

“ONE BELT ONE ROAD” INITIATIVE OF CHINA AND INDIAN PERSPECTIVE

*Prof. Ren HuiLian**

*Ajay Krishna***

ABSTRACT

21st century is being coined as the Asian century. When most part of the world has slipped into economic crisis, India and China are keeping the pace of economic development. Many analysts have described China and India as competitor as well as partners in cooperation. In the context of cooperation and competition dynamics, Chinese initiative of “One Belt One Road” and India’s response to it is being scrutinized critically. China’s “One Belt One Road” is being viewed as the maker of new geopolitical landscape over the world map. How India would contribute into or what role India will opt for, is the issue deliberated upon in this paper.

Keywords: China, India, Most favoured Nation (MFN), One Belt One Road, Project Mausam, Spice Route.

INTRODUCTION

Dawn of the 21st century started with a lot of significant phenomena. On 9th September 2001, the world’s superpower United States of America was attacked by terrorists and world saw a new war against terrorism which is still being fought. Iraq and Afghanistan saw regime change and whole of Middle East became turbulent. Economic crisis of 2008 had weakened U.S. economically and world has slipped into black hole of economic uncertainty. When the world economy is yet to recover from crises and slowdown, Brexit happened which will have lasting impact on whole of Europe. We may see European Union coming to end in near future. Two Asian giants although seeing considerable growth, are facing a bunch of bottlenecks that is in need of urgent remedy. All these happenings are drawing a new geo-political structure beneath the existing one which requires new approach and policy formation for smooth transition into “New World Order For Twenty First Century” (NWO 21). China being the second largest country in Asia having the highest population in the world, is aspiring to lead the

***Prof. Ren HuiLian** is the Dean, Institute of International Cultural Exchange, Northwest University, Xi’an, China.

****Ajay Krishna** is a PhD Candidate, Institute of Buddhist Studies, Northwest University, Xi’an, China.

world in coming future. But recent slowdown in Chinese growth and the underdevelopment of its hinterland area has dented China's prospect of becoming a world leader. At this crucial time, China's flare up on maritime issues with her littoral countries further worsen China's prospect. All these pressing issues had led Chinese policy-maker to think something afresh that could not only help China's development but also put China in the centre of geo-political structure. China's development in last forty years had been fostered by intense globalization and China understands that the coming phase of development also require accelerated globalization. Keeping in mind the benefits of globalization, Chinese policy makers have drafted the *One Belt One Road* initiative which traverses through Asia to Europe and Africa putting China in the centre.

In September and October 2013, Chinese President Xi Jinping proposed to build new Silk Road on the line of ancient Silk Road to boost the regional economy and provide a bigger market with better opportunities to further their market integration.¹ Chinese President while visiting the Central Asian countries chose Kazakhstan to announce his grand vision of "The Silk Road Economic Belt" strategic initiative and at Indonesia announced "the 21st-century Maritime Silk Road".² Under his steer and command, Chinese government has mobilized a huge amount of resources to materialize this grand project. Xi himself had led the dialogue on OBOR project with many Central Asian, European and ASEAN nations. During China-ASEAN Expo in 2013, Chinese Premier Li Keqiang had proposed to strengthen economic cooperation and mutual learning under Belt and Road Initiative of China.³ This was considered as the first official declaration of building China-Indo-China Peninsula Economic Corridor. In Central Asia, all the countries have readily agreed to collaborate on the project in return of huge Chinese investment in roads, railways, ports, communication and energy. China has promised to build more than 4000kms of railways and 10,000kms of highways with an approximate investment of \$US 16.3 billion. China also promised to invest \$US 56 billion on China-Pakistan Economic corridor which will connect China to Arabian Sea and thus opening a new trade route for China to the Middle East and Mediterranean countries. Maritime Silk-Road initiative again would connect China with all the southeast countries, south Asian countries namely India, Sri Lanka and Bangladesh, and further will go till European nations. All the investment will put China in the centre of global politics, economy and diplomacy at the cost of America. This aspect of OBOR project has given rise to many worries and misunderstanding in many countries. Many scholars, experts of International relations and strategic affairs have written extensively in print and electronic media to mould the impression of people in their respective countries regarding OBOR project. India has seen the same trend since the inception of OBOR project. Many Indian print media had covered extensively on OBOR project. Here, we will discuss the narration of OBOR project in Indian and Chinese public discourse that has appeared in the last three years between 2013 and 2016.

BACKGROUND

In a rapidly changing geo-political structure of the world, China and India both are striving for faster economic development and increase in their political influence in other regions. New alliances are emerging and old ones are slowly vanishing from the geo-political map. China with its economic strength is looking to reshape the world structure where it can have a better

say. In this regard, China recently has embarked on series of new projects of economic and strategic values. Under this scenario, reportage about the Chinese initiative in print media across the globe is of utmost importance.

The image of any country being molded by the media of other country is of utmost importance while projecting such initiative. Till now China has an image of fast-transforming country that is striving for economic development and uplifting the millions of people from the poverty line. But with the global economic crisis in 2008 and the subsequent slowdown in European and American economy, China is losing its market and has seen a sharp fall in its export. To find new market and keeping the pace of economic development, China needed to reshape its economic strategy. After much deliberation, China's policy makers have proposed the grand vision of The Silk Road Economic Belt and the 21st-century Maritime Silk Road, also known as The Belt and Road (abbreviated B&R), One Belt, One Road(abbreviated OBOR) or the Belt and Road Initiative(in Chinese, it has been termed YiDaiYiLu).

