

Impact of China on India's Act East policy

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1.1 Introduction

Asia is a geo-strategically significant region of the world that requires enormous infrastructural development and growth today. There is huge prospect and opportunity for cross-border collaborations and co-operation which can be beneficially leveraged for the region's growth and requirements. "China's emergence as a regional strategic and economic actor has reshaped the prospects for connectivity in Asia. Beijing has demonstrated a newfound sense of political will to undertake regional connectivity initiatives, supported by the country's surplus capital, a shift that has changed the security environment in India's neighborhood" (Baruah, 2018, p-2). Both India and China are in constant competition to maintain and establish its prominence in Asia-Pacific or rather Indo-Pacific region. However, China's increasing and successful friendship and collaboration with India's neighboring countries has made New Delhi unrest and unease at the present time. For many decades China has undertaken strong commercial and connectivity initiatives to further her strategic ambitions and these initiatives are viewed by India with high degree of suspicion. The objective of this article is to study various projects and initiatives undertaken by China and its impact on India's Act East Policy. Chinese governmental policies have affected many major national interest of India. Firstly, the interests of India's Act East Policy is undermined and challenged by China's Belt and Road Initiative. Secondly, China's South Asia policy has challenged India's dominion and hegemonic position in South Asia. Thirdly, India's ambitious Act East policy is disturbed by China's BRI related activities around Indian Ocean region. India is continuously distracted by happenings around Indian Ocean Region and South Asian region forcing her to give more attention there than in South-East Asia. Fourthly, China's Belt and Road related activities have threatened India's long desire and dream of dominating the Indian Ocean Region. And finally India's dream of becoming a major world power has no doubt been affected due to China's rise.

Keywords: India, China, GDP, Economy, Policy

1.2 Belt and Road Initiative

Many a time history has shown that connectivity of nations leads to prosperity of nations. A well known Chinese proverb says, "If you want to get rich, build a road first." In the last 30 years or so, China have invested heavily on infrastructures particularly connectivity related such as road, railways, naval ports etc to power up the GDP growth. "No national project of global reach carries as much stake and attracts as much attention as China's BRI. Conceived in 2013, BRI is the colossal brainchild of President Xi Jinping and his government.

The Belt and Road is an ambitious proposal by Chinese government to revive the historic ancient 'Silk Road' that had served as a lifeline and a major connectivity path for cultural interactions and exchange, transportation of goods and services etc across Eurasia. It is understood that the ultimate goal of BRI is to integrate all countries on the Eurasian landmass, thus connecting the regions of South Asia, Central Asia, South-East Asia, Middle East, East Africa and Europe. The largest international co-operation platform in the form of Belt and Road that covers over 65 countries which is about 60% of the global population, reaching nearly a third of global GDP and global merchandise trade, and 75% of energy reserves, the Belt and Road Initiative is no doubt the most ambitious example of global economic and commercial architecture in the twenty-first century. Under BRI China has created six corridors such as, The New Eurasia Land Bridge Economic Corridor, The China-Mongolia-Russia Economic Corridor, China-Central Asia-West Asia Economic Corridor,

China-Indochina Peninsula Economic Corridor, China-Pakistan Economic Corridor and Bangladesh-China-India-Myanmar Economic Corridor.

The Belt and Road will provide linkage connecting the above mentioned regions and their potential markets providing them a win-win atmosphere full of opportunities to all the participants. “China seeks to increase its exports, energy supply, and construction material including cement and steel to create economic dependency for consolidating its regional leadership.” China has come to perform a vital role in the form of capital and loan guarantor to the infrastructure deficit countries of Asia and this has definitely improved China’s image as a major power in the region. This has on the other hand affected India’s bilateral relationship with neighboring countries.

India disappointed China by staying away from this initiative. India deeply regrets and there is mounting suspicion about China’s apparent geo-strategic intention that is very likely to be facilitated through Belt and Road program. India criticizes the formation of BRI by China without consultation with other countries though the officials of China tries to project BRI as having duly consulted with other countries and thus maintains that it is a shared initiative. Membership of India is crucial in any policy initiative due to various factors like its geo-strategic location, population and size, her status as an emerging and potential power etc. China knows and has time and again acknowledged the significant geo-strategic location of India as the focal point at the landed Silk Road and Maritime Silk Road intersection for connectivity purpose and rightly thinks that India’s participation can facilitate in boosting the initiative. India is upset at both Continental Road and Sea Corridor undertakings as affects India’s strategic interest. The Belt and Road program has led to intensification of Indo-China competition in the sub-continent and in the Indian Ocean Region. The rationale behind India’s objection to what is known as the world’s most ambitious connectivity initiative may be many. But there are some obvious and immediate factors that need serious consideration. Darshana M. Baruah, in her article, India’s Answer to the Belt and Road: A Road Map for South Asia, 2018, has rightly highlighted four crucial corridors The China Pakistan Economic Corridor, the Bangladesh China India Myanmar Economic Corridor, the Trans-Himalayan Economic Corridor and the Maritime Silk Road as the chief source of India’s concern. These corridors are seen as basic pillars for the success of China’s Belt and Road program and hence China is actively engaged in these corridors infrastructural and developmental activities much to the distress of India as these activities undermine India’s strategic interest. These corridors run close to India’s border both maritime and continental altering and affecting India’s security interest and strategic environment. From the South Asian perspective at least, the China Pakistan Economic Corridor (CPEC) an over US \$ 60 billion project has emerged as the most visible undertaking of the Belt and Road network. This economic corridor begins at Kashgar in China’s Xinjiang province and ends in the port of Gwadar in Pakistan’s Balochistan. Infrastructures in the form of highways, roads, railways, pipelines, ports, and IT parks etc have been build along this corridor. One of the focal points of the project is the development of the port of Gwadar, enabling the movement of Chinese goods from its Western provinces to the Arabian Sea connecting to the Indian Ocean. According to Darshana M. Baruah and C. Raja Mohan, India’s negative response to CPEC is shaped by three important concerns: territorial sovereignty, security, and the deepening China-Pakistan strategic partnership. Delhi’s territorial disputes with both Islamabad and Beijing have endured for decades. In the 1970s, India had objected to the construction of the Karakoram Highway through Pakistan-occupied Kashmir. China’s recent initiatives, including the CPEC, have led Delhi to restate those concerns.

