



WORKING PAPER

AUGUST 2018

# India's Answer to the Belt and Road: A Road Map for South Asia

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## Introduction

Asia has a massive and growing need for infrastructure. There is tremendous potential for cross-border cooperation on connectivity and infrastructure development. The Asian Development Bank estimates that between 2016 and 2030 developing countries in the region will need to spend \$1.7 trillion per year to build the infrastructure required to “maintain its growth momentum, eradicate poverty, and respond to climate change.”<sup>1</sup>

Japan and the United States have been among the primary donors for development projects in Asia since World War II, although other countries such as Germany and the United Kingdom (UK) have played a greater role in recent years as well.<sup>2</sup> Japan in particular has provided significant development assistance to South Asian countries, including India. Meanwhile, China’s emergence as a regional strategic and economic actor has reshaped the prospects for connectivity in Asia. Beijing has demonstrated a newfound sense of political will to undertake regional connectivity initiatives, supported by the country’s surplus capital, a shift that has changed the security environment in India’s neighborhood.

Beijing’s growing collaboration with India’s neighbors has created a sense of unease in New Delhi. Like any rising power with global ambitions, China is looking to expand its presence and increase its profile beyond its immediate neighborhood. Naturally, as China’s influence in South Asia grows, India is faced with the challenge of managing its relationship with its biggest neighbor and competing to maintain its prominence in the region.

India has begun to view China’s commercial initiatives as a means to advance its strategic ambitions in ways that often are not conducive to India’s interests. Former Indian foreign secretary Subrahmanyam Jaishankar noted in 2016 that the “interactive dynamic between strategic interests and connectivity initiatives – a universal proposition – is on particular display in our continent.”<sup>3</sup> He went on to caution against countries using connectivity “as an exercise in hard-wiring that influences choices.”<sup>4</sup> The view that connectivity offers a set of tools to influence other countries’ foreign policy choices has become commonplace in analysis about the China-led Belt and Road Initiative (BRI). The BRI has garnered much attention, positive and negative, since its inception in 2013. It is one of the world’s biggest initiatives for promoting connectivity and providing funds to finance infrastructure development. In South Asia, the BRI underscores the growing Sino-Indian competition in the subcontinent and the Indian Ocean region.

India has started to craft a policy response. In its strongest stance on the BRI to date, India marked its protest by not attending the Belt and Road Forum that China hosted in May 2017. In official statements, India questioned the initiative's transparency and processes, and New Delhi opposed the China-Pakistan Economic Corridor (CPEC) due to concerns about territorial sovereignty. As India calibrates its policy response, instead of perceiving the BRI as one project, it would be wise to look at the initiative as a culmination of various bilateral initiatives, many of them involving projects that were actually initiated before the BRI itself was formally launched. The Bangladesh-China-India-Myanmar (BCIM) Economic Corridor, for instance, was launched in the early 1990s. Similarly, China's Twenty-First Century Maritime Silk Road (MSR) is a combination of bilateral infrastructure projects in the Indian Ocean region that China has sought to present as a multilateral initiative.

To best understand India's concerns, it is helpful to examine four specific corridors that constitute major components of the BRI and run through India's South Asian neighborhood: the CPEC, the BCIM Economic Corridor, the Trans-Himalayan Economic Corridor, and the MSR (see figure 1). These four corridors and the infrastructure projects associated with them have a direct bearing on India's strategic interests. They run close to India's continental and maritime borders and are affecting its security interests and strategic environment. China's engagement with India's immediate neighbors through these corridors threatens to alter existing power dynamics in the region. India is not opposed to infrastructure development in the region, but it is concerned about the strategic implications of certain Chinese-led initiatives. A primary concern for New Delhi is that Beijing will use its economic presence in the region to advance its strategic interests. One notable example is the strategically located port of Hambantota, which the Sri Lankan government was forced to lease to China for ninety-nine years in 2017. The port was built using Chinese loans but, due to the high interest rates, Sri Lanka was unable to repay and incurred a burgeoning debt burden.<sup>5</sup>

India will have to work with its partners in the region to offer alternative connectivity arrangements to its neighbors. To date, New Delhi has been slow in identifying, initiating, and implementing a coherent approach to connectivity in the region. Although India has identified countries such as Japan as key partners in formulating a response, there has been little progress on a plan of action. New Delhi urgently needs a structured framework for providing an alternative to Chinese-led connectivity initiatives to protect its strategic goals and remain a dominant power in South Asia and the Indian Ocean region.

Figure 1: China's Belt and Road Initiative



## China's Push for Connectivity

Beijing's connectivity drive predates the BRI. It began at home in the early 2000s, as China focused on developing its western regions. As China's coastal regions flourished in the 1990s, the economic development gap between these areas and the interior and western parts of the country increased. Infrastructure investments, primarily in transportation, were one of the driving factors of the resulting Great Western Development Strategy.<sup>6</sup> Soon after, Beijing began to look at connectivity and infrastructure projects beyond its borders to connect China to its neighbors in Asia, through Central Asia up to Europe, over land, and through the sea. Railway, road, and port development have primarily been at the forefront of Beijing's connectivity drive in the region and beyond.

The BRI weaves together all these preexisting initiatives into one grand plan, while the conversations on the projects with participating nations remain mostly bilateral. The BRI was first formally announced as One Belt One Road by Chinese President Xi Jinping in 2013. Xi talked about the Silk Road Economic Belt during a visit to Kazakhstan in September 2013. A month later in October 2013, Xi proposed the MSR while speaking at the Indonesian parliament. China's proposal to revive the Silk Road is an ambitious idea based on multilateral cooperation. The initiative has two components. First, there is a continental road (or the economic belt) connecting China to Europe through South and Central Asia. Second, the MSR aims to create a sea corridor between China and Europe by way of the Indian Ocean. Regarding the continental route, India's primary concern is the CPEC and increasing unease about Chinese connectivity investments in Nepal. The MSR is a broader issue for New Delhi, as the Indian Ocean is a primary area of interest for the Indian Navy and is directly linked to the country's maritime security and strategic interests.

