

Belt and Road 2.0

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With the second Belt and Road Forum, a paradox is now apparent at the heart of the initiative.

Six years after it was unveiled, China's Belt and Road Initiative (BRI) assumes another avatar. In its initial form, it was all things to all people, a catch-all for China's international engagement. But in fact it had multiple, layered objectives. The first concerned domestic economics: exporting surplus industrial capacity and cash reserves overseas to keep China's economy humming, its industrial output flowing, and its employment levels high. The second concerned domestic politics: a signature foreign initiative to associate with Chinese President Xi Jinping. The third concerned security: stabilising Western provinces and the Eurasian hinterland. And the fourth concerned strategy: leveraging China's new-found economic heft for political objectives in Asia, Africa, Europe, and



the Indian and Pacific Oceans, and creating new standards and institutions in a bid to challenge U.S. leadership.

But Beijing may have moved too soon and too quickly. As the second Belt and Road Forum (BRF) concludes, a paradox has become apparent at the heart of its ambitious initiative. On the one hand, there has been a

strong backlash. The economic viability of Chinese projects is now viewed with considerable scrutiny. In capitals around the world, the port of Hambantota in Sri Lanka is being described as a warning sign.

The BRI's sustainability is called further into question as Chinese debt, especially that held by state-owned enterprises, mounts. Additionally, security concerns have begun to predominate as far afield as in the European Union, the South Pacific and Canada. The role of China's state in its business dealings is being deliberated openly. China's military base at Djibouti has injected an overtly military element to its external engagement. And political pushback to Beijing is also discernible, whether in Zambia, the Maldives or Brazil.

Yet, despite these obvious deficiencies, the allure of the BRI remains strong. Many countries still see China as an attractive alternative to slow-moving democratic bureaucracies and tedious lending institutions. There are also political motivations at play: a minor agreement on the BRI is a useful tool for Italy's Eurosceptic government to send a strong political message to the EU.

Beijing has also become more flexible, the tone of this year's BRF less triumphalist. Chinese overseas financial flows have slowed since 2017, and the focus has shifted away from massive infrastructure projects to realms such as digital technology.

Given these contrasting trends, the future of the BRI is more uncertain than ever. For India, which boycotted the BRF for the second time on grounds of both sovereignty (the China-Pakistan Economic Corridor traverses Pakistan-occupied Kashmir) and unsustainability (particularly in the Indian Ocean), it means continuing to monitor China's international engagement closely.

GS World Team...

One belt, one road

Why in the discussion?

- Recently the second meeting of the ambitious project 'Belt and Road Forum' linking the world with various routes of China concluded in Beijing.
- India and the United States did not participate in this Meeting. However, except these two countries, about 37 countries participated in a three-day conference on the Chinese project of the trillion dollars.
- Chinese President Xi Jinping started the Belt and Road project in 2013. Its purpose is to connect Asia, Africa and Europe through highways, railway lines, ports and sea routes.
- For this project, China has spent billions of dollars on 60 partner countries. Its partner countries like Sri Lanka, Maldives and Pakistan are immersed in his debt under his project.

introduction

- In order to merge two projects of Silk Road Economic belt and Marine Silk Road of 21st Century, 'One Belt, One Road' program was proposed in September 2013.
- The proposed 'one belt, one road' is a \$ 1400 billion project. The goal of completion of the OBOR is 35 years, when the Chinese Republic will celebrate the 100th anniversary of 2049.
- The project with the capacity to reconcile 55 percent of the world's Gross National product (GNP), 70 percent of the population and 75 percent known energy reserves, it is in reality to build a land and sea transportation route, which will connect China's production centers with markets and natural resource centers worldwide.
- Belt corridors will pass through the main bridges in Eurasia, China-Mongolia-Russia, China-Central and West Asia, China-India-China Peninsula, China-Pakistan, Bangladesh-China-India-Myanmar.