Question arises what actually *One Belt One Road* is? How it could be defined and what is the purpose of this grand initiative? How could this grand initiative be implemented at the global stage? There are many worries surrounding this project and it seems that many of the questions have no answer at the moment. Pictures will be clear may be after two or three years when there would be a visible sign of its impact in world economy and geo-politics. But let us examine OBOR project step by step.

There has been a lot of debate regarding naming of this project. The whole idea of the New Silk Road economic belt and the 21st Century-Maritime Silk Road has come from the Old Silk Road with modern narratives. The Old Silk Road is actually a series of trade route that has been in place for centuries that has contributed in cultural, economic, social and political interaction among various countries. China is considered to be the originating place for ancient Silk Road. In 2nd century B.C., Chinese envoy Zhang Qian (164-114 B.C.) went to western region to establish a coalition against Xiongnu confederacy during Han Dynasty, leading to the establishment of Chinese section of old Silk Road.⁴ With the opening of western region to Chinese traders, whole of Central Asia and further Europe got connected to China through a series of trade routes. At the same moment, Buddhism from the Indian subcontinent travelled to Central Asia and entered into China around the first century A.D. , further connecting China to South Asia during Kushana's reign. There are many documented evidences that tell us about the trade relations between ancient India and ancient China.

China's southern part was having trade with India's eastern coast too.⁵ All these ancient trade routes were named as "Silk Road" by German geographer Baron Ferdinand von Richthofen (1833-1905)⁶ in the 19th century which has been rechristened as "New Silk Road" in the 21st century. In the present global scenario, all these ancient trade routes are required to be revived to further the scale of globalization and economic development. With this motive, China has decided to revive all the ancient trade routes connecting China to neighboring countries. According to the Vision and Action Plan Issued by the National Development and Reform Commission, People's Republic of China, OBOR has envisioned altogether six routes connecting China to the neighboring countries and Europe and Africa. These six economic corridors are China-Central Asia-Russia-Europe(The Baltic), China-Central Asia-West Asia-

Persian Gulf- Mediterranean Sea, China—Southeast Asia—South Asia—Indian Ocean, China-Pakistan-Arabian Sea, Coastal China—South China Sea—Indian Ocean—Europe, Coastal China—South China Sea—South Pacific.⁷ According to the World Bank, OBOR initiative encompasses some 70% of world population, 40% of world GDP, some 39% of world land area and 35% of world household consumption. China Office for One Belt One Road mentions that to materialize this project, some 65 countries had agreed in principle to participate in the initiative and 19 Chinese provinces will take the lead from Chinese side⁸. China has recognized some 14 ports along the OBOR which will be crucial for the execution of this grand project. Xinjiang and Fujian are respectively identified as the nodal region for “The Belt” and “The Road” initiative. Both regions have been the centre of ancient Silk Road.

Xinjiang is located on the strategic point connecting China to whole of highland of Eurasia and is also rich in natural resources. Fujian at the eastern coast is providing the free trade zone to attract the business. *Yunnan and Guangxi* province is identified as the region which will play their role as an entry point to the *southeast and south Asian* economic corridor and subsequently helping to the further development of Pearl River economic zone. Shanghai and Guangzhou will be the front ports assisting the OBOR initiative. From south to north, Macau, Hong Kong, Taiwan, Hainan, Guangzhou, Shanghai, Zhejiang all will be the key partners in materializing the whole project assisting in all the four directional business activity. The most surprising part of the project is the inclusion of three provinces from the Northeast part of China, namely Liaoning, Jilin and Heilongjiang. These three provinces would be assisting the Inner Mongolia-Mongolia-Russia Economic corridor. In the hinterland of China, provinces which encompasses Chang-Jiang economic corridor are Hubei, Hunan, Sichuan, Jiangxi, Anhui, Henan etc. which will be actively participating in the initiative. Most of capital cities of China are prepared to get some sort of role to play in the national initiative.⁹

It has been reckoned that there are altogether 65 countries falling on the trade route of “One Belt One Road”. These 65 countries have been enlisted in the below tables falling on six different economic corridors. Table 1-6 enlists the population and GDP of these countries to make a sense of these economies and their importance on these economic corridors.¹⁰

Table 1: China-Central Asia-West Asia-Persian gulf- Mediterranean Sea Economic Corridor

No.	Country Name	Population 2016 estimate	GDP (PPP) 2015 estimate	GDP(Nominal) 2015 estimate
1.	Kazakhstan	17,693,500	\$420.629 billion	\$225.619 billion
2.	Uzbekistan	31,576,400	\$183.933 billion	\$68.190 billion
3.	Turkmenistan	5,171,943	\$93.271 billion	\$35.398 billion
4.	Tajikistan	8,610,000	\$17.555 billion	\$8.572 billion
5.	Kyrgyzstan	6,000,000	\$20.095 billion	\$6.650 billion
6.	Iran	79,200,000	\$1.015 trillion	\$419.643 billion

