

B.R. Deepak *Editor*

China's Global Rebalancing and the New Silk Road

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Preface

In 2015 between 26 and 29 March, China convened its 14th annual event, the Boao Forum for Asia. The theme of the forum was “Asia’s New Future: Towards a Community of Common Destiny.” The ‘community of common destiny’ in Asia and beyond was to be realized through the ‘project of the century’—the ‘Belt and Road’ Initiative (BRI), and it was during this forum that the National Development and Reform Commission, Ministry of Foreign Affairs, and the Ministry of Commerce of the People’s Republic of China, with State Council authorization issued the ‘Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road’ which for the first time clarified the framework, principles, cooperation priorities and mechanisms of the initiative.

Coinciding with the Boao Forum for Asia, I convened an international conference in Jawaharlal Nehru University (JNU) titled “Silk Road Economic Belt and the 21st Century Maritime Silk Route: Opportunities and Challenges”, perhaps the first of its kind in India on 26–27 March 2015. Over two dozen papers were presented by scholars expounding civilizational, geopolitical and geo-economic paradigms of the New Silk Road, as well as the rivalry between the established hegemon and the challenger. With the passage of time, there is an increasing level of clarity about the ‘Belt and Road.’ The identification of the pivot cities and ports within China and connecting these to the six economic corridors has lifted the veil from China’s intended foreign policy goals. This undoubtedly has invited a much fury from some countries, but also nearly 70 countries across Asia, Europe and Africa have expressed their support for the Chinese initiative. The institutionalization of the ‘Belt and Road’ Forum, after it was first convened in Beijing in May 2017, demonstrates China’s seriousness about the initiative.

It was with this background that I requested scholars from China, India, Uzbekistan, Pakistan, Germany and ASEAN etc. countries to organize their thoughts and contribute to this volume. The topics they covered are wide ranging— from India–China and the ancient silk route spirit; Bangladesh, China, India, Myanmar Economic Corridor (BCIM), China–Pakistan Economic Corridor (CPEC), China–Mongolia–Russia Economic Corridor, China–Central Asia Economic Corridor, China–Indochina Peninsula Economic Corridor, the US and

the BRI, dealing with the risks of BRI, and the role China perceives for itself in the emerging international order, etc. The papers delve into various facets of the BRI, including economic integration, regional development, and strategic considerations of respective countries, as well as building common security, cultural, and economic communities at regional and trans-regional levels.

I would like to record my thanks to all the contributors for their cooperation at various levels, because without their support it would have been impossible to imagine the publication of this volume. Besides them, there are numerous other people who helped me in this endeavour. I wish particularly to thank Prof. Girijesh Pant, the then Dean of School of International Studies, Jawaharlal Nehru University, Shri Tarun Vijay, the then Rajya Sabha (upper house) Member of Parliament, Ambassador Le Yucheng, the then Ambassador Extraordinary and Plenipotentiary of the P.R.C to the Republic of India for supporting my initiative at that time, and thus initiating public policy debate on the issue in India.

New Delhi, India

B.R. Deepak

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Abbreviations

ADB	Asian Development Bank
ADIZ	Air Defence Identification Zone
ADMM	ASEAN Defence Minister's Meeting
AEC	ASEAN Economic Community
AEP	Act East Policy
AIF	ASEAN Infrastructure Fund
AIIB	Asian Infrastructure Investment Bank
AIIF	Asian Infrastructure Investment Fund
AMPC	ASEAN Master Plan for Connectivity
AMS	ASEAN Member State
APEC	Asia Pacific Economic Cooperation
APTA	Asia Pacific Trade Agreement
ARN	ASEAN Roll-On Roll-Off Network
ASEAN	Association of South East Asian Nations
BCIM EC	Bangladesh, China, India Myanmar Economic Corridor
BIMP-EAGA	Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area
BIMST-EC	Bangladesh-India-Myanmar Sri Lanka-Thailand Economic Cooperation
BRI	Belt and Road Initiative
CACO	Central Asian Cooperation Organizations
CAICF	China-ASEAN Investment Cooperation Fund
CECA	Comprehensive Economic Cooperation Agreement
CEPA	Comprehensive Economic Partnership Agreement
CES	Common Economic Space
CIMC	China International Marine Containers (Group) Ltd.
CIS	Commonwealth of Independent States
CLGFEA	Central Leading Group on Financial and Economic Affairs
CNSC	Central National Security Commission
COMECON	Council for Mutual Economic Assistance

