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A New Role for Sri Lanka in Asia's Changing Geopolitics?

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Introduction

Sri Lanka has, in recent years, begun to increasingly feature in discussions on the Asian geopolitical environment. Occupying a strategic location astride the Indian Ocean sea-lanes, Sri Lanka has been attracting the interest of major powers such as India, China, and more recently, Japan and the US. Naturally, this has generated speculation on whether Sri Lanka is poised to play a new role on Asia's rapidly changing geopolitical stage. However, much of this commentary proceeds from an outside-in perspective, rather than providing insight into how Sri Lanka itself looks at the evolving regional context, and how it evaluates its role therein.

This paper seeks to provide a Sri Lankan perspective on its regional role. On the one hand, it will show that Sri Lanka is indeed charting a new course for itself in the region through pursuing a more proactive economic diplomacy; such diplomacy seeks to embed Sri Lanka within what its Prime Minister Ranil Wickremesinghe called 'the multi-layered regionalism' emerging in Asia.¹ On the other hand, it will demonstrate that Sri Lanka is also seeking to reclaim a role it had played in the past - that of being a regional normative leader - by initiating regional dialogue on freedom of navigation, and by positioning itself as a regional information and coordination hub on non-traditional maritime threats.

¹ Wickremesinghe, R. 2018. *Speech delivered at the 3rd Indian Ocean Conference*. Delivered at Hanoi, Vietnam on 27 August 2018 [online]. Available at: <https://www.news.lk/fetures/item/22082-ior-architecture-must-recognize-intrinsic-role-of-littoral-states-pm>

The Regional Geopolitical Context

It would firstly be worthwhile to attempt a brief sketch of the salient geopolitical trends in Asia, especially the evolving trends in the Indian Ocean sub-region, at the centre of which Sri Lanka finds itself.

What Sri Lanka sees is a region of immense economic potential - with a rich resource base and strategically vital sea-lanes - that is currently growing faster than the global average and is poised to become a major new growth pole of the global economy. However, the region faces challenges – its geography has vulnerabilities in the form of several strategic chokepoints²; the preference of many regional states for a non-aligned foreign policy during the Cold War years has left the region without any overarching security architecture³; and disparities in growth have created vulnerable populations⁴ that can have a destabilising effect on the region.

These base conditions are now leading to two major geopolitical trends: growing strategic competition between great powers, and a rise in non-traditional security threats (particularly maritime crime). Where strategic competition between the great powers is concerned, it has resulted in overlapping infrastructure and trade-related initiatives, leading to the ‘multi-layered regionalism’ of which the Sri Lankan Prime Minister spoke. It has also – more ominously - led to increased naval competition⁵, evident in the expansion of fleets⁶, the upgrading of bases⁷ and securing of naval access⁸ to foreign ports, and aggressive naval posturing via joint exercises⁹, extended sorties¹⁰, and live-fire drills¹¹. As far as maritime crime is concerned, Asia, and particularly the Indian Ocean, are emerging as a key theatre for trafficking in drugs, arms and people.¹² Piracy, too, while having declined¹³

² Michel, D. and Sitcklor, R. 2012. ‘Indian Ocean Rising: Maritime Security and Policy Challenges’ in Michel, D. and Sitcklor, R. (eds.). *Indian Ocean Rising: Maritime Security and Policy Challenges*. Washington. Stimson Center, p.10.