7.	Iraq	38,146,025	\$522.700 billion	\$240.006 billion
8.	Syria	17,064,854	\$107.831 billion	\$59.957 billion
9.	Turkey	78,741,053	\$1.665 trillion	\$861 billion
10.	Jordan	6,800,000	\$77 billion	\$37.52 billion
11.	Lebanon	6,184,701	\$81.122 billion	\$49.919 billion
12.	Israel	8,541,000	\$297.046 billion	\$311.739 billion
13.	Saudi Arabia	30,770,375	\$1.720 trillion	\$653.219 billion
14.	Yemen	25,408,000	\$85.284 billion	\$41.884 billion
15.	Oman	4,441,448	\$173.073 billion	\$59.675 billion
16.	United Arab Emirates	5,779,760	\$667.211 billion	\$375.022 billion
17.	Qatar	2,383,705	\$333.936 billion	\$185.395 billion
18.	Kuwait	4,348,395	\$301.289 billion	\$148.854 billion
19.	Bahrain	1,378,000	\$66.369 billion	\$31.823 billion
20.	Greece	10,955,000	\$290.491 billion	\$195.878 billion
21.	Cyprus	1,141,166	\$27.516 billion	\$23.263 billion
22.	Egypt	92,292,000	\$1.047 trillion	\$330.765 billion

Table 2 :China-Mongolia-Russia Economic Corridor

No.	Country Name	Population	GDP (PPP)	GDP(Nominal)
1.	Mongolia	3,081,677	\$36.6 billion	\$12.5 billion
2.	Russia	144,221,341	\$3.685 trillion	\$1.133 trillion

Table 3: China-Indo-China Peninsula Economic Corridor

No.	Country Name	Population	GDP (PPP)	GDP(Nominal)
1.	Vietnam	91,700,000	\$593.509 billion	\$214.750 billion
2.	Laos	6,803,699	US\$34.400 billion	US\$11.676 billion
3.	Cambodia	15,458,332	\$50.258 billion	\$16.778 billion
4.	Myanmar	51,486,253	\$311 billion	\$74.012 billion
5.	Thailand	67,959,000	US\$1.152 trillion	US\$409.724 billion
6.	Singapore	5,610,000	\$452.686 billion	\$308.051 billion
7.	Malaysia	31,330,000	\$800.169 billion	\$375.633 billion

Table 4: Bangladesh- China-India-Myanmar Economic corridor (BCIM-EC)

No.	Country Name	Population	GDP(PPP)	GDP (Nominal)
1.	China	1,376,049,000	\$20.853 trillion	\$11.383 trillion
2.	Myanmar	51,486,253	\$311 billion	\$74.012 billion
3.	Bangladesh	168,957,745	\$572.440 billion	\$205.327 billion
4.	India	1,293,057,000	\$8.727 trillion	\$2.384 trillion

Table 5: China-Pakistan Economic Corridor (CPEC)

No.	Country Name	Population	GDP(PPP)	GDP (Nominal)
1.	China	1,376,049,000	\$20.853 trillion	\$11.383 trillion
2.	Pakistan	201,995,540	\$984.205 billion	\$270.961 billion

Table 6: Countries along “The 21st century maritime Silk Road”

No.	Country Name	Population	GDP(PPP)	GDP (Nominal)
1.	Indonesia	255,461,700	\$3.010 trillion	\$936.955 billion
2.	Malaysia	31,330,000	\$800.169 billion	\$375.633 billion
3.	Philippine	100,981,437	\$811.726 billion	\$369.188 billion
4.	Singapore	5,610,000	\$452.686 billion	\$308.051 billion
5.	Thailand	67,959,000	\$1.152 trillion	\$409.724 billion
6.	Brunei	415,717	\$25.245 billion	\$17.060 billion
7.	Vietnam	91,700,000	\$593.509 billion	\$214.750 billion
8.	Laos	6,803,699	\$34.400 billion	US\$11.676 billion
9.	Myanmar	51,486,253	\$311 billion	\$74.012 billion
10.	Cambodia	15,458,332	\$50.258 billion	\$16.778 billion
11.	India	1,293,057,000	\$8.727 trillion	\$2.384 trillion
12.	Pakistan	201,995,540	\$984.205 billion	\$270.961 billion
13.	Bangladesh	168,957,745	\$572.440 billion	\$205.327 billion
14.	Sri Lanka	20,277,597	\$237.791 billion	\$82.239 billion
15.	Maldives	393,253	\$4.935 billion	\$3.228 billion
16.	Nepal	26,494,504	\$74.020 billion	\$24.067 billion
17.	Egypt	92,292,000	\$1.047 trillion	\$330.765 billion
18.	Greece	10,955,000	\$290.491 billion	\$195.878 billion
19.	Afghanistan	33,332,025	\$65.295 billion	\$19.654 billion

In the tables given above, it is quite evident that all the six economic corridors have huge potential for economic development as the population-driven consumer market is huge. China's effort to further integrate the Chinese economy with their neighboring countries and to the highland of Eurasia will further accelerate the pace of globalization, which is the true spirit of *One Belt One Road* Initiative.

FIVE MAJOR AREAS OF COOPERATION

While there is a growing tendency of de-globalization in the West, *One Belt One Road* provides new impetus to the pace of globalization that requires concerted effort at the multilateral level. To establish a framework for this cooperation at the intergovernmental level, five broader areas have been notified. These include, *inter alia*, Policy coordination, Facilities connectivity, Financial integration, Unimpeded Trade and People-to-People Bonds.

Policy coordination: To enhance mutual political trust between the governments, it is necessary to share ideas about developmental policy at the different levels of governments and thereof establishing mechanisms to coordinate for economic developmental policies.