CPEC	China–Pakistan Economic Corridor
CSTO	Collective Security Treaty Organization
EAEC	East Asia Economic Caucus
EAEU	Eurasian Economic Union
ECO	Organization of Economic Cooperation
ECS	East China Sea
EDCA	Enhanced Defence Cooperation Agreement
EEC	Eurasian Economic Community
EEU	Eurasian Economic Union
EEZ	Exclusive Economic Zone
EHP	Early Harvest Programme
FATA	Federal Administered Tribal Areas
GCA	Greater Central Asia
GCC	Gulf Cooperation Council
GMI	Ganga-Mekong Initiative
GMS	Grand Mekong Subregion
GVC	Global Value Chain
IMT-GT	Indonesia-Malaysia-Thailand Growth Triangle
INSTC	International North-South Transport Corridor
IONS	Indian Ocean Naval Symposium
IOR	Indian Ocean Region
IPP	Independent Power Projects
ISIS	Islamic State of Iraq and Syria
JETRO	Japan External Trade Organization
JMSDF	Japanese Maritime Self-Defence Force
KKH	Karakoram Highway
KPK	Khyber-Pakhtunkhwa
LEP	Look East Policy
MSR	Maritime Silk Road
NATO	North Atlantic Treaty Organization
NDB	BRICS New Development Bank
NDRC	National Development and Reform Commission
NPIWC	National Propaganda and Ideology Work Conference
NSA	National Security Advisor
NSP	Net Security Provider
NTC	Non-tariff comprehensive Trade Costs
OBOR	One Belt One Road
OIC	Organizations of Islamic Cooperation
PCPCCC	Politburo of the Communist Party of China Central Committee
PLA-N	People’s Liberation Army Navy
PTA	Preferential Trade Agreement
RCEP	Regional Comprehensive Economic Partnership
RETRACK	Reorganization of Transport Network by Advancing Rail Freight Concepts
RTA	Regional Trade Area

SAFTA	South Asian Free Trade Area
SCO	Shanghai Cooperation Organization
SCS	South China Sea
SKRL	Singapore-Kunming Rail Link
SLF	Silk Road Fund
SLOC	Sea Line of Communication
SR	Special Representative
SREB	Silk Road Economic Belt
TPP	Trans-Pacific Partnership
TRACECA	Transport Corridor of Europe-Caucasus-Asia
TTIP	Transatlantic Trade and Investment Partnership
UIC	International Union of Railways
UNCLOS	United Nations Convention on the Law of the Sea

Chapter 1

China's Global Rebalancing: Will It Reshape the International Political and Economic Order?

B.R. Deepak

Ever since being elected as the General Secretary of the Communist Party of China (CPC) in November 2012 and subsequently the President of China in March 2013, Xi Jinping has put forth grandiose ideas like the 'Chinese Dream', the 'Belt and Road Initiative' (BRI), or the 'One Belt One Road' (OBOR), the literal translation of *yidai yilu*. The former aims to 'realize the great rejuvenation of the Chinese nation', by realizing the two centenary goals, i.e., to double the 2010 GDP per-capita income and build a moderately prosperous society by 2021 when the Communist Party of China marks its 100th anniversary; and second goal is to turn China into an all-around modern and socially advanced country by 2049 when the People's Republic marks its centenary. The BRI refers to setting up of a geopolitical and geo-economic Silk Road Economic Belt (SREB) and the 21st Century Maritime Silk Road (MSR) connecting China to Africa and Europe by land and sea.

These grandiose initiatives, especially the BRI, have raised hopes as well as suspicions as to what China is up to, and that, even if silk routes existed in ancient times, what is the relevance of such initiatives in modern times? Also, whether such initiatives are in sync with China's foreign-policy goals, such as multi-polarity, not seeking hegemony, common security, etc., or an antidote to the US foreign-policy goals like 'pivot to Asia' or 'Trans Pacific Partnership' (TPP), albeit the context may change as Donald Trump abrogated the TPP immediately after assuming the office. Or, is China challenging the US hegemony and rewriting the rules of global political and economic order?