Chinese experts have come up with certain arguments and one such argument explains that India is worried that the influence of China through BRI would undermine India’s hitherto ‘hegemony’ status in South Asian region. The fact that India is the most influential country and the leader among South Asian countries and the effort of China to connect and improve relationship with South Asian countries has left India worried. Second argument is in regard to Indian Ocean and that India always wanted to maintain Indian Ocean Region (IOR) safe and secure from outside forces. She has been successfully maintaining her sphere of influence in the region and wishes to improve her dominion position around the IOR. The IOR is perhaps the most vital life-line for India. The rise and fall of

India would to a huge extent depend on the maritime environment around the IOR. Historically, India has never successfully handled or defended any major maritime threats or challenges around IOR. India has learnt through experience that maintaining a dominion position in IOR is a key to India's rising power. KM Panikkar once remarked, "Whoever controls the Indian Ocean controls India." India's sad historical experience of maritime affairs and the losses associated with it has made her extremely sensitive to any security issue around IOR. This painful historical memories, "lead India to misinterpret or exaggerate threats from the sea." Since independence, India has treated the Indian Ocean as its 'back-yard'." For India the prospect of gaining strategic influence is high in IOR. Former Prime Minister of India Man Mohan Singh once mentioned Indian Ocean as 'India's strategic circle'. Indian Ocean is equally important for China considering its deep overseas trade and commercial relationship with outside world such as Africa, Europe and the Middle East as China uses Indian Ocean for this trade and commerce. It is learnt that 80% of Oil is imported by China through Strait of Malacca as such Indian Ocean is crucial for China. The interest of both India and China in IOR is significant and therefore it is imperative that they should construct good relation with IOR countries. However, China's increasing assertiveness in IOR and India's opposition of China as equal partner and beneficiary of Indian Ocean has made the situation more tense and volatile. India regards China as an outsider trying to gain strategic access and interest in Indian Ocean. India continues to maintain 'Exclusivity' concept in regard to IOR, meaning, she regards Indian Ocean as India's exclusive region and as India's owned. India's firm stand on IOR has undermined Chinese feeling and this opposition on the part of India has affected BRI as many of China's sponsored projects in Bangladesh, Sri Lanka and Maldives are yet to give a good start. Recent development shows that China is successful through BRI in winning the trust of South Asian countries and other countries around the IOR and majority of these countries have welcomed and expressed appreciation of BRI. India is therefore, deeply concerned by this development and has an increasing doubt and fear that China's improving relationship with these countries will eventually dilute India's hitherto dominion position in South Asia and in IOR. India knows that China is capable and can win the hearts of Indian Ocean countries and according to India; China will surely leverage these ties to enhance its maritime mission. Thus, India has deep fear that China's improved relationship with South Asian and Indian Ocean countries will produce negative impact on India's hitherto important position in these regions and will eventually dilute her image. India views the BRI of China from 'threat' perspective and not 'opportunity' perspective. India is alarmed and worried that China is encircling India through land as well as sea corridors and she ultimately sees her future positioned in a very disadvantaged manner if China is allowed to make its BRI way. India has reason to worry because the BRI's framework and success demands that China must help establish ports and other maritime infrastructures in participant countries from Indian Ocean Region and South Asia and the need to protect those infrastructures will require Chinese military presence in those ports.

China has in recent years deepened its engagement with India's immediate neighbors and these corridors are the reason for such close relationship. The influence and power dynamics of India in this region are affected as China continues to influence neighboring countries of India with her policy of aid and providing high financing system. "A primary concern for New Delhi is that Beijing will use its economic presence in the region to advance its strategic interest" (Baruah, 2018, p-3). Any success or failure of China's policy, India will eventually be among the first to be affected due to its close proximity. New Delhi is particularly worried and is against China's sponsored Belt and Road Initiative as the project may affect India's sovereignty and legal claim on certain disputed border areas with China and Pakistan. Joining Belt and Road project may necessitate India to accept certain direction from China, the creator of this initiative. India also fear that the success of Belt and Road may eventually allow China enjoy greater geo-political influence in the region and this situation will surely be used by China to owe and influence India's neighboring countries for its own strategic interest against India. The Ministry of External Affairs maintains that, "Connectivity initiatives must be based on universally recognized international norms, good governance, rule of law, openness, transparency and equality. Connectivity initiatives must follow principles of financial responsibility