Facilities Connectivity: To realize *One Belt One Road* initiative in its entirety, connectivity is paramount. Therefore, Vision and Action plan of *One Belt One Road* emphasizes on the better infrastructure along whole of the *One Belt One Road* Economic Corridors. To achieve optimal connectivity, China is willing to invest huge amount of money (some estimates say 1.4 trillion US\$) on infrastructure building and in doing so providing the much needed impetus to the economic development in various sub-region of Asia, Africa and Europe.

Financial Integration: Financial integration is the most important part of this Asia's own Marshall Plan. Currency stability system, investment and financing system and credit information system in Asia will be given priority. Strengthening and developing Asian Infrastructure Investment Bank and BRICS New Development Bank, creating Shanghai Cooperation Organization (SCO) financing institution and operationalizing Silk Road Fund are some areas that have been notified.

Unimpeded trade: China would work for the removal of trade barriers among the countries and regions coming along the *One Belt One Road* corridors so that a conducive environment can be created for better trade. Investments and free trade zones will be priority.

People-to-People Bonds: China had a vision for overall people-to-people contacts among the different countries. China had proposed to make cooperation on non-governmental levels, like organizing film festivals, cultural festivals, exchanging youth delegation, media delegation, funding in poverty stricken areas for their welfare and providing huge number of scholarships to the students of countries coming along the *One Belt One Road*. People-to-People bond will certainly create a very cooperative ambience that would eventually help in promoting *One Belt One Road* initiative.¹¹

CHINESE PERSPECTIVE ON OBOR PROJECT

Overcapacity: China has overcapacity in manufacturing and foreign reserve. To use this capacity, China needed a grand project like OBOR. China's foreign reserve touched US\$ 4 trillion. China intends to use the accumulated reserve to develop necessary infrastructure to

expand market and regional integration of local markets.

Resource Acquisition: China's oil and gas resources are highly dependent on overseas markets. *One Belt One Road* will safeguard China's future demand of energy and will consolidate China's economic development for a considerable time.

National Security: OBOR initiative is also meant to strengthen China's national security. Western region has been volatile due to acts of terrorism and separatism. With this initiative, China will not only develop economic prosperity but will also boost national security in these border areas.

Trade Initiative: China is the second largest economy in the world and second fastest growing economy in Asia after India. China has become a manufacturing hub of the world and had built up overcapacity in manufacturing and infrastructure building. With OBOR initiative, China will have larger saying in more trade initiative which will help both the regional as well as the Chinese economy.

Transportation Network: With a series of Railways, Highways and pipeline, China will connect to all of the neighboring states as well as distant Europe and Africa which will help China leveraging her manufacturing might at her will.

SOURCES OF FUNDING

Silk Road Fund: China established a Silk Road Fund on 29 December, 2014, in Beijing with US\$40 billion capital fund. This capital funding will be invested by State Administration of Foreign Exchange (65%), China Investment Corporation (15%), Export-Import Bank of China (15%), and China Development Bank (5%). This funding mechanism would provide funding for infrastructure building, resources and energy development, industrial capacity cooperation and financial cooperation in countries along the belt and road.¹²

AIIB: The Asian Infrastructure Development Bank was established on 29th June, 2015. There are 57 founding members of this bank. It was established with initial 100 billion US\$, in which India is also a core member. As this bank is responsible for funding of OBOR initiative, India is in fact indirectly involved through this institution in OBOR project.¹³

SCODB: New Development Bank (NDB) or BRICS Bank is a multilateral Development Bank established by the five BRICS nations in accordance with the Agreement on New Development Bank signed on 15 July 2014 in Fortaleza, Brazil. The NDB has an initial authorized capital of USD 100 billion and initial subscribed capital of USD 50 billion of which USD 10 billion will be paid-in capital. The initial subscribed capital is equally distributed amongst the founding members. The purpose of the Bank is to mobilize resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries, complementing the efforts of multilateral and regional financial institutions for global growth and development.¹⁴

INDIA'S PERCEPTION ON ONE BELT ONE ROAD (OBOR)

India's response to the Chinese initiative of "*One Belt One Road*" has been a subject of intense debate in academia, think-tank and media circle. For Chinese academia, media and

think-tank, India's response is a matter of utmost importance. Whether India joins it or not, both ways it is going to have a lasting impact on not only Sino-India bilateral relationship but also on overall geostrategic landscape of Asia. India herself would be hugely impacted in both the scenario. Given the enormity of this Chinese initiative, India has had to weigh both the scenario with utmost sincerity. This paper would try to delve into India's overall response and its pros and cons in both scenario.

