

# One Belt One Road: A Strategic Challenge

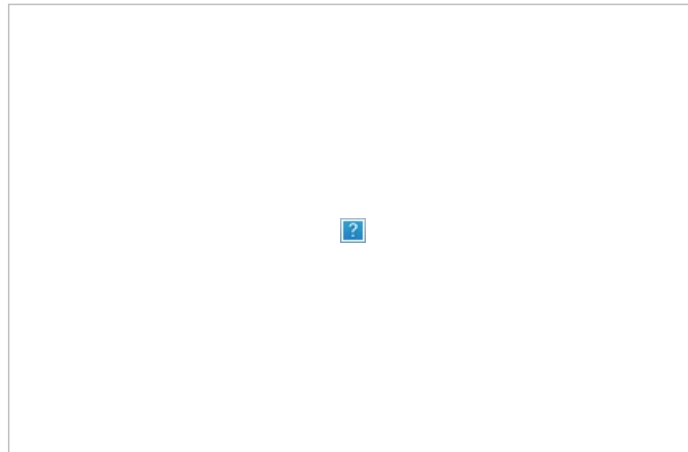
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## Introduction

The origin of the “One Belt and One road” initiative dates back to September 2013, when Chinese President Mr Xi Jinping during his visit to Kazakhstan and Indonesia, invited the countries to join the Silk Road Economic Belt (SREB)<sup>1</sup> and the 21st century Maritime Silk Road (MSR) respectively.<sup>2</sup> Together, they form the “One Belt and One road” (OBOR) initiative, which has been touted as an economic initiative presenting a win-win situation for all the countries participating in it. Undoubtedly, a land and maritime silk route stretching across the heartland of Eurasia and the rimland of the Indian and Pacific ocean will facilitate trade and provide impetus to economy but it will also provide China with an unprecedented foothold in these areas, making it a big stakeholder in the affairs of management of sea lanes of communication (SLOCs), provide it with a springboard to exert influence across the Asian, African and Eurasian continents. Hence, the OBOR presents both an economic opportunity and a strategic challenge of unprecedented proportions to countries like India. This article explores the geostrategic dimensions of the OBOR initiative, highlights the Indian concerns and provides policy recommendations on the same.

## OBOR Initiative

Please refer to Map 1. The initiative as mentioned earlier comprises of the land based SREB and the MSR. According to the available data the SREB will begin in Xi'an in central China pass through Lanzhou (Gansu province), Urumqi (Xinjiang), and Khorgas (Xinjiang) to the West near Kazakhstan. Thereafter, run southwest from Central Asia to Northern Iran before swinging to West through Iraq, Syria, and Turkey. From Istanbul, the Silk Road crosses the Bosphorus Strait and heads northwest through Europe, including Bulgaria, Romania, the Czech Republic and Germany. Reaching Duisburg in Germany, it swings North to Rotterdam in the Netherlands. From Rotterdam, the path runs to the South to Venice, Italy — where it meets up with the MSR.<sup>3</sup>



A recently published vision document by Chinese Government identifies specific gateways that will connect China with other Silk Road economies, like Xinjiang province for connecting Central, South and West Asian countries including Pakistan. Similarly, China's Heilongjiang will become the gateway for Mongolia and Russia's Far East. Eurasian high-speed transport corridor linking Beijing with Moscow will also be developed through the area. China also plans to leverage Tibet's geographic location for extending a Silk Road node to Nepal. Two areas in southwest China : Guangxi Zhuang Autonomous Region and the Yunnan province will be used to establish links with the Association of South East Asian Nations (ASEAN). Yunnan, which borders Vietnam, Laos and Myanmar will connect with the Greater Mekong sub-region, and serve as a pivot to link China with South and South East Asia. Yunnan's provincial capital, Kunming, is the end-point of the proposed Bangladesh-China-India-Myanmar (BCIM) economic corridor, which starts in Kolkata.<sup>4</sup> Thus, the SREB will comprise the main artery and a number of hubs and spoke networks connecting the hubs or gateways to other areas of economic interest. The document also mentions developing of China-Mongolia-Russia, China-Central Asia-West Asia and China-Indochina Peninsula economic corridors.<sup>5</sup> However, the details of the same have not been elaborated upon.

