

China's Belt and Road Initiative (BRI): India's Concerns, Responses and Strategies

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Abstract

The rise of China in the era of globalization is significant due to its global implications and is attributed to various factors like rapid economic growth, strategic modernization, reconnecting with the Chinese Diaspora, particularly in the west, modernization of its military, and vibrant maritime trade strategy and so on. In the process of sustaining its rise, China has initiated several ambitious plans like the Asia Infrastructure Investment Bank (AIIB) and Belt and Road Initiative (BRI). The BRI is a combination of Silk Road Economic Belt targeting Central Asia and Europe and Maritime Silk Road (MSR) focussed on Southeast, South and North Asian regions. To make this a reality, the Chinese government has already made tremendous efforts to mobilize political, economic and diplomatic resources. However, BRI will not yield great results without the critical role of India. In this context, the paper attempts to identify the guiding factors for China to initiate BRI and its impact on its peaceful rise and the regions. India's response and strategies to BRI is critically analyzed. Finally, the paper also explores the mutual benefits and challenges for both India and China for successful implementation of BRI.

Keywords: *BRI, China, India, South Asia*

1. Introduction

China, in the process of sustaining its peaceful rise, has surprised the world with the One Belt, One Road Initiative (OBOR). Many regard this as a "Game Changer", a "project of the century", China's "big play to seek world dominance" not just for China, but the world." Apparently, Chinese President Xi Jinping first talked about the "Silk Road Economic Belt" in Kazakhstan (September 2013), and went one step further and mooted the idea "Maritime Silk Road" in Indonesia (October 2013). Both these ideas are termed as Belt and Road Initiative (BRI), which is assumed as a grand geo-economic vision

as well as a long term geopolitical strategy for China (Hu, 2017: 108). To keep up the momentum of BRI, President Xi continues to emphasize on the implementation of BRI at international forums, such as the APEC summits in Beijing (2014 and 2018), Shanghai Cooperation Organization (SCO) Summits in Uzbekistan (2016 and 2018), G-20 Summit in Hangzhou (September 2016), China and Central and Eastern European 16 plus 1 Summit (November 2016), the World Economic Forum (January 2017) and so forth. At the World Economic Forum, Xi delivered a speech at the opening session and pitched for a win-win situation among the nations for cooperation, as the global economy was facing downward pressure (Tekdal, 2018: 375). Furthermore, in September 2018, China also announced new projects under BRI for the African region during the China-Africa Summit.

Generally, the Chinese government argues that the main aim of BRI is to deepen the cooperation and enhance development in the regions, by connecting more than 60 countries along the ancient silk roads right from Asia-Pacific to Europe (Clarke, 2017: 71). The connectivity would be through trade, several infrastructure projects and economic linkages. Moreover, the vision document of the BRI elaborates on the aim i.e., mutual consultation to meet the interest of all the governments; and it is not just about roads and railways, but is meant to be a comprehensive interaction process between China and the other countries involved (Hu, 2017: 113). Overall, BRI moves beyond infrastructure projects to policy coordination, facilities connectivity, trade and investment, financial integration and cultural exchange. Thus, the Chinese Government continues to emphasize that the BRI is built on three principles – negotiation/talks, construction/building and sharing results.

In addition, BRI covers 63 per cent of the world population, 32 per cent of the world's GDP, and 29 per cent of global merchandise trade (Kohli, 2018: 3). The six core economic corridors to realize the objectives of the BRI are – China-Pakistan Economic Corridor (CPEC), Bangladesh-China-India-Myanmar (BCIM) Economic Corridor, China-Indochina Peninsula Economic Corridor, China-Central Asia-West Asia Economic Corridor, New Eurasia Land Bridge Economic Corridor, and China-Mongolia-Russia Economic Corridor (Aoyama, 2016: 6). These corridors attempt to create more jobs and reduce the wide regional disparities as the counties along the BRI are low-income economies. At the same time, BRI is backed by financial support from China's state-owned banks and the Silk Road Fund (SRF), which was created in December 2014, where China promised a capital of US\$40 billion (Clarke, 2017: 71). Subsequently, the Asian Infrastructure Investment Bank (AIIB), National Development Bank (NDB), Association of South East Asian Nations (ASEAN) foundation and Eurasia foundation are funding some of the BRI projects (Yu, 2017a: 353-368). Thus, the region covered through the

economic corridors with adequate finance backing seems to be heading for transforming the world order.

