



# South Asia Strategy Monitor No. 1

September 13, 2022 **Rehna Sheth**

**Related Categories:** Democracy and Governance; International Economics and Trade; Terrorism; China; India; South Asia; Pakistan

## **SRI LANKA'S PRESIDENTIAL ELECTION PROVIDES NO REPRIEVE**

In recent months, Sri Lanka has descended into its worst economic, political, and humanitarian crisis since its independence in 1948. The crisis finds its roots in the 2019 Easter bombing attacks in Colombo, and the government's subsequent botched handling of the COVID19 pandemic. Lacking significant sources of revenue, such as tourism, and owing \$51 billion in debt to foreign creditors (primarily China) Sri Lanka is now on the brink of bankruptcy and its people are going hungry.

In early July, mounting grassroots protests forced President Gotabaya Rajapaksa to resign and flee the country. Subsequently, on July 20th, the 225 members of the country's parliament elected six-time prime minister Ranil Wickremesinghe as the nation's new president. But the changing of the guard did not calm the domestic political turmoil. To the contrary, the election of Wickremesinghe sparked further dissent among Sri Lankans, many of whom blame him for protecting Rajapaksa and his dynasty's corruption and mismanagement of the economy. Days into his new role, Wickremesinghe declared a state of emergency granting him extensive power to act in the interests of public security, even as he seeks to stabilize the country's economic situation. (*National Public Radio*, July 13, 2022; Associated Press, July 20, 2022)

## **CHINA BACKSTOPS PAKISTANI TERRORISM**

Last month, China raised eyebrows - and incited Indian anger - when it blocked a United Nations Security Council vote to impose sanctions on Abdul Rauf Azhar, the deputy chief of Pakistan-based terrorist group Jaish-e-Mohammad. "It is unfortunate that when it comes to our collective battle against terrorism the international community has been unable to speak in one common voice," India's External Affairs Ministry said in response. But the decision was not Beijing's first. Back in June, China similarly placed a hold on a joint U.S.-Indian proposal to name Abdul Rehman Makki, second in command of Pakistan-based terrorist group Lashkar-e-Taiba, a "global terrorist."

The reasons appear to have everything to do with economics. Beijing's financing of projects along the China-Pakistan Economic Corridor is now estimated to total approximately \$75 billion, reinforcing ties between the two countries and giving the PRC a reason to run interference for Pakistan - even at the expense of global security. (*The Economic Times*, June 17, 2022; Associated Press, August 12, 2022)

## **WASHINGTON, DELHI CONTINUE TO DRIFT TOGETHER**

Since China launched its Belt & Road Initiative in 2013, common concerns over Chinese expansionism in the Indo-Pacific region have drawn India and the United States closer and closer together. That convergence continues, and hit a new milestone recently when the U.S. Navy contracted the L&T shipyard in Kattupalli, Chennai to take over maintenance of the USNS Charles Drew cargo ship. The resulting agreement marks the first ever repair of a U.S. Navy ship in India, and signals that India's advanced ship maintenance and repair capabilities are competitive on a global scale. (*The Times of India*, August 8, 2022)

## **BANGLADESH PLAYS A RISKY REGIONAL GAME**

The South Asian nation of Bangladesh has emerged as a significant regional partner for China, and has accepted Chinese assistance in many of its major infrastructure projects. Now, the ongoing Rohingya refugee crisis has become a vehicle for closer ties between Dhaka and Beijing, too. During a recent meeting held by Prime Minister Sheikh Hasina and Foreign Minister A.K. Abdul Momen with Chinese Foreign Minister Wang Yi, the Bangladeshi side asked for the PRC's help in repatriating the hundreds of Rohingya refugees that have taken up residence in the country.

But Bangladesh's courtship of China is fraught with potential peril for Dhaka. The country likewise maintains extensive political ties to both the U.S. and India, both of which disapprove of China's regional maneuvers. For the moment, however, Bangladesh's government appears to believe that it can continue to triangulate between the three countries. (Associated Press, August 7, 2022)