

## **India as a Challenge to China's BRI**

**Author:** Gurpreet S Khurana\*

**Date:** 30 April 2019

The Belt and Road Initiative (BRI) was announced by President Xi Jinping in 2013, comprising both the land-based Silk Road Economic Belt (launched in August 2013) and the 21st Century Maritime Silk Road (introduced in September 2013). The initiative was showcased in a manner that was too appealing to be ignored by the countries of the Indian Ocean region. Many Indians also viewed BRI as highly promising for their country.

As a virtual “island state” constrained by landward geophysical barriers in the north, India is in dire need of developing its economic corridors and maritime transportation infrastructure. Projections indicate that by 2050, India will be the second-largest economy (in purchasing power parity terms), premised *inter alia* on the growth trends of merchandise trade.<sup>1</sup> However, leading Indian economists point out that a large part of the country's export potential remains unrealized, mostly in its own neighborhood. The key reason for this loss of competitiveness is rising “trade costs,” mainly for maritime transportation, which are heightened by the lack of connectivity and port infrastructure.<sup>2</sup> Therefore, even though the Indian government never endorsed BRI, a few Indian analysts (including this author) were of the view that the Chinese initiative was pregnant with geo-economic opportunities for India, and, premised on the ongoing India-China rivalry, it may not be prudent for New Delhi to throw the baby out with the bathwater.<sup>3</sup> Eventually, however, the official Indian position against BRI hardened to the extent that India was the only key country in the IOR and among the major powers not represented at the major international Belt and Road Forum organized in Beijing in May 2017.<sup>4</sup>

This essay aims to examine some mainstream Indian perspectives on BRI and analyze the likely adverse ramifications of BRI on India. Based on these findings, the essay considers how India should (and is likely to) tailor its foreign policy and national security responses to this Chinese initiative.

## **Mainstream Indian Perspectives on BRI**

Owing largely to its geographic location and disposition, India's national interests are closely intertwined with developments in the Indian Ocean region. In the regional context, BRI is seen in New Delhi as China's endeavor to capitalize on the desires, vulnerabilities, and insecurities of regional countries.

Sri Lanka, for instance, sought BRI to bolster investment in its port-led economic development after the 2009 end to decades of internal conflict, but later became beset by debt. In December 2017, Sri Lanka was compelled to grant China a 99-year lease and 70% stake in the deep-water port at Hambantota.<sup>5</sup> In Maldives, China played on the political fissures and local fears of sea-level rise to involve Chinese companies in reclamation projects. Today, the country owes China \$1.5 billion—about 30% of its GDP—in construction costs.<sup>6</sup> In Malaysia, China's exorbitantly expensive Melaka Gateway port project was premised on Kuala Lumpur's geo-economic rivalry with Singapore to host a major hub port in the Asia-Pacific.<sup>7</sup> Pakistan, for its part, was much too willing to cede to China the transit corridor from Kashi to Gwadar in order to reduce its own strategic vulnerability vis-à-vis militarily superior India and develop the Baluchistan Province. Pakistan owes China at least \$10 billion in debt for the construction of Gwadar port and other projects.<sup>8</sup> Viewed in New Delhi, China's approach runs counter to India's vision for collective and inclusive economic development of the Indian Ocean region. India believes that cannot attain prosperity for its citizens in isolation of its regional neighbourhood.

BRI is also viewed in New Delhi as China's attempt to outsource its low-end "sunset" industries to its initiative partners, letting them worry about the attendant issues of environmental pollution. To redress this issue, in June 2017, in its document "Vision for Maritime Cooperation under the Belt and Road Initiative," China attempted to link BRI with blue economy and sustainable development concepts.<sup>9</sup> However, repackaging does not change the product. Pakistan's coal-based power plant project in Rahim Yar Khan, proposed to be built by China as part of the China-Pakistan Economic Corridor (CPEC), is a noteworthy case in point. The project was eventually shelved in January 2019 at the insistence of the new Pakistani government.<sup>10</sup> This reinforces the Indian view that China looks at the Indian Ocean countries primarily as a source of natural resources, an ancillary for its expanding industrial complex, and an export destination for its high-end manufactured goods. In the worst case, BRI represents a new avatar of economic colonization by China.