Ironically, some of the policy makers and critics of BRI tend to argue that the main motives of BRI initiative could be: (a) Generally, the evolution of BRI is linked to the thinking of Chinese foreign and security policy since the 1980s, like the Chinese foreign policy that sought to “bide time and build capabilities” with multiple objectives like developing multiple regional and global linkages to increase economic growth; resolve the long-standing disputes with neighbours, and to challenge US predominance in the region (Gill, 2010: 22). Moreover, President Jiang Zemin, pitched for “cooperation, multilateralism and regionalism” and later on President Hu Jintao, went one step ahead from Deng’s approach of ‘peaceful development’ to “strategic opportunity” for China (Clarke, 2017: 76). Thus, BRI is a result of strategic thinking of successive Chinese Presidents to ensure China’s peaceful rise. (b) Given that China has been successful in pursuing its soft power strategy in most of the region, BRI will be a big boost and obviously allow China to play more pro-active political and economic roles at the global level. (c) Every strategic move by China is always seen as to counter US dominance. In this regard, BRI is regarded as a response to former US President Barack Obama’s ‘Pivot Asia Policy’ (March 2013), and provide an alternative model and leader to US global hegemony (ibid). (d) BRI is not just to fulfil China’s global aspirations, but also its domestic needs like overcoming China’s energy dependencies, addressing the under-development of western China, reducing the over-capacity in manufacturing, stagnating exports, promoting the go global, internationalizing the RMB, and reforming the global economic governance (Tekdal, 2018: 378). (e) India’s analyst Mohan Guruswamy, argued that “China has accumulated foreign exchange reserves of US\$3.5 trillion and the capital it claims is prepared to subscribe for the NDB, AIIB and SRF, which would amount to only around 7 per cent of its total foreign exchange reserves invested in western banks. Moreover, the China-promoted institutions will be providing infrastructure lending rather than grants, the return on capital from these investments could be significantly higher than the returns China is getting from its foreign exchange reserves currently invested in low-yielding US government bonds” (Guruswamy, 2017). (f) Some even argue that China’s initiative is not like the normal expansionist, but packaged and promoted as BRI. Thus, BRI is guided by addressing both China’s domestic and global ambition.

Overall, despite BRI receiving mixed signals from the international community and analysts, it has gained legitimacy to a certain extent through holding of the BRI forum on 14-15 May 2017 (the second BRI forum was held in April 2019) at Beijing. This was attended by major powers, 29 heads of state and 130 delegations and 70 international organizations. As of now,

more than 68 countries have signed the initiative and despite countries like the US, France, UK, Germany and Japan expressing their concerns over the BRI, had sent representatives for the BRI Forum (Rana, 2017: 12). On the contrary, India did not even send any representative, signalling its position over BRI. Nevertheless, India's non participation of BRI continues to be widely debated.

2. India Joining BRI: *Why Not?*

Some policy makers and academicians in India have been arguing that there is lot for India to gain through BRI, such as: (a) India will get access to new markets, resources and commodities from Central Asia and the Middle East. Moreover, for decades India has been making all efforts to integrate and connect with both Southeast Asia and Central Asia. In this regard, the BRI provides a golden opportunity to realize these objectives. (b) The BRI is beyond road and rail connectivity, as it also includes connectivity and building digital and cyberspace infrastructure. Given India's strength in information and communication technology (ICT), it will be advantageous for India. At the same time, BRI will be domestically beneficial, as India's quest for becoming the manufacturing hub of Asia can be realized, through the "Make in India" campaign, and creating more job opportunities. Moreover, it will not just provide business opportunities for the public sector, but also for the private sector. (c) Except Bhutan, all the other South Asia countries are officially part of BRI (Das, 2017: 130-133). Days before the 2017 BRI Forum took place, China signed fresh agreements with Pakistan, Sri Lanka, Bangladesh, Nepal, Myanmar and Afghanistan. In addition, the head of states of these countries in their respective speeches at the forum went on to congratulate President Xi Jinping for his regional leadership and welcomed Chinese investments in their respective countries. This clearly underlines the countries backing of BRI and India's failure in providing such kind of development model/project for the growth of the region. Moreover, India is yet to match action with words when it comes to its neighbourhood first policy. Even the Southeast Asia countries along with Central Asia have expressed their desire to be part of BRI (Kohli, 2018: 3-11; Yu, 2017b: 117-122). In addition, despite the US, EU and Japan expressing concerns about BRI over issues like transparency, public procurement, environmental standards, reciprocity in trade and other issues, they did not hesitate to send their representatives to the BRI Summit (May 2017). Overall, more than 100 countries and international organizations have supported BRI, even some of the resolutions in the United Nations General Assembly (UNGA) and Security Council (Aoyama, 2016: 8) are connected with BRI. Even European countries like the UK are keen on engaging with China. In this context, India

