



The importance of India-Sri Lanka relations in contemporary India's foreign policy

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Abstract

The India-Sri Lanka relationship is a vital pillar of India's foreign policy, driven by geopolitical imperatives, economic interests, and deep historical-cultural ties. Strategically located in the Indian Ocean, Sri Lanka is crucial to India's security and its Neighbourhood First policy, serving as a key partner in the SAGAR (Security and Growth for All in the Region) doctrine. Critically, the relationship is a continuous balancing act. For New Delhi, ensuring the island nation's stability and security is paramount to safeguarding its own southern maritime interests and maintaining its regional influence. Economically, India is a significant trade and investment partner, and its timely \$4 billion assistance during the 2022 economic crisis underscored its role as a reliable first responder and friend, contrasting with the debt-trap concerns associated with increasing Chinese influence in the region. However, the ties are complex. They are often tested by domestic political pressures in India specifically the Tamil ethnic issue and fishermen's disputes and Sri Lanka's efforts to maintain strategic autonomy by engaging with external powers like China. For India's foreign policy, the challenge is to manage these internal sensitivities while proactively bolstering security cooperation, enhancing economic connectivity, and promoting the political devolution and reconciliation necessary for long-term stability in Sri Lanka. Ultimately, a stable, friendly Sri Lanka is indispensable for India's aspirations as a regional power and its vision of a secure Indian Ocean. Here in this paper I want to highlight the importance of India- Sri Lanka relation in the contemporary India's foreign policy.

Keywords: Geostrategic significance, neighbourhood first policy, economic cooperation, tamil ethnic issue, chinese influence, maritime security

Introduction

India's foreign policy has undergone significant transformation in the past decade, shaped by the shifting geopolitical landscape of Asia, the growth of China's influence, and the rise of the Indo-Pacific as a strategic theatre. Within this context, India's immediate neighbourhood has regained centrality, reflected in the Neighbourhood First Policy. Among all South Asian neighbours, Sri Lanka holds a special place not only because of geographical proximity but also due to ethnic, cultural, historical, and economic bonds that have tied the two civilizations for over 2,500 years. In the contemporary era, Sri Lanka's geopolitical significance is magnified by its strategic location at the crossroads of major international shipping routes. Nearly half of the world's container traffic and two-thirds of its oil shipments pass near its coastline. For India, the world's largest democracy and a rising global power, maintaining strong and stable ties with Sri Lanka is essential for protecting its maritime interests, shaping regional security architecture, and balancing the expanding presence of China in the IOR. India sees Sri Lanka as an indispensable partner for ensuring maritime security, promoting regional economic integration, combating terrorism, securing supply chains, managing ethnic issues, and projecting influence in its natural strategic sphere. This paper provides a comprehensive evaluation of why Sri Lanka remains central to India's contemporary foreign policy priorities.

Historical Importance

The historical significance of India-Sri Lanka relations forms the backbone of their contemporary foreign policy engagement. Rooted in millennia of civilizational bonds,

cultural exchanges, religious interactions, and socio-political contact, the bilateral relationship possesses a depth and continuity unmatched by most other partnerships in South Asia. These historical foundations provide emotional resonance, diplomatic stability, and policy direction for India's engagement with Sri Lanka in the 21st century. Understanding this long historical arc reveals why Sri Lanka occupies a unique place in India's neighbourhood policy and its larger Indo-Pacific strategy. Historically, one of the strongest pillars of India-Sri Lanka relations has been Buddhism, which travelled from the Indian subcontinent to the island around the 3rd century BCE. Emperor Ashoka's missionaries, including his son Mahinda and daughter Sanghamitta, played a decisive role in establishing Buddhism in Sri Lanka. This spiritual and philosophical connection created deep cultural continuity that still shapes contemporary diplomacy. India's efforts to preserve Buddhist heritage sites, facilitate pilgrimages, and promote cultural exchanges reflect the enduring diplomatic value of shared traditions. These bonds enhance India's soft power and create goodwill that strengthens foreign policy initiatives. In addition to religious linkages, ancient trade networks connected the two regions long before modern states existed. Sri Lanka's ports such as Mannar and Mahatittha served as gateways for Indian merchants, contributing to early economic interdependence. Goods, ideas, and people moved freely across the Palk Strait, creating a shared regional identity. Contemporary trade agreements, connectivity projects, and maritime cooperation derive legitimacy from this long history of commercial engagement. India views Sri Lanka not as a distant trading partner but as part of a historically integrated economic zone of the Indian Ocean world. The historical significance also

