

## **The Practice of Economic Diplomacy by China in South Asia (With Special Reference to Sri Lanka)**

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### **Abstract**

Most states use diplomacy as a tool of soft power. These states frequently use economic diplomacy in their international relations. China is one of the famous countries that use economic diplomacy in its international relations. China uses its state-sponsored economic diplomacy for strengthening resource security, enhancing political relationships and soft power, and boosting commercial opportunities for national firms abroad. China economically engages to developing countries like the Maldives, Bangladesh, Pakistan and Sri Lanka. Thus, China has given foreign aid and started infrastructure development projects, foreign direct investments in Sri Lanka especially from 2012-2018 due to Sri Lanka's strategic importance. Thus, the objectives of the study are to identify the strategies of Chinese economic diplomacy, identify the objectives of Chinese economic diplomacy, identify the consequences of Chinese economic diplomacy in Sri Lanka, and examine the accomplishment of the objectives of Chinese economic diplomacy. This study is a qualitative research which utilizes secondary data collected from previous studies and books. China uses foreign direct investments, infrastructure development projects, and overseas economic zones as the strategies of China's economic diplomacy. China uses economic diplomacy to achieve its national objectives and interests. These objectives are to increase its economic development, national revitalization, and state security. The practice of China's economic diplomacy has influenced economy as well as politics of Sri Lanka. In that period, Sri Lanka witnessed an increased economic development because of Chinese aid, infrastructure development projects, and foreign direct investments. And politically, the foreign policy of Sri Lanka mostly aligned with China. Similarly, China has accomplished its national interests and objectives of Chinese economic diplomacy using its strategies like One Belt One Road and especially String of Pearls. This study concludes that China could expand its power in South Asia using the practice of economic diplomacy. Therefore, today most of the South Asian countries have aligned with China than South Asia's regional big brother 'India'.

**Keywords:** *Economic Diplomacy, China, Sri Lanka, Soft power*

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