³ Patil, S. 2018. *A security architecture for the Indian Ocean*. Gateway House: Indian Council on Global Relations [online]. Available at: https://www.gatewayhouse.in/a-security-architecture-indian-ocean/#_ftn1

⁴ Mohamed, H. 2015. *The other side of Somalia's pirates*. Al-Jazeera [online]. Available at: <https://www.aljazeera.com/indepth/features/2015/02/side-somalia-pirates-150225112818517.html>

⁵ Till, G. 2017. *Small pond, big navies; Managing competition in the Indian Ocean*. Observer Research Foundation [online]. Available at: <https://www.orfonline.org/expert-speak/small-pond-big-navies-managing-competition-in-the-indian-ocean/>

⁶ Holmes, J. 2017. ‘Who Will Win the Great China-India Naval War of 2020? *Foreign Policy* [online]. Available at: <https://foreignpolicy.com/2017/08/07/who-will-win-the-sino-indian-naval-war-of-2020/>

⁷ <https://economictimes.indiatimes.com/news/defence/india-enhancing-security-in-andaman-nicobar-navy-chief-admiral-r-k-dhowan/articleshow/50033752.cms>

⁸ Bajwa, R. 2018. ‘India, Russia to sign military logistics agreement in October’. *International Business Times* [online]. Available at: <https://www.ibtimes.co.in/india-russia-sign-military-logistics-agreement-october-779537>

⁹ Gady, F. 2018. ‘India, US, and Japan Conclude ‘Malabar’ Military Exercise.’ *The Diplomat* [online]. Available at: <https://thediplomat.com/2018/06/india-us-and-japan-conclude-malabar-military-exercise/>

¹⁰ Stratfor Worldview. 2014. *Mapping China's Maritime Ambition*. Stratfor [online]. Available at: <https://worldview.stratfor.com/article/mapping-chinas-maritime-ambition>

¹¹ Ng, T. and Jiangtao, S. 2017. ‘Chinese navy’s live-fire drill may be warning shot to India amid ongoing Doklam stand-off’. *South China Morning Post* [online]. Available at: <https://www.scmp.com/news/china/diplomacy-defence/article/2108410/chinese-navys-live-fire-drill-may-be-warning-shot-india>

¹² Brewster, D. 2018. ‘The taming of the west’. *The Interpreter*. The Lowy Institute [online]. Available at: <https://www.lowyinstitute.org/the-interpreter/taming-west>

¹³ Bueger, C. 2015. *Learning from Piracy: Future Challenges of Maritime Security Governance*. Department of Politics and International Relations, University of Cardiff [online]. Available at: https://www.cardiff.ac.uk/_data/assets/pdf_file/0013/42412/dr-christian-bueger.pdf

in the western Indian Ocean, still remains a threat¹⁴ in Southeast Asia. To add to this there is the spectre of maritime terrorism, with regions like the Maldives¹⁵, the Philippines and Indonesia¹⁶ being possible hotspots for such activity.

Sri Lanka's Role: Economic Diplomacy

So what can a smaller state such as Sri Lanka do, in the context of these trends? Of course, there is much speculation and commentary about how Sri Lanka has been caught up in a 'great game'¹⁷, and about how it has walked into a 'debt trap'¹⁸. However, it is worth pointing out that Sri Lanka's foreign policy has not been merely reacting passively to regional geopolitics, but is actually following a clearly conceived plan to maximise the opportunities and minimise the risks that it sees in the region.

As mentioned earlier, the first component of that plan is economic diplomacy. It commences with the long-standing aspiration of developing Sri Lanka as a trade and maritime hub of the Indian Ocean region. To do so, Sri Lanka would require a substantial expansion and upgrading of its infrastructure, and also need to be better connected to regional markets and value chains. Unfortunately, years of protectionist policy compounded by a 30-year civil war hindered Sri Lanka's progress in this regard.

However, the current government, upon coming to power in 2015, recognised that Sri Lanka's growth and prosperity lay in building economic ties with the rest of rapidly growing Asia. As such, the competing multi-layered regionalism in Asia was seen as an opportunity to be engaged with. This is clear, on the one hand, from the government beginning negotiations on a raft of trade agreements with major regional economies. The first success in this regard was the Sri Lanka-Singapore FTA¹⁹, signed in January 2018. An FTA with Singapore is a first step²⁰ towards concluding an FTA with ASEAN, which would then allow Sri Lanka entry into the Regional Comprehensive Economic Partnership (RCEP). Meanwhile, negotiations are on-going on an FTA with China²¹, and on expanding the current FTA²² with India to cover services trade. In addition, besides connecting to RCEP, Sri