to avoid projects that would create unsustainable debt burden for communities; balanced ecological and environmental protection and preservation standards; transparent assessment of project costs; and skill and technology transfer to help long term running and maintenance of the assets created by local communities. Connectivity projects must be pursued in a manner that respects sovereignty and territorial integrity". India is extremely concerned that the Chinese sponsored Belt and Road program go against principles such as good governance, transparency and rule of law besides other serious issues such as the dangerous policy of debt trap and the environmental issue. Time and again India call on other nations in the region to respect and adhere to transparency, responsible debt financing system, respect for sovereignty and integrity, good governance, rule of law and the need to protect environment. Territorial integrity and peaceful co-existence is suppose to be the guiding principle of Indo-China relationship as reflected in 'Panchsheel' doctrine but it has been argued by Indian government that China has in many instances demonstrated disregard to territorial integrity. Particularly in connection to China Pakistan Economic Corridor (CPEC) that pass deep through disputed Kashmir territory which is a clear violation of both territorial sovereignty and peaceful co-existence. The fact that even after bloody Sino-Indian war of 1962, China continue to claim Ladakh and Arunachal Pradesh and therefore any infrastructure developmental activity undertaken by China around these regions is viewed by India with high degree of suspicion and mistrust. Both India and China must in theory as well as in practice respect and appreciate territorial sovereignty and peaceful co-existence. To add to strategic advantage of China, Beijing has significantly expanded and improved its relation with India's immediate neighbors like Bangladesh, Nepal, Myanmar, Sri Lanka and Maldives through continental and maritime routes. In context of South Asia, it cannot be denied that since independence India has successfully maintained a very influential figure in the region and many Indian scholars has even accredited India as central to South Asia. Belt and Road policy of China requires construction of co-operative partners for successful trade and commerce and India is restive and deeply worried as she fears that through Belt and Road Initiative China will certainly develop and improve closer relationship with South Asian countries. China has ability to maneuver South Asian countries to its advantage and India is upset that China will be seen as better India in the region. This amicable relationship between China and South Asian countries will dilute India image as the most responsible power of South Asia which India does not want to let it happen. For instance projects such as China Pakistan Economic Corridor and Gwadar port, Lhasa-Nepal railway etc just to mention two are some initiatives that are in progress much against the dissatisfaction of India. Chinese policy makers argue that since 2014 after the BJP government, India has changed her foreign policy and that she will strive to continue to maintain a central figure within South Asia and Indian Ocean Region. India also has aim to achieve central position in Asia and ultimately seek global centrality. With this ambitious agenda in store, whatever initiative India takes China will be its chief competitor in future (Thaliyakkattil, 2019).

1.3 Maritime Silk Road

Part of Belt and Road Initiative comprise of Maritime Silk Road covering a vast network of sea connectivity initiative. The MSR initiative is most significant for India and China as their respective strategic interest lies here. Being a part of Belt and Road program, the Maritime Silk Road project started in 2013 by President Xi Jinping with an earnest desire to revive the ancient sea route and to strengthen Chinese maritime relation with neighboring countries particularly the Association of South-East Asian Nations (ASEAN). This crucial ancient sea route has been the historical and cultural linkage that China enjoyed with other coastal countries in the past. Besides the strengthening of connectivity with neighboring maritime countries, recently, the scope of Maritime Silk Road has expanded to integrate more potential coastal countries of Europe, Africa and the Indian Ocean Region. Although, initially the tension and competition between India and China was not much at sea as compared to those land based connectivity, yet things have started to take a different shape in recent times. India is worried to see that China has intensified its engagement in sea connectivity related developmental works around Indian Ocean Region. There is a great amount of fear and

distrust by India that China might in the near future strengthen its maritime activity and make its way deep inside Indian Ocean creating a strong foothold capable of challenging and altering India's advantageous position in the region. At the present situation, China's maritime activity has not reached that alarming level for India and other coastal countries of Asia but it cannot be denied that China has in mind the potential of Indian Ocean Region and the feasibility of Beijing domination this region in near future. The military diplomacy of China is in favor of building amicable political relations with coastal countries of the region. The increasing assertiveness of China in Indian Ocean Region, close relation with coastal countries and providing unparallel investment opportunities in the region, targeting of significant geo-strategically located ports etc by China convinced India that Beijing is constructing infrastructures in the Indian Ocean Region for its own strategic interest such as Djibouti in Horn of Africa, the port of Hambantota in Sri Lanka, port of Gwadar in Pakistan and its strategic interests in Maldives and Mauritius etc may be seen as start up initiatives to make China a great naval power in Asia. No doubt, Beijing's ultimate vision is to become a prominent global power and to achieve that feat it will have to first make itself as a dominant and a key player in the region of Indian Ocean. Malacca Strait is important for China as it is a key route through which China imports energy from Middle East countries. China has reason to worry as she thinks that in case of a conflict with India or America its Malacca Strait will be blocked and this is bound to suffer China in a great difficult situation. "To secure its energy supply lines, Beijing would have to either find an alternate route for its energy shipments or strengthen its navy's capacity to protect and keep open existing shipping lanes. The MSR attempts to do both" (DM Baruah, 2018, p-23). The feasible problem from Malacca Strait has prompted China to search for an alternative route in the form of Kra canal in Thailand which they have started developing in order to bypass Malacca Strait and this canal if completed will drastically reduce the distance between Pacific and Indian oceans. India has recently started certain initiatives such as equipping and modernizing maritime infrastructures, research on finding ways and means capable of undertaking maritime infrastructural development etc. Some of the noteworthy initiatives undertaken by India include 'Project Mausam', establishment of the port of Chabahar etc.

