

Reflecting on US-China Rivalries in Sri Lanka in a Post-COVID World

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Sri Lanka is once again on the radar of the world's great powers. The decade since the end of the thirty-year civil conflict in Sri Lanka has coincided with heightened geopolitical competition between great powers, with the US seeing China's rise as a threat to its global economic and military dominance. Worsening great power relations during the COVID-19 global pandemic has prompted talk of a second cold war and preparedness for decoupling between the US and China. Bitter disputes exist between the great powers in areas such as trade, investment, technology, security, Hong Kong and the origins of the coronavirus. Moreover, US-China rivalries have radiated to Sri Lanka with both attempting to incorporate the country into their sphere of influence. The US withdrawal of a large Millennium Challenge Corporation grant, China's Belt and Road infrastructure investment and China's smart pandemic diplomacy during COVID times have led some to suggest that Sri Lanka is tilting towards China and abandoning its cherished non-aligned status. However, there is little comprehensive research unpacking Sri Lanka's economic ties and security cooperation with great powers with a view to drawing lessons from Sri Lanka's experience. This paper reflects on Sri Lanka's engagement with the US and China since the end of conflict. It looks at why great powers might be interested in Sri Lanka. Then it analyses important aspects of Sri Lanka's engagement with great powers in areas such as trade and foreign direct investment (FDI), development assistance and security cooperation. It concludes by drawing some lessons from the Sri Lankan experience on engagement between small powers and great powers for a post-COVID world.

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