Since ancient times, connectivity has been the key to any country's economic development. India and China has been known for their connectivity driven economic, social, and cultural development. China's ancient Silk Road and India's ancient Spice Road all have a huge contribution to both the countries and other regions. In modern times, both India and China has been trying to attain their goal of development riding on the tide of globalization. At the advent of 21st century when whole world is witnessing a drastic change, China and India both have adopted new initiative which is based on connectivity projects. In this context, the famous quote of former Indian Prime Minister Manmohan Singh back in January, 2007 while addressing the industrial body FICCI in New Delhi, is quite apt. He said "*I dream of a day... one can have a breakfast in Amritsar, Lunch in Lahore, and dinner in Kabul. This is how our forefathers lived. That is how I want our grandchildren to live.*"¹⁵ This famous quote of Dr. Manmohan Singh is although said in context of India-Pak relationship but the place and timing had a deep strategic underpinning. India has long been striving for greater connectivity and further regional integration to achieve respective development goal. The old Grand Trunk Road (GT Road) which traverse through east to west in Indian subcontinent connects Sonargaon in Bangladesh, passing through the vast Gangetic plains up to Peshawar in Pakistan and beyond. This road has been the backbone of economic activity across the Northern India connecting it to Pakistan, Afghanistan and up to Central Asia. With the partition of India and never-dying enmity between India and Pakistan left a deep imprint on India's economic activities in the region. This is why India has adopted "Look East Policy" (LEP) long back in 1990s, now renamed as "Act East Policy (AEP)" under the Modi government. Under these policies, India is strengthening her connectivity to the eastern nations.¹⁶ Ganga-Mekong cooperation is an initiative by India and five ASEAN nations, namely Cambodia, Lao PDR, Myanmar, Thailand and Vietnam, launched in 2000 at Vientiane, Lao PDR, for cooperation in tourism, culture, education, transport and communication as well.¹⁷ The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is a regional organization comprising seven member states lying in the littoral and adjacent areas of the Bay of Bengal constituting a contiguous regional unity. This sub-regional organization came into being on 6 June 1997 through the Bangkok Declaration. Out of the 7 members, five are from South Asia, that includes, *inter-alia*, Bangladesh, Bhutan, India, Nepal, Sri Lanka, and two from Southeast Asia, including Myanmar and Thailand.¹⁸ India-Myanmar-Thailand Trilateral Highway project was conceived back in 2002. Through all these regional initiative, India has been pushing for regional connectivity and market integration. Under Ganga-Mekong Cooperation initiative, India-Myanmar-Thailand (IMT) Trilateral highway was first pronounced at the Trilateral Ministerial meeting on transport linkages in Yangon in April 2002. Although this highway is still under construction but, it is expected to be completed by 2020. This highway has been viewed as a huge boost for regional commerce and trade.¹⁹

India has also been exploring the possibility of trade route to China but it was more or less confined to border areas especially Tibet. But because of political trust deficit and regional complexities, it has never become a grand initiative on both sides. Although India and China has envisaged Kunming-Initiative in 1999 which was later rechristened as BCIM forum in 2011. Kunming Initiative was a Track-II initiative which became Track-I initiative only in 2013 when Chinese Premier Li Keqiang first discussed this initiative with Indian counterpart Dr. Manmohan Singh while visiting India. In this high level discussion, both nations have agreed to explore the possibilities through such initiatives. On 22 Feb. 2013, a convoy of twenty cars travelled all along from Kolkata to Kunming via. Bangladesh and Myanmar. Before that, a car rally was organized from Kolkata to Kunming in 2011. All these groundwork was intended to show the physical feasibility of this corridor. In December, 2013 India-China–Bangladesh-Myanmar held first joint study group in Kunming to discuss the feasibility of this project.²⁰

India's official response to the *One Belt One Road* has been very vague in nature. China at her part had raised the *One Belt One Road* initiative at the highest level discussions with Indian counterparts. First during the 17th round of border talks between the Special Representatives of the two countries in New Delhi on February 11, 2014, Chinese State Councillor Yang Jiechi extended an invitation to India to join Maritime Silk Route to India's National Security Adviser Shivshankar Menon²¹ and then again on the official visit of Indian Vice-President Hamid Ansari to China in June 2014, China did raise the *One Belt One Road* Initiative and Vice-President asked for more details on the initiative so that India could study it in its fullness to have an official version on the project.²² Then again Chinese President Xi Jinping had raised OBOR with Prime Minister Narendra Modi, when they met for the first time on the margins of the BRICS summit in Fortaleza, Brazil, in July, 2014.²³ But since then there were no official comment on the initiative from Indian side. It was only on May 13, 2015, on the eve of Indian Prime Minister Modi's State visit to China, India's Foreign Secretary S.Jaishanker while replying a question said " *It is their initiative, so I think it is not for us to welcome it or not welcome it. It is something which is there on the table. To the best of our knowledge we have not really had a detailed discussion on this subject.*"²⁴ Again on 20 July 2015, India's Foreign Secretary S.Jaishanker while addressing a conference in Singapore said, " *it is not incumbent on other countries to necessarily buy into such unilateral initiatives.*" From his remark, it can be presumed that India sees OBOR initiative as a National Chinese initiative.²⁵

India's responses to such initiative whose physical interface are mainly a series of economic corridor are vague because the very concept of such economic corridor is not clear. What would be the role, nature and scope of such economic corridor is still not clear and India is wary of its future role. Given the ambiguity of such an Asian Marshall Plan, India has adopted wait and watch attitude so that it can bide some time for crafting her own role in such initiative. Ancient Silk Road was a phenomenon which happened without any deliberate attempt or concerted state policy but the new initiative is a state sponsored initiative with a well thought policy framework which in itself is the positive and negative side of the Initiative.²⁶

1. Indian Perspective of China-Pakistan Economic Corridor (CPEC)

India's opposition to CPEC is very clear. There are many factors that have led India to oppose this part of *One Belt One Road* initiative. First, CPEC passes through Pak-Occupied

