

China's One Belt One Road or Middle-Kingdom by another Name

Abstract

My research paper is devoted to debunk the claims of new Chinese organization popularly known as OBOR as the world organization without in any way under Chinese hegemony. My paper analyses the various aspects which led China to go for it. It is an external answer to the internal challenges of China. India has many valid reasons to be suspicious of it. In my paper I have tried to analyze several pros and cons of this initiative, impacts on India and other regional countries. I have adopted time tested analytical research methodology.

Keywords: AAGC, OBOR, BRI, Silk Route, IORC, *tian-Xia*

Introduction

The new silk road economic belt and 21st century maritime silk road- now known collectively as the 'One Belt, One Road' or OBOR. The belt and road initiative is China's most ambitious initiative in history. It is the realization of President Xi Jinping's 'China-Dream'. During his visit to Kazakhstan and Indonesia respectively in 2013, he enunciated the main kernels of his dream project. Chinese government issued an official document on March 28, 2015 to lay-out major principles and priorities for OBOR.

This is a kind of infrastructure project of large proportions, which attempts to bring under its away more than 60 countries. China wants to realize its ancient dream project known as "silk-route" last month Chinese President Xi Jinping presided over the forum of 29 heads of State, 1200 delegates from over 100 countries. President called it "the project of Country". The countries involved comprise 2/3rd of world land mass and include 4^{1/2} billion people.²

China wants to integrate Eurasia through a trillion Dollars of infrastructure. It has been rightly termed by critics as China's New Marshall Plan. In a world of competing economic and trade alliances OBOR needs to be compared with its contemporaries the most famous European union has got 27-members, OPEC has 13, the organization of Islamic states (OIC) has 57. OBOR surpasses all with its 60 members.

The initiative has since been widely discussed between policy makers and academics both inside and outside China. Many questions have been asked like 'why did China come up with such a strategy at this point of time, when it is already slowing down or what are the real intentions behind it? Is it not the Pax-China in disguise? To put simply it is the long cherished dream of Middle-Kingdom by another name.

It is not that India alone is concerned of its large size or its leadership role, but there are many in the world that is looking askance at this initiative. Many countries are suspecting this initiative as new Pax-China. It is the new incarnation of middle Kingdom.

Objective of the Study

My research paper is devoted to the cause of understanding the implications of our immediate China new initiative known as one belt one road.

There are greater apprehensions being raised by many stakeholders and scholars. For many OBOR is only a ruse to tighten its grip on Asia in particular and rest of the world in general. It is believed that it is infeasible as an economic plan also.

China consulted many countries concerned and didn't thought it appropriate to consult India. India was merely informed later. Given the magnitude of the OBOR India can't jump its gun without pondering.

There are many unresolved points of sovereignty between India and Pakistan. Instead of taking us into confidence China has unilaterally declared the plans of OBOR. Many proposed transit routes are situated within the proclaimed territory of India. No country in the world can compromise its security and ours is no exception.



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My paper tries to understand the issues involved in the OBOR and India's role in it.

India's Position

India decided not to participate. India was invited to the Beijing conclave. India has got a number of reasons for staying away. None of them was more important than the question of India's sovereignty over Pak-occupied Kashmir (POK), through which an important part of China's OBOR runs. The foreign office in Delhi affirmed that "No country can accept a project that ignores its core concerns on sovereignty and territorial integrity writes.³ Foreign affairs expert C. Raja Mohan" international isolation is not India's biggest problem ... India is too large an economy and political entity to be isolated by another power, occupying a vertical Geographical location, India can contribute to the success of China's belt and Road initiative or create needless complications. "**India real challenge is to match its claim on territorial sovereignty with effective action on the ground.**"⁴

Now the question arises "Does India have any effective strategy to counter the expansionist China on ground? What clearly appears that Indian foreign policy at present is in dilemma.

China has already rejected the proposal of Prime Minister Modi to clarify the LAC. Successive governments in New Delhi since the 1990s have put their premium on boundary issue resolution and linked it with the over-all improvement of relationship with China." To his 2015 speech at Tsinghua University, Modi broke ever so gently with consensus, suggesting the bilateral relationship should be more than settlement of the boundary question".⁵ All the previous government and even Mr. Atal Bihari Bajpayee of his own party had asserted (during his 2003 visit to China) that "before good neighbors (could) truly fraternize with each-other, they must first mend their fences"⁶

This renunciation of traditional wisdom is not going to fetch India anything. China is gradually improving its infrastructure and presence in disputed territories like Karakoram highways since 1960s. Beijing now looms larger than ever before over J & K. Beijing attaches special importance to China-Pakistan Economic Corridor. Now China has landed at the tri-junction in Doklam challenging the twin sovereignties of Bhutan and India, coincidentally the same two countries opposed to OBOR. Before I strategize for New Delhi let us have a reality check over OBOR.

A Reality Check

China's ambitious initiative would provide (as claimed by China) rail lines, pipelines, ports and power plants to poor countries. It would also encourage the investments in European parts and railways. The Belt would include a massive network of highways & rail links through Central Asia and the Road refers to a services maritime routes and parts between Asia & Europe.

One of the most venerated scholars of international politics Joseph S. Nye Makes a stinging observation "Marco Polo would be proud. And of China chooses to use its surplus financial reserves to create important infrastructure that helps poor

countries, China's motives are not purely philanthropic."⁷

He again brings to notice that this is a play to revive its ailing steel and cement firms. China is suffering from over capacity and it badly needs connections to international markets.