remaining aloof will be unable to come up with any alternative model of development led by Asia. Hence, it is better for India to be a part and benefit from the BRI. (d) India can assert its interest with regard to CPEC only by being part of it, rather than remain outside. Moreover, India has been pushing for the Bangladesh, Bhutan, India and Nepal (BBIN) Initiative and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), but so far its results are mixed, hence by being part of BRI, it will be a big boost for BBIN and BIMSTEC. (d) India is one of the co-founder of AIIB and is the second largest contributor to the AIIB, which has also allocated US\$100 billion for BRI. Hence, when India can be a part of AIIB and BCIM and be successful in protecting its economic and strategic interest, why can't India do the same by being part of BRI? (e) Overall, India by joining BRI can reclaim its glory and place on the Silk Road, which it has lost over the centuries (Saran, 2017).

3. India's Concerns over BRI

More than the Indian government's pitching for BRI, its opposition has been more vocal and visible. As a result, India is disappointed with China's failure to address the former's concerns which are four folds.

3.1. Security Concerns on Economic Corridors

One of the foremost concerns of the Indian government's opposition to the BRI is the CPEC, which is regarded as a big investment project, for which China has pledged US\$54 billion until 2030 (Small, 2017: 81). This corridor attempts to connect China's Xinjiang autonomous region with Pakistan's Balochistan Province. Although, this is a welcome move, but the corridor runs through the Pakistan Occupied Kashmir (POK), which Pakistan claims as 'Azad Kashmir'. Subsequently, it is alleged that in addition to Pakistan's 15,000 security personnel, China is likely to deploy around 30,000 security personnel for the CPEC, in a way a security concern for India (Singh, 2017a: 2). Apart from this, the Line of Control (LOC) is not yet accepted by both India and Pakistan as international boundary, thus by giving consent to CPEC would naturally be suicidal for India. Moreover, it will not only undermine India's sovereignty claims on disputed border territories, but put India in a disadvantageous position in future negotiations on boundary and other security interests *vis-à-vis* China and Pakistan.

Apart from the CPEC, the Bangladesh-China-India-Myanmar (BCIM) economic corridor has also serious security concerns for India, as attempts are made to connect China's Yunnan province with India's Northeast region and it is assumed that China will enhance its influence in the northeast region

– which is already a major security concern for India. Moreover, India through BCIM wants to connect its northeast region with Southeast Asia but with China pitching for the merger of BCIM with BRI, India thus feels that already the progress of BCIM is lukewarm and merger would further slowdown the progress. In addition, the Maritime Silk Road (MSR) attempts to develop and enhance China's presence in the Indian Ocean region, which is already happening through the so-called 'string of pearls strategy'. China has continued to argue that more than 70 per cent of its oil imports go through this region, hence its aims are for refuelling, commercial purpose and sea lane security, rather than to contain India. However, India is not convinced by these arguments as it threatens India's future naval power projects and its influence in the region. In this context, during the 2018 BOAO Forum for Asia, President Xi stated: "BRI is not a Chinese plot, neither is it the post-World War II Marshall Plan, nor is it a Chinese conspiracy"¹ and China is willing to address the apprehensions of other countries regarding the BRI and maintained that it is not targeted towards any country. But these statements have yet to convince the Indian government.

3.2. A Debt Trap of Smaller Nations

Apart from CPEC issues, the Indian government (Ministry of External Affairs in May 2017) from time to time has expressed serious concerns about the possibility of BRI resulting in unsustainable debt burdens. For example, in some recipient countries like Sri Lanka the increasing Chinese debt is a cause of concern not just for the country, but has implications for the region (Darshana, 2018: 7). As a result, in December 2017, the Hambantota port was handed to China for a period of 99 years lease while China holds 70 per cent stake in this strategic port. Thus, this remains the best example of unsustainable loans, which ultimately are allowing China to gain significant economic and strategic advantages in the Indian Ocean region. Furthermore, some of the news reports and studies have shown that through BRI there is a possible risk of Chinese companies grabbing host countries resources, with unsustainable loan practices leading to high levels of debt and weakening the economy of the recipient state. In this context, it is rightly pointed out by one prominent European commentator that BRI is nothing but "One Belt, One Road and One Trap", as the projects could push smaller countries on the road into a crushing debt cycle, destroying the ecology and disrupting local communities.