The need is felt by both for India and China to amicably maintain close relation with island nations such as Sri Lanka, Maldives, Mauritius and Seychelles as extremely important. These island nations though not powerful are strategically situated in crucial sea lines of communication from where one can efficiently monitor its maritime activities. Any major power that achieves good relation with these island nations can meaningfully leverage such co-operation in securing and promoting major trading routes and thus enhance its maritime domain. The role of India in particular has been very significant in this regard as she is an important strategic partner with all of them and she has also maintained the status as security provider for them since long time back. India has obtained co-operation and confidence of these island nations as she have meaningfully participated in a number of capacity building programs as a security provider for these island nations. The fact that these nations have number of shortcomings and limitations that it is beyond their capacity to safeguard and monitor their respective maritime environment (Exclusive Economic Zones) themselves, as a result, India has in many occasion helped these nations on their request and successfully deployed its naval forces and assets during maritime crisis particularly the Seychelles and Mauritius. Besides, more specifically in recent years, India is significantly expanding her maritime activities and naval engagement with likeminded countries like Australia, Japan, United States, France etc. This collaborative effort of India and others around Indian Ocean Region will definitely improve current security environment and bring positive result.

1.4 Impact of BRI on India's Act East Policy.

India's influential role and close ties with South-east Asian countries is against China's interest. The latter is sad and apprehensive that various spiritual and cultural ties between India and South-East Asian countries could bring them closer in future. Besides China view India as a potential or the only Asian country that can pose a serious threat to China's ascendancy and therefore it is a national

interest of China to undermine India's close relationship with South-East Asian countries. The Belt and Road Initiative of China has affected India's foreign policy in general and her Act East policy in particular. India's Act East Policy in particular has been disturbed and distracted as India cannot meaningfully concentrate in her Act East Policy due to her regular engagement in and around IOR and South Asian region because of Chinese Belt and Road program. Had there been no China's BRI, India would have devoted great amount of attention towards her most valued Act East Policy and would have gained considerable achievements. The announcement of BRI in 2013 necessitated India to reconsider her various strategic and international policies, there is unprecedented amount of pressure on India like never before. The happenings around South Asia and IOR are many and India is upset by many of those happenings as she feels apprehensive of Chinese intention. BRI of China has affected India in many spheres, in regard to India's position as the leader of South Asia, her desire to dominate IOR and finally India's long dream of becoming a major global power just mentioning three impacts out of many.

1.4.1 Impact of BRI on India's dominion position in South Asia.

For long China has been the most dominant country exercising influence in East Asia and similarly, India has also been successful as the leader of South Asian countries. Today, the status of India as leader and hegemony of South Asia is fast eroding. Instead of exercising unchallenged dominion power of South Asia, India is unfortunately confronted by Pakistan, Bangladesh, Myanmar, Nepal etc as these countries have easily come under the powerful sway of China in contemporary geo-political reality. China has within no time deliberately made friendship with these countries in an attempt to counter India's popularity in the region. Any course of future relationship between India and China will to a great extent depend on their relation with South-Asian countries. To begin with, China's BRI has challenged India's dominion and hegemonic position in South Asia. India's prominent status as the leader of South Asia is well known and is thus acknowledged by international community. Since independence of India, she had been successfully maintaining as South Asia's most responsible country and a leader in the region. India has for so long controlled South Asian countries that she sees her position as the center of South Asia or the latter as its backyard. Due to this pre-eminent role of India in South Asia, she takes a negative attitude towards any other outside power having a close relationship with any South Asian country. India's position in South Asia is very influential and no doubt on many occasions she had successfully played as a responsible and influential power wielding nation in the region. However, the BRI of China is no doubt going to bring SAARC countries very close to China as the success of BRI demands that China must maintain healthy and close up relationship with these South Asian countries. (Thaliyakkattil, 2019). Six countries (Nepal, Pakistan, Afghanistan, Bangladesh, Maldives and Sri Lanka) out of eight SAARC countries have joined China's Belt and Road Initiative. India has officially opposed BRI and Bhutan is another South Asian country yet to join BRI although China has recently invited Bhutan to actively participate in this initiative. China needs the co-operation of South Asian countries to push BRI forward, and recently China is engaging these countries at various bilateral and multilateral platforms much for the distress of India. It is unfortunate for India that China has already and successfully cemented strong ally bond with Pakistan a very important South Asian country. China's improved relationship with Nepal, Bangladesh, Sri Lanka, Afghanistan, and Maldives has further made India apprehensive. China has under BRI project started constructing ports and other connectivity infrastructures in South Asian countries such as Pakistan, Sri Lanka, Nepal, Bangladesh and Maldives. India is apprehensive that these ports and other infrastructural facilities can be put to use in a manner most profitable to China in future as it is feared that both civilian and military can utilize these ports and other infrastructural facility. All these developments and preparations are therefore blueprints to allow China occupy a meaningful role in South Asia and this will ultimately led to comparative decline of India's influence in the region. India is still a prominent leader of South Asia but she has reserved a deep fear on her mind that this friendship between China and other South Asian countries will greatly undermine India's hitherto leadership status and dilute her influence in the region. Some initiatives of China in