These are some of the questions which have been debated ever since the idea was floated, and more specifically, since May 2017, when China convened the Belt and Road Forum in Beijing, attended by 1,500 delegates from across the world and

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which had 29 heads of the states and officials, entrepreneurs, financiers, academicians and journalists from over 130 countries, including figures such as Vladimir Putin, UN Secretary-General António Guterres, World Bank President Jim Yong Kim, and Managing Director of the International Monetary Fund Christine Lagarde, etc. In order to bulldoze the \$1.4 trillion ‘project of the century’, Xi Jinping pledged \$14.49 billion more to the existing \$40 billion Silk Road Fund founded in late 2014. The Development Bank of China and the Export-Import Bank of China pledged to inject \$124 billion into the Belt and Road Initiative to support infrastructure, financing, and industrial capacity (Deepak 2017a).¹ On the occasion, China also signed 76 megaprojects with Belt and Road countries, signed trade cooperation deals with 30 countries, and signed agreements related to unimpeded trade with 60 countries. What exactly is the BRI? Why at all China has initiated this strategy? Furthermore, the geographical boundary of the BRI was further extended to Latin America, thus bringing the entire globe into the ambit of the New Silk Road.

1 Intent, Content and Aim of the BRI

Well, the concept was first proposed by Xi Jinping during a speech at Nazarbayev University, Kazakhstan, on 7 September 2013 when he said that “To forge closer economic ties, deepen cooperation and expand development in the Euro-Asia region, we should take an innovative approach and jointly build an ‘economic belt’ along the silk road. This will be a great undertaking benefitting the people of all countries along the route”. Xi (2014) proposed that traffic connectivity needs to be improved so as to open the strategic regional thoroughfare from the Pacific Ocean to the Baltic Sea and gradually move toward creating a network of transportation that connects Eastern, Western, and Southern Asia. The Chinese president also urged the regional members to promote local-currency settlement so as to improve their immunity to financial risks and their global competitiveness.² In October, he visited Indonesia and floated the idea of building a twenty first-century MSR with the aim to deepen China’s economic and maritime links with the MSR countries and regions. The MSR begins in Fuzhou’s Quanzhou in southeast China’s Fujian province and extends south into the ASEAN nations, crosses the Malacca Strait, and turns west to countries along the Indian Ocean before meeting the land-based Silk Road in Venice via the Red Sea and Mediterranean. Under the ambit of MSR, China plans to build hard and soft infrastructure from Indo-Pacific to Africa, including transport, energy, water management, communication, earth monitoring, economic, and social infrastructure.

¹Deepak (2017a).

²Xi (2014).

During the Boao Forum for Asia convened in Sanya, Hainan, 26–29 March 2015, China's National Development and Reform Commission (NDRC), Ministry of Foreign Affairs, and Ministry of Commerce issued an action plan on the Belt and Road initiative on 28 March. The document points out that economic connectivity is the heart of the matter for which Xi Jinping also announced the establishment of a Silk Road Fund with US\$40-billion to support infrastructure investments in the countries involved and have also linked the establishment of Asia Infrastructure Investment Bank (AIIB) and BRICS New Development Bank (NDB) to the initiative. The document talks about a 'Silk Road Spirit', interpreted as "peace and cooperation, openness and inclusiveness, mutual learning, and mutual benefits." It states that the initiative is in line with the purposes and principles of the UN Charter. Since the initiative is open and inclusive, former Chinese ambassador to India, Le Yucheng, does not subscribe it as a Chinese solo but 'a symphony performed by various countries.'³ The document identifies five major goals of the initiative in terms of promoting policy coordination, facilitating connectivity, uninterrupted trade, financial integration, and people-to-people exchanges. Professor Wang Yiwei of Renmin University, Beijing, recommends yet another element to it, i.e., the interconnected network, the Internet Silk Road.⁴ Thus the idea may be turned into 'one belt, two roads' in the future.