## **Rationale for India's Rejection of BRI**

The objections to BRI that India has formally articulated include the fact that the proposed CPEC involves joint projects in Pakistan-occupied Kashmir (which is claimed by India), the lack of details regarding BRI projects, and the initiative's unilateral character that is devoid of a consultative process. This lack of transparency bears the potential for smaller countries to be sucked into a crushing debt cycle, in addition to the potential for ecological destruction and the disruption of local communities.<sup>11</sup> That BRI overlooks India's "core concerns on sovereignty and territorial integrity" is often stated as the key reason for India's rejection of BRI.<sup>12</sup> However, none of these articulations—individually or collectively—fully account for India's wariness of BRI.

The most critical factor is China's "Middle Kingdom" approach that is premised on its ancient notion of cultural superiority and seeks to subject the transactions among nation-states to a geopolitical hierarchy. Through such an approach, China seeks to dominate its periphery through a tributary system, thereby potentially challenging India's traditional influence in the Indian Ocean region. As Yin Gang stated, "In China's view, India must be reminded that areas around Gwadar, Chittagong, Hambantota, and Sittwe are not within India's traditional sphere of influence."<sup>13</sup> India views the Chinese approach as undermining the regional balance of power and therefore challenging its geopolitical and national security interests. India does not want to become marginalized by a rival power in its own neighborhood.

It is thus important to understand the adverse security implications of BRI for India. For instance, the China-Pakistan strategic partnership already limits India's strategic options to respond to Pakistan's prevailing strategy of supporting cross-border terrorism against India.<sup>14</sup> China's technological assistance to Pakistan to help it develop sea-based tactical nuclear weapons to offset India's conventional military superiority against Pakistan exemplifies this.<sup>15</sup>

The traditional Chinese military threat to India's national security is another important consideration. The disputed land border in the Himalayas has often led to military confrontations, with the most recent occurring in June 2017 on the Doklam Plateau and lasting for 73 days.<sup>16</sup> The People's Liberation Army Navy's established presence in the Indian Ocean region could add a seaward dimension to the existential continental threat posed by China. India's naval power might no longer enjoy a favorable asymmetry in the region, and therefore India's conventional military deterrence against China to respond to a conflict across the disputed land border would be eroded substantially. For instance, given

the naval superiority that India enjoys in the Indian Ocean today and thus its ability to interdict Chinese strategic shipments, China may think twice before resorting to a military escalation across the land border. However, for ensuring security of its BRI investments, as the PLA Navy acquires the ability for sea-control in the Indian Ocean against opposing naval forces, India will lose the military leverage in terms of its current option for horizontal escalation of an India-China armed conflict to the sea. Even worse, India might need to prepare for the possibility of a two-front war scenario involving China-Pakistan strategic collusion.<sup>17</sup>

## **India's Response to BRI**

From the foregoing discussion, it is clear that India's response to BRI is likely to be premised on the assumption that BRI's comprehensive success, in terms of China meeting its envisaged objectives, is not in India's interest. India's approach will be to seek support of its strategic partners within and beyond the Indo-Pacific. However, even without any such support, New Delhi would likely need to do whatever may be required not to prevent India's influence in the Indian Ocean region from being displaced by China and to prohibit its prevailing maritime military edge over China in the region from being blunted by China's increasing naval footprint. It would likely adopt necessary geopolitical countermeasures across the entire spectrum ranging from geo-economics to military strategy.

At the foreign-policy level, India may seek to ramp up its relevance and influence in the Indian Ocean region, and even beyond into the eastern parts of the Indo-Pacific, as enunciated in Prime Minister Narendra Modi's 2015 vision of SAGAR (Security and Growth for All in the Region) in 2015.<sup>18</sup> The vision stands for the dictum that "all boats rise with the rising tide" and, therefore, provides an optimized approach to encourage regional solidarity and contrasts positively with the "extractive" model proposed by BRI. However, the dictum that holds for China also holds for India: the package is not the product. Policymakers in New Delhi will need to flesh out SAGAR in terms of its functional strategy – which has not yet been done – and pursue its implementation. For instance, India and its partners will need to offer the regional countries alternative models for enhancing economic connectivity in the Indo-Pacific that are more attractive than BRI. The Asia-Africa Growth Corridor proposed by India and Japan was conceptualized with such an aim under the rubric of the contemporary Indo-Pacific concept, but it needs to be pursued more seriously by all potential partners.<sup>19</sup> The AAGC is still at a nascent phase, though with enormous potential to challenge the BRI. The author's discussion with the officials – who prefer anonymity – indicates that the Japanese are disappointed with the slow pace of AAGC's implementation on part of the Indians. This is leading to Tokyo reconsidering India's partnership in the