Kashmir which is a contested region between India and Pakistan. Theoretically and technically India can't agree to CPEC. Agreeing to this project would mean that India tacitly would denounce her claim over Pak-Occupied Kashmir. So India is against this part of the OBOR. Secondly, India doesn't consider CPEC as merely an economic corridor, but do have some strategic significance. It is true that China will get an alternate trade route to Arabian Sea which will boost development of China's landlocked western region. But then amount of money being invested in China-Pakistan Economic Corridor is disproportionate to the projected profit of this project. The strategic significance which outweighs the economic significance of this project makes India worry. It is also at a time when India is literally at war with Pakistan and China had chosen to ignore India's sensitivities. This has led India to invest in Chabahar port in Iran.²⁷ Thirdly, CPEC also alters the very basic foundation of Indian sub-continent which sees Pakistan as its constituent member. With CPEC, Pakistan no longer sees itself as a part of Indian subcontinent, although geographically located in the subcontinent. It would see itself strategically with China and culturally in West Asia. This brake in their very identity would have a lasting impact on the whole of Asia. Partition of India have disconnected India's trade and socio-political interaction with West Asia, Central Asia and Russia to the great extent by denying direct land access to these regions. With inclusion of China to this region, it would firmly denied any reconciliation to the direct land access to India as many analysts believe in India.

China has always maintained that CPEC is an important part of *One Belt One Road* initiative, and is an open initiative. China would like to discuss the possibility of including third party with consultation of Pakistan. But there is bleak possibility of India joining CPEC in near future. Given the fact that Pakistan has repeatedly denied India trade transit route to Afghanistan and had not given Most Favored Nation (MFN) Status to India, it is unlikely that India will buzz on it. But on the fling side, if China-Pakistan genuinely invites India to join the corridor and India responds positively, India could reap a lot of benefits. India will not only get a direct land transit route to Afghanistan and Central Asia but will also improve bilateral relationship between India and Pakistan which could genuinely help in realizing the Asian dream.

2. Indian Perspective on Bangladesh-China-India-Myanmar Economic corridor (BCIM-EC)

Bangladesh-China-India-Myanmar Economic Corridor (BCIM EC) is a K2K (Kunming-Ruili-Bhamo-Lashio-Mandalay-Tamu-Imphal-Sylhet-Dhaka-Kolkata) route, which is 2,800 km long and mostly along the old Southern Silk Road.²⁸ This project has come into being a decade and a half ago when Kunming Initiative was introduced. In 1999, both India and China felt the need for more collaboration on border trade and started dialogue on opening up of borders. But this initiative was more at provincial level and didn't figure much at policy framework at central level.²⁹

Now when China has pronounced *One Belt One Road* initiative, it has incorporated BCIM EC in this initiative. BCIM Economic Corridor is most advantageous economic corridor among all sections of OBOR initiative. CPEC till now is confined to China and Pakistan only. But India, Myanmar and Bangladesh constitute a much bigger market in South Asia than any other economic corridor. Natural resources in Bangladesh and Myanmar have not been tapped

yet and provide a huge opportunity in these areas. It will also help India in its *Act East Policy* initiated by Modi Government.

3. Indian Perspective on 21st century Maritime Silk Road

Given the geographical positioning of India, India has shown greater interest in *The Road* part of the initiative. India has deep trade, commerce, tourism, and cultural relationship with the Indian Ocean littoral states and Southeast Asian countries. Given India's deep strategic interests in the Indian Ocean region, it is inevitable for India to be a part of the initiative. India's own policy orientation and ambition has caused this prolonged mulling over the strategic gain and loss over the issue. Realizing the role of India in the Indian Ocean, China had invited India to participate in the Maritime Silk initiative.³⁰

India has long seen Indian Ocean as its sphere of influence and so regard herself as the prime player in the region. But the rise of China and her ambition to expand in the Indian Ocean region has made India uncomfortable. Although India's response was cautious but it did take some counter-measures like initiating *Project Mausam* and the recently talked *Project Cotton Route*. India's lack of resources and her inability to invest in the littoral countries had left these countries with no other options but to accept China's huge aid and investment. India should also adapt her own policy and make her more accommodative and join the initiative. Joining the initiative may help India in trade, commerce and other economic activity. On China part, China should also make effort to mitigate India's concern on strategic front. China's construction of Hambantota port in Sri Lanka and frequent visit of Chinese submarines to Indian Ocean has raised India's concern.

4. Growing Chinese influence in Indian subcontinent

India is also wary of the growing Chinese influence in the Indian subcontinent. The huge amount of Chinese aid and investment in its neighborhood, especially Nepal, Bangladesh, Sri Lanka and Pakistan forces India to take counter-measures. Although these aids and investment are not going to alter the Indian social-political, cultural and economic influence on these neighboring countries in near future but it does challenge Indian supremacy in South Asia. On the flip side, China and India has huge trade deficit. China also does less investment in India compared to its other neighboring states. This strategy fuels the theory of encirclement of India by China and many analysts have coined this encirclement as "String of *Pearls*".

5. China-Pakistan nexus

Indian policy makers are also very concerned regarding China-Pakistan nexus because it has deep impact on Indian presence in Afghanistan. Indian trade with Afghanistan and Central Asian region and subsequently With Russia has been hampered because of partition of India. Pakistan has repeatedly denied India's request for a direct land transit trade route to Afghanistan and Central Asia. Indian outbound trade has been badly affected with this cut-off. Almost whole of North India has no outbound business activity with any other nation. This has badly affected the development of northern Indian States.

6. Trade Deficit

India's annual trade deficit with China increased to USD 52.69 billion during 2015-16 from

USD 48.48 billion in the previous financial year, as per reports. Such a voluminous amount of trade deficit between India and China had made such economic corridor more desirable but then China's upper hand in manufacturing and overcapacity in steel, cement and machinery restrains India from taking a lead in such initiative. India expects more investment from China to address this issue. Year 2017 will be crucial for Sino-India relationship as both countries are emphasizing on enhancing trade.