The question of debt repayment to China by Ukraine, Zimbabwe, Cambodia, Pakistan and Sri Lanka remains a questionable concern. According to the 2016 International Monetary Fund (IMF) report, out of Cambodia's USD3.9 billion bilateral public debts with China, 80 per cent is owned by

China (Singh, 2018). Similarly, this has been the case with Pakistan; it is estimated that by June 2019, Islamabad's financial debt to Beijing would reach US\$19 billion, which could be one fifth of total formal debt. Moreover, it is argued that CPEC loans will add US\$14 billion to Pakistan's total public debt (Chansoria, 2018). However, some of the Chinese tend to argue that these debts are less than 10 per cent of their total debts, but the big question remains whether these countries – Ukraine, Zimbabwe, Cambodia and Pakistan – can repay their debts, given their fragile economic conditions. To address these concerns, at a forum organized by the IMF and the World Bank in Bali, Indonesia in October 2018, China's Vice Minister of Finance, Ms. Zou Jiayi, reassured the international community about China's commitment to solve possible debt issues. Ms. Zou emphasized that projects developed under the BRI are primarily commercial projects and host countries are free to develop them or not.² Nevertheless, the debt trap of smaller nations such as Sri Lanka, Pakistan and Nepal is one of the concerns for India not being part of BRI.

3.3. BRI is Unclear

Similar to some of the European countries, the Indian government's frequent statements has emphasized on the prevailing ambiguity about the BRI. For instance, on 13 May 2017 it stated that BRI is not based on principles such as good governance, rule of law and transparency. It further stated that "we are of firm belief that connectivity initiatives must be based on universally recognized international norms, openness and equality, and must be pursued in a manner that respects sovereignty and territorial integrity" (MEA, 2018). Overall, India argues that lack of detail and insufficient discussion of the BRI proposal, prior to its launch is the reason for its silence. At the same time, India also regard that BRI has been a unilateral decision without any consultation with partners. Although, China tends to argue that it is open for joint development and implementation of projects, but in reality it tends to control projects. In this context, former Foreign Secretary S. Jaishankar in 2015 had argued that "[BRI] wasn't a multilateral initiative that they discussed with the world, that countries are interested or affected ... hence need of the hour is discussion, that has not happened" (Pant and Passi, 2017: 90). At the same time, whoever are investing in BRI still remains unclear, however it is alleged that 90 per cent of funding comes from Chinese banks and companies. As a result, India is so far cautious and reticent.

3.4. India's Natural Sphere of Influence

Generally, India has always considered the South Asian Region as its natural sphere of influence. However, in recent decades the region has witnessed

increasing political, economic, and cultural influence and presence of China. This has intensified particularly in Nepal, Bangladesh, Sri Lanka and Maldives. For example, China has already invested US\$14 billion in infrastructure in Sri Lanka since 2005, it has pledged US\$38 to Bangladesh and planned to invest and provide US\$8 billion credit for Nepal (Wagner and Tripathi, 2018: 3). Moreover, Pakistan's Prime Minister Imran Khan is taking Pak-Sino relations to the next level following his visit to China (in September 2018) and attempting to rope in Saudi Arabia to join the CPEC as the third "strategic partner".³ These developments constitute a major concern for India due to China's greater geopolitical influence.

With the BRI initiative, India's fear is intensifying, as apart from Bhutan, all the other neighbours are now officially part of BRI. The three corridors – CPEC, BCIM, the Trans-Himalayan Economic Corridor and the MSR linked to South and Southeast Asian regions and the infrastructure projects associated with them have a direct bearing on India's strategic interests (Chung, 2018: 317). For instance, they run close to India's continental and maritime borders and are affecting its security interests and strategic environment. It also alters the existing power dynamics in the region. Although, India is not opposed to infrastructure development in the region, it is concerned about the strategic implications of certain Chinese-led initiatives, also through BRI. A primary concern for New Delhi is that Beijing will use its economic presence in the region to advance its strategic interests. One notable example is the strategically located port of Hambantota, which the Sri Lankan government was forced to lease to China in December 2017. The port was built on Chinese loans and labour with high interest rates. Sri Lanka was unable to repay the loan and incurred a debt burden. Thus, India does not see the Chinese projects as just an economic project, but as a latter grand strategy making its hegemonic foreign policy goals and security policies (Darshana, 2018: 7).

Although Pakistan's pro-active approach to BRI is not surprising, however in recent times, there are concerns raised now and then in Pakistan, for example in the *Dawn* newspaper which emphasized, "Pakistan is on the verge of becoming an economic and military outpost of China". According to a recent Pentagon report, "China most likely will seek to establish additional military bases in countries with which it has a long-standing friendly relationship and have similar strategic interests, such as Pakistan" (Kaura, 2017). In this context, India cannot afford to lose sight of this dimension as it directly impacts its security interests. If China emerges as Pakistan's sole trade window to the world, this will have repercussions for India. In addition, the BRI is promoted as a process of connecting the South Asian region through joint and complementary projects, but it undermines the role of the South Asian Association for Regional Cooperation (SAARC), BBIN and also India.