extends to the shared cultural and linguistic landscape. Tamil-speaking populations in Sri Lanka's Northern and Eastern provinces trace their roots to South Indian kingdoms, while Sinhalese chronicles reference ancient Indian lineages. Epics, folklore, and artistic traditions demonstrate centuries of mutual influence. These cultural interactions make people-to-people ties a natural component of India's foreign policy. Festivals, diasporic bonds, educational exchanges, and cultural diplomacy reinforce the historical intimacy, helping India maintain a positive image even amidst political frictions.

Colonial history further shaped the relationship. Under British rule, India and Sri Lanka (then Ceylon) underwent parallel administrative, economic, and socio-political transformations. Indian labourers were brought to Sri Lanka's plantations, creating a demographic and political link that remains relevant today. The shared experience of colonial exploitation fostered early solidarity between political leaders of both countries. Post-independence diplomatic relations were therefore built on a sense of common anti-colonial struggle and mutual respect. This legacy informs India's consistent support for Sri Lanka's sovereignty, territorial integrity, and post-conflict reconciliation.

The post-independence decades brought new complexities, especially during the Sri Lankan civil conflict (1983–2009). India played a multifaceted role from promoting peace negotiations to deploying the Indian Peace Keeping Force (IPKF). Although the period created strains, it also reaffirmed India's strategic responsibility in ensuring stability in its immediate neighbourhood. The historical memory of the civil war continues to influence India's diplomatic caution and its emphasis on political devolution for the Tamil minority. India's support for the 13th Amendment arises from these historical experiences, linking past commitments with current policy priorities. Historical significance also shapes India's response to external powers in Sri Lanka. From ancient South Asian regional politics to Cold War alignments, Sri Lanka has frequently been a site of geopolitical contestation. India's long historical presence in the region strengthens its claim to being Sri Lanka's natural partner, which is central to India's Indian Ocean strategy today. This historical confidence underlies India's concerns over China's strategic influence through port projects and loans.

The Geo-Strategic Significance

India–Sri Lanka relations hold immense geo-strategic relevance in contemporary times, primarily due to Sri Lanka's location at the heart of the Indian Ocean Region (IOR), just 30 kilometers from India's southern coast. This proximity makes Sri Lanka one of India's most important maritime neighbours, influencing India's political, economic, and security strategies in South Asia. The island's position near vital Sea Lanes of Communication (SLOCs) through which almost two-thirds of global oil shipments and nearly half of international container traffic pass gives it unparalleled strategic value. In an era where maritime security, trade connectivity, and great-power competition are shaping global politics, Sri Lanka has emerged as a critical partner in India's foreign policy architecture.

The rise of China's influence in Sri Lanka has significantly heightened the island's geo-strategic importance for India.

China's investments in major Sri Lankan infrastructure projects, such as the Hambantota Port, Colombo Port City, and various highways and power projects, have raised concerns in New Delhi. The 99-year lease of the Hambantota Port to a Chinese company symbolized, for many Indian strategists, the possibility of China gaining a long-term strategic foothold in India's maritime neighbourhood. This development is often viewed through the lens of China's String of Pearls strategy an alleged attempt to surround India with strategically located ports and military-capable facilities across the Indian Ocean. As a result, one of the central drivers of India's contemporary engagement with Sri Lanka is the need to balance Chinese influence and ensure that the Indian Ocean remains free from militarization by external powers.

India's foreign policy initiatives such as the Neighbourhood First Policy and the Security and Growth for All in the Region SAGAR doctrine highlight the geo-strategic necessity of maintaining a stable and cooperative relationship with Sri Lanka. Under Neighbourhood First, India seeks to build stronger ties with surrounding countries through economic assistance, political engagement, and developmental cooperation. Sri Lanka is a priority country in this framework. Through SAGAR, India emphasizes a collective security approach for the Indian Ocean, promoting maritime safety, disaster response, coastal surveillance, and blue-economy initiatives. Sri Lanka's partnership is critical in implementing these goals, as its ports and naval locations provide India with essential support for monitoring maritime movements, curbing illegal activities, and maintaining overall regional stability.