¹⁴Ebbighausen, R. 2016. 'Southeast Asia – a pirates' paradise'. *Deutsche Welle* [online]. Available at: <https://www.dw.com/en/southeast-asia-a-pirates-paradise/a-18599742>

¹⁵Schultz, K. 2017. 'Maldives, Tourist Haven, Casts Wary Eye on Growing Islamic Radicalism'. *New York Times* [online]. Available at: <https://www.nytimes.com/2017/06/18/world/asia/maldives-islamic-radicalism.html>

¹⁶Febrica, S. 2014. 'Securing the Sulu-Sulawesi Seas from Maritime Terrorism: a Troublesome Cooperation?' *Perspectives on Terrorism*. 8 (3), pp.64-83.

¹⁷Srinivasan, M. 2018. 'Sri Lanka: base for the Asian great game?' *The Hindu* [online]. Available at: <https://www.thehindu.com/news/international/sri-lanka-base-for-the-asian-great-game/article23467526.ece>

¹⁸Chellaney, B. 2017. 'Sri Lanka the latest victim of China's debt-trap diplomacy'. *Asia Times* [online]. Available at: <http://www.atimes.com/article/sri-lanka-latest-victim-chinas-debt-trap-diplomacy/>

¹⁹Ministry of Development Strategies and International Trade, Sri Lanka. 2018. *Free Trade Agreement between the Democratic Socialist Republic of Sri Lanka and the Republic of Singapore*. Government of Sri Lanka [online]. Available at: <http://modsit.gov.lk/32-uncategorised/115-free-trade-agreement-between-the-democratic-socialist-republic-of-sri-lanka-and-the-republic-of-singapore.html>

²⁰Wignaraja, G. and Palit, A. 2018. 'Understanding Sri Lanka-Singapore FTA'. *Daily Mirror* [online]. Available at: <http://www.dailymirror.lk/article/Understanding-Sri-Lanka-Singapore-FTA-153460.html>

²¹Asia Regional Integration Center. 2018. *People's Republic of China-Sri Lanka Free Trade Agreement*. Asian Development Bank [online]. Available at: https://aric.adb.org/fta/peoples_republic_of_china-sri_lanka_free_trade_agreement

²²Sunday Observer. 2018. 'FTA Negotiations and ETCA'. *Sunday Observer* [online]. Available at: <http://www.sundayobserver.lk/2018/03/04/business/fta-negotiations-and-etca>

Lanka is also aiming to quicken progress²³ on the BIMSTEC Free Trade Area, especially now that it is the current Chair of the group.

Besides connecting with Asia through trade-related initiatives, Sri Lanka's economic diplomacy is also looking at covering the country's infrastructure gap, which has been identified by both local and international experts as a binding constraint on its growth opportunities. This is being done by engagement with the various infrastructure initiatives crisscrossing the region.

Sri Lanka is already embedded in China's Belt and Road Initiative, with at least two clearly identified²⁴ BRI projects – the Colombo International Financial City with an initial investment of USD 1.4 billion and a projected total investment of USD 13 billion, and the Hambantota Port and industrial zone, with an initial investment of USD 1.1 billion²⁵ and a projected investment of USD 5 billion²⁶. Meanwhile, Sri Lanka is also looking to partner with India, Japan and Singapore in developing the eastern port²⁷ of Trincomalee, which could potentially be funded at least partly by Japan's USD 110 billion Partnership for Quality Infrastructure programme.²⁸ In addition, Sri Lanka was also a founding member²⁹ of the Asian Infrastructure Investment Bank (AIIB), and has mooted the idea of a development fund for IORA as well.³⁰