While there has been uncertainty regarding the success of the BRI, there has been little doubt about the economic benefits of such a network for the region writ large.<sup>7</sup> For several Asian countries, China's capital has been a welcome addition for addressing the region's massive infrastructure requirements. By offering projects aimed at infrastructure development, Beijing has begun to assume a leadership role. China is well placed to use its economic growth to address the regional challenges related to growth and development. With a lack of alternatives, China's proposals seem lucrative to smaller nations in need of better infrastructure and connectivity.

For China domestically, the BRI was aimed at generating jobs and placing China at the same table of development donors as the United States and Japan. This also helped Beijing present itself as a provider of public goods, setting itself apart as a leader. In his annual report before the National People's Congress, Chinese Premier Li Keqiang in 2015 underlined Beijing's ambitions to "go

global” by involving Chinese firms in overseas infrastructure building projects and partnering with foreign firms.<sup>8</sup> In 2013, China’s focus revolved around appeasing its neighbors and emphasizing peaceful development.

By 2015, Beijing was aggressively pursuing a new role in the global order. In South Asia, the increasing degree of competition between China and India has raised the stakes. Until China’s BRI emerged, New Delhi did not sense a threat to its bilateral relationships with its neighbors, as India’s relationships with other leading infrastructure funders in South Asia, such as Japan, are not characterized by such a prevailing sense of competition. China’s rise highlights India’s underlying wariness that Beijing’s influence in the region comes at the expense of New Delhi’s standing as a regional leader. China’s diplomatic outreach in South Asia seems to be a result of its global ambitions to be a great power. Like the typical rising power, China questions the existing order and aims to create a structure more favorable to its interests. Such a shift, if advantageous to China, would profoundly affect New Delhi’s strategic and national interests.

China eventually released official documents to elaborate on its vision for the BRI, although detailed plans did not quickly emerge. Nearly two years after Xi’s initial announcement of the Silk Road, the Chinese government in March 2015 released a Vision and Action document titled “Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road.”<sup>9</sup> The document reemphasized the need to build on traditional trade, infrastructure, and cultural links and the opportunities for regional cooperation. It underlined the changing geopolitical landscape and put forward China’s principles on win-win cooperation. On connectivity and infrastructure, it put forward four priorities: transport infrastructure, port infrastructure, aviation infrastructure, and energy infrastructure. The document also mentioned the need for an Information Silk Road through the construction of “cross-border optical cables,” “transcontinental submarine optical cable projects,” and “spatial (satellite) information passageways.”<sup>10</sup> Yet the document failed to address issues such as a project selection process, the nature of consultation, and terms of negotiations in a structured way. It is likely that China did not have a detailed plan for the BRI either during its launch in 2013 or in the following years.<sup>11</sup> Beijing began to construct a road map based on the reactions from the global community.

### China’s Outreach on the Belt and Road

However, as China began to discuss the project in bilateral settings, the lack of a detailed plan and framework raised considerable doubt and suspicion around the world, including in India. As the project advanced, questions from other countries regarding its intent, processes, and lack of clarity began to grow louder.<sup>12</sup> China responded to these strategic suspicions by stating that “we must get

rid of the Cold War mentality. . . . There is no hidden strategic agenda to use this initiative as a means to gain sphere of influence, still less to violate other’s [sic] sovereignty.”<sup>13</sup>

Despite these misgivings, China has continued to use the BRI to signal its willingness to increase its regional influence and play a larger leadership role. Even as Xi unveiled the BRI, the 2013 U.S. government shutdown in Washington, during which then president Barack Obama canceled a tour of Asia, cast doubts on the U.S. pivot to Asia.<sup>14</sup> Beijing used this opportunity to fill that vacuum and present itself as a new Asian leader. It was around mid-2014 that President Xi Jinping began pushing the mantra of “Asia for Asians.” China began invoking a sense of regionalism and creating a space for itself to lead by presenting new solutions to regional issues. Xi Jinping in 2014 noted, “In the final analysis, it is for the people of Asia to run the affairs of Asia, solve the problems of Asia and uphold the security of Asia. . . . As China is a strong champion of the Asia security concept, it also works to put such a security concept into practice.”<sup>15</sup> The message was clear: Asian countries should not rely on external actors for their growth and development, but take matters into their own hands and shape their own destiny.

The underlying message was clearer: China is willing and ready to lead the region. Following the launch of the BRI in 2013, China continued to discuss the Belt and Road in all its bilateral engagements, aiming to garner positive statements in support of the initiative. International support was an easy way for China to lend credibility to the initiative and dispel concerns and hesitations. However, the stronger China pushed to secure international support for the initiative, the louder were concerns on the initiative’s lack of transparency and details.<sup>16</sup> Although Beijing was recounting international support at every forum, it was not until 2017 that China began to sign agreements and understandings exclusively on the Belt and Road (see table 1 for a list of Chinese agreements with a direct reference to the Belt and Road).

**Table 1: China’s BRI Agreements**

Other Countries Involved	Issue Date	Document/Statement
European Union members	March 2014	Joint Statement: Deepening the Comprehensive Strategic Partnership for Mutual Benefit
Timor-Leste	April 2014	Joint Statement on Establishing Comprehensive Partnership of

		Good-Neighborly Friendship, Mutual Trust and Mutual Benefit
Thailand	December 2014	Joint press communique
Indonesia	March 2015	Joint Statement on Strengthening Comprehensive Strategic Partnership
Hungary	June 2015	Memorandum of Understanding (MoU) on Jointly Promoting the Construction of the Silk Road Economic Belt and the Twenty-First Century Maritime Silk Road
Kazakhstan	August 2015	Joint Declaration on New Stage of Comprehensive Strategic Partnership
Myanmar	September 2015	Joint news release
South Korea	November 2015	Free trade agreement
Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovakia, and Slovenia	November 2015	Suzhou Guidelines for Cooperation
African Union members	December 2015	Declaration of the Johannesburg Summit of the Forum on China-Africa Cooperation
Cambodia, Laos, Myanmar, Thailand, and Vietnam	March 2016	Sanya Declaration of the First Lancang-Mekong Cooperation Leaders' Meeting