3.5. Other Concerns

Apart from the above, some other possible concerns are: (a) The critics of BRI term it as China's Marshall Plan, but a vital difference is that the Marshall Plan was created in the aftermath of WWII, but BRI aims at regaining and connecting China to the globalised world, which India cannot take lightly (Hu, 2017: 110). (b) China will gain an advantage over India in the neighbourhood and extended neighbourhood and India has to play a secondary role to China, thus with some suggesting India will have no alternative but to prefer a US-orientated world order. (c) India is unhappy with China over the latter's blocking of India's entry into the Nuclear Supplier Group (NSG), United Nations Security Council (UNSC), Asia-Pacific Economic Cooperation (APEC), and opposed UN sanctions on Pakistan based terrorist organizations. In this context expecting India to support BRI without any assurances is not diplomatically viable. (d) Despite India's objection, China continues to oppose any welfare or infrastructure project in Arunachal Pradesh, a state in India. China has even gone one step further by advising India to exercise "restraint" on the Bhupen Hazarika Bridge in Arunachal Pradesh. This kind of response from China is uncalled for. (e) Furthermore, the unresolved border disputes following the 1962 war, and the existing trade deficit of US\$63 billion as of July 2018, continues to curtail bilateral ties (Bhoothalingam, 2016: 49). Thus, critics argue that China may use its economic power (BRI) to increase geopolitical leverage and by doing so intensify the existing security concerns for India.

4. India's Response and Strategies

Although, India has decided not be part of BRI, but it needs to response and evolve strategies to BRI. Some of its response and strategies are as follows.

4.1. Continues to Express its Concerns at all Forums

From time to time, India has been consistent in expressing its displeasures and concerns over the BRI at all forums. For example, despite the invitation from China to attend the BRI summit in May 2017 and April 2019, India did not even send a representative to the forum. At the SCO Summit in June 2018, India became the only member of the SCO that did not endorse the BRI in the declaration issued after the summit. Prime Minister Narendra Modi, went one step further and emphasised that "connectivity with the neighbouring countries is India's priority. We welcome the connectivity projects which are sustainable and efficient and which respect territorial integrity and sovereignty of the countries" (Sengupta, 2018). Apart from India expressing its concerns, it has ensured that its reservation over BRI features in bilateral meetings like

the India-US bilateral meeting (June 2017). The joint statement noted that both sides “support bolstering regional economic connectivity through the transparent development of infrastructure and the use of responsible debt financing practices, while ensuring respect for sovereignty and territorial integrity, the rule of law, and the environment; and call on other nations in the region to adhere to these principles” (Darshana, 2018). Similarly, in September 2017, PM Modi and Japanese Prime Minister Shinzo Abe issued a joint statement indirectly criticising BRI’s “quality infrastructure – which, among others, ensures alignment with local economic and development strategies, safety, resilience, social and environmental impacts, and job creation, as well as capacity building for the local communities”.⁴ Thus, India has been pro-active in opposing BRI as and when opportunities arise.

4.2. Efforts to Counter MSR/BRI

India has made efforts to counter the BRI like establishing the International North-South Transport Corridor (INSTC), a trilateral projects initiated by India, Iran and Russia. As result, India reached an agreement with Iran in May 2016 to develop the Chabahar port in Iran, and allocated US\$500 million to develop it. The port city is only about 70 km from the Pakistani port of Gwadar, where China’s “new Silk Road” and “maritime Silk Road” meet. In October 2017, India shipped its first load of wheat to Afghanistan via Chabhar (Wagner and Tripathi, 2018: 3). This port is vital for India’s trade and commerce with West Asia and Central Asia by avoiding the land route through Pakistan. A major advantage of INSTC is that, little investment is needed to establish new trading routes as the infrastructure is already in place. The development of the Chabahar port in Iran, only 500 kilometres away from ports in Gujarat (especially Kandla), opens up opportunities for Indian businessmen to export not only to Iran but also to markets in Afghanistan, Central Asia, Russia and even Europe (Conference Proceedings, 2016).

Chabahar’s proximity to the Indian port cities of Kochin, Kandla and Mumbai also provide many lucrative trading opportunities for India. This route will be beneficial not just for India, but also for Iran and Afghanistan. India has also initiated a project connecting the northeast region of India with the Chittagong port in Bangladesh to enhance trade and commerce (Das, 2017: 136). Thus, India has been successful in exploring the possibilities of achieving its economic and strategic interest through trilateral arrangements.