AAGC. Such reappraisal contradicts the very rationale of the Indo-Pacific concept articulated by the Japanese Prime Minister Shinzo Abe in the Indian Parliament August 2007, which sought India's partnership for security of its maritime interests and Sea Lines of Communication in the Indian Ocean.<sup>20</sup> While India itself lacks infrastructure, and financial and technological capacities, and therefore, looks upon Japan for these to fructify the AAGC, the Indian government needs to do more to quell the perception that it is not serious about the AAGC.

As an instrument of the nation's foreign policy, the Indian Navy bears a major responsibility to shape a geopolitical environment in the Indian Ocean region that is favorable to India. The recent reorientation of its operational philosophy to mission-based (forward) deployments is meant, *inter alia*, to address the changing operational environment brought about by BRI. This includes the need to keep watch on the maritime chokepoints that all vessels—commercial, warships, and submarines—must traverse for entry into the Indian Ocean. The intelligence collected by the naval deployments is fed into the Indian Maritime Operations Centre and shared with friendly countries through the Information Management and Analysis Centre.<sup>21</sup>

While India has been making concerted efforts to enhance the sustained reach of its naval forces through basing arrangements with regional countries such as Mauritius and Seychelles, the prevailing geopolitical environment and local sensitivities will continue to be major impediments. The sustenance of forward-deployed naval units will, therefore, need to be enhanced through alternative measures that combine sea-based logistics with the existing logistics exchange agreements with major resident powers including the United States and France.

The Indian Navy will also need to be well-prepared to discharge its role as a mechanism for insurance in a possible conflict scenario involving China. The navy will need to be capable of this both independently and in conjunction with India's major partners, such as members of the Quadrilateral Security Dialogue and from Europe, but without necessarily according undue visibility to the process. Such plans already exist—both for the Indian Ocean and the western Pacific—and capacity accretions are adding more options to the latter operational area. Indian government approval in 2015 to build six indigenous nuclear attack submarines capable of distant power projection is notable in this regard.<sup>22</sup> It is also high time for the Indian Navy to revisit its rules of engagement in its maritime zones.<sup>23</sup> Its current rules, for instance, do not cater for the contingencies involving intelligence-gathering by Chinese warships – particularly submarines – in the maritime

zones of India. Notwithstanding these new developments, the navy needs to shape the environment so as to avoid a conflict scenario.<sup>24</sup>

\*\*\*\*\*

*\*The author, Captain (Dr) Gurpreet S Khurana, Indian Navy, is PhD in Defence Studies and the Executive Director of the National Maritime Foundation (NMF), New Delhi. The views expressed are his own and do not reflect the official policy or position of the NMF, the Indian Navy, or the Government of India. He may be contacted at [gurpreet.bulbul@gmail.com](mailto:gurpreet.bulbul@gmail.com) This issue-brief was first published in Asia Policy, Volume 14, Number 2 (April 2019), pp. 27-33, available at [https://www.nbr.org/wp-content/uploads/pdfs/publications/asiapolicy14-2\\_where\\_the\\_belt\\_meets\\_the\\_road\\_rt\\_apr2019.pdf](https://www.nbr.org/wp-content/uploads/pdfs/publications/asiapolicy14-2_where_the_belt_meets_the_road_rt_apr2019.pdf)*

## Notes and References

<sup>1</sup> “The Long View: How Will the Global Economic Order Change by 2050?” PricewaterhouseCoopers, February 2017, <https://www.pwc.com/gx/en/world-2050/assets/pwc-world-in-2050-summary-report-feb-2017.pdf>.

<sup>2</sup> This is based on an analysis by Dr Prabir De, a professor at the Research and Information System for Developing Countries (RIS), New Delhi, presented at the ASEAN India Connectivity Summit (AICS) on the theme: Powering Digital and Physical Linkages for Asia in the 21st Century, held on 11-12 December 2017 at New Delhi.

See Gurpreet S. Khurana, “Multilateral Structures in the Indian Ocean: Review and Way Ahead,” *Maritime Affairs* 14, no. 1 (2018): 11-23.