South Asia which India either objects or fears are China Pakistan Economic Corridor (CPEC) and the Gwadar Port in Pakistan, the strategic port construction in Sri Lanka, Lhasa railway connectivity project etc. Most of the South Asian countries have borders linked with China except Sri Lanka, Maldives and Bangladesh as such China sees the region of South Asia geo-strategically very promising and a fertile ground for the blooming of Belt and Road program taking into account the region's fast growing and expanding markets with a population of 2.5 billion people. Though India may oppose China citing varied reasons other South Asian countries view China as a blessing that can serve their respective national interests. Many of the South Asian countries express resentment against India's dominating role for years and view China as an efficient alternative (Anu Anwar, 2020). The South Asian countries on the other hand, "fear that a too-close embrace with China could end sour their relations with India—the regional hegemon and, by extension, the United States. Therefore, South Asian states want to extract whatever possible benefits they can from China without offending the United States and India" (Anu Anwar, 2020, p-164).

The most affective South Asian policy pursuit by China till date is its strong friendship with Pakistan. One big source of India's dislike about China is due to China's very healthy relationship with Pakistan. India always looks at this friendship with suspicion and fears that the aim of this friendship is to ultimately harm India. Many of China's successful South Asian mission is due to its ally Pakistan as the facilitator. There is today an ever increasing strategic partnership and friendship between China and Pakistan particularly through China Pakistan Economic Corridor and port of Gwadar. For China, there is a huge advantage coming out of this close co-operation with Pakistan as India is an arch rival for both of them. Time and again Pakistan and China signs military deals amid tension with India. Pakistan's military has strengthened and modernized because of China's continued supply of defence equipments. Recently, in early part of November 2021, as reported by the Global Times China has delivered the most advanced and largest warship to Pakistan as a sign of their strong friendship. This Chinese warship is surely going to strengthen Pakistan's naval capability and maritime security in future. In 2005, China became an observer of SAARC and since then the latter is seen taking a keen interests in South Asia and wishes to become its full-time permanent member status. India's objection to China's full time member category is again a source of resentment and hatred for China. Today, SAARC is experiencing a period of 'turbulent non-growth' a term used by Ernst Haas. The Biennial SAARC Summit is not happening since 2014, primarily due to Indo-Pakistan rivalry as India objects to Islamabad holding this summit. SAARC as an efficient regional organization is paralyzed chiefly due to internal rivalry and continued hindrances demonstrated by India and Pakistan. This non-functioning or turbulent non growth SAARC is the reason why South Asian countries are on a look out for alternative opportunities. China is a close observer of all these developments within South Asia and has started looking at South Asian region as a fertile ground for Beijing to leverage by way of collaboration with these countries. The recent virtual meeting hosted by Chinese Foreign Minister on 27th April 2021 foreign ministers from Afghanistan, Pakistan, Bangladesh, Nepal and Sri Lanka attended the virtual meeting. In the meeting, China is learnt to have proposed an Alternative Regional Framework for South Asian countries similar to SAARC in the form of China-South Asia Emerging Supplies Reserve and Poverty Alleviation and Co-operative Development Centre. It is likely that the already declining SAARC may further be undermined if these newly proposed China's 'minus India' initiatives are allowed to take place. It is clear that through these initiatives China dreams of performing a central role in South Asia. There is every possibility that geo-political and economic competition between India and China is bound to be increased in South Asia. Chinese experts maintain that with BJP coming to power in 2014, India has chalked out a new strategy of foreign policy. Firstly, under this new strategy China opine that India will greatly focus on South Asia to allow India as South Asia's central power. Secondly, India will strive to maintain dominant position in IOR. Thirdly, India will aim to occupy central status in Asia and finally, India will focus on becoming global super power status.

One of the chief reasons for increased India-China rivalry and enmity is due to China's open disregard for territorial sovereignty of India's border regions. In the past the rivalry around Jammu

and Kashmir used to be between India and Pakistan, but today the presence of China as a third party in this contention is well known. The bilateral enmity and tension between India and Pakistan are fully leveraged by China for its own advantage. China's direct involvement as a third party in Jammu and Kashmir region is no doubt very clear particularly after the controversial China Pakistan Economic Corridor (CPEC) project that runs through disputed Kashmir. This CPEC is one reason why China and Pakistan are very close and a big reason why India dislike China. From the South Asian perspective at least, the China Pakistan Economic Corridor (CPEC) an over US \$ 60 billion project has emerged as the most visible undertaking of the Belt and Road network. This economic corridor said to be under construction by Chinese prisoners begins at Kashgar in China's Xinjiang province and ends in the port of Gwadar in Pakistan's Balochistan, building highways, roads, railways, pipelines, ports, and IT parks along the way. One of the focal points of the project is the development of the port of Gwadar, enabling the movement of Chinese goods from its Western provinces to the Arabian Sea connecting to the Indian Ocean.