In order to facilitate these 'five connectivity goals,' China has identified six major economic corridors along the BRI for a new type of regional development model. These are: the Bangladesh, China, India, Myanmar Economic Corridor (BCIM); the China Pakistan Economic Corridor (CPEC); the New Eurasia Land Bridge; the China, Mongolia, Russia Economic Corridor; the China Central Asia economic corridor; and the China Indochina Peninsula Economic Corridor. China has committed US\$46 billion to the CPEC, which has been selected as the pilot project. If the recent reports are to be believed, China's investment in its CPEC has already reached US\$62 billion, increasing more than 34% from its initial investment of US\$46 billion.⁵ CPEC will link the Pakistani city of Gwadar to China's Xinjiang via a vast network of highways, railways, and oil and gas pipelines. The above six corridors have connected more than 10 Chinese provinces with Asia, Africa, and Europe. For example, Yunnan has become a hub connecting China to Southeast Asia and South Asia. Kunming, the capital city of Yunnan, would be connected to various transport corridors, the most ambitious of these—the Trans-Asia Railway (TAR)—to be completed by 2020, connecting Kunming to Singapore. In the same vein, Xinjiang is turning into a hub for connecting China with Central Asia, South Asia, and Fujian as a fulcrum for the twenty first century MSR. It has been reported that, by 2020, China will build 172 major water-conservancy projects with an investment of US\$87.6 billion, and by 2030,

³Deepak (2016).

⁴Wang, Yiwei. *The Belt and Road Initiative: What will China offer the world in its Rise?* 12. Beijing: New World Press. 2016.

⁵Live Mint (2017).

1,600 airports with an investment of US\$23.3 billion.⁶ Therefore, there is a new wave of competition amongst the regional provinces for the BRI projects, inside, as well as outside, China.

2 Regional Responses to the BRI

China has sought the participation of countries and regions touching the ‘Belt and Road’ zone. There are 32 littoral countries that touch the MSR. The combined population of these countries is around 4 billion people, with a combined GDP of around \$16 trillion. These are the countries with huge potentials and have achieved rapid economic growth recently. From 2007 to 2012, the lowest annual growth rate was 5.27% (that of Sudan), and the highest average annual growth rate was 22.83% (that of Myanmar).⁷ In view of these figures, China believes that the ‘twenty first century MSR’ is going to be an important driver of regional, as well as global, economic growth. And, given the overall capacities and structural adjustments being carried out in China, also pronounced as the ‘New Normal’, China sees an opportunity for sustaining its domestic economy, on the one hand, and strengthening strategic partnerships with various countries, on the other. So far, more than 65 countries have joined the Chinese initiative. This is understandable because China’s trade volume and investment with the Belt and Road countries, in 2016, exceeded \$3 trillion and \$50 billion respectively (Deepak 2017b). Asia remains the bulwark of Chinese economic engagement, as almost 50% of Chinese exports made their way to various Asian countries.

Most of the ASEAN countries, with whom China has a trade volume of over \$400 billion, though wary of China’s rise, have nonetheless welcomed the idea. So much so that the Philippines, which dragged China to the International Court of Justice over the South China Sea issue, has also leaned towards China against the backdrop of Rodrigo Duterte being elected as the president. As far as South Asia is concerned except India, most of the smaller nations have also welcomed the idea because they perceive the initiative as a great opportunity to comprehensively deepen economic and people-to-people relations. Russia, Central Asia, and many of East European countries have also joined the Chinese bandwagon. It should not be surprising, for China, since 2009, has upstaged Russia in Central Asia (CA) in terms of trade and investment; today, it controls one-third of Kazakhstan’s oil production. China’s downstream investment, especially in refineries in Central Asian Republics (CARs), will further reduce their dependence on Russian-refined fuel, and hence the overall trade. If China has invested over \$60 billion in energy-related projects in the CARs, it has also secured huge energy-security guarantees from Russia, for example, it signed a 30-year (2018–2047), US\$400 billion deal with Russia in

⁶Liu (2015).

⁷Deepak (2016).