- The 'belt' here refers to the Silk Road economic belt, which is made up of three land routes - (i) the road connecting China, Central Asia and Europe. (ii) route from China to Middle East and Central Asia via Middle and Western Asia (iii) Road connecting is the way to connect China with Southeast Asia, South Asia and the Indian Ocean.
- 'Road' refers to the 21st century Marine Silk Road, which is being constructed through the South Europe Sea and Indian Ocean to trade in China from the shores of China and through the South China Sea to trade from China to the South Pacific.

China will Mode these web of corridors

- China-Pakistan Economic Corridor
- New Eurasian Land Bridge
- China-Central Asia-West Asia Economic Corridor
- China-Mongolia-Russia Economic Corridor
- Bangladesh-China-India-Myanmar economic corridor
- China-Indochina-Peninsulas Economic Corridor

Why is it Important to China?

- Experts believe that the 'one belt, one road' initiative is China's economic diplomacy.
- Experts also believe that China feels lonely as it is not included in the G-7 and is limited to only BRICS countries.
- Ther believes that China needed a policy to continue its economic expansion and 'One Belt One Road' initiatives fulfills fully.

Benefits for India

- There is a lack of resources in India today to establish a competitive network. Therefore, it may be appropriate to participate in components of the OBOR which can improve Indian connectivity for supply of basic markets and resources.
- In this, many international financial institutions, including the Asian Infrastructure Investment Bank (AIIB), the New Development Bank of BRICS, the Silk Road Fund, the CIC's support fund and possibly the SCO Development Bank are adding to this and also the same as Australia. Support is achieved.
- If India is to become the world's largest economy or the second largest economy by 2050, then

it can not be possible without the Asian market being integrated, India should become a partner in the integration of Asian markets and also take advantage of it. .

Effect on India

- India's biggest concern is that if China's dream of One Road gets fulfilled, China will undoubtedly emerge as the biggest figure in Asia, which could strike India's ambitions.
- The China-Pakistan Economic Corridor (CPEC), which passes through Pakistan-occupied Kashmir, is also a part of the OBOR.
- India is constantly protesting against the China-Pakistan Economic Corridor. In India's eyes, this corridor is going to challenge its sovereignty.
- Through the OBOR, China wants to give new directions to international borders, which has started to do it in South Asia, it will have a direct and adverse impact on India geopolitical purpose are inherent In this initiative of China.

What is a Silk Route?

- Silk Route is known as the trade route of ancient Chinese civilization. Between 200 years BC and 2nd century, the trade of silk was increased during the Han Dynasty regime. Chinese, Arabic, Turkish, Indian, Parsi, Somali, Roman, Syrian and Armenian traders used this silk route for quite a time from the 5th to 8th centuries.
- It is known that not only silk was traded on this route, but all the people associated with it used to trade their own products like horses etc.
- China occupies a large area of Laddakh, in the west, Pakistan has handed over a major portion of its occupation to China after the 1962 Indo-China war. China's first Sakrakoram infrastructure project Highway in kashmir is the most popular festival of the sixties.
- Since then, Interference of of China has been growing in Pakistan-Occupied Kashmir. China's role in the Kashmir dispute has increased due to the linking of the China-Pakistan economic corridor with Pakistan-occupied Kashmir.

Expected Questions (Prelims Exams)

1. Consider the following statements-

1. One Belt One Road project was started by the president of China Xi Jinping in 2014.
2. China built military airport in Djibouti.
3. India also participated in the second meeting of Belt and Road Forum (BRF).

Which of the above statements is/are correct?

- (a) 1 and 2
- (b) Only 2
- (c) 2 and 3
- (d) 1, 2 and 3

Expected Questions (Mains Exams)

- Q. Explain the economic and strategic objectives of Belt and Road Initiative (BRI) a ambitious project of China. Is the boycott of BRI by India a good step? Comment.**

(250 Words)

Note: Answer of Prelims Expected Question given on 7 May. is 1 (b)