Maritime and security cooperation forms one of the strongest pillars of India–Sri Lanka geo-strategic relations. Joint naval exercises such as SLINEX, coordinated patrols, the Colombo Security Conclave, and intelligence sharing on maritime threats demonstrate the depth of their collaboration. Both countries face common challenges including piracy, drug trafficking, illegal fishing, and potential terrorism through maritime routes. Sri Lanka's cooperation enhances India's ability to secure the Indian Ocean, especially the southern approaches that are crucial for India's defence and energy security.

The Political and Ethnic Significance

India–Sri Lanka relations are shaped not only by geography and strategic interests but also by deeply rooted political and ethnic factors that significantly influence contemporary Indian foreign policy. These dimensions revolve around the island's political landscape, the Tamil ethnic issue, India's domestic political considerations, and broader regional diplomatic dynamics. Together, they make Sri Lanka a critical partner in India's foreign policy, especially as India seeks to maintain stability in its southern neighbourhood and preserve its influence in the Indian Ocean Region. One of the most significant ethnic components of India–Sri Lanka relations is the Tamil question. Sri Lanka's Tamil population, primarily concentrated in the Northern and Eastern Provinces, shares linguistic, cultural, and emotional ties with the 70 million Tamils living in the Indian state of Tamil Nadu. The ethnic conflict between the Sri Lankan state and the Liberation Tigers of Tamil Eelam (LTTE), which spanned from 1983 to 2009, had deep repercussions for India. India's direct involvement through the 1987 India–Sri Lanka Accord and the deployment of the Indian Peace

Keeping Force (IPKF) underlined the political and ethnic importance of the issue in bilateral relations. Although the civil war ended in 2009, the political demands of Sri Lankan Tamils such as power-sharing, human rights protections, and post-war rehabilitation remain central concerns for India. From India's perspective, the Tamil issue has both foreign policy and domestic political implications. Within Tamil Nadu, political parties have historically exerted pressure on the central government to support Tamil rights in Sri Lanka. Any perceived neglect of Tamil concerns can generate domestic backlash, influencing electoral politics. Therefore, the Indian government must carefully balance strategic interests with ethnic sensitivities. Supporting Tamil rights, advocating political devolution through the 13th Amendment, and promoting reconciliation initiatives remain consistent pillars of India's diplomatic position. These efforts aim to ensure justice for Tamils while preserving Sri Lanka's unity and sovereignty.

Politically, India sees Sri Lanka as an essential partner in maintaining regional stability. Successive governments in New Delhi have sought to encourage democratic governance, ethnic harmony, and political inclusivity in Sri Lanka. A politically stable Sri Lanka aligns with India's goal of sustaining peace in its immediate neighbourhood. Instability in Sri Lanka whether arising from ethnic tensions, economic crises, or political turmoil risks creating refugee flows, security threats, and opportunities for hostile external powers to exploit domestic unrest. Therefore, political engagement with Sri Lanka is vital not only for ethnic reasons but also for protecting India's broader regional interests. Additionally, Sri Lanka plays a role in India's neighbourhood diplomacy and regional groupings such as SAARC and BIMSTEC. Politically, India seeks Sri Lanka's support in countering security threats originating from the Indian Ocean, promoting democratic norms, and advancing regional cooperation. Strong political relations also help India balance China's growing influence in Sri Lankan political affairs. Chinese economic investments and political engagement have occasionally created concerns for India, making sustained diplomatic outreach to Sri Lanka even more crucial. India's political engagement is also visible in its humanitarian and development initiatives targeting Tamil-majority regions. India has built more than 60,000 homes for war-affected families, restored rail links, improved health infrastructure, and supported livelihood programs. These efforts enhance India's credibility among Sri Lankan Tamils while reinforcing its image as a responsible regional power. At the same time, India works closely with Sri Lanka's central government to ensure that development cooperation fosters national unity and stability.