It should therefore be clear that Sri Lanka has sought to maximise the opportunities afforded by the competing multi-layered regionalism in Asia. However, it should also be noted that in doing so, Sri Lanka has shown that smaller Asian states such as itself do not desire having to choose between one regional initiative³¹ or another, and also that great powers proposing such initiatives need to be sensitive to the preferences of smaller states and the distinct identities of sub-regions (such as the Indian Ocean). Sri Lanka has also made clear that investments on its territory would not remain the exclusive preserve of

²³ Hundlani, D. and de Zylva, A. 2018. 'Sri Lanka and the Bay of Bengal Initiative: Opportunities to grow a vital region'. *Daily FT* [online]. Available at: <http://www.ft.lk/opinion/Sri-Lanka-and-the-Bay-of-Bengal-Initiative-Opportunities-to-grow-a-vital-region/14-662074>

²⁴ Xueyuan, C. 2018. 'Jointly building the Belt and Road'. *Daily FT* [online]. Available at: <http://www.ft.lk/opinion/Jointly-building-the-Belt-and-Road/14-653020>

²⁵ BBC News. 2017. *Sri Lanka Signs Deal on Hambantota Port with China*. BBC [online]. Available at: <https://www.bbc.com/news/world-asia-40761732>

²⁶ Daily FT. 2017. 'Sri Lanka-China Industrial Zone Office in Hambantota Port kicks off industrialization of Ruhuna'. *Daily FT* [online]. Available at: <http://www.ft.lk/business/Sri-Lanka-China-Industrial-Zone-Office-in-Hambantota-Port-kicks-off-industrialisation-of-Ruhuna/34-642838>

²⁷ Macan-Markar, M. 2018. 'Japan makes its move in Indian Ocean power game'. *Nikkei Asian Review* [online]. Available at: <https://asia.nikkei.com/Politics/International-Relations/Japan-makes-its-move-in-Indian-Ocean-power-game>

²⁸ Ministry of Foreign Affairs of Japan. 2015. *Announcement of "Partnership for Quality Infrastructure: Investment for Asia's Future"*. Government of Japan [online]. Available at: https://www.mofa.go.jp/policy/oda/page18_000076.html

²⁹ Asian Sun. 2018. 'Sri Lanka signs MoU on establishment of Asian Infrastructure Investment Bank in Beijing'. *Asian Sun* [online]. Available at: <http://www.asiansun.lk/sri-lanka-signs-mou-on-establishment-of-asian-infrastructure-investment-bank-in-beijing/>

³⁰ Sunday Observer. 2017. 'Call for Ocean Development Fund: Vital to preserve health of oceans – Premier'. *Sunday Observer* [online]. Available at: <http://www.sundayobserver.lk/2017/09/03/business/call-ocean-development-fund-vital-preserve-health-oceans-premier>

³¹ Wickremesinghe, R. 2018. *Speech delivered at the 3rd Indian Ocean Conference*.

one country, as was proven by the Japanese Minister of Defence's³² recent visits of the Hambantota and Trincomalee ports during his stay in Sri Lanka.

This prioritisation of economic diplomacy is a key element of Sri Lankan foreign policy, and has definitely allowed it to play a 'new role' in Asia's changing geopolitics as an emerging hub of the Indian Ocean region. It is now worth elaborating on the other aspect of Sri Lanka's role in this geopolitical context: the reclaiming of normative leadership.

Sri Lanka's Role: Reclaiming Normative Leadership

This aspect of Sri Lanka's 'role' is not really new – indeed, Sri Lanka played a major role as a normative leader in earlier decades. For example, in 1954, Prime Minister Sir John Kotelawala convened a meeting³³ with the leaders of Pakistan, Myanmar, India and Indonesia, which was the forerunner to the Bandung Conference of Afro-Asian Nations. Later, under Mrs. Sirimavo Bandaranaike, Sri Lanka played a leading role in the Non-Aligned Movement (NAM).³⁴ Mrs. Bandaranaike's diplomacy led to her attempt to mediate³⁵ between India and China in the border war of 1962; later, her stature in NAM led to many NAM countries supporting Sri Lanka's proposal³⁶ at the 1971 UN General Assembly to declare the Indian Ocean a 'Zone of Peace'. Sri Lanka also chaired the UN Conference on the Law of the Sea³⁷ (UNCLOS) in 1973, as well as the 1995 NPT Review and Extension Conference.³⁸ In addition, Sri Lanka was a founding member of several regional organisations such as SAARC, IORA, and BIMSTEC.³⁹