7. India's own connectivity- driven foreign policy

India has also initiated its own connectivity project for trade and commerce. Last year India signed a cooperation agreement with Iran to develop Chabahar port in Iran and connecting it through highways to Afghanistan. India has contributed in building Zaranj-Delaram highway section of this Highway project. This Highway gives India unfettered passage to the Central Asia up to Almaty in Kazakhstan. India is also a member of International North-South Transit Corridor (INSTC) which was initiated long back in 2000. India, Iran, Russia, Turkey and Central Asian countries all are member of this multi-modal links which connects India to Eurasia. A dry-run was conducted in 2014 to check its viability and transit and customs agreement was signed in 2015. India has already acceded to the Ashgabat Agreement which facilitates the transportation of goods from India to Central Asia, Persian Gulf and Eurasia.

Project 'Mausam': Ministry of Culture in India has launched its unique project on 20th June, 2014 at the 38th World Heritage Session at Doha, Qatar. The underlying idea behind this project is to re-explore the cultural routes and maritime landscapes in Indian Ocean littoral countries and in the process re-connect with these coastal countries and establish a mutual understanding of shared culture and values that had shaped our destiny in the long historical process.

Spice Route Project: India has also launched Spice Route project which will connect her to 31 countries lying along the ancient Spice Route. The centre of this project is India's southwestern state of Kerala which is major producer of world famous Indian spices. Kerala has maritime trade with more than thirty countries and India wants to reorient her relationship with these nations through trade, tourism, historical and cultural exchange.

China has expressed its desire to connect its *One Belt One Road* initiative with India's spice route project and *Project Mausam*.

8. India's Own Aspiration of Emerging As a Superpower

India after independence has changed a lot. It has been persistently trying to regain its place in the world as a great country. No doubt, India is seen as a civilization but not as a great power. After economic reforms, India is slowly getting better economically and also improving on many social parameters. In South Asia, India undoubtedly is seen as a big country but has not been able to provide the much needed economic support to these small countries. On the diplomatic front, India has always maintained a non-aligned policy which restrained India from being a part of any bloc or alliances. India's non-aligned policy is also one factor which is playing its role in deciding India's approach towards Chinese OBOR initiative. If Chinese initiative is to tackle US pivot to Asia or in response to US Trans-Pacific Partnership, then

obviously India won't want to see herself as a member in these strategic bloc. India has its own priority which requires a balanced approach. It is mainly driven by India's own need for development and relationships with many countries. But then strategic considerations apart, on economic front, India could consider to engage in Maritime Silk Road Initiative without giving any strategic color to its involvement.

9. China's Opposition to India's Entry in NSG and UNSC

China's reluctance to support India's inclusion in the United Nation Permanent Security Council has made India disappointed. Recently India sought support of China for her membership in the Nuclear Suppliers Group(NSG) . China is still not forthcoming. China even doesn't support India's move to ban Jaish-e-Mohammad commander as a terrorist through the 1267 Resolution of the United Nation. This entire uncooperative attitude has created a non-conducive environment for India to accept any such Chinese Initiative.

SOME ARGUMENTS FOR INDIA TO JOIN OBOR

Economic benefits: India should join OBOR to reap economic benefits from the project. India is in need of huge infrastructure build-up across the country which can be facilitated by China. China's overcapacity in infrastructure building can become a boon for India. India may weigh options to readjust its view on OBOR from strategic to purely economic perspective.

Strategic Benefits: By joining OBOR, India would have much bigger say in the foreseeable future of strategic structure in Asia. India's biggest concern on OBOR is the CPEC section of this initiative, and India may envisage participating in this initiative. Prof. Li Xiguang of Qinghua University has suggested that India and Pakistan can come on term with the concept of Soft Border as was in the discussion between Indian PM Manmohan Singh and Pakistan President Pervez Musharraf. If India-Pakistan can agree on the principle of Soft Border, then it would be easy for India to join the initiative. Once India formally joins this section of OBOR, then India will be involved in other sections of OBOR actively. This would also help India reduce strategic burden by becoming a stakeholder in Pakistan and so working together on economic front. But, this is unlikely as India may seek application of same principle to the northern neighbor where India's civilizational heritage of Mt. Kailash- Mansarovar Lake lies.

China may offer India negotiation for its involvement in the " *One Belt One Road*" initiative with support for the Permanent Membership in the United Nation Security Council as well as NSG membership. China should rethink over its earlier position and ought to agree to India being a Permanent Member of the United Nations Security Council. This will earn a huge goodwill for China among 1.3 billion people of India. Young India is very aspiring and leaving no stone unturned to keep the pace of change and economic development. China having gone through the same process should respect the sentiment of young population of India.