UN Economic and Social Commission for Asia and the Pacific	April 2016	Letter of intent with the Chinese Ministry of Foreign Affairs
Afghanistan	May 2016	Joint statement
Papua New Guinea	July 2016	Joint press release
Myanmar	August 2016	Joint press release
UN Development Program	September 2016	MoU on cooperation on the Belt and Road Initiative
Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovakia, and Slovenia	November 2016	Riga Declaration
Pakistan	February 2017	Long-Term Plan for China-Pakistan Economic Corridor (2017-2030)
New Zealand	March 2017	Memorandum of Arrangement On Strengthening Cooperation on the Belt and Road Initiative
Finland	April 2017	Joint Declaration on Establishing and Promoting the Future-Oriented New-Type Cooperative Partnership
Nepal	May 2017	MoU on cooperation on the Belt and Road Initiative

Argentina, Belarus, Cambodia, Chile, the Czech Republic, Ethiopia, Fiji, Georgia, Greece, Hungary, Indonesia, Iran, Kenya, Laos, Malaysia, Mongolia, Myanmar, Pakistan, Qatar, Russia, Serbia, Sudan, Switzerland, Thailand, Turkey, and the UK	May 2017	Guiding Principles on Financing the Development of the Belt and Road
Argentina, Belarus, Cambodia, Chile, the Czech Republic, Ethiopia, Fiji, Greece, Hungary, Indonesia, Italy, Kazakhstan, Kenya, Kyrgyzstan, Laos, Malaysia, Mongolia, Myanmar, Pakistan, the Philippines, Poland, Russia, Serbia, Spain, Sri Lanka, Switzerland, Turkey, Uzbekistan, and Vietnam	May 2017	Joint Communiqué of the Leaders Roundtable of the Belt and Road Forum for International Cooperation
United Arab Emirates (UAE)	June 2017	Framework Agreement on Strengthening Cooperation on Production Capacity and Investment between China's National Development and Reform Commission and the UAE's Ministry of Economy
UN Economic Commission for Europe	June 2017	MoU with China's National Development and Reform Commission

Most of China's infrastructure projects—the corridors and ports—began as bilateral projects much before the BRI was officially rolled out. The Belt and Road bundles together all of China's ongoing projects into one package and presents it as a multilateral initiative. It also identified a few new projects. The CPEC was the first agreement exclusive to the Belt and Road Initiative. Many proposed corridor and port projects have yet to be confirmed or discussed, such as the Kolkata port. Some ports, such as Gwadar, are not mapped on Beijing's MSR, yet Gwadar is clearly a part of the CPEC. This lack of consistency and fine details about the process and mechanisms of the initiative have raised a number of questions. Growing concerns led China to host the first international forum on the BRI in 2017.

The May 2017 Belt and Road Forum was Beijing's largest diplomatic effort to display international support for the initiative. It was well attended and garnered international attention. According to Chinese officials, "The Belt and Road Forum for International Cooperation was reportedly attended by 1500 delegates from 130 countries including 29 Heads of states,"<sup>17</sup> although, some analysis suggested these numbers were exaggerated.<sup>18</sup> In his opening speech at the forum, President Xi Jinping noted China's trade with countries along the BRI route exceeded \$3 trillion between 2014 and 2016, that China has invested more than \$50 billion in participating nations, and helped create more than 180,000 jobs.<sup>19</sup>

The primary factor in China's emergence as a key player in infrastructure development has been its capital surplus. None of the existing (United States and Japan) or emerging (India) powers can challenge Beijing's advantages in connectivity financing. Some estimates project that China will invest up to \$4 trillion to realize its vision for the BRI.<sup>20</sup> Even combined, Japan and its partners cannot rival China on connectivity financing. Beyond capital, there are also serious challenges in coordinating projects in third countries. While China has complete control over its identification of projects and investments abroad, partnering countries would have to identify projects and implementation through their respective priorities and consultative mechanisms usually delaying the implementation process. China is increasing its efforts by committing further capital through the Silk Route Fund, China Development Bank, and the Export-Import Bank, among others.<sup>21</sup> While China enjoys unparalleled advantages in terms of its surplus capital, its efforts may encounter challenges in terms of project implementation, inconsistent use of international best practices, and high interest rates and debt burdens.

The trust deficit and the lack of transparency in BRI is perhaps why Beijing was unable to mobilize unified support for its initiative at the forum. Despite the presence of an impressive list of nations, including Japan, the dominant investor in infrastructure projects in Asia, China was unable to issue a joint communique signed by all nations present. Instead, the communique was signed by thirty nations including Myanmar, Pakistan, and Sri Lanka from India's neighborhood.<sup>22</sup> According to Chinese analysis, "It shows that Russia, Kazakhstan, Thailand, Pakistan and Indonesia are the five most cooperative countries in advancing the BRI."<sup>23</sup> Although nations such as the United States, UK, France, Germany, Australia, and Japan attended, they abstained from committing to the joint statement, which suggests that they, too, have concerns about the BRI and China's intentions.

Some of India's neighbors were among the countries that thronged the forum. Not only did China gain Nepal's support just a day before the forum, but it also signed fresh agreements with six of

India's neighbors: Pakistan, Sri Lanka, Bangladesh, Nepal, Myanmar, and Afghanistan. The leadership from Pakistan, Sri Lanka, and Nepal made speeches congratulating President Xi Jinping for his regional leadership and welcomed Chinese investments in their respective countries.

The fact that China was able to garner such an impressive response from India's neighbors without New Delhi's participation signifies a number of things. One, it exposes India's inability to offer substantial development assistance to its smaller neighbors. Two, it highlights that the smaller countries welcome the presence of another rising power and are willing to accommodate the competition that follows such a change in power dynamics. Three, this development underlines India's lack of strategic engagement with its neighborhood, although Prime Minister Narendra Modi's Neighborhood First policy is a step toward correcting this neglect.