Map 1 showing China-Pakistan Economic Corridor



Source: *The Tribune*

Indian Defence Minister A. K. Antony noted in 2012, "Indian territory under occupation by China in Jammu and Kashmir since 1962 is approximately 38,000 sq. kms. In addition to this, under the so-called China-Pakistan "Boundary Agreement" of 1963, Pakistan illegally ceded 5180 sq. kms. of Indian territory in Pakistan Occupied Kashmir to China." Speaking at the 70th session of the United Nations (UN) General Assembly, the Indian representative noted "India's reservations about the proposed China-Pakistan Economic Corridor stem from the fact that it passes through Indian territory illegally occupied by Pakistan for many years." India is watching developments in CPEC very closely and has conveyed its concerns to China, asking Beijing to stop all activities in the area. One of the main concerns about China Pakistan Economic Corridor is a sustained Chinese military presence in Pakistan-occupied Kashmir (PoK) region, which will have serious security implications for India.

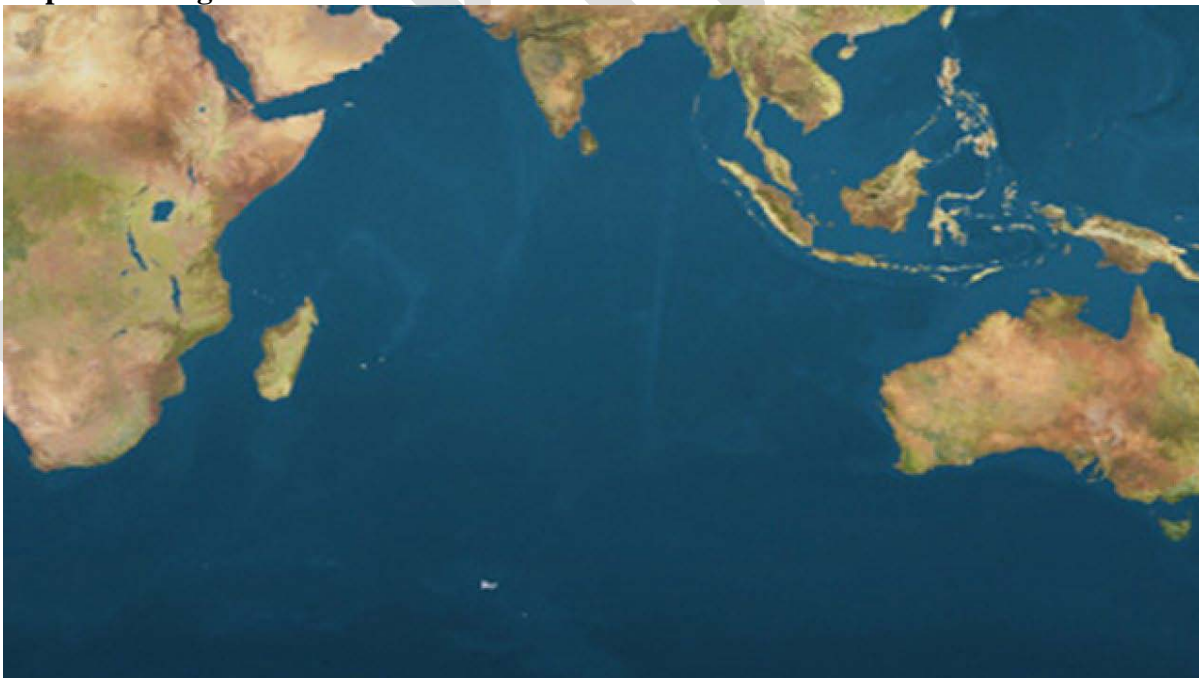
There are already reports of senior Chinese military presence at the Pakistan front of the Line of Control (LoC) in Kashmir.

Any activity undertaken by India in PoK region is seen by China as a counter activity to Chinese engagement in the region. The recent construction of road by India in the Galwan valley region is severely objected by China and as a result there has been mounting pressure and tension between the two resorting to clashes involving deaths of military personnel. However, there still lies a silver lining in Indo-China relationship as both of them maintained and believes that there are sufficient bilateral mechanisms to resolve the situation through quiet diplomacy.

1.4.2 BRI has threatened India's long desire and dream of dominating the Indian Ocean Region.

The significance of Indian Ocean for India has surfaced like never before. India occupies the most significant geo-strategic point in Indian Ocean, for a long time she has successfully maintained a prominent figure in and around the IOR. The rise and fall of India as a significant power depends to a great extent on her position in IOR. KM Panikkar once rightly remarked that, "Whoever controls the Indian Ocean Controls India." Historically speaking, India has never been successful in defending or securing Indian Ocean from outside forces. "The decline of Mughal Empire and India's transformation into a British colony happened because India could not face the challenge of the Western maritime powers." (Thaliyakkattil, 2019, p-167). In fact, this sad and painful maritime experience that India had in the past has made her extremely sensitive to any security related issue in Indian Ocean Region. Through historical experience, India has learnt that maintaining a dominion position in IOR is a key to India's rising power (Thaliyakkattil, 2019). Indian Ocean Region (IOR) is today the world's busiest trade corridor. It is learnt that 80% of China's, 90% of Japan's and another 90% of South Korea's oil passes through the Indian Ocean. India is geo-strategically located around IOR and she has successfully maintained a prominent figure in the region.

