

OBOR and INDIA: READING BETWEEN THE LINES

BINODA KUMAR MISHRA
Director, CSIRD

India's absence from the recently concluded One Belt One Road (OBOR), renamed as Belt and Road Initiative in Beijing has generated a debate about India's foreign policy prudence. There are forceful arguments both in favour and against India's boycott of the Summit. Those who support India's boycott, commend it as a stamp of nationalistic assertion that should count over everything else. On the other hand, there are arguments calling it an isolationist and myopic policy choice that is devoid of an understanding of the global realities. Before agreeing with any of these two formulations, one needs to have an objective understanding of the OBOR or the Belt and Road Initiative and what it holds for India.

On the face of it, the OBOR began with Xi Jinping's two speeches in September and October of 2013. On 7th September, speaking at Kazakhstan's Nazarbayev University, Xi articulated the land component of the OBOR, which he called "Silk Road Economic Belt that would connect China to Western Europe through Central Asia, Eurasia and Eastern Europe. On 2nd October Xi presented his vision of 21st Century Maritime Silk Route (the sea component of the OBOR) while addressing the Indonesian Parliament. Taken together the One Belt One Road is being projected as China's vision of 21st century global order. What is involved is really big and cannot be compared to any other unilateral initiative by any country. The US Post WW II Marshall Plan is miniature in scale to OBOR.

Just in terms of coverage, it proposes to cover 65+ countries of three continents (Asia, Europe and Africa) and has an initial budgetary estimation of 5 trillion USD



and increasing. Over the land it starts from Xian (Old Chang'an) and connects Rotterdam in Germany. On the Seas, it starts from Fuzhou in China and connects Venice; a land route further connects the sea route from Venice to Rotterdam. These two main routes have many tributary and distributary land and sea routes touching over 65 countries. To most it seems to be an infrastructure project involving creation of trade hubs, land and sea ports on the route to facilitate movement of goods and people. In reality it is much more than just a trade route. It calls for enhancing connectivity, coordinated development strategy, removal of investment and trade barriers, currency stabilization (financial integration) and People of people contact.

It is unimaginable that such a grand project was conceptualised by President Xi in 10 months into power (He assumed power in November 2012); though it is true that the official launch of OBOR owes its origin to the two speeches of the Chinese President in 2013. The rationale for conceiving such a mega project is both a compulsion and a strategy. One can say that the Chinese, true to their spirit of making a strategy out of a compulsion, just produced another master piece. In close scrutiny it would be clear to anyone that OBOR is nothing but an aggregation of many small initiatives that were either in operation or were conceptualised for promoting domestic economic development.

From mid-1990s China embarked upon a variable regional development strategy that was built on the realisation that the western parts of China did not experience the degree of development eastern or coastal regions of China did. It warranted allowing transnational engagement of the relatively underdeveloped regions of China. Xinjiang's engagement with Central Asia and Yunnan as the 'bridgehead' for South and Southeast Asia engagement are been in vogue for a long time now. For example, the Bangladesh, China Indian Myanmar Economic Corridor (BCIM-EC), being projected as part of Southern Silk Route and part of OBOR has been in discussion from 1999. I personally have been involved in some of the BCIM Track II negotiations since 2008 and am aware of Chinese interest in economic

engagement of Southern China with South and Southeast Asia since then. Chinese involvement in Greater Mekong Sub-Regional Cooperation is another example.

But it must be accepted that even if these ideas were in operation their expansion to the level of OBOR level was beyond any scholarly imagination. This was accentuated by the recent economic experience of China. The over-capacity in production, fast saturating domestic market, persistently increasing energy requirement, accumulation of trillions of foreign currency in reserve, and unemployment/underemployment assuming critical mass were the compulsions that forced China to think something innovative. And the current global flux presented the Chinese with yet another opportunity to turn the compulsions into a strategy.

The waning of the US as a global hegemon, contracting European economies, support seeking developing economies in the region around China and Africa presented China with a perfect opportunity to put in place a grand strategy. All China needed to articulate a policy that is grand, acceptable and yet looks benign (win-win). Thus, evolved the OBOR. It promises dividends for anyone who is interested in reaping benefits from, arguably, the strongest economy of the world. It promotes globalisation that is the reigning economic principle of the world. It also promises regionalism of the broadest kind. All it demands is syncing economic principles to the new order being established. China must be credited for gaining acceptability for this idea from powers that are openly critical of China such as the US and Japan. Only country that remains unconvinced is India.

It is being argued that India's boycott of the OBOR Summit is a boycott of OBOR idea. It is also being argued that India is right in boycotting OBOR Summit on the ground that one of the flagship projects under OBOR, the China Pakistan Economic Corridor (CPEC), violates India's sovereignty. In any informed discussion either of the arguments are entirely correct. It is correct that the CPEC does violate India's sovereignty, but that, to my mind, is the only plausible reason why India should have joined the Beijing Summit.

Without going into the details of the CPEC and its publicised details, I wish to draw the attention to certain deep strategic calculations behind this deliberate act by China and Pakistan. It is open to all that Pakistan is

having great difficulty in controlling the occupied Gilgit and Baltistan population and similar is the story of Baluchistan. Despite the unrest in Baluchistan, the Chinese invested a heavy amount in Gwadar port as a commercial venture and allowed a Singapore company to run it. In no time the Singapore company realised the unviability of Gwadar port for normal commercial activities. As the port was deserted by Singapore, China needed to keep it operational. Pakistan, on her part, needed a reason to use disproportionate force in Gilgit and Baltistan and in Gwadar to keep these regions under its control. Coupled with this, Pakistan also needed financial assistance from any quarter it comes. Thus, a convergence of interests was found between China and Pakistan, the all-weather friends. China promised Pakistan lucrative economic aid and assistance apart from building an economic corridor. All that was demanded from Pakistan is to ensure the safety of the corridor. This served Pakistan's purposes in more than one way. It got the much needed finance and a promise of the benefits of an economic corridor. Secondly, it got a rationale for using excessive force along the corridor (Baluchistan, Gilgit and Baltistan).

On India's part, she has been very prudent to be part of the best part of OBOR, i.e. the Asian Infrastructure and Investment Bank (AIIB). There is no other promise for India from OBOR. Unlike China, India has its maritime connections with all the regions the 21st Century Maritime Silk Route promises connectivity with. Over the land, India is far remote from the central axis of OBOR. Needless to say that the CPEC, which is closest to India (in fact runs through *de jure* Indian territory) promises nothing for India. But all said, India could have used the opportunity of the Summit to declare to the world its reservations on CPEC. As a founding member of AIIB and a stakeholder in OBOR, India could have told the world that economic promises cannot be made at the cost of national sovereignty of countries. This of course was articulated by India's MEA spokesperson, Shri Gopal Baglay, but in New Delhi and not in Beijing.