<sup>3</sup> Gurpreet S. Khurana, “India’s Approach to China’s Maritime Silk Road: An Alternative View,” National Maritime Foundation, February 17, 2015, <http://www.maritimeindia.org/CommentryView.aspx?NMFCID=8390>.

<sup>4</sup> “It’s Official Now, India to Stay Away from China’s ‘Belt and Road Forum,’” *Wire*, May 14, 2017, <https://thewire.in/diplomacy/india-china-obor-belt-summit>. See also “Official Spokesperson’s Response to a Query on Participation of India in OBOR/BRI Forum,” Ministry of External Affairs (India), Press Release, May 13, 2017. 7

<sup>5</sup> Kiran Stacey, “China Signs 99-Year Lease on Sri Lanka’s Hambantota Port,” *Financial Times*, December 11, 2017, <https://www.ft.com/content/e150ef0c-de37-11e7-a8a4-0a1e63a52f9c>; and Dipanjan Roy Chaudhury, “New Chinese Loan May Further Plunge Sri Lanka into Debt Trap,” *Times of India*, Economic Times web log, September 3, 2018, <https://economictimes.indiatimes.com/news/international/world-news/new-chinese-loan-may-further-plunge-sri-lanka-into-debt-trap/articleshow/65659719.cms>.

<sup>6</sup> Sanjeev Miglani and Mohamed Junayd, “After Building Spree, Just How Much Does the Maldives Owe China?” *Reuters*, November 27, 2018, <https://www.reuters.com/article/us-maldives-politics-china/after-building-spree-just-how-much-does-the-maldives-owe-china-idUSKCN1NS1J2>.

<sup>7</sup> Anjelina Patrick, “Melaka Gateway Port: An Analysis,” National Maritime Foundation, October 11, 2017, <http://www.maritimeindia.org/View%20Profile/636432951858173081.pdf>. See also, “‘We Cannot Afford This’: Malaysia Pushes Back on China’s Big Projects,” *Business Times*, August 21, 2018, <https://www.businesstimes.com.sg/government-economy/%E2%80%98we-cannot-afford-this%E2%80%99-malaysia-pushes-back-on-china%E2%80%99s-big-projects>.

<sup>8</sup> “Pakistan Owes USD 10 Billion Debt to China for Gwadar Port, Other Projects: Top U.S. General,” *Times of India*, Economic Times web log, March 15, 2018, <https://economictimes.indiatimes.com/news/international/business/pakistan-owes-usd-10-billion-debt-to-china-for-gwadar-port-other-projects-top-us-general/articleshow/68432415.cms>.

<sup>9</sup> “Full Text: Vision for Maritime Cooperation under the Belt and Road Initiative,” Xinhua, June 20, 2017, [http://www.xinhuanet.com//english/2017-06/20/c\\_136380414.htm](http://www.xinhuanet.com//english/2017-06/20/c_136380414.htm).

<sup>10</sup> “Pakistan Finally Shelves Coal-Power Project under CPEC,” *Daily Pakistan*, January 14, 2019, <https://en.dailypakistan.com.pk/headline/pakistan-finally-shelves-coal-power-project-under-cpec>.

<sup>11</sup> Suhasini Haidar, “Why Did India Boycott China’s Road Summit?” *Hindu*, May 20, 2017, <https://www.thehindu.com/news/national/why-did-india-boycott-chinas-road-summit/article18516163.ece>.

<sup>12</sup> “Official Spokesperson’s Response to a Query on Media Reports Regarding Possible Cooperation with China on OBOR/BRI,” Ministry of External Affairs (India), Press Release, April 5, 2018.

<sup>13</sup> Yin Gang, televised interview, *New Horizon*, Yunnan TV, November 16, 2014, cited in You Ji, “China’s Emerging Indo-Pacific Naval Strategy,” *Asia Policy*, no. 22 (2016): 18

<sup>14</sup> “‘Pakistan Wants to Bleed India with Thousand Cuts,’ Says Army Chief General Bipin Rawat,” *Outlook*, September 24, 2018, <https://www.outlookindia.com/website/story/pakistan-wants-to-bleed-india-with-thousand-cuts-says-army-chief-general-bipin-rawat/317041>.