Map 2 Showing IOR



Map Source: Google

Indian Ocean is an important region of the world particularly for Asia located at the crossroad of Asia, Africa and Australia the region also provides an efficient connectivity between Middle East countries known as energy rich countries with fast emerging and potential countries of Asia or in other words between energy rich middle East with energy dependent Asia. This ocean is life line for

many countries trade and commerce specially energy. Almost all the major powers of the world such as USA, Japan, UK, Australia, China, India etc are asserting their respective strategic interests in the region. The importance of IOR is numerous for nation-states starting from connectivity to co-operation, from being an idle ground for fishing to valuable mineral resources etc. Today, the IOR is face to face with numerous challenges and confrontations both from non-state actors (terrorists, smugglers, pirates etc) to security based competition from various states.

1.4.3 Chinese Presence in IOR Backyard

In the past history, Indo-China rivalry was mostly confined in and around the great Himalayan region, the two great nations of Asia also fought a major war in 1962, today, this rivalry and confrontation between them is becoming increasingly maritime based. Chinese experts maintains about India's rejection of BRI as due to India's assumption that BRI will compromise India's aspiration to dominate Indian Ocean Region. The fear of India in regard to security of IOR is also emanating from the fact that Indian Ocean is the life line of India. Indian Ocean is equally vital for Chinese existence due to China's overseas trade via Indian Ocean with Africa, Middle East and Europe. For the security of Chinese overseas trade in Indian Ocean, the national interest of China demands good relation with countries around IOR but China's attempt to befriend countries around Indian Ocean has been viewed with high degree of suspicious by India.

The reason why India considers IOR significant is due to the fact that in current India's strategic location, IOR is the only suitable platform through which India can meaningfully take part in global affairs and can exert her influences. There is intensifying rivalry coupled with fear on both India and China around IOR. India feels apprehensive by the manner in which China is encircling her through her Economic Belt and Maritime Road strategy, similarly China is restive due to the fact that in spite all its powers it cannot secure its 'Malacca Strait'. Though China is an important world power it still feels vulnerable around IOR due to its 'Malacca Dilemma' because any attempt to disrupt this vital sea route will be highly detrimental to China. China does not have an alternative sea route other than Malacca Strait and as such major chunk of its activities in and around IOR is seen as an attempt to minimize its strategic vulnerability. A big reason for India to worry is the successful stationing of submarines which are nuclear powered in and around the north of the Strait of Malacca some 1200 nautical miles. India is seriously alarmed by the deployment of Chinese submarine near Hainan Island (Sanya). In this regard, China's relentless effort in strategic activities along the coast of Myanmar (around Bay of Bengal and Andaman sea), building of connectivity system between China's Yunnan with Kyaukphyu port of Myanmar etc have serious implications for India. For Asians in general and for India in particular, Chinese maritime activities are still in initial stage and do not pose major threat at the moment, but it cannot be denied that in future there is every possibility that Beijing will dominate the IOR as it is apparent from its determined activities around IOR. China's increasing naval modernization, its anti-ship missile program, submarine operation activities, development of strategic ports such as Hambantota in Sri Lanka, Gwadar port of Pakistan, its strategic base in Djibouti, China's strategic interests in Maldives and Mauritius etc are no doubt its initial activities with an ultimate objective of making China a great naval power ahead in future.

1.5 BRI's significant engagement with ASEAN, a reason to worry for India.

For the success of China's ambitious BRI the involvement and participation of ASEAN countries are really important hence, 'Southeast Asia has become the main target so far of BRI's investment' (Nicola Casarini, 2018, p-26). China started engaging ASEAN countries earlier than India and today their relationship has grown deeper over time. The rise of China is closely followed by many countries and these countries views China's assertive policies with suspicion. South-East Asian countries seems to be in a huge confusion and dilemma as to whether to befriend American a traditional ally or partner the initiative spearheaded by China. Many South-East Asian countries are traditional partners of American for long and today they are seen as enthusiastic partakers of China's

BRI and many of these countries are debating as to whom to support in issues such as Free and Open Indo-Pacific, South China Sea, international trade war etc (Yu Jie, 2018).

South-East Asia is a region full of natural resources but the region’s failure to create infrastructures and industries on their own the rich resources are actually not been able to be tapped. The Asian Development Bank (ADB) reports that for the next 10 years Asia will require a massive around 8 trillion dollars worth of fund for infrastructure related investment and many South-East Asian countries are in particular in need of this investment fund. China has understood this critical infrastructural deficiency of South-East Asian countries plus the extreme requirement of investment fund. Therefore building infrastructures through collaboration is one important aim of BRI project and this is certainly going to promote growth. In particular to CLMV countries China’s BRI has the potential to transform their economies. There is no doubt to mention that China-ASEAN relationship has improved tremendously over the years particularly under the BRI. Vietnam, Singapore, Thailand, Cambodia, Myanmar and Malaysia all are place at the top of countries connected to China through trade and commerce.

Table 1 List of achievement of BRI.

SOUTH EAST ASIA	Myanmar	Sino-Myanmar natural gas pipeline was completed in Sep 2013 and crude oil pipeline was put into use in Jan 2015
	Vietnam	The building of Hai Duong thermal plants began in April 2015. In the same year in July the building of Yongxin coal-fire power plant started, one of China’s huge investment in Vietnam and in September the Yon Hydropower station in Vietnam was finished.
	Laos	The construction of China-Laos railway portion of Laos track started (December 2015)
	Thailand	The construction of China-Thailand railway track started (December 2015)
	Indonesia	The Jakarta-Bandung high speed rail project started (January 2016)
	Cambodia	The Sihanouk Ville Special Economic Zone was started by Cambodian and Chinese enterprises. It featured hundred firms in one park (June 2016). The South-East Asian Telecom Project was included in China-Cambodia “Belt and Road” Investment and building (June 2016).