It is worth noting that China aggressively sought India's participation in the Belt and Road Forum. New Delhi's presence at the forum would have been important for two reasons. First, it would show the Indian government's endorsement of Chinese connectivity projects in the region. If India was willing to participate and seek gains from the initiative, New Delhi would have little reason to be concerned when its neighbors deepened their engagement with China. Second, as the other Asian and emerging power, India's presence at the forum would lend credibility and advance President Xi Jinping's mantra of "Asia for Asians." However, the mood in India was beginning to shift on Chinese-led connectivity and infrastructure projects in its neighborhood. Beijing's diplomatic reassurance was not enough to dispel strategic suspicions in India, and New Delhi decided not to attend the forum.<sup>24</sup>

## India's Misgivings About the Belt and Road

India only began to debate the implications of the BRI when China deepened its infrastructure engagements with India's neighbors in South Asia and the Indian Ocean region. As New Delhi continued to debate its political calculations on the Belt and Road, there were significant voices on both sides of the political dilemma surrounding whether India should participate in the Belt and Road and the initiative's May 2017 forum.

On the one hand, some proponents of Indian participation pointed to specific ways that India could benefit from the BRI. The most obvious example is that the BRI would provide a way to help finance the country's domestic infrastructure projects. The economic benefits India could accrue might be especially pronounced in the northeastern part of the country, which has traditionally been

geographically distant from the rest of India and from major cross-border trading routes. To those sympathetic to Indian participation in the BRI, the sense that connectivity is gaining momentum throughout the Indo-Pacific further underscores that New Delhi should consider ways to enhance its own economic standing on trade and transportation issues so as to avoid being left behind.

Yet despite these potential benefits, Indian opposition to the BRI appears to have ultimately won out. India's misgivings about Chinese-funded projects through the BRI ultimately come down to a few key concerns. New Delhi is worried that Chinese-funded infrastructure projects may: 1) run afoul of accepted international standards and norms; 2) undermine Indian sovereignty claims on disputed border territories and other security interests, especially vis-a-vis China and Pakistan; and 3) grant China greater geopolitical influence and undue economic and diplomatic leverage over the policymaking decisions of India's neighbors in ways that disadvantage India.

India's stance on the BRI was demonstrated by its absence at the Belt and Road Forum. Responding to media queries on whether India was invited to attend the forum, the Ministry of External Affairs (MEA) raised a number of concerns regarding the project. The statement noted that

we are of firm belief that connectivity initiatives must be based on universally recognized international norms, good governance, rule of law, openness, transparency and equality. Connectivity initiatives must follow principles of financial responsibility to avoid projects that would create unsustainable debt burden for communities; balanced ecological and environmental protection and preservation standards; transparent assessment of project costs; and skill and technology transfer to help long term running and maintenance of the assets created by local communities. Connectivity projects must be pursued in a manner that respects sovereignty and territorial integrity.<sup>25</sup>

### *Transparency concerns*

The Indian government's May 2017 statement conveys the Indian view that the BRI is not based on principles such as good governance, rule of law, and transparency. It also suggests the initiative creates unsustainable debt burdens in some recipient countries. For example, Colombo's increasing Chinese debt is a cause for concern on unsustainable debt burden.<sup>26</sup> Furthermore, news reports and studies have shown that China's approach to BRI carries some risk of unsustainable loan practices that could leave some nations saddled with high levels of debt. Hambantota is a glaring example of such unsustainable loans, which ultimately are allowing China to gain significant economic and strategic advantages in the Indian Ocean region.<sup>27</sup>

In a continuation of its response to the forum, India again highlighted its concerns in a June 2017 bilateral meeting with the United States. The India-U.S. joint statement noted that both sides

“support bolstering regional economic connectivity through the transparent development of infrastructure and the use of responsible debt financing practices, while ensuring respect for sovereignty and territorial integrity, the rule of law, and the environment; and call on other nations in the region to adhere to these principles.”<sup>28</sup>

#### *Territorial integrity and other security concerns*

India is increasingly concerned about China using regional connectivity projects to alter the narratives surrounding disputed territories in its favor. The Indian government’s May 2017 statement claims that China has exhibited a disregard for territorial integrity, particularly with respect to the CPEC, which runs through the disputed territory of Kashmir. According to India, this is a violation of its sovereignty, and participating in the BRI would undermine New Delhi’s position on the dispute, as Beijing supports Islamabad’s view of the dispute.

The CPEC and certain other aspects of the BRI more broadly tend to disregard India’s concerns about sovereignty and territorial integrity. On India’s eastern border, China claims Arunachal Pradesh in its entirety and Ladakh in the north, states under Indian jurisdiction. The 1962 Sino-Indian War was fought over Arunachal and Ladakh, a fact that makes many Indians more suspicious of Beijing’s motives for building infrastructure projects in border regions and in disputed areas. Moreover, India is very wary of China’s efforts to build projects in countries neighboring India (such as Bangladesh, Myanmar, Sri Lanka, and Pakistan), projects that might afford Beijing an added strategic advantage in its rivalry with India. Given the border tensions between India and China, Beijing must demonstrate respect for territorial integrity for India to view the BRI in a positive light.

#### *Diplomatic leverage over India’s neighbors*

Strategically, Beijing’s growing expansion in New Delhi’s neighborhood, both in the maritime and continental domain, strengthened India’s resistance toward the Belt and Road project.<sup>29</sup> In particular, India is concerned about China’s deepening bilateral relationships with Bangladesh, Myanmar, and Nepal on the continental route and with the Maldives and Sri Lanka along the maritime route. However, given that the Indian Ocean is a primary area of interest for the Indian Navy, the MSR, in and of itself, is a major concern for India. New Delhi was not only beginning to voice its concerns about Beijing’s expansion in India’s neighborhood, both in the maritime and continental domains, but also clarified its stance on the BRI.<sup>30</sup>

## The Four Corridors

India's often reactionary approach to Beijing's connectivity projects in the region has lacked coherence at times. India often has found itself caught up in responding to the latest developments, while China is moving steadfastly toward establishing itself as a key player in South Asia and the Indian Ocean region. An examination of the following four corridors helps illuminate what activities China is engaged in, what opportunities and concerns these activities present for India, and how India might respond.