May 2014.⁸ Russia, though wary of China's presence in its backyard, nonetheless has collaborated with China in the face of Western sanctions on it led by the US during the Obama regime. It is believed, however, that this equation may change with Trump in the White House. However, at the Trump–Xi summit in April 2017, it appears that both have reached a certain consensus on the issue of North Korea and trade, therefore, one may not witness the kind of turbulence the world speculated in China–US relations when Trump had a telephonic conversation with Tsai Ing-wen, the newly elected leader of Taiwan. Japan and the US, who had been holding out so far, also gave in and participated in the Belt and Road Forum for International Cooperation held 14–15 May 2017 in Beijing, implying that both, while reserving their differences, are not averse to do business with China.

As regards Africa, China is nurturing its relationship from a futuristic perspective, as is evident from Chinese Premier Li Keqiang's visits to Ethiopia, Nigeria, Angola, and Kenya in 2014. During these visits, he underlined that Africa is an important force in the democratization of international relations, the world's fastest growing economic region, and a new pole of global economic growth. A resource-rich Africa already has US\$200 billion annual trade with China, which, the Chinese premier said, would be doubled by the year 2020. China has heavily invested in Africa's energy resources, infrastructure development, telecommunications, and mining sectors. Irrespective of the fact that over a million Chinese have settled in Africa and that China has increasingly been criticized as a neo-colonialist power in Africa, China has been sought more intensely by Africa than anyone else in the entire phase of African history. On 31 May 2017, Kenya opened a US\$4 billion Chinese-built railway, the largest infrastructure project ever undertaken since Kenya's independence.

3 Responses from the Strategic Community

The strategic community has formulated various opinions on the BRI. Shennon Tiezzi, associate editor of the *Diplomat*, and Chen Dingding have drawn parallels between the 'BRI' and 'Marshall Plan', which established the US as a 'bona fide super power' at the end of World War II.⁹ Chinese scholars, including Prof. Ze (2014) of the China Institute of International Studies, however, have denounced Western criticism of the initiative, and have maintained that the policy of 'Three Nos, that is non-interference in the internal affairs of other nations, not seeking the so-called 'spheres of influence', and not striving for hegemony or dominance, equally applies to the "Belt and Road" policy.¹⁰ They argue that the Marshall Plan had a political agenda, which resulted in the formation of NATO and ultimately

⁸Deepak (2013).

⁹Chen (2014).

¹⁰Ze (2014).

lead to the Cold War with the Soviet Union. The initiative indeed is larger than the Marshall Plan as it attempts to encompass the entire world, the economic value of which could reach a whopping US\$21 trillion.¹¹ China's projected investment in the BRI project is expected to reach around US\$1.4 trillion.¹² Will this grandiose concept succeed and realize not only the Chinese dream but the dreams of various other countries and people around the world? Will it sink the poor nations into a Chinese debt trap? Or will it give rise to geostrategic rivalries around the world and a cold or hot war with the sole and declining superpower of the world?

There are various arguments put forth by the analysts as far as the historicity, geo-economics, and geopolitics of the new Silk Road is concerned. As far as the question of claiming the ancient routes of communication is concerned, people have hinted about the 'Sinosphere' and China's imperial 'tributary system.' If the Silk Road has been portrayed as the route of peace and cooperation, nonetheless, there have been instances of mass killings and regime changes, too. For example, it is mentioned in the *Old Tang Annals. Biography of Tian Shengong* 《旧唐书.田神功传》 that, when Tang general Tian Shengong entered Yangzhou, which was controlled by a renegade Liu Zhan, Tian ransacked the city and slaughtered thousands of Persian and other foreign merchants (JTS; Ji 1991: 92).¹³ Similarly, the motive of Admiral Zheng He's voyages between 1404 and 1433 could not have been entirely peaceful. The intention behind these visits, contrary to the Chinese claim that they were peaceful and non-expansionist, has to be studied carefully. While the economic factor was one of the reasons, other factors such as a quest for the missing emperor Huidi, at least during the first voyage, the showcasing of Chinese cultural and military might, and, also rewriting the geopolitical order in Pacific and Indian Ocean were some of the other factors surrounding Zheng He's voyages. Some of the incidents revealing this aspect of Zheng He's maritime explorations include: China's regime change in Annam (Vietnam); extending Chinese tributary system to Siam (Thailand) and Java prior to Zheng He's voyages; the defeat of Palembang (a Srivijaya principality) ruler, Chen Zuyi and his decapitation in Nanjing during the first voyage (Fei 1996, 53),¹⁴ as well as the dethroning of Alagakonara (Fei 1996, 64–65), and taking him all the way to China in 1411 during the third voyage albeit he was released and sent back the next year. Therefore, according to Sen (2014), the portrayal of Zheng He as an agent of peace and friendship is problematic; however, he agrees that China's Silk Road initiatives could boost the economies of those in Asia or Europe willing to claim ancient links.¹⁵ It also must be emphasized that,