To counter China’s MSR, India is being pro-active in strengthening bilateral ties with countries in the Indian Ocean region. This has received a big boost with India launching the Mausam project (2014). The Mausam project is projected by India as a cultural one, as it is the initiative of the Union Ministry of Culture and implemented by the Archaeological Survey of

India (ASI) as the nodal agency with research support from the Indira Gandhi National Centre for the Arts (IGNCA) and National Museum as associate bodies. This project aims to “explore the multi-faceted Indian Ocean ‘world’ – collating archaeological and historical research in order to document the diversity of cultural, commercial and religious interactions in the Indian Ocean” (Press Information Bureau, 2017). It also aims to promote research on themes related to the study of maritime routes. Subsequently, the Mausam project is to inscribe places and sites identified as transnational nomination for inscription on UNESCO’s World Heritage List. But the project is not just cultural, it also has a strategic dimension as this project will provide an opportunity for India to re-establish its ties with its ancient trade partners and re-establish an “Indian Ocean world” along the littoral of the Indian Ocean, stretching from east Africa, along the Arabian Peninsula, past southern Iran to the major countries of South Asia and then to Sri Lanka and Southeast Asia.

Unfortunately, the Mausam project even after four years remains a distant dream, “primarily due to India’s unsure methods and uncertain strategies” (Seethi, 2018). Even though an amount of Rs60,039,297/- (i.e. Rs2,80,95,532 for 2018-19 and Rs3,19,43,765 for year 2019-20) has been approved and allocated for the project, but the expenditure for the project during 2017-18 and first three months of 2018-19 is Rs16,75,614 (Press Information Bureau, 2017). Furthermore, India should be the primary economic and security provider in the Indian Ocean Rim Association (IORA) countries, however it is likely to be outmatched by China, which is only an observer (Sidhu, 2015). Thus, the project has been very ambitious but is lacking on the implementation part.

In a similar direction, PM Modi during his visit to Mauritius (March 2015) mooted the SAGAR (security and growth for all in the region) concept with multiple objectives such as protecting maritime interests, enhancing economic and security cooperation in the littoral, promoting collective action to deal with maritime threats, building greater trust and promoting respect for maritime rules, norms and peaceful resolution of disputes (Swaraj, 2017). PM Modi went one step further and pitched for establishing an Indian Ocean University (IOU) by India and co-endorsed by Mauritius for which a preliminary study has been prepared by the IORA secretariat (Ibid). SAGAR is making progress, but not on the scale as it was anticipated.

In a joint effort by India–Japan, in May 2017 at the annual general meeting of the African Development Bank, both countries unveiled the vision document for an “Asia Africa Growth Corridor” (AAGC) with the aim to enhance growth and connectivity between Asia and Africa focussing on areas like development cooperation projects, quality infrastructure and institutional connectivity, enhancing skills, and people to people partnership (Singh, 2017b: 6). Overall, it seeks to synergize between India’s Act East Policy and

Japan's "expanded partnership for quality infrastructure to improve growth and interconnected between Asia and Africa" (Ibid: 7). However, this corridor is yet to take concrete shape. Overall, India has made efforts to counter BRI, but its success remains to be seen in the near future.

4.3. QUAD – Yet to Take Off

The quadrilateral grouping QUAD – the US, Japan, Australia and India has not been formally institutionalized since 2007 for various reasons such as: (i) India was not keen on it. The regimes in the US (2008), Australia and Japan (2007) were more inclined to view such coalitions as too provocative and unproductive in an Asia-Pacific security context; (ii) the US moved from proactive to soft-peddling; Australia moved from Quadrilateral to Asia-Pacific Community; Japan from pro-active to lukewarm; and India from acceptance in principle to noncommittal; and (iii) China continued to express its unease over such a development. Moreover, all the four countries began to strengthen their ties with China. As a result, the quadrilateral grouping did not take off.

Nevertheless, there is rethinking about reviving the quadrilateral in recent years. For instance, in 2015, India hosted Japan and Australia for its first ever high-level trilateral dialogue in New Delhi. Some of the topics discussed were maritime security, including freedom of navigation patrols; they also suggested, "One idea to consider is initiating a Quad-lateral Security Dialogue between India-Japan-Australia and the United States (Chaudhury, 2016). Besides, with the successful trilateral dialogue of US-Japan-India, US-Australia-Japan and so on for collective exercises, the quadrilateral has gained momentum in recent years. Moreover, the QUAD got a bit boost with US Admiral Harry B. Harris Jr., commander of the US Pacific Command (PACOM), pitching for institutionalizing QUAD in March 2016 while speaking at an international security conference in New Delhi. On the sidelines of the ASEAN senior official meeting in Singapore (November 2017), senior officials from all the four countries held their second consultative meeting. The meeting was a follow up of the group's first meeting in Manila (November 2017) again on the sidelines of ASEAN summits. However, each of the four countries released a statement on the four-way consultations, without making any reference to the arrangement being a "quadrilateral." All four statements noted some variant of the countries each support a free, open, prosperous, and inclusive "Indo-Pacific region. But the Quad continues to move along slowly and steadily. The hint of regular meetings suggests that the four countries will continue to explore ways to operationalize a common cooperative agenda in the Indo-Pacific (Pande, 2018). The expectations were high for the forthcoming Quadrilateral grouping of India, Australia, Japan and the US meeting, on the sidelines of the East