Economic Importance

The economic dimension of India–Sri Lanka relations plays a vital role in shaping contemporary India's foreign policy. As two geographically proximate nations with centuries-old trade interactions, India and Sri Lanka have developed a strong economic partnership grounded in trade, investment, development assistance, and connectivity initiatives. Sri Lanka is not only one of India's closest maritime neighbours but also a crucial economic partner whose stability and growth directly impact India's strategic interests in the Indian Ocean Region. The economic relationship, therefore, serves both developmental and geopolitical objectives in India's foreign policy framework. A key factor contributing

to the economic importance of Sri Lanka is its strategic location along major international shipping routes. The Indian Ocean is central to global trade, and Sri Lanka sits near vital maritime corridors, making it a natural economic link between South Asia and the wider Indo-Pacific. India recognizes that strong economic ties with Sri Lanka contribute to regional stability and ensure secure Sea Lanes of Communication (SLOCs), which are essential for the movement of India's energy supplies, exports, and imports. Sri Lanka's ports Colombo, Trincomalee, and Hambantota are especially significant in this context. They act as logistics hubs that influence India's maritime commerce and energy security. Therefore, economic engagement with Sri Lanka is closely linked to India's broader strategic objectives.

Trade relations form the backbone of economic cooperation. The India–Sri Lanka Free Trade Agreement (ISFTA), signed in 1998, was India's first bilateral free trade agreement and marked a turning point in bilateral economic engagement. Since then, India has become one of Sri Lanka's largest trading partners. Trade volumes have grown significantly, with India exporting petroleum products, pharmaceuticals, machinery, automobiles, agricultural goods, and consumer products, while importing Sri Lankan textiles, tea, spices, rubber products, and other commodities. The economic benefits of ISFTA highlight India's commitment to promoting regional economic integration and enhancing mutual prosperity.

Indian investments also play a significant role in Sri Lanka's economic development. Indian public and private sector companies have invested in a wide range of sectors, including energy, manufacturing, hospitality, telecommunications, infrastructure, and financial services. Major Indian companies such as Indian Oil Corporation (IOC), Airtel, Tata Group, and Piramal have a strong presence in Sri Lanka. These investments not only help expand Sri Lanka's economy but also deepen long-term economic interdependence, strengthening India's influence and stabilizing bilateral relations.

Another major pillar of economic significance is India's development partnership with Sri Lanka. India is one of Sri Lanka's largest development partners, providing grants, credit lines, and technical assistance across various sectors. Projects include railway modernization, housing for war-affected Tamil families, port and energy infrastructure, water supply schemes, cultural heritage conservation, and educational initiatives. India's development cooperation model emphasizes capacity-building, community-level benefits, and long-term sustainability, contributing to goodwill and strengthening ties with Sri Lankan communities, particularly in the Northern and Eastern provinces.

India's crucial assistance during Sri Lanka's severe economic crisis in 2022–2023 demonstrated the significance of economic relations in foreign policy. India provided more than USD 4 billion in financial and humanitarian support, including fuel, food, medicines, currency swaps, and credit lines. This timely assistance reinforced India's image as a dependable neighbour and strengthened bilateral trust. From a foreign policy perspective, India's support helped prevent economic instability in Sri Lanka from spilling over into India and reduced the possibility of external powers exploiting Sri Lanka's crisis for geopolitical advantage. In addition, connectivity initiatives such as proposed land

bridges, ferry services, expanded air routes, and joint energy projects in Trincomalee are designed to integrate the two economies more deeply. These efforts align with India's vision of boosting regional trade, enhancing mobility, and creating resilient supply chains.

Critical Challenges and Ongoing Frictions in the importance of India and Sri Lanka relation

Despite shared geography, cultural linkages, and strategic cooperation, India–Sri Lanka relations continue to face several persistent challenges and frictions. These issues arise from political, economic, ethnic, and geopolitical factors that shape the bilateral relationship in complex ways. While both countries maintain strong ties, recurring tensions underscore the fragile nature of neighbourhood diplomacy and the need for continuous engagement. One of the most enduring challenges is the fishermen issue, particularly in the Palk Bay region. Indian fishermen mainly from Tamil Nadu often cross into Sri Lankan waters, driven by declining fish stocks and the continuation of bottom trawling practices. Sri Lankan authorities regularly arrest fishermen and seize boats, sparking diplomatic tensions and protests in India. The issue is further complicated by ethnic sensitivities involving Tamil communities on both sides, environmental concerns, and differing maritime enforcement practices. Despite several rounds of talks and proposals for joint mechanisms, a lasting solution remains elusive.