<sup>15</sup> C. Uday Bhaskar, “The Indian Ocean Waters Will Get Roiled by Babur 3,” *Times of India*, Economic Times web log, January 11, 2017, <https://economictimes.indiatimes.com/blogs/et-commentary/the-indian-ocean-waters-will-get-roiled-by-babur-3>.

<sup>16</sup> Debanish Achom, “Doklam Belongs to China, India Should Have ‘Learnt Lessons,’ Says Beijing,” NDTV, March 27, 2018, <https://www.ndtv.com/india-news/doklam-belongs-to-china-india-should-have-learnt-lessons-says-beijing-1828803>.

<sup>17</sup> Rajat Pandit, “Two-Front War Is a Real Scenario, Says General Bipin Rawat,” *Times of India*, Economic Times web log, July 13, 2018, <https://economictimes.indiatimes.com/news/defence/two-front-war-is-a-real-scenario-says-general-bipin-rawat/articleshow/56324336.cms?from=mdr>.

<sup>18</sup> Articulated as an acronym, SAGAR means “ocean” in Hindi and thus signifies the emerging focus of the Indian political establishment on maritime matters and re-establishing their link with India’s destiny. See “Mr. Modi’s Ocean View,” *Hindu*, March 17, 2015, <https://www.thehindu.com/opinion/editorial/mr-modis-ocean-view/article7000182.ece>.

<sup>19</sup> Jagannath Panda, “The Asia-Africa Growth Corridor: An India-Japan Arch in the Making?” Institute for Security and Development Policy, Focus Asia, no. 21 (August 2017); and Gurpreet S. Khurana, “What Is the Indo-Pacific: The New Geopolitics of the Asia-Centred Rim Land,” in *Geopolitics by Other Means: The Indo-Pacific Reality*, ed. Axel Berkofsky and Sergio Miracola (Milan: Istituto per gli Studi di Politica Internazionale, 2019), 13–32.

---

<sup>20</sup> Confluence of the Two Seas”, Speech by H.E. Mr. Shinzo Abe, Prime Minister of Japan at the Parliament of the Republic of India, August 22, 2007, Japan Ministry of Foreign Affairs (MOFA) website, at <http://www.mofa.go.jp/region/asia-paci/pmvo708/speech-2.html> The speech was preceded by discussions between Indian and Japanese think-tanks in 2006, involving the author and leading to his paper which carries the first mention of ‘indo-Pacific’ in the contemporary context. See, Gurpreet S Khurana, “Security of Sea Lines: Prospects for India–Japan Cooperation”, *Strategic Analysis*, Vol. 31(1), January/ February 2007 Issue, pp.139 and 144, at <https://www.tandfonline.com/doi/abs/10.1080/09700160701355485>

<sup>21</sup> Sujan Dutta, “Indian Navy Informs Government about the Fleet’s Reoriented Mission Pattern,” *New Indian Express*, April 1, 2018, <http://www.newindianexpress.com/nation/2018/apr/01/indian-navy-informs-government-about-the-fleets-reoriented-mission-pattern-1795404.html>.

<sup>22</sup> “India to Build 6 Nuclear-Powered Submarines— Navy Chief,” Sputnik, December 4, 2015, <https://sputniknews.com/military/201512041031242059-india-submarine-nuclear-fleet>; and “India Kickstarts Process to Build 6 Nuclear-Powered Attack Submarines,” *Times of India*, Economic Times web log, July 14, 2018, <https://economictimes.indiatimes.com/news/defence/india-kickstarts-process-to-build-6-nuclear-powered-attack-submarines/articleshow/61880118.cms?from=mdr>.

<sup>23</sup> Rules of engagement are based on international law and political directives and are meant to authorize and guide operational commanders with regard to the freedom to initiate or continue combat and the extent of use of military force in a specified scenario. See Gurpreet S. Khurana, *Porthole: Geopolitical, Strategic and Maritime Terms and Concepts* (New Delhi: Pentagon Press, 2016), 169.

<sup>24</sup> In this direction, serious efforts are underway by the National Maritime Foundation in New Delhi to develop a mechanism of maritime confidence-building, including, in particular, formulating proposals for a bilateral mechanism for de-conflicting unintended naval encounters at sea and efforts to institute such a mechanism at a multilateral level under the aegis of the Indian Ocean Naval Symposium among the Indian Ocean states.