### The China-Pakistan Economic Corridor

The CPEC begins at Kashgar in China's Xinjiang Uighur Autonomous Region and ends at the port of Gwadar in Pakistan's Balochistan Province. The initiative's architects envision building a network of highways, roads, railways, pipelines, ports, and information technology parks along the route. Two focal points of the corridor are the development of Gwadar to enable the movement of Chinese goods from China's western provinces to the Arabian Sea by way of the Indian Ocean, and the modernization of the Karakoram Highway between Pakistan's Punjab Province and Gilgit-Baltistan. The corridor aims to connect Gilgit in northern Pakistan to Gwadar in the south.<sup>31</sup> Chinese entities have invested approximately \$62 billion in the CPEC.<sup>32</sup> China's grand ambitions for infrastructure investment in Pakistan are unmatched by any of Islamabad's other strategic partners.

New Delhi's primary opposition to the BRI has focused on the economic corridor linking China and Pakistan. India has three main concerns—territorial sovereignty, security, and the deepening China-Pakistan strategic partnership. These issues come together quite starkly in Jammu and Kashmir, where the borders of China, India, and Pakistan meet. New Delhi's concerns have made it difficult to imagine that it would link its own regional infrastructure initiatives with the CPEC. India opposes the CPEC due to concerns about sovereignty, and unless India and Pakistan come to an understanding on the issue, there is little hope for positive movement on this front or for constructive dialogue about connectivity collaboration with Beijing.

China's apparent disregard for territorial sovereignty in India's neighborhood will be the leading challenge to further Sino-Indian cooperation on connectivity and infrastructure development. This long-standing concern goes back to the 1970s, when India objected to the construction of the Karakoram Highway through Pakistan-occupied Kashmir. China's recent initiatives, including the CPEC, have led New Delhi to restate those concerns. There is a widespread misperception that the territorial dispute involving Jammu and Kashmir features only two parties (India and Pakistan).

In fact, China has been an important third party to the dispute. As then Indian defense minister A. K. Antony noted in 2012, “Indian territory under occupation by China in Jammu & Kashmir since 1962 is approximately 38,000 [square kilometers]. In addition to this, under the so-called China-Pakistan ‘Boundary Agreement’ of 1963, Pakistan illegally ceded 5,180 [square kilometers] of Indian territory in [Pakistan-occupied Kashmir] to China.”<sup>33</sup> Speaking at the seventieth session of the UN General Assembly in 2015, the Indian representative noted, “India’s reservations about the proposed China-Pakistan Economic Corridor stem from the fact that it passes through Indian territory illegally occupied by Pakistan for many years.”<sup>34</sup> India is watching developments involving the CPEC very closely and has conveyed its concerns to China, asking Beijing to stop all activities in the area.<sup>35</sup> Allowing the CPEC to continue would undermine India’s sovereignty and bolster Pakistan’s claim to the disputed territory.

One of India’s main concerns about the CPEC is a sustained Chinese military presence in Pakistan-occupied Kashmir, which would have serious security implications for India. Beijing and New Delhi went to war in 1962 over a border dispute along the Himalayas in northern and eastern India. If China were to have a more permanent military presence by way of Pakistan on India’s northwestern border, that would affect New Delhi’s defense and security priorities. India already has regular border skirmishes with Chinese troops along its eastern border in Arunachal Pradesh. Moreover, the 2017 standoff between Indian and Chinese troops on the Doklam plateau along the Himalayan border severely strained Sino-Indian relations.<sup>36</sup> There are already reports of a Chinese military presence on the Pakistan front of the Line of Control (LoC) in Kashmir. China will reportedly place 30,000 army personnel to protect its economic interests in occupied Kashmir.<sup>37</sup> Any further increase in Chinese troops along India’s borders would be a serious and immediate threat to India’s security.

India sees the shift in Beijing’s Kashmir positions as emblematic of the deepening strategic partnership between China and Pakistan. From India’s perspective, the CPEC has marked the emergence of China as Pakistan’s principal external partner, one that replaces the United States. This comes at a time of relative U.S. decline, deteriorating Sino-U.S. relations, improving India-U.S. ties, and new tensions between India and China.<sup>38</sup>

While Kashmir’s emergence as a land bridge between China and Pakistan sharpens the traditional geopolitical divide between New Delhi and Beijing, Gwadar helps lend the BRI a maritime dimension. India views the Pakistani port as part of China’s unfolding maritime power projection into the Indian Ocean. Although Gwadar is currently a civilian facility, many in New Delhi expect that it will emerge as an important naval base for China. If this turns out to be the case, Chinese

access to Gwadar's port would allow the Chinese navy to sustain a presence in the Indian Ocean, altering the region's power dynamics. Without ports and access to military facilities, China would have serious challenges in this body of water where the Indian navy has historically enjoyed a dominant role. In the end, given New Delhi's concerns about territorial sovereignty in Kashmir and growing mistrust between India and China, there is little hope for Sino-Indian cooperation along this corridor.

## The Bangladesh-China-India-Myanmar Economic Corridor

The BCIM Economic Corridor is a Chinese proposal that predates Xi's BRI. It seeks to build on the historic links between the eastern Indian subcontinent and southwestern China through Bangladesh and Myanmar along what was known as the Southern Silk Road.<sup>39</sup> The corridor aims to connect the Chinese city of Kunming with the Indian city of Kolkata through Dhaka in Bangladesh and Mandalay in Myanmar, seeking to boost trade, build infrastructure, and foster connectivity among these nations. Originally called the Kunming Initiative, it has been under discussion since the 1990s and seeks to expand tourism, transportation, and trade routes between the countries involved. China sent a substantial delegation to a related conference in 1999, injecting a new sense of enthusiasm into multilateral cooperation in South Asia, a region where Chinese influence historically has been weak compared to India's. The initiative gained greater government traction when it was rechristened the BCIM Economic Corridor, also in 1999. The corridor has evolved over time from a public discussion to a track II initiative, and today it functions as a track 1.5 engagement.