The MSR will stretch from the western Pacific to the Baltic Sea beginning in Quanzhou in Fujian province then connecting Guangzhou (Guangdong province), Beihai (Guangxi), and Haikou (Hainan) before heading south to the Malacca Strait. From Kuala Lumpur, the MSR heads to Kolkata in India then crosses the rest of the Indian Ocean to Nairobi, Kenya. From Nairobi, the MSR goes North around the Horn of Africa and moves through the Red Sea into the Mediterranean, with a stop in Athens before meeting the land-based Silk Road in Venice (Italy).<sup>6</sup> The vision document published by the Chinese Government also visualises a route from China's coast through the South China Sea to the South Pacific.<sup>7</sup>

## Geostrategic Dimensions of OBOR

### Overt Objectives

The OBOR has been overtly touted as an economic initiative with potential to bring unprecedented economic growth to the participating nations. It will also provide means to achieve the security of SLOCs and help mitigate security concerns. The integration of all existing cooperation in the neighbourhood and the region will create trade networks, boost economic activity and productivity through infrastructural linkages like port facilities and development of

continental arteries.<sup>8</sup> This will provide accessibility to the China's hinterland and allow it to capitalise on vast manufacturing infrastructure that it has created. China has also created a 10 billion Yuan fund (\$ 1.6 billion) for neighbouring countries which are part of MSR and has plans to create a \$16.3 billion fund to build and expand railways, roads and pipelines in Chinese provinces that are part of SREB.<sup>9</sup> It also plans to promote policies that encourage Chinese banks to lend money to other countries along the planned route. This is in addition to the funds which it has already committed (Sri Lanka - \$1.4 billion for developing port infrastructure; Central Asia - \$50 billion for infrastructure and energy deals; Afghanistan -\$327 million). With the establishment of China's new Asian Infrastructure Investment Bank (AIIB) more money is likely to flow into the region to shore up infrastructure capabilities. Thus, the idea is not just to create an economic trade route but also increase its political influence by creating a community with "common interests, dependencies and responsibilities."<sup>10</sup>

## **Covert Intentions**

An analysis of OBOR reveals a deeper strategy, a strategy which has the ingredients to turn the 21st century as the Chinese century. The strategy once implemented has the potential to establish China as the predominant maritime power in Asia-Pacific, apart from a continental power with political and economic influence across Eurasia. It would provide China an uninterrupted access to the various ports which are part of the project along the SLOCs through which its energy and other resources flow and at the same time reduce the concerns of the 'Malacca dilemma'.<sup>11</sup> Thus the project has the potential to bind the participating nations in a collective security framework. The economic potential of the project will attract many countries which are not part of the framework to join it, while China will take the centre stage with its economic might and investments. The initiative has the potential to further tilt the skewed balance of power in Asia in favour of China and establish her as the predominant power in the Asia-Pacific. To that extent, it is indeed a response to the US strategic rebalance to Asia.<sup>12</sup>

In India the echoes of Booz Hamilton's 'String of Pearls' theory are becoming louder.<sup>13</sup> As the scope of the project is yet to be defined, the gamut of security concerns it will bring about are still being debated. The fact that it was initially proposed specifically in relation to ASEAN and later extended to Sri Lanka (February 2014)<sup>14</sup> and Maldives ( Signed a Memorandum of Understanding (MOU) with China to join the MSR in December 2014)<sup>15</sup> while the initial maps did not include Gwadar (Pakistan) and Hambantota (Sri Lanka), all point to a plan which is still unfolding. Hence, it can be argued that MSR is a manifestation of the 'String of Pearls' strategy albeit with a different name serving the same purpose. In the same vein the 'String of Pearls' may manifest in terms of access to ports and bases for People's Liberation of Army Navy (PLAN) for logistic support like refuelling etc. rather than having permanent bases as envisaged by Hamilton.

Militarily, the MSR initiative is part of its attempt to breakout of its maritime isolation, constrained by the US led alliance domination of the first and second island chains, which have effectively restricted Chinese maritime space.<sup>16</sup> The implementation of the initiative would be in sync with the PLAN programme of expansion which might make it one-third larger than the US Navy by 2020. The development of the carrier groups which is likely to be increased to four by 2020 with their likely area of operations in Indian Ocean Region (IOR) will also facilitate PLAN to play larger role in security of MSR operations, thereby facilitating the PLAN to secure a foothold in the IOR.<sup>17</sup>

As China uses its economic strength to secure foreign policy goals, the OBOR initiative has also been compared to the 'Marshall Plan' enacted by the US after World War II. The US implemented the plan to establish itself as a bona fide super power; Beijing is also betting its twin Silk Roads can do the same.<sup>18</sup>

## **India's Concerns**

The sheer magnitude of the project itself is overwhelming. As the project unfolds the participating countries would be intertwined with each other in more complex ways than can be imagined at present in terms of trade agreements, visa regimes, logistics agreements, customs regulations etc. to facilitate trade and business. The OBOR initiative has the potential to drive affected nations to enter into agreements with each other to derive economic benefits, thereby pushing countries more closely into the Chinese fold. Needless to say, China with its investments in the OBOR will hold the centre stage in the geo-economics. The integration of all the existing cooperation with neighbouring and regional countries will result in a group of polarised nations which are economically interdependent, share the common trade and security concerns, look up to China to be the common arbiter thereby; creating a regional and international geo-economic, geopolitical and collective security framework. This may result in reduced Indian influence in the subcontinent and effectively restrict Indian importance to its periphery.<sup>19</sup>