¹¹Tiezzi (2014).

¹²"China's US\$1.4 trillion 'One Belt, One Road' set to make bigger impact than US' Marshall Plan to rebuild post-war Europe" South China Morning Post, 8 August 2016. <http://www.scmp.com/news/china/policies-politics/article/2000835/chinas-us14-trillion-one-belt-one-road-extends-beijings>.

¹³JTS [Old Tang Annals]. Biography of Tian Shengong 《旧唐书.田神功传》. Available at http://so.gushiwen.org/guwen/bookv_7570.aspx.

¹⁴Fei 费信. (1996).

¹⁵Sen (2014).

contrary to the Western military expeditions of the eighteenth and nineteenth centuries, Zheng He's voyages were largely peaceful and did not actually claim territories to expand China, despite the fact that Zheng was in a position to do that.

Many view the BRI as China's global rebalancing against the backdrop of the US's 'pivot to Asia' that China believes is essentially devised to contain its rise. Others have interpreted it as a re-globalization in the wake of the financial woes of the West and the latter's increasingly protectionist tendencies of late. Brexit in the UK and the triumphalism of Donald Trump in the US are some of the indicators in which direction the wind is blowing in the Western camp. We have witnessed that China immensely benefitted from the deep globalization of the 1990s and 2000s, thus lifting millions of people from poverty. Various countries, including India, have initiated their own connectivity initiatives, inside and beyond their borders. For example, ever since Prime Minister Modi ascended to power, he has initiated a series of projects, such as 'Make in India', 'Digital India', 'Start Up India', 'Sagarmala', and 'Bharatmala', 'Act East Policy', Mekong-Ganga Cooperation, International North-South Transportation Corridor, etc., with global ramifications. Can India and China align their respective processes and create a new global economic ecosystem with deeper economic and political stakes? Or, should we encourage building spheres of exclusive interests? Should not we move away from the Westphalian paradigm of security? Shouldn't we argue in favor of "security with" as opposed to "security against" the adversary? Should we build a common economic, cultural, and security community in Asia as proposed by the Chinese president?

3.1 India's Responses

As far as the BRI and India is concerned, India has been part of the initiative through its signing of the BCIM in 2013, an important corridor linking the overland and sea routes. India is the founding member of the AIIB and the NDB, which have been announced as important financiers of the BRI projects. However, India has been lukewarm, primarily because it was not consulted by China prior to declaring the BCIM as a part of the BRI and initiating projects like the CPEC. In this development, India holds that China has cared little for its territorial sensitivities, even though the economic corridor runs through the disputed territory claimed by India. Chinese scholars and the diplomats are of the view that India's connectivity and investment projects are in sync with the BRI, however, since India looks at the Chinese initiative through the prism of geopolitics, therefore, its connotations becomes entirely different.¹⁶ Indeed, India's silence, which has been gradually

¹⁶Lin (2017).

broken of late, arises out of its security dilemma over land as well as sea, together with the issues related to sovereignty as spelled out by India's foreign secretary S. Jaishankar on the sidelines of recently restructured India–China strategic dialogue. Jaishankar (2017) wrote: “The fact that China Pakistan Economic Corridor (CPEC) is part of this particular initiative, CPEC violates Indian sovereignty because it runs through Pakistan-occupied Kashmir (PoK).”¹⁷

India is also wary of the prospective Trans-Himalayan Economic Zone of Cooperation with Nepal and Bhutan and China's courting of its smaller neighbors in the vicinity. India has been slow at operationalizing the BCIM as well, for it fears China's interference in the insurgency-infested northeastern region of India. Is New Delhi ready to forgo its sensitivities in the Northeast in turn for economic development of the region? Can the massive trade between China-ASEAN and India-ASEAN percolate to northeast India and northwest China? The answer to all these questions is yes, provided we start looking at boundaries as gateways rather than as barriers.