Asia Summit in Singapore in November 2018. In a nutshell, there is a need for a quadrilateral alliance, although as of now it is on hold, however, it remains to be seen if geopolitical forces will push the arrangement forward.

5. Scope for a Win-win Situation in BRI

Although, China is making all efforts to take the BRI forward with or without India, however, there is still much scope for a win-win situation between both nations in ensuring the success of BRI.

5.1. Problems Aplenty

Apparently, the prevailing perception in India among some of the government, policy makers and academicians are that BRI has vast implications for India's strategic interest and it needs to be countered. However, BRI has plenty of problems, in anyway it will be an uphill task. For instance, the slowing down of the Chinese economy; most of the region that are part of BRI are confronted with challenges like weak economy, insecurity, political instability, uneven economic development, and the many countries which are part of the BRI are underdeveloped in the manufacturing sector (Das, 2017: 135-136). Moreover, the presence of terrorist organizations like ISI, Al-Qaeda and Pakistani based outfits might be a stumbling block for the successful implementation of BRI. At the same time, reservations from European nations, the US and Japan on issues like lacking transparency, no commitment from China on social or environmental sustainability are still unaddressed by the Chinese government. As a result, the full participation of these major powers remains a distant dream. Above all, given the lower level of returns on infrastructure projects, the possible construction delays due to political and security risks like in Sri Lanka, Maldives and Pakistan may have an adverse impact on the investment. Interestingly, critics will be closely watching the actual pledged and actual flow of Chinese investment, for example in the case of CPEC, an amount of US\$66 billion worth of Chinese investment was promised from 2001 to 2011, but only 6 per cent of these were actually realized (Small, 2017: 80). Thus, the success of BRI will depend on the actual flow of investment.

One of the prevailing narrative in India is that it has not been a huge loss in terms of investment by keeping away from the BRI, as Chinese investment is primarily through loans with significant interest rates and other conditions. Moreover, the host nations have to purchase and use Chinese equipment, technology and labour, which are already creating problems in host countries like South Asia and Central Asia. At the same time, Beijing is yet to mobilize a unified support among the countries for its ambitious BRI. For example,

despite the presence of many countries and organisations at the BRI Forum Summit in May 2017, China was unable to issue a joint communiqué signed by all nations present. Instead, the communiqué was signed by thirty nations like Russia, Kazakhstan, Thailand, Pakistan, Indonesia, Myanmar, Sri Lanka and so on. Ironically, the US, UK, France, Germany, Australia and Japan abstained from committing to the joint statement, which suggests that they too have concerns about the BRI and China's intentions (Darshana, 2018). Furthermore, China has been pushing the BRI as a grand global initiative, however ensuring its success remains an uphill task.

5.2. Improving Bilateral Ties

Despite the perpetuating security and border irritants in Indo-Sino relations, Prime Minister Narendra Modi and President Xi Jinping have met regularly like their informal summit in Wuhan (April 2018), during the SCO meeting in Qingdao (June 2018), at the BRICS summit (July 2018), and G-20 Summit (November 2018). Subsequently, economic ties are increasing. This was well reflected in a meeting (June 2018) between Jinping and Modi, where they agreed to enhance bilateral trade to US\$100 billion by 2020 (the present trade is US\$84 billion), and China agreeing to import non-Basmati rice and sugar from India. In return, India will allow China's state-owned Bank of China to open its branch in Mumbai (Sengupta, 2018). Moreover, there is an ongoing trade war between the US and China as the US carries out its threat to impose tariffs on all US\$507 billion worth of Chinese exports to the US. If this happens, then the Chinese economy will be severely hit with long-term annual GDP growth estimated to fall below 4.5 per cent (Merchant, 2018). In this circumstance, China will have to depend upon India to keep its trade and economy running.