All of this makes clear that Sri Lanka played a major role as a normative leader both at the regional and international level, a role that unfortunately diminished as a result of the civil war. However, in the post-war period, Sri Lanka has had to come to grips with security threats beyond its own borders, which largely centre around the disruption of Indian Ocean maritime traffic owing to either great power naval competition or non-state actor's activities. Given that a peaceful and stable Indian Ocean marked by freedom of trade and navigation is essential to Sri Lanka's continued growth, and given that it lacks the military or economic clout to unilaterally assert its interests, the only option for Sri Lanka is to make a clear stand for regional rules-based order.

³² Japan Times. 2018. 'Japan vows to help boost Sri Lanka maritime security as China makes inroads'. *Japan Times* [online]. Available at: <https://www.japantimes.co.jp/news/2018/08/22/national/politics-diplomacy/japan-vows-help-boost-sri-lanka-maritime-security-china-makes-inroads/#.W6kXsC-B3R0>

³³ Sunday Times. 2018. 'Sri Lanka's foreign policy and the power struggle in the Indian Ocean'. *Sunday Times* [online]. Available at: <http://www.sundaytimes.lk/180722/sunday-times-2/sri-lankas-foreign-policy-and-the-power-struggle-in-the-indian-ocean-303343.html>

³⁴ Ibid.

³⁵ Balachandran, P. 2012. *Ceylon's brave bid to settle Sino-Indian dispute*. DBSJeyaraj.com [online]. Available at: <http://dbsjeyaraj.com/dbsj/archives/11946>

³⁶ Dhanapala, J. 2012. *The Foreign Policy of Sirimavo Bandaranaike – The Indian Ocean as a Zone of Peace Proposal*. Infolanka.asia [online]. Available at: <http://infolanka.asia/sri-lanka/people/the-foreign-policy-of-sirimavo-bandaranaike/the-indian-ocean-as-a-zone-of-peace-proposal>

³⁷ Pinto, M.C.W. 2007. 'The United Nations, Sri Lanka and the Law of the Sea'. *The Island*. Available at: <http://www.island.lk/2007/05/13/features1.html>

³⁸ Wilson Center Digital Archive. 2018. *The 1995 NPT Review and Extension Conference*. Woodrow Wilson International Center for Scholars [online]. Available at: <https://digitalarchive.wilsoncenter.org/collection/496/The-1995-NPT-Review-and-Exchange-Conference>

³⁹ Waidyatilake, B. 2018. *A Smaller State's Quest for Indian Ocean Security: The Case of Sri Lanka*. Lakshman Kadirgamar Institute of International Relations and Strategic Studies [online]. Available at: <https://www.lki.lk/publication/a-smaller-states-quest-for-indian-ocean-security-the-case-of-sri-lanka/>

Sri Lanka has already taken a major step in this regard by convening the littoral states and major maritime users of the Indian Ocean for a Track 1.5 conference in Colombo last week.⁴⁰ This conference served as a platform for dialogue among regional and extra-regional states to strengthen UNCLOS and clarify any misunderstandings on its provisions, especially regarding key principles such as freedom of navigation. Given the lack of a regional security architecture, all that underpins the stability of the Indian Ocean region is the common understanding by all actors of normative frameworks such as UNCLOS. Sri Lanka's efforts to initiate a dialogue on UNCLOS would hopefully pre-empt further escalation of political and naval tensions, such as have been witnessed in the South China Sea.⁴¹