As regards the issue of sovereignty, the constructivists uphold that India must draw lessons from other nations as far as the issue of sovereignty is concerned. They have pointed to an agreement between Russia and Japan as regards economic cooperation in the disputed Kuril Islands. The agreement was reached in November 2016, during Russian President Putin's Japan visit. “The agreement sets out the beginning of bilateral consultations for collaboration in fishing and other forms of marine agriculture, tourism, ecology and other matters on the archipelago,” according to the EBL News (2017).¹⁸ As regards the BCIM, the constructivists posit that the cooperation will essentially alleviate poverty in the landlocked region and give a fillip to the ‘Act East Policy’ of India and aggressively engage it with the ASEAN and China's southwest region. Moreover, they also argue that, since India has stakes in Afghanistan, Iran and Central Asia, joining or negotiating various nodes of connectivity with the CPEC to these regions should be explored.

In the same vein, India and China could think of developing similar corridors along the northwest regions of China, primarily Xinjiang and Tibet, with India's Jammu and Kashmir, and the plains of Bihar and Uttar Pradesh intersecting Nepal. The BRI Action Plan defines Xinjiang as a core area both politically and geographically. China considers Xinjiang as a ‘window to the west and Central, South and West Asia’. Both medium- and long-term goals have been in place to realize the BRI. The medium-term goals are aimed at completing railway and road connectivity between China and Pakistan within 5–10 years, whereas the long-term goals are set to be achieved by the year 2049; these goals are Three Channels, Three Bases, and Five Centres in Xinjiang. Three Channels include North-Central-Southern Channels; Three Bases comprise oil and gas, coal, and wind-power bases; and Five Centres are

¹⁷Jaishankar (2017).

¹⁸“Russia, Japan agree to economic cooperation on disputed Kuril Islands” EBL News 31 March 2017. <https://eblnews.com/news/world/russia-japan-agree-economic-cooperation-disputed-kuril-islands-48563>.

finance, healthcare, logistics, culture, and education etc. Will these channels and bases heighten the existing rivalry in the India, China, and Pakistan triangle or pave the way for soft borders and reconciliations? Could India's Gwadar dilemma be rendered irrelevant by extending some of the nodes from the CPEC into the Chinese investment in Gujarat? Will the idea of a Trans-Himalayan railway cutting across Nepal and connecting India's prospective line in Nepal become another battleground for competition and rivalry? These are some of the questions that will determine the future course of India–China relations.

The 21st Century Maritime Silk Route (MSR) has also been viewed with much scepticism in India. India's response so far has been to deepen maritime partnerships with the US, Japan, Vietnam, Australia, etc. on the one hand and a layered engagement with the ASEAN on the other. Trump's ascendancy to power, visible fissures in the US–Europe alliance, and apprehensions about the US security umbrella with in US's Asia-Pacific allies have made the possibility of a loose alliance amongst these countries more realistic. Nevertheless this will also depend on China's malevolent or benevolent engagement with these countries. Besides, there are new initiatives such as 'Project Mausam' initiated by the Ministry of Culture in tandem with the Archaeological Society of India (ASI) as the nodal agency and the Indira Gandhi National Centre for the Arts (IGNCA), both in New Delhi, as its Research Unit. Since the area covered under the project extends throughout East Africa, the Arabian Peninsula, the Indian subcontinent, Sri Lanka, and Southeast Asia, and has been termed as the Indian Ocean "world", analysts and the media have considered it as India's response to China's MSR. In fact, this is so noticeable that Chinese scholars have termed it as a "threatening and competing" initiative that will pose a major challenge for China's Belt and Road plans, and the competing initiatives could turn into a major tussle between the world's two biggest rising powers."¹⁹ However, there are other narratives in China, for example, ambassador Le Yucheng holds that "Belt and Road initiatives can also be docked to India's 'Spice Route', 'Act East Policy, and 'Mausam' projects, thus forming a new starting point and a new bright spot in China–India cooperation."²⁰ I believe, 'Mausam' is a pure cultural construct and doesn't pose any challenge whatsoever to the BRI. Even if the 'project' sounds ambitious, the kind of economic muscle that is required to materialize it simply does not exist. Contrary to this 'project', the ambitious 'Sagarmala' by way of which India desires to lay a network of deep-sea ports, rails, roads, smart cities, industrial parks, and hi-speed railways along the east and west coasts of India is the area where Indian and Chinese initiative could be aligned.