Over the decades, conflict and cooperation have become important elements in India-China relations. The two countries have cooperated on strengthening bilateral political and economic ties. They have increased cooperation on transnational issues like terrorism (minus Pakistan-sponsored terrorism), global warming, economic crisis, piracy, drug trafficking, Islamist fundamentalism and other security issues. Both share common interests in maintaining regional stability like promoting economic growth and achieving energy security in the region (Panda, 2016). Both opposed the US use of military around the world, clearly indicating that they both want a multi-polar world. The relations was further enhanced with the signing of the China-India strategic and cooperative partnership for peace and prosperity in 2015. At the same time, China is also India's largest bilateral trading partner. Both states are also members of the BRICS group (Brazil, Russia, India, China, South Africa) and the SCO, among others; and they frequently take similar stances

towards industrialized nations in international trade and climate negotiations. However, there are many irritants which have the potential of snowballing into a major conflict like territorial and border disputes, river water disputes, Tibet issue, China's overwhelming economic, military, nuclear and political support to Pakistan, China's growing influence in South Asia and South East Asia, China's attempt to deny India a major role in Asia-Pacific and counter India's legitimate aspirations as a major maritime power in the Indian Ocean, and opposing India's strategic interests in the South China Sea. Furthermore, China continues to prevent India's entry into the NSG and UNSC and other economic, political and security forums and groupings. Hence, India-China relations have been a policy of containment, confrontation and cooperation, which will continue and is the same case in the Asia-Pacific. In this context, both the countries can explore the possibilities of working over a win-win situation with regard to BRI.

5.3. China should Consult and Provide Space for India

Although, China has frequently stated the BRI as open, equal and inclusive, but the CPEC running through Pakistan, also runs through POK, in a way ignoring India's sentiment. Further, neither the Chinese media nor the administration has made efforts to address India's concerns over CPEC despite India raising this issue at several forums (Jacob, 2017: 4). Moreover, Beijing instead of consulting New Delhi on BCIM before proceeding with CPEC, it went ahead with the latter without taking into consideration India's situation. Similarly, the connectivity projects do provide some benefit for India also, particularly the transport links in Afghanistan; however, Pakistan has refused to give transit access to India to reach Afghanistan and central Asia. Thus, instead of China taking the initiative in persuading its all-time friend – Pakistan, it continues to stress that this is a bilateral issue and it has no role. To ensure India is also part of the BRI, Beijing can explore possibilities of an alternative route to POK like Kolkata to Gandhinagar and develop a port of the coast of Gujarat, which will take care of India's security concerns. Thus, China needs to consult and also take India on board, particularly wherever there are shared interests.

5.4. India should Move one Step

It is not just China taking a step forward, but India also needs to walk along with China, that is: (a) as former Foreign Secretary Shyam Sharan stated "its worth giving a chance to BRI, given that India do not have capacity to provide an alternative in either scale or scope on the grounds that it might help India to regain some cultural and strategic leverage by advancing its

own SAGAR mala project and cotton and spice routes via the MSR” (Saran, 2015). (b) Given that this century belongs to Asia and both China and India have greater roles in shaping the destiny of Asia, hence both needs to balance the short-term and long-term goals and need to relook and reach a consensus where the interest of both are taken to build a better future for Asia. (c) India can explore the possibilities of adopting selective approach to projects connecting Iran, Afghanistan and other Central Asian countries and ignore CPEC. Moreover, the CPEC might enhance the debt of Pakistan and leave behind a host of white elephant projects and incomplete plans (Small, 2017: 83). Thus, India’s CPEC obsession can be condensed. (d) India has yet to find a credible/suitable response to China’s investment in the region. Moreover, not being part of the BRI is not a response or strategy and the BRI has reached a stage where India cannot ignore and stay isolated for long. There is hardly any scope for India in stopping the BRI or its implementation, but India not taking part also undermines the credibility, and not taking part is difficult for India. (e) India’s participation in BRI will enhance South-south cooperation, NDB and AIIB and the pro-active engagement of the two will complement the soft infrastructure, given India’s strength in the service sector. (f) The Indira doctrine emphasized and stipulated that all domestic political conflicts in the neighbouring states should be resolved with India’s help, and the Gujral doctrine stressed no reciprocity with neighbours, while Modi put forth the neighbourhood first policy. Despite all these vital policies, it has not prevented China’s entry and neighbours balancing India. Although, Modi’s neighbourhood first policy was welcomed, but in recent times, it has not yielded results as expected. Furthermore, compared to China, India has limited resources at its disposal to implement these concepts.

Hence, in this circumstance, India needs to relook its response and strategies towards BRI and China also needs to address India’s concerns so that both the powers are part of the game changer in ‘BRI’.

Notes

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