Unlike the CPEC, the BCIM Corridor has encouraged engagement between New Delhi and Beijing, emerging as a pillar of concrete cooperation in an otherwise rocky Sino-Indian relationship. At the end of a 2013 visit to India by Chinese Premier Li Keqiang, the joint statement noted the progress made in "promoting cooperation under the BCIM . . . Regional Forum" and that "the two sides agreed to consult the other parties with a view to establishing a Joint Study Group on strengthening connectivity in the BCIM region."<sup>40</sup> In 2015, Modi and Xi similarly "welcomed the progress made in promoting cooperation under the framework of the BCIM . . . and [they] agreed to continue their respective efforts to implement understandings."<sup>41</sup> India and China have consistently expressed diplomatic support for the BCIM Corridor, keeping in mind the need for dialogue in the Sino-Indian relationship. However, despite this positive rhetoric, much of this enthusiasm is largely symbolic; effective cooperation through the BCIM Corridor has been seriously limited.

There is a widespread sense that India is playing for time as it debates the costs and benefits of working with China in the eastern subcontinent. While New Delhi sees the sense of promoting

regional connectivity, it has serious strategic concerns about working with China on its eastern border. Although India—being a founding member—continues its discussions on the BCIM Corridor, New Delhi is unlikely to take an active approach to this corridor due to its various security concerns. Even though India sees little benefit to and little room for collaborating with China in this corridor currently, New Delhi is unlikely to pull out of this grouping altogether. Doing so could be perceived as hostile and would further deepen the strategic mistrust between the two countries.

In the meantime, India harbors several security concerns. The 2017 Doklam standoff intensified Sino-Indian border mistrust and highlighted New Delhi's suspicions about the underlying strategic intent of Beijing's connectivity and infrastructure projects. The impasse on the plateau sparked contention over Chinese workers' unilateral attempt to build a road in disputed territory (between China and Bhutan). Meanwhile, on its eastern front, India is concerned about China's growing role in a region plagued by insurgencies, narcotics trafficking, and other security challenges. China has a record of lending support to Indian insurgencies in northeastern India. Beijing reportedly supported Naga rebels after the 1962 war on the Tibetan border.<sup>42</sup> India's National Security Adviser Ajit Doval warned in 2011 of Chinese "meddling" in India's northeast, writing about the revival of Chinese support to insurgents there after a "lull since the mid-1980s."<sup>43</sup>

In short, India views China as a competitor and expects that the BCIM Corridor, given the current geopolitical environment, risks advancing Chinese expansion in the subcontinent. New Delhi considers this area to be in its traditional sphere of influence. Long-accumulated distrust of China has prevented India from exploring the possibilities for overland economic cooperation with China. Greater transparency by Beijing might allow New Delhi to lessen its distrust and begin cooperation on small trans-border projects.

India, for its part, must consider prospects for collaboration on specific pockets of the corridor, such as projects in Myanmar and Bangladesh to promote regional connectivity and boost infrastructure development. Aside from the corridor itself, India is also keen to rejuvenate and collaborate to enhance regional linkages under the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC); in addition to India, this framework includes neighboring countries like Bangladesh, Bhutan, Myanmar, Nepal, Sri Lanka, and Thailand but does not include China. Connectivity cooperation can become one of the core pillars of cooperation among the BIMSTEC members.

## The Trans-Himalayan Economic Corridor

The Himalayan Economic Corridor was initially a bilateral proposal between Nepal and China. It now marks the latest addition to the BRI. While Nepal formally joined the Belt and Road in May 2017, the country has held multiple bilateral discussions with China on creating a corridor across the Himalayan Mountains. All bilateral projects along the Himalayas today form a part of the Himalayan Economic Corridor and by extension the BRI. China is aware of the geographic and political challenges to creating a corridor connecting Kathmandu and Beijing. The Himalayas are a natural geographic barrier, and New Delhi is unlikely to take Sino-Nepalese collaboration along its northern borders lightly.

In 2014, Beijing doubled down on this thinking by proposing a broader Trans-Himalayan Economic Corridor, a trilateral project involving Nepal and India. This proposal was based on an idea floated by former Nepalese prime minister Pushpa Kamal Dahal in 2010 to foster “trilateral strategic relations” between the three countries across the Himalayas.<sup>44</sup> Beijing perhaps assumed that it would be easier to engage New Delhi on the matter if China were to include India in initial discussions.<sup>45</sup> As it stands, this trilateral arrangement remains at the proposal stage, as the Indian government has issued no formal response.

While New Delhi offered no positive response to Beijing’s overtures, Kathmandu was enthusiastic about greater Chinese investments. Nepal is reliant on India for the movement of its goods and is keen to present itself as a transit hub for cross-Himalayan trade. In 2016, Dahal encouraged such collaboration, noting that the “Himalayas can no more be considered as barriers and obstacles. Instead, they can serve as important bridges that connect the two emerging regions of [the] Asian continent. Most importantly, connectivity lies at the heart of trans-Himalayan cooperation.”<sup>46</sup> The same year, Kathmandu and Beijing began discussing an extension of the Chinese rail link to Lhasa in Tibet and on to Kathmandu in Nepal. To further extend its already sizable connectivity ambitions, China began proposing a rail link to Nepal that would cut through the Himalayas. By seeking to establish the Trans-Himalayan Economic Corridor with Nepal parallel to the in-progress CPEC with Pakistan, Beijing is aiming to create an alternative to Kathmandu’s traditional reliance on Indian ports for trade and the movement of goods.