Though Chinese analysts have been insisting that OBOR is a geo-economical initiative and not a geopolitical one, India has all the reasons to be sceptical. The impact of infrastructure development of the magnitude as envisaged in the OBOR initiative has increased the fear of being encircled by China, physically and geo-politically.<sup>20</sup> The possible manifestation of the 'String of Pearls' has already been delved upon earlier in the article. Even if the China does not have a 'String of Pearls' strategy, the project will undoubtedly facilitate the Chinese to establish a foothold in the Indian Ocean thereby contesting India's position as the security provider to countries in the region.<sup>21</sup>

The project also has military implications for India; the unresolved border dispute with China and the trust deficit which exists after the 1962 War between the two countries further complicate the issue in India's neighbourhood. India is also wary of growing Sino-Pak nexus. Pakistan and China are already in the process of developing the Karakoram Highway which forms part of the Xinjiang Gateway. India also has unresolved border issues with Nepal, Myanmar, Bangladesh. thus the initiative has the potential to further complicate the resolution of outstanding border issues between India and its neighbours, if part of the project is implemented through the disputed areas. The possibility of the infrastructure created under the initiative to be used in case of a military conflict by Indian adversaries is also a matter of concern.

## **Recommendations**

As China engages regional powers and India's neighbours proactively to prepare the groundwork for implementation of OBOR, India finds itself in a dilemma to cooperate or compete. Cooperation as mentioned earlier will entail a long term geopolitical price and India by itself may not be in a position to compete. Hence, India must engage multilaterally to safeguard its interests in the IOR and Asia-Pacific. The broad Indian strategy must aim at safeguarding Indian interests in immediate areas of interest in the short term to mid-term. India must deepen its relations through economic, diplomatic and military cooperation with important countries along the IOR to include Sri Lanka, Maldives, Iran, Mauritius, Seychelles, Madagascar and countries in the African continent and, South Asian countries like Nepal, Bhutan, Myanmar and Bangladesh.

The Project 'Mausam' and India's 'Spice Route' projects are steps in the right direction.<sup>22</sup> However, the scope of both should be restricted to immediate area of interest to ensure a focussed and sustained effort. India must strengthen the multilateral framework by drawing on its Strategic Partnership with the USA and, its deepening ties with Japan and Vietnam to ensure freedom of navigation and prevent domination of the IOR and Asia-Pacific by a single country. This will help India to safeguard its national interests while maintaining its strategic autonomy. India must also strengthen the existing mechanisms of Indian Ocean Rim Association (IORA) and South Asian Association for Regional Cooperation (SAARC) to implement 'Project Mausam' and the 'Spice Route' initiative.

India should be more proactive to resolve all its outstanding border and maritime issues in an earlier timeframe with its neighbouring countries, as without their resolution it will be difficult for India to win their complete trust in the implementation of the aforementioned projects. This will go a long way in bringing down the geopolitical concerns of its neighbours who look up to India for support. In South Asia, where most countries have suffered from colonialism, countries are more likely to be influenced by geopolitical considerations than geo-economical ones in their major policy decisions. Hence, resolution of border disputes and unresolved border issues will play an important role in the success of such initiatives in the region.

## Conclusion

Since 2002, China's leaders have described the initial two decades of the 21st century as a 'period of strategic opportunity', a period during which the international conditions are conducive for growth of Comprehensive National Power. China's leaders have also routinely emphasised the goal of reaching critical economic and military benchmarks by 2020. These include successfully restructuring the economy, promoting internal stability, military modernisation in order to attain the capability to fight and win potential regional conflicts, protection of SLOCs, defence of territorial claims in the South China Sea and East China Sea, and defence of western borders.<sup>23</sup> Undoubtedly, China's OBOR initiative will go a long way towards meeting many of these objectives. However, the geopolitical concerns of the countries are likely to be the biggest impediment towards achieving the full potential of the initiative. The unprecedented scale of the project gives rise to associated geopolitical insecurities which may prevent wholehearted participation from at least some of the countries. Thus, geo-economics may initially prompt the countries to join the OBOR initiative; however, geopolitics may prevent it from achieving its full potential. Add to it, China's recent aggressiveness in dealing with disputes in South China Sea<sup>24</sup> and coercive economic practices<sup>25</sup> the challenge presented is indeed a grand one, not just for India but for other regional powers too. Timely implementation of 'Project Mausam' and the 'Ancient Spice Route' along with multilateral cooperation with other regional powers offers a way out for India to safeguard its national interests in the IOR and Asia-Pacific.

## Endnotes

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