key role in China's Belt and Road Initiative, to China on a 99-year lease.
- The opposition parties and trade unions in Sri Lanka have already dubbed the port deal as a sellout of their country's national assets to China.
- China has also supplied arms as well as provide huge loans to Sri Lanka for its development.
- China also invested sufficiently in the infrastructure of Sri Lanka, which included building of Colombo international container terminal by China Harbor Corporation.
- However, the relation between Sri Lanka and India are improving. In order to allay Indian concerns that the Hambantota port will not be used for military purposes, the Sri Lankan government has sought to limit China's role to running commercial operations at the port while it retains oversight of security operations.
- The two countries have signed civil nuclear cooperation agreement which is Sri Lanka's first nuclear partnership with any country.
- India is also investing into Sri Lanka's infrastructure development in the Northern and Eastern provinces.
- India is also planning to build Trincomalee Port to counterweight the Chinese developments at Hambantota Port.

### Defence and Security Cooperation

- Sri Lanka and New Delhi have long history of security cooperation. In recent years, the two sides have steadily increased their military-to-military relationship.
- India and Sri Lanka conducts joint Military ('Mitra Shakti') and Naval exercise (SLINEX).
- India also provides defence training to Sri Lankan forces.
- A trilateral maritime security cooperation agreement was signed by India, Sri Lanka and the Maldives to improve surveillance, anti-piracy operations and reducing maritime pollution in Indian Ocean Region.

- In April 2019, India and Sri Lanka also concluded agreement on countering Drug and Human trafficking.
- In the aftermath of the horrific Easter bombings, Sri Lankan Prime Minister thanked the Indian government for all the “help” given.
- The alerts issued by Indian agencies before the attacks had warned specifically about the use of radicalised suicide bombers attacking churches and the Indian High Commission in Colombo.

#### **Commercial Relations**

- Sri Lanka has long been a priority destination for direct investment from India.
- Sri Lanka is one of India’s largest trading partners among the SAARC countries. India in turn is Sri Lanka’s largest trade partner globally.
- India’s exports to Sri Lanka amounted to \$5.3 billion in 2015-17 whereas its imports from the country were at \$743 million.
- Trade between the two countries grew particularly rapidly after the India-Sri Lanka Free Trade Agreement which came into force in March 2000.
- While Sri Lankan exports to India have increased substantially during the past several years since 2000 when ISFTA came into force.
- However, there has been a high growth in India’s exports to Sri Lanka, resulting in a widening of the balance of trade. This is largely because of the lack of export capacity from

Sri Lanka to service Indian requirement and also due to increase in imports from India because of competitiveness of our exports.

#### **India-Sri Lanka Free Trade Agreement (ISFTA)**

- The main framework for bilateral trade has been provided by the India-Sri Lanka Free Trade Agreement (ISFTA) that was signed in 1998 and entered into force in March 2000.
- The basic premise in signing the ISFTA was asymmetries between the two economies, local socio-economic sensitivities, safeguard measures to protect domestic interests, and revenue implications so as not to impact high revenue generating tariff lines in the short term.
- In a nutshell, India sought to do more without insisting on strict reciprocity from Sri Lanka.
- This is reflected in the respective obligations of the two countries under the ISFTA where India agreed to open more tariff lines upfront and within a shorter time span of three years as against smaller and more staggered openings by Sri Lanka which was provided a longer time of eight years.
- In order to receive ISFTA benefits, the merchandise exported between India and Sri Lanka should comply with the Rules of Origin criteria.

Committed To

Expected Questions (Prelims Exams)

1. Consider the following statements regarding the India-Nepal relations.

1. The Palk Strait between India and Sri Lanka connects the Bay of Bengal and the Gulf of Khambhat.
2. The joint exercise 'Mitra Shakti' is organized by India and Sri Lanka every two years.

Which of the above statements is/are correct?

- (a) Only 1                      (b) Only 2  
(c) Both 1 and 2            (d) Neither 1 nor 2

Expected Questions (Mains Exams)

Q. China's economic investment strategy has reflected a challenge for India in many countries. Analyze this statement in the context of Sri Lanka and also discuss what efforts India needs to make.

(250 Words)

**Note:** Answer of Prelims Expected Question given on 28 Sept. is 1 (d)

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