Beijing quickly began to emerge as an alternative to landlocked Nepal. While China initially was sensitive to Indian concerns about strategic connectivity with Nepal, the 2015 India-Nepal blockade strengthened the wills of both Kathmandu and Beijing to foster direct links between the two nations. In 2015, the Madhesis—Indian-originating inhabitants of Nepal—blocked the Indo-Nepalese

border, demanding greater representation by way of the Nepalese constitution.<sup>47</sup> The blockade created a fuel crisis that highlighted Kathmandu's reliance on India to facilitate trade and shipping. Amid the resulting tensions between the Himalayan neighbors, China announced the start of a "new rail-cum-road trading route, with an international freight train loaded with 86 cargo containers carrying goods from China's western Gansu province bound for Kathmandu."<sup>48</sup> Currently nine trading posts have been identified in the Trans-Himalayan Corridor between Nepal and Tibet on a route that goes onward to the rest of China. However, due to the region's mountainous terrain, not all corridors are completely feasible.<sup>49</sup>

India watched these rapid developments in its neighborhood closely. Since independence, India had chosen to keep its Himalayan borders inaccessible and poorly connected. While China aggressively sought to connect its borders, India neglected its own, creating massive disconnects between its borders and hinterlands, especially on its Himalayan front. By helping create multiple access points via roads and ports, China is able to present an alternative to South Asian nations and cultivating the means to challenge India's role as a South Asian power.

In part in response to China's increased presence along its borders, India began to formulate its own plans for regional connectivity in the Himalayas in 2013. The United Progressive Alliance government (2004–2014) proposed several "strategic rail projects," including fourteen railway lines connecting its borders to foster growth in outlying regions.<sup>50</sup> But the lack of a strategic vision on India's part led to slow implementation and delays. The current government announced its intention in 2017 to fast-track railway projects on its Himalayan frontiers. The Himalayan rail-express aims to connect India's northern territory of Leh in Jammu and Kashmir to the eastern territory of Hawai in Arunachal Pradesh. (China claims Ladakh in Jammu and Kashmir and almost all of Arunachal Pradesh.)

Seeking to cut across some of the world's most difficult terrain and enhance connectivity with Bhutan and Nepal, this India-led rail link is as much strategic as commercial. Building up its border regions as opposed to keeping them disconnected will help India facilitate the movement of goods and troops from other parts of the country to this region. These initiatives constitute India's response to past neglect of its border regions and China's increasing commercial and military presence in contested areas.<sup>51</sup> Yet implementation challenges remain primarily due to the tough Himalayan terrain on the Indian side compared to better conditions on the Tibetan Plateau.

New Delhi will have to continue to act and think rapidly when it comes to presenting alternatives to its landlocked neighbors, especially as China continues to knock on their doors with significant

commercial benefits in hand. Sino-Indian competition in the Himalayas is likely to intensify, deepening the security dilemma between the two countries. Although India would benefit from tapping into Chinese investments to advance India's own connectivity projects, the decreasing strategic trust between the two neighbors will very likely prevent any productive collaboration.

## The Maritime Silk Road

The MSR is the vast sea-based component of the larger BRI. It began in 2013 with a focus on strengthening China's maritime ties with its neighbors in the Association of Southeast Asian Nations (ASEAN). Beijing later gradually expanded the initiative to include other coastal countries with the aim of connecting China to potential economic partners in Europe, Africa, and the Indian Ocean. In addition to boosting regional connectivity, the initiative traces the historical and cultural linkages between China and other countries along the region's ancient Silk Road-affiliated sea routes. The MSR encompasses a variety of infrastructure projects, including ports, highways, airports, roads, and bridges.

Unlike the competition along the Himalayas, interactions at sea between India and China have been limited, although India still harbors reservations. New Delhi is concerned that China will establish a foothold in the Indian Ocean region and challenge India's advantageous maritime position there. Concerns about Chinese attempts to strategically encircle India gained traction at the turn of the millennium. Although many observers dismissed the notion that China is seeking military bases in the Indian Ocean as fanciful, India has seen its worst fears of Chinese power projection become reality in the last decade. As China internally debates the need for foreign military bases, New Delhi has had to come to terms with the intensity and frequency of Chinese naval forays into the Indian Ocean. Chinese submarines have even docked in Sri Lankan and Pakistani ports. China's military diplomacy in the region is increasingly geared toward establishing special political relationships and arrangements with island states that could result in favorable naval access. When Beijing officially established its first overseas military base in Djibouti in the summer of 2017, New Delhi's concerns grew considerably.<sup>52</sup>

As with its dealings with neighbors on India's northern borders, China is aggressively pursuing India's maritime neighbors and offering unmatched commercial investments. The port of Hambantota in Sri Lanka is the newest concern. The strategic location of the port and Sri Lanka's geography in relation to key sea lines of communication strengthens India's perception that Beijing is building infrastructure for its own strategic interests in the Indian Ocean region. China's control of Hambantota and access to Gwadar, its other investments in the Maldives and Mauritius, and its

base in Djibouti are only the beginning of Beijing's apparent efforts to secure a maritime military edge.<sup>53</sup> One March 2018 study showed that the BRI has heightened debt risks among at least some borrowing countries due to poor lending practices, a conclusion that gives greater credence to India's view that China is using unsustainable debt burdens for its own strategic gains.<sup>54</sup>

India's official stance on the BRI is that there is not enough available information about the initiative to make an informed decision, but in practice India already has taken several steps by itself and in concert with other partners to bolster its own regional influence apart from the BRI. China's intensified presence in the Indian Ocean (as evidenced by increased submarine forays and other signs) is a reality, and New Delhi is finally beginning to respond to the changing security environment. In effect, India is wary that the MSR could threaten its role as a prominent power in the Indian Ocean.

Where possible, the Indian and Chinese governments increasingly recognize that they must find a way to limit the potential for conflict in the maritime domain. One method for doing so is the India-China maritime security dialogue, which is aimed at establishing a regular channel for communicating about challenges and concerns. India and China are engaging with each other multilaterally too, through platforms such as the BRICS (a group of countries consisting of Brazil, China, India, Russia, and South Africa) and the Shanghai Cooperation Organization. While these and other efforts to mitigate the security dilemma between Beijing and New Delhi are under way, tensions remain.