¹⁹WCT (Want China Times) (2015).

²⁰DH (Daccan Herald) (2015).

4 India's Options

Should security analysts and skeptics see these initiatives as part of 'strategic encirclement' of India? It would be unfortunate if India remains outside the value chain of such an initiative; however, it may decide for itself what kind of project it could carry out with China on a case-to-case basis. These could form a realm of a variety of infrastructure-related projects including energy, transport, power, e-commerce, and projects that integrate investment and trade. Perhaps, China will also frame its own responses and priorities towards countries along the Belt and Road. For example, it will likely assume different strategy when dealing with smaller- and medium-sized countries, with the conflicting parties in the South China Sea, 'pivot' countries like Pakistan, and large countries like India. Secondly, as India faces uncertainties, as well as opportunities, it must capitalize on the invaluable geopolitical strategic space it has in the Indo-Pacific. If the US is attempting to offset China's geopolitical pull by way of India confronting China or in tandem with the US and its allies on the sea and land, it would be disastrous for all the stakeholders. From an Indian point of view, if the US is looking for a strong economic partnership with India, the case is similar for India's economic engagement with China and the US alike. It would be naïve to say that the US would dump its interests in China for India. Imagine the US\$529-billion trade between China and the US, and compare it with India's trade with China and the US combined! Therefore, if at all India would like to be is a so-called 'swing power' between China and the US, it ought to be a swing power as far as cooperation and healthy competition and India's national interests are concerned, not the confrontation and conflict, which is neither in India's interest nor in the interest of China and the US.

5 Conclusion

It appears that, if grandiose initiatives such as Asia Infrastructural Development Bank (AIDB), Silk Road Fund, MSR and most recent Free Trade Area of the Asia Pacific (FTAAP) have put China at the centre of the global geopolitics and geo-economics, they have forced the US to scramble for a leadership role at least in the region, if not the globe; the same have challenged the US hegemony in the region, including the US notions of 'pivot to Asia' and Trans Pacific Partnership. Though there are strategic temptations to fall into the Thucydides' trap, however, China has consciously avoided the trap so far by advocating the 'peaceful rise' which was modified into 'peaceful development' in 2006, and more recently the notion of a 'new type of major power relationship' that seeks 'mutual respect, no conflict and mutual benefits.' So far, the US has remained reluctant to endorse the

Chinese notion, but it remains to be seen if the US would also be able to avoid the Thucydides trap.²¹

Finally, the BRI is indeed an instrument by way of which China is initiating a global rebalancing, civilizational rebalancing, and globalization 2.0. The aims and goals of the BRI have been defined in various ways by the strategic community and economists. Many have also cast doubt about the success of the strategy, for the risks—political, economic, security, legal, and moral—are huge, given the geographic and security boundary of the BRI. Some of the Chinese projects in Asia and Africa have faced hurdles, and many countries are heading into the Chinese debt trap. Conversely, if successful, China through the BRI will indeed alter the existing regional and global political architecture and pose a big challenge to the established hegemon. It remains to be seen how India approaches both camps, because for now it is out of the ambit of the US, as well as the Chinese initiatives. The Chinese have realized that the US would not be supportive of Beijing's renewed drive as it was during the formative years of reforms and open-door policy in the late 1970s. The US sees China as the only potentially qualified rival to its own hegemony. China also believes that, if there are any countries that restrict China's maritime ambitions, these are the US, Japan, and India.²² Under such circumstances, will India maintain its strategic autonomy or lean to one side? The choice would be difficult to make.

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²¹Deepak (2017b).

²²Zhang (2009).

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Part I
Civilizational Moorings