Table source: List of achievements of BRI 2013–2016 (2016).

Table 2 Showing Top 10 largest BRI Projects in ASEAN.

Rank	Year	Project	Cost in US \$	Sector	Country of investment
1	2017	Kuala Lumpur-Kota Bahru	14,300,000,000	Transport	Malaysia
2	2013	Preah Vihear-Kaoh Kong Railway	9,600,000,000	Transport	Cambodia
3	2017	Vanke, Hopu, Hillhouse, Bank of China	9,060,000,000	Logistics	Singapore
4	Unclear	Kyaukpyu Deep Sea Port	7,300,000,000	Transport	Myanmar
5	2015	China General Nuclear	5,960,000,000	Energy	Malaysia
6	2016	Vientiane-Boten Railway Project	5,800,000,000	Transport	Laos
7	2017	Bangkok-Nakhon Ratchisima	5,352,905,500	Transport	Thailand
8	2013	Zhejiang Hengyi	3,440,000,000	Energy	Brunei
9	2017	China Railway Engineering	3,190,000,000	Transport	Indonesia
10	2017	China Railway Construction	2,690,000,000	Transport	Thailand

Source: Oxford Economics

Table 3. Top BRI Financing Banks

Serial No.	Name of the Bank	No of projects covered	Amount	Remark
1	China Development Bank	400 projects	US \$ 110 billion	BRI Project
2	Industrial and Commercial Bank of China (ICBC)	212 projects	US \$ 67 billion – US \$ 159 billion	BRI Project
3	Bank of China		US \$ 100 billion	BRI Project
4	China Exim Bank	1000 projects	US \$ 80 billion	BRI Project
5	The Silk Road Fund		US \$ 40 billion	BRI Project
6	Besides China Construction Bank, New Development Bank, Asian Infrastructure Investment Bank (AIIB) also provides financial assistant to China's BRI project.			

Table Source: OECD Business and Finance Outlook 2018 © OECD 2018.

The above data highlights existence of ongoing massive and numerous BRI projects between China and ASEAN countries most importantly the connectivity infrastructural projects in the form of railways and road ways. It is learnt that most of these ambitious BRI sponsored projects are undertaken through Joint Venture (JV) initiative. The Joint Venture undertakings are between the concern host ASEAN country and China, the latter providing most of the financial needs in different formats of loan. 'BRI projects, coupled with internationally sourced financing including from China, helps to increase the much needed investment in infrastructure projects in ASEAN (Sufian Jusoh, 2018, p-10). The success of BRI in South-East Asian countries can be studied under three headings; viz Trade of Goods and Services, Capital Flow and Movement of People. China desires for more and more ASEAN participation in BRI project since the very beginning and the response is positive. Acceleration and growth of trade and commerce is no doubt one of the chief goals of many ASEAN countries today and this will happen only with improvement and development of connectivity infrastructures. South East Asian countries consider BRI as a prospective avenue for developing and modernizing their respective infrastructures and connectivity initiatives. In the first place, it is to be noted that under the present ambitious BRI program, China's supply chain has increased tremendously in and around the BRI countries and South-East Asian region due to its close proximity has been most benefitted. One huge achievement of China's South-East Asia policy is the up gradation of Free Trade Agreement (FTA) as a part of China's BRI in the year 2014 and it is believed that trade and commerce between the two have since then increased. Secondly, Capital flow (investment) especially from China to ASEAN countries has also witnessed tremendous improvement. As per the estimates of ASEAN Development Bank (ADB) during 2016 – 2030 ASEAN countries will require between US \$ 2.8 trillion to US \$ 3.1 trillion worth investment in infrastructures. This clearly tells us the growing process of ASEAN countries and its massive requirement of investment in infrastructure and connectivity projects. China is able to impress these infrastructure wanting countries as China is today an important outbound investor country in the world and a net investor of capital. It is being quantitatively estimated that out of 88 BRI countries approximately 1,100 investment projects are underway which includes among others construction of infrastructures financed by China. Thirdly, there seems to have increased people to people movement (labor and work force, tourism, education etc) between China and ASEAN countries. Side by side with the expansion of hard infrastructures around BRI countries there is growing interaction of China with these BRI countries through soft infrastructure. China's close proximity with ASEAN countries is a source of advantage in this regard as this proximity facilitates frequent and efficient people movement.

1.6 Conclusion

The 21st century Belt and Road Initiative of China is one of the most influential undertakings that are affecting nation-states big and small in the world today. Once created the Belt and Road Initiative will continue to provide service and it is through the BRI that the significance of China as a global leader will be judged. The participating member countries of BRI have joined with a high sense of optimism and faith that BRI will help usher in an era of win-win situation and bring benefits through exchange of international trade and commerce, we hope that BRI will be successful through the leadership of China in liberating and benefitting the participant countries particularly the developing countries of the world. As BRI develops and grows we hope that security of neighboring countries be deeply taken in to account and must be ensured at any cost if the big dream of China is to be realized through this initiative. Though not a member, India is a very important country within the circle of China's BRI, maintaining a good relation with the former is going to benefit Belt and Road of China in many ways.

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