Another major area of friction stems from ethnic politics and the Tamil question in Sri Lanka. India has historically advocated for the rights of Tamil minorities, especially after the civil war. The implementation of the 13th Amendment which promises provincial devolution remains a contentious issue. Sri Lanka's reluctance to fully implement political autonomy for the Tamil-majority Northern and Eastern provinces causes recurring diplomatic tension. Tamil Nadu's domestic politics further influence India's foreign policy stance, creating a complex triangle involving New Delhi, Colombo, and Tamil regional leaders. Sri Lanka sometimes perceives India's involvement as interference in internal affairs, deepening political mistrust.

Geopolitical competition in the Indian Ocean Region, particularly involving China, poses another critical challenge. China's substantial investments in Sri Lankan infrastructure such as the Hambantota Port, Colombo Port City, and large construction projects are viewed by India as strategic encroachment into its traditional sphere of influence. Sri Lanka's acceptance of Chinese loans, military visits, and port calls has raised concerns in New Delhi about potential security risks. These developments create strategic anxieties and periodically strain bilateral relations, especially when Sri Lanka allows the docking of Chinese research or military-related vessels near Indian waters. Economic tensions also contribute to ongoing frictions. Although India is one of Sri Lanka's largest trading partners, trade imbalances persist, with India exporting far more than it imports from Sri Lanka. Sri Lankan industries particularly agriculture, dairy, and manufacturing sometimes express concerns about being overwhelmed by Indian products. Negotiations over the Economic and Technology Cooperation Agreement (ETCA) have faced opposition within Sri Lanka due to fears of economic domination and labour inflow from India. These concerns slow down economic integration and create mistrust about India's

intentions. Infrastructure and connectivity projects though beneficial have often faced political resistance in Sri Lanka. Initiatives such as renewable energy projects in the Northern Province, the Trincomalee oil farm modernization, and proposals for land or bridge connectivity have encountered domestic backlash. Critics fear that increased connectivity may undermine Sri Lanka's economic sovereignty or favour Indian companies disproportionately.

Another sensitive issue is security cooperation, especially maritime security and intelligence-sharing. While Sri Lanka values India's role in regional security, particularly post–Easter bombings in 2019, it sometimes hesitates to deepen defence ties due to concerns over national autonomy and regional balancing between China, India, and other actors. This balancing act slows down potential defence cooperation. Historical grievances also play a role in ongoing frictions. Sri Lanka's experience with India's involvement during the civil war—especially the role of the Indian Peace Keeping Force (IPKF)—still shapes segments of public opinion and political narratives within the island. These memories create a psychological barrier that occasionally resurfaces in political discourse. Lastly, domestic political changes in both countries frequently reset priorities and create policy uncertainties. Shifts in leadership, coalition pressures, and nationalistic rhetoric can quickly alter diplomatic atmospheres or delay bilateral initiatives.

Conclusion

Finally, it can be said that India–Sri Lanka relations are a product of deep historical linkages, shared cultural heritage, and strategic geographical proximity. In the contemporary era, their relationship has acquired new dimensions shaped by maritime security imperatives, economic interdependence, and great-power competition in the Indian Ocean. Sri Lanka remains essential to India's Neighbourhood First, SAGAR, and Indo-Pacific strategies. Its cooperation is crucial for securing key maritime routes, promoting regional stability, combating terrorism, and balancing external influence. While challenges such as the fisheries issue, Tamil minority rights, and political fluctuations persist, the overall trajectory remains positive. India's unprecedented support during Sri Lanka's economic crisis demonstrated its commitment to the island nation's stability and prosperity. The future of the relationship lies in deepening economic integration, expanding connectivity, enhancing security cooperation, and fostering people-to-people ties. Ultimately, a stable and prosperous Sri Lanka aligns with India's vision for a peaceful, secure, and cooperative Indian Ocean Region. Therefore, India will continue to accord high priority to its relations with Sri Lanka as part of its broader foreign policy strategy for the 21st century.

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