At the same time, to protect its own interests, India already has begun taking some steps largely on its own. For example, India is modernizing and expanding its own maritime infrastructure and creating institutional capabilities to undertake infrastructure projects in the Indian Ocean and countries that border it. Notably, the Modi government has intensified efforts to develop the port of Chabahar in Iran, widely seen as an attempt to counter China's presence in Gwadar and along the MSR more broadly. India has also launched Project Mausam, a cultural initiative to develop a narrative about India's historical links with the Indian Ocean littoral. Many observers see this as an attempt to offset China's Silk Road claims.

This dynamic is very evident in New Delhi's relationships with small island states in the region. India has long been an important security provider and strategic partner to island nations like the Maldives, Mauritius, the Seychelles, and Sri Lanka. Although these islands are small, they lie in crucial sea lines of communication that offer a significant basis for projecting power and securing and protecting key trading routes. These islands could afford any nation with influence over them

the opportunity to monitor waterways and project power during times of peace and the ability to indict adversaries during conflicts. India has long engaged in initiating capacity-building programs for island states to secure their maritime surroundings. Most of these island nations lack the capacity to protect and monitor the waters in their large exclusive economic zones (EEZs), an area extending up to 200 nautical miles from a country's sea baseline. Upon request, India deploys its naval assets to help monitor the EEZs of countries like Mauritius and the Seychelles. In addition, India is helping island states monitor and address nontraditional security threats, such as drug trafficking, by building a radar network with a range that extends from Sri Lanka to Mauritius.

The steps that India is taking have a direct bearing on Beijing's suspected maritime ambitions in the region. Given that the bulk of global trading is seaborne, the ability to protect energy supply lines is extremely crucial for a rising power like China. For Beijing to become a global power, it will have to establish itself as a key player in the Indian Ocean region in terms of protecting its supply lines and securing international waters. Yet it will be difficult for China to maintain the naval presence required to achieve these objectives without access to ports and bases for its military assets in the Indian Ocean. India's chief concern about the MSR is that Beijing is building these ports for dual military and commercial purposes. If that is the case, when needed, these commercial ports could serve as military facilities for the Chinese navy to help mitigate Beijing's geographical disadvantages in the region.

China's strategic interests in the Indian Ocean relate closely to the so-called Malacca Dilemma. China fears that, in the event of a conflict with India or the United States, its foes would attempt to block China's trade routes through the Malacca Strait, a key chokepoint through which a high percentage of China's energy imports from the Middle East pass. To secure its energy supply lines, Beijing would have to either find an alternate route for its energy shipments or strengthen its navy's capacity to protect and keep open existing shipping lanes. The MSR attempts to do both.

To further address the Malacca Dilemma, China has revived the idea of constructing the Kra Canal, a proposed waterway that would cut across the Kra Isthmus in Thailand, bypassing the Malacca Strait. While this idea has been around since the nineteenth century, it has not yet been realized due to various political and strategic concerns. If completed, the canal would shorten the travel distance between the Pacific and Indian Oceans.<sup>55</sup> It would also bypass the Malacca Strait and open up into the Andaman Sea, where India has its naval base in the Andaman and Nicobar Islands, presumably bringing Chinese maritime traffic closer to India. The construction of the canal requires significant capital and technology, which the MSR could furnish. The MSR gives China an opportunity to address the Malacca Dilemma and strengthen its presence in the Indian Ocean region. Because of

this and other projects, the MSR could pose a serious challenge to India's traditional dominance of the Indian Ocean region.

In addition to any unilateral steps it is taking, New Delhi is working more closely with other countries. India is strengthening its security ties with Indian Ocean neighbors—such as the Maldives, Mauritius, the Seychelles, and Sri Lanka—even as it revitalizes a sense of Indian Ocean regionalism and steps up naval engagement with the littoral states of the Bay of Bengal. At the same time, New Delhi is expanding naval engagement and other forms of collaboration with Australia, France, Japan, and the United States to maintain the current security environment and protect its strategic and security interests.

India understands the economic and technical limitations that constrain its ability to present a vision for regional connectivity. One key will be taking a collaborative approach with regional partners. New Delhi has already begun to collaborate with Japan on an alternative to China's infrastructure-funding model. There is convergence between Japan's Partnership for Quality Infrastructure and India's Act East policy.

While New Delhi and Tokyo have clearly indicated that they possess the political will and intent to work on strategic economic projects, the question has now become a matter of implementation. Through their respective Indo-Pacific policies, India and Japan have underscored the need to work closely on connectivity and maritime issues in South Asia and the Indian Ocean region. As a result, the two countries announced the Asia-Africa Growth Corridor, a joint project on the Iranian port of Chabahar, and possible collaboration in Sri Lanka. Furthermore, the two countries are now exploring possible forms of collaboration with Myanmar, other Southeast Asian states, and other countries in the Indian Ocean region. However, there have been massive delays on identifying and implementing projects. Since the Asia-Africa Growth Corridor was announced in 2016 and a vision document was released in 2017, India and Japan have yet to identify and undertake concrete affiliated projects.<sup>56</sup>

Realistically, New Delhi will also have to look beyond Japan and reengage with its smaller maritime neighbors in the Indian Ocean. India must be able to identify development projects with the ASEAN nations and the other littoral countries of the Bay of Bengal and the Indian Ocean. India must explore opportunities for trilateral engagement that would allow it to share its resources while advancing a common vision on regional connectivity. Farther afield, New Delhi and Tokyo also have launched the Asia-Africa Growth Corridor to tap into the potential to link the two continents by way of the Indian Ocean.

Japan and India have emerged as natural partners in the region for a number of reasons. Like New Delhi, Tokyo has grave misgivings about China's growing presence in its neighborhood. Beijing's assertive behavior in the South China Sea (a key trade route between Japan and the Indian Ocean) is a serious issue for Japan. