The Role of Sri Lanka in South Asia and beyond: Emerging new Contours

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4 new contours of Sri Lanka’s role

1. A *South Asian* geographic identity
   • => Centre of the Indian Ocean

2. Focused on *political diplomacy*
   • => Now on economic diplomacy

3. Strategically *non-aligned*
   • => Cautious but active engagement with regional powers

4. Sought to demonstrate it *follows international norms*
   • => Shaping, not only following, international norms
1. 70th anniversary of independence
   • 4th February 2018

2. Coalition governance since 2015

3. Local government elections
   • 10 February 2018
I. Rebranding Sri Lanka as a Centre of the Indian Ocean

- Around 50% of global container traffic and 70% of seaborne oil passes through the Indian Ocean.

- Indian Ocean ports handle about a third of global trade. Shipping traffic grew by approximately 300% from 1992 to 2002.

- Indian Ocean countries have a population of around 2.5 billion, projected to rise to 3.1 billion by 2030

- Africa factor

- Between Dubai and Singapore

Sri Lanka’s strategic location in the Indian Ocean
Source: Centre for Strategic and International Studies, Washington. D.C
Leading social indicators in South Asia

- Life expectancy at birth

Source: World Bank Open Data
Leading social indicators in South Asia

- Literacy

Source: World Bank Open Data
Leading social indicators in South Asia

- Mobile phone subscriptions (per 100 people)

Source: World Bank Open Data
II. Prioritizing economic diplomacy

1. Pursuing FTAs

*Signed FTAs in force – Sri Lanka v. Singapore and New Zealand*

Source: Asian Regional Integration Center (ADB)
II. Prioritizing economic diplomacy (continued)

2. Recognising link between economic diplomacy and rule of law

*Sri Lanka exports by destination (% share of total exports)*

![Graph showing Sri Lanka exports by destination from 1980 to 2016. The graph indicates a significant increase in exports to China and India, with a peak around 2008. The exports to the US and UK also show fluctuations over the years.]

*Source: International Monetary Fund*

3. Balanced ‘portfolio’ of inbound investment
III. Pursuing a new non-alignment

**Context**: multi-polar global economy, including neighbours and NAM members

1. Differentiating between the principle of non-alignment and the Non-Aligned Movement (NAM)

2. Cautious but active engagement via:
   - Trade agreements
   - Diversity of investment partners for infrastructure needs
   - Port visits
   - Multiple frameworks (IORA, Belt & Road, BIMSTEC)
IV. Shaping international norms

1. Opportunity to shape norms
2. Need to shape norms
   • Uncertainty of liberal democratic order
   • Necessity to support vision as an Indian Ocean hub via:
     • *Rules-based order*
     • Regional integration

*Rules-based order:*
   • Existing frameworks – IORA, BIMSTEC
   • Potential new frameworks – Code of Conduct?
   • International organisations in Sri Lanka
   • Further potential for India and Sri Lanka?
Thank you for listening.

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