According to a report published in Financial Times, investments in OBOR declined last year, raising doubts over the whole process. The same report mentions that China sends five trains full cargo to Germany every week, but only one full train returns. According to Joseph Nye "shipping goods overland from China to Europe is still twice as expensive as trade by Sea".⁸

This year, China cut its GDP growth target to 6.5%, the lowest in 25 years. With a global slowdown, China needed a new model of development to maintain its spectacular economic success story. OBOR envisions large scale infrastructure creation in China and OBOR linked countries, which the government hopes will keep the economy ticking.

There are two versions of OBOR— domestic and international. Experts pin the slowdown on changes in exports, investments and local consumption. A shift in US policy after Donald Trump's victory, and the rise of protectionist tendencies in the west, has resulted in shrinking markets, while investments in China have gradually reduced due to rising labor costs, increased traffic on roads, and air pollution and environment concerns. Experts also believe consumption in China has decreased with slower growth of the middle class. OBOR visualizes a shift from developed markets in the west to developing economies in Asia, and a shift in China's development strategy itself- concentrating on provinces in central and western China instead of the developed east coast region.⁶⁻⁸

As the financial times put it, BRI "unfortunately is no more a practical plan for investment than a broad political vision".⁹

There is danger of debt and unpaid loans and security conflicts could lead the projects to a dead end that crosses so many sovereign borders & continents. According to Joseph Nye China is betting on an old Geo-political proposition.¹⁰

Definitely the alleged death of distance is true but Geography still determines a lot. Geography is a boon where legacies of history are resolved like Europe, but Geography is a bane where history of insanity still dominates like Korean Peninsula and South-Asia. China too seems to be enthralled by a mission of national greatness, engages in international disputes with its maritime neighbors. India cannot remain unaffected by it.

Way Ahead for India

Given India's size, history and culture, it is inevitable that either it must play a major role in the world or none at all. As Clausewitz say "the best strategy is always to be very strong".¹¹

India has to put forth a concerted and well crafted strategy even as it engages in a necessary and patient dialogue with China, Delhi need to take a number of steps on its own write C. Raja Mohan. For one Delhi modernize and deepen J & K connectively.

Second in Arunachal, Delhi needs to raise its game on economic development and its connectivity. Third Andaman and Nicobar Islands that sit across China's planned maritime silk route in the eastern Indian Ocean should be strategically developed to counter China. He writes "India must renew its commitments in promotion of connectivity to South & South-East Asia".¹¹

India has raised serious questions about the efficacy and integrity of the project. The Banks supposed to provide the loans for the project in different member countries will in fact indirectly benefit the local Chinese companies and its anemic industrial sector which is facing a shutdown today and the host countries will be trapped.

Beijing allays these fears, by pointing out that enhanced trade flows would provide the income needed to service the loans, while also creating employment for millions along the trade highways. Yet, this is not what transpired in Sri Lanka. According to The Economic Times 'the Hambantota infrastructure development project generated far less income than had been anticipated, while piling up crushing debt for Colombo'.¹² Currently, the Sri Lankan government is dealing with the political fallout of restructuring unmanageable debt into equity holding for Chinese firms, which locals object to as a violation of sovereignty.

Why has China made such a humongous investment in developing economies with huge investments in the pipeline? What does China stand to gain from this in terms of geopolitics and strategic policy?

Well, there are no free lunches. The Chinese are too smart to throw huge amounts of money into developing economies without any tangible and concrete returns! According to an online magazine The Quint "This is China's golden moment in contemporary history, as it is fast filling up the strategic and international leadership space being ceded by the Americans under the Trump administration. The contrast is huge".¹³ The noted strategic analyst Rajiv Sharma makes an interesting remark "On one hand, you have an America which has reneged on its Paris Pact pledges on climate change and has turned its back on the Trans Pacific Partnership (TPP). On the other hand, here is a resurgent China, which despite its own economic challenges, is wooing the outside world and has turned globalization on its head."¹⁴

Conclusion

Asia has its own balance of power and neither India nor Japan nor Vietnam wants Chinese domination. They see America as a part of solution.

Given the precarious nature of America leadership, India should take a lead. We have to seriously invest in several groupings which are lying dormant like Indian Ocean Rim countries (IORC), & BIMSTEC, BBIN and Mekong-Ganga Cooperation (GMC), which was conceived more than a decade (year 2000) ago. Our record of translating conceptions into creations is dismal. It is here our real test lies. It is in this regard a significant development worth mentioning.

India and Japan have launched a vision document for Asia-Africa Growth Corridor (AAGC). The AAGC initiative is part of Indo-Pacific freedom corridor being put in place by India and Japan with an eye on counterbalancing China's OBOR. It aims for Indo-Japanese collaboration to develop quality infrastructure in Africa, complemented by digital connectivity.

India does not need to a scared partner of China's Band-wagon. We are not supporting confrontationist India. We have to search every possible opportunity to work and collaborate with China. India has shown enough maturity and courage by joining Shanghai Cooperation Organization (SCO) which is also a brain child of China. What we want is a dignified presence at decision making table. We want the respect for our unity, integrity and of course the sovereignty.

OBOR is basically a smoke screen to hide the real ambitions of ruling the world. It is the part of their cultural front to believe that "China a world into itself." They subscribe to 'tian xia' or 'all under heaven or one' world view. Multi-polarity of 21st century is incompatible with this *tian xia* approach.

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