

One of the busiest water routes in the world, the Indian Ocean is of utmost significance as a means of connectivity and flow of trade. Acting as a bridge to the Middle East, Africa, and South Asia with the rest of Asia and Europe, it accounts for about 40% of the passage of the world’s oil supply. For India, it is of paramount importance as most of its trade is carried out through sea. It also acts as a natural barrier to India’s territorial defences. All in all, the ocean plays an important character in defining the national security of India. Noting its significance for the country, India plays a key role in maintaining cooperation in the region as a “big brother”.

However, in recent years, China has changed the geopolitical status of the Indian Ocean Region through its Belt and Road Initiative (BRI) which involves the South China Sea and the Indian Ocean. Many Asian countries have signed the connectivity project and they have seen a massive increase in the activities of China in internal matters too. It has been able to establish a firm hold for itself, thereby threatening the position of India in these countries which were once highly dependent on India. Following this, two island nations have drastically altered their foreign policies: Sri Lanka and the Maldives.

Leased or Leashed?



Sri Lanka's Mahinda Rajapaksa, left, toasts with China's President Xi Jinping (AP Photo/Kim Kyung-Hoon, Pool)

China and Sri Lanka share a cordial relationship owing to their history where Colombo highly supported Mao's Communist government. The ties further bolstered during Colombo's twenty-six-year civil war where Beijing provided resources to help counter the heavily-armed Tamil Tigers. Since then, China has proven to be an important partner to Sri Lanka. It is the biggest single lender to Sri Lanka. After the end of the civil war, Beijing actively participated in the renovation process through hefty investments and starting up new projects amounting to around \$15 billion. The investment which was a meagre \$16.4 million in 2005 rose to \$338 million by 2015. Of the many projects, two highly important investments were made in the Hambantota Port Development and the Colombo Port Project.

Hambantota Port is one of the busiest shipping lanes in the world. In 2002, the government under Prime Minister Ranil Wickremesinghe envisaged building a new port in the area. It was then that China not only offered a loan of \$1.1 billion but also provided Chinese contractors. Considering it as goodwill, Sri Lanka did not realise what it was getting into

when it accepted the assistance from China. Things started unfolding when the port became functional in 2010 and could not reach up to the expectations with only 44 ships being handled since 2015 and began running in loss. Unable to even pay back the interest payments, the then Prime Minister, Ranil Wickremesinghe leased the port to China Merchants Port Holdings Co. to compensate for the debt. This move was opposed by Rajapaksa’s party. Thereafter, the port was taken over by China as a foreclosure. It physically took control of the port in 2017 on a 99-year lease. Now it is the Chinese who have the jobs and who have gradually started settling in the area, leaving the locals stunned and jobless in their own country. Therefore, the port always finds a special mention in every research paper when it comes to China’s debt-trap policy.

In November 2019, Sri Lanka elected a [new government](#) with the former defence secretary Gotabaya Rajapaksa as the President. With the new government came new promises. He plans to rework on the move by the previous government to lease the port by undoing it. However, it is still too early to make a statement on how the new government will deal with China. Even though it might have opposed the Hambantota port move, Rajapaksa’s party has always been positive about its alliance with China evincing its advantages of ethnic and cultural diversity and make the country less dependent on India, its immediate neighbour.

Debt with the Dragon

Similar to Sri Lanka, the island state of Maldives share a special relationship which started in 1972 and strengthened after the visit of President Xi’s visit to the Maldives in 2014, the first-ever by a Chinese leader. China has become the largest source of tourists in the Maldives. However, Maldives has also fallen prey to China’s debt-trap policy. According to former Maldivian President Mohammed Nasheed, the island nation owes a debt of \$3.4 billion for projects during Yameen’s time. According to his recent statement, starting this year on, 15% of the nation’s budget would go to repay it.

The ever increasing influence of China in these nations could prove detrimental to India. China has invested millions of dollars in these countries for its own vested interests. The loans granted are provided at extremely high rates which becomes difficult to pay back, failing which China exercises its debt-trap policy. The failure to repay the debts eventually allows China to take over major infrastructures of the debt-ridden country, sometimes severely affecting the sovereignty of the state.

Being the big brother of the region, India has certain responsibilities to fulfil in order to secure its neighbours. China’s increasing proximity to the two nations could encircle India and help China in achieving its ambitions of BRI. China’s assistance to these countries has

resulted in more dependence on the dragon than the big brother itself. India should strengthen its ties with its neighbours to secure its position in the region. It should increase its investments, preferably with rational interest rates so that the countries can build their trust in India and believe in its genuine goodwill to help them.

There should be frequent meets between the leaders of the states. After a victorious win in the second term, Modi’s first overseas visit was to the Maldives and Sri Lanka. This proved to be an important gesture to reflect the special relationship that the countries share. In the Maldives, the leaders signed a large number of memorandums and agreements to focus on expanding maritime security cooperation covering hydrography, exchange of white shipping information and a coastal radar system linking the Maldives to India’s larger surveillance network. They also inaugurated a training facility for the Maldives National Defence Force in Maalifushi.



India’s Prime Minister Narendra Modi shakes hands with Sri Lanka’s President Maithripala Sirisena during his welcome ceremony at the Presidential Secretariat in Colombo, Sri Lanka, June 9, 2019. REUTERS/ Dinuka Liyanawatte - RC1F2BCCD450

In Sri Lanka, Modi reaffirmed its support to the country to fight against terrorism, following the Easter Sunday attacks. They also held discussions on counterterrorism, security, and economic development. These visits were a way of redeeming its position in the region that

has been shaken by China’s influence and assuring its solidarity and support to the nations. With the new government coming to power, India should grab the opportunity to regain what is lost and take necessary actions to work on its relationship with long-term commitments in both countries.

[We published an earlier version of this article before the Sri Lankan Presidential Election 2019](#)

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Beijing: The new “Big Brother” of the Indian Ocean?

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