Civilizational Tie-up: India and China has had more than two thousand years of civilizational tie-up which makes them unique in whole of human civilization. The formidable Himalaya has not stopped establishing a deeper cultural and humane relationship between these two countries and have mutually affected in many ways. China and India are countries, as put by famous cultural ambassador between India and China Ji Xianlin, as " *Created by*

heaven and constructed by earth” which wielded considerable amount of mutual influence not only in their mainland region but also in whole of Indo-China region. Most of the Southeast Asia has been the product of mingling of these two civilizations. India must seize this golden opportunity to contribute in the making of new Asia.³¹

CONCLUSION

China is spending such a large amount of money and resources, undoubtedly it is for economic development, but then question arises whether China should abstain from gaining strategic leverage from this initiative. It is a historical fact that the ancient Silk Road emerged out of strategic necessity. Or should the world be afraid of China’s peaceful rise? Since last three decades, China has proved its ability to lead with example. China is a civilization with deep cultural values and mutual respect for other nations. China has always played a very positive role in promoting peace and stability in whole of Asian region and contributed immensely to the human civilization. With Chinese prosperity and able leadership, can other major players of the world cooperate with China to get rid of many world problems? World is facing acute problems like climate change, poverty, terrorism, and economic crisis etc. and these need to be sorted out at the earliest. All major players must pull together to address global problems. China, too, shall be part of this benign global effort.

REFERENCES

1. "Vision and Actions on Jointly Building Silk Road Economic Belt and 21st Century Maritime Silk Road", Beijing, March 28, 2015, accessed on 19 January 2017 at http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html.
2. *Ibid.*
3. *Ibid.*
4. Liu, Xinru(2010). *The Silk Road in World History*, Oxford & New York: Oxford University Press, pp. 18-22.
5. See Liu, Xinru (1988). *Ancient India and Ancient China, Trade and Religious Exchanges AD 1–600*, Delhi: Oxford University Press, p.151. Also see Xianlin, Ji (1991). *Zhong-Yin wenhuajiaoliushi* (History of Sino-Indian Cultural Interaction), Beijing: Xinhua Press .
6. Waugh, Daniel. (2007). "Richthofen's "Silk Roads": Toward the Archaeology of a Concept." *The Silk Road*. Volume 5 (1), p. 4.
7. See n.1.
8. <http://yidaiyilu.cn/display.asp?id=142>.
9. http://www.ha.xinhuanet.com/hnxw/2015-04/01/c_1114829594.htm
10. All the data have been taken from Wikipedia. Most of the Population Census has been conducted between 2010 and 2016. GDP, both in nominal and PPP terms, are in US dollar and time period is between 2010 and 2016.

11. For all these five areas of cooperation, refer to “Vision and Actions on Jointly Building Silk Road Economic Belt and 21st Century Maritime Silk Road”, n.1.
12. Accessed on 19th January, 2017 at <http://www.silkroadfund.com.cn/enweb/23775/23767/index.html>
13. Accessed on 19 January, 2017 at <https://www.aiib.org/en/about-aiib/index.html> .
14. Accessed on 19 January, 2017 at <http://www.ndb.int/pdf/NDB-Fact-Sheet.pdf> .
15. Accessed on 19 January, 2017 at <http://www.thehindu.com/todays-paper/Breakfast-in-Amritsar-lunch-in-Lahore-hopes-PM/article14704065.ece> .
16. Accessed on 19 January, 2017 at <http://www.mea.gov.in/in-focus-article.htm?23855/Indias+Enhanced+Look+East+policy+takes+wing>
17. Accessed on 19 January, 2017 at https://mea.gov.in/Portal/ForeignRelation/Brief_on_MGC_for_MEA_website-Final.pdf .
18. Accessed on 19 January, 2017 at <http://bimstec.org/index.php?page=overview> .
19. Accessed on 19 January, 2017 at https://en.wikipedia.org/wiki/India-Myanmar-Thailand_Triilateral_Highway .
20. Accessed on 19 January, 2017 at <http://www.icsin.org/uploads/2015/05/15/89cb0691df2fa541b6972080968fd6ce.pdf>
21. Accessed on 19 January, 2017 at <http://indianexpress.com/article/opinion/columns/will-india-join-chinas-maritime-silk-road/>
22. Accessed on 19 January, 2017 at http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1170748.shtml .
23. Accessed on 19 January, 2017 at <http://indianexpress.com/article/opinion/columns/chinese-takeaway-one-belt-one-road/>.
24. Accessed on 19 January, 2017 at <http://www.mea.gov.in/media-briefings.htm?dtl/25228>
25. Accessed on 19 January, 2017 at <http://www.deccanherald.com/content/490656/one-belt-one-road-not.html> .
26. The Chinese section of ancient Silk Road was started by official Chinese emissary to form a coalition against Xiongnu Confederacy but it was limited to China’s western region and its periphery. Chinese dynasties were not directly involved in crafting the expansion of trade route to highland Eurasia and up to Roman Empire. It was the trader community from different small states whose quest for doing business from west to east or vice-versa led to connecting all the existing arteries and subsequently sought royal patronage in order to safeguard trade and commerce along the road. In this context the new Silk Road is different in its form and nature.
27. Accessed on 19 January, 2017 at <http://www.thehindu.com/opinion/lead/lead-article-iran-deal-spells-good-tidings-for-india/article7085906.ece>.

28. Accessed on 19 January, 2017 at <http://www.thehindu.com/news/national/china-india-fasttrack-bcim-economic-corridor-project/article7355496.ece#!> .
29. Accessed on 19 January, 2017 at <http://www.indianembassy.org.cn/newsDetails.aspx?NewsId=455> .
30. Accessed on 19 January, 2017 at http://www.business-standard.com/article/international/india-invited-to-join-maritime-silk-road-initiative-china-114021400815_1.html
31. Chung, Tan(2015). *Himalaya Calling: The Origins of India and China*, NJ: World Century Publishing Corporation, pp. xii.