Besides freedom of navigation, this conference also touched on the issue of maritime crime by non-state actors, and of the gaps in UNCLOS in addressing such security threats. Sri Lanka has taken on a regional leadership role in strengthening cooperation against such threats as the Lead Coordinator of IORA's Working Group on Maritime Safety and Security, which had its first meeting to establish the Working Group this September.⁴² Sri Lanka has also been chosen as the host⁴³ of the UN Office on Drugs and Crime's Global Maritime Crime Programme, and had been hosting UNODC's Indian Ocean Forum on Maritime Crime prior to this. The relocation of such organisations to Sri Lanka provide important synergies that can strengthen Sri Lanka's efforts to advance regional cooperation on addressing maritime crime.

Two possible directions in which such advocacy could lead, would be the promotion of UNODC's 'piracy prosecution model'⁴⁴ (until now largely applied in East Africa) for the whole Asian region, and offering to serve as an information repository on maritime crime similar to how Singapore serves as the information sharing centre⁴⁵ for the Regional Cooperation Agreement on Combating Piracy and Armed Robbery Against Ships in Asia (ReCAAP). Sri Lanka could particularly fulfil the need for an information centre on Illegal, Unregulated and Unreported (IUU) fishing and on people trafficking. As a final point, it is also worth mentioning that Sri Lanka took on the presidency⁴⁶ of the Convention on Cluster Munitions this September, signifying a commitment to leadership in other major pillars of international normative order, such as disarmament.

In any case, it should be clear that Sri Lanka's reclaiming of normative leadership has been prompted by the insecurities caused by Asia's changing geopolitical environment. It is not

⁴⁰ Wickremesinghe, R. 2018. *Speech delivered at the 3rd Indian Ocean Conference*.

⁴¹ Council on Foreign Relations. 2018. *Territorial Disputes in the South China Sea*. Council on Foreign Relations [online]. Available at: <https://www.cfr.org/interactives/global-conflict-tracker#!/conflict/territorial-disputes-in-the-south-china-sea>

⁴² Ministry of Foreign Affairs, Sri Lanka. 2018. *IORA Member States Finalise the Terms of Reference for the Setting Up of the Working Group on Maritime Safety and Security in Sri Lanka*. Government of Sri Lanka [online]. Available at: <https://www.mfa.gov.lk/iora-eng/>

⁴³ Daily Mirror. 2018. 'SL a perfect location to run global programme on Maritime Crime: Sagala'. *Daily Mirror* [online]. Available at: <http://www.dailymirror.lk/151404/SL-a-perfect-location-to-run-global-programme-on-Maritime-Crime-Sagala>

⁴⁴ ⁴⁴United Nations Office on Drugs and Crime. 2018. *Maritime Crime Programme-Indian Ocean*. United Nations [online]. Available at: <https://www.unodc.org/unodc/en/piracy/indian-ocean-division.html>

⁴⁵ ReCAAP Information Sharing Centre. 2018. *About ReCAAP Information Sharing Centre*. ReCAAP Information Sharing Centre [online]. Available at: http://www.recaap.org/about_ReCAAP-ISC

⁴⁶ News.lk 2018. *Sri Lanka taking over the Presidency in the Convention on Cluster Munitions*. Government of Sri Lanka [online]. Available at: <https://www.news.lk/news/world/item/22195-sri-lanka-taking-over-the-presidency-in-the-convention-on-cluster-munitions>

exactly a 'new' role for Sri Lanka, but is nevertheless the other major aspect of its current role in Asia.

Conclusion

To briefly summarise, Sri Lanka's role in Asia's changing geopolitics has both a new and not-so-new role. The new role is based on its proactive economic diplomacy, through which it is leveraging itself as a regional trade and maritime hub. The not-so-new role is its regional normative leadership, particularly on strengthening UNCLOS as well as measures to address maritime crime. These twin prongs of Sri Lanka's foreign policy are both geared towards one goal: ensuring Sri Lanka's continued growth as a small trading nation against the backdrop of a more peaceful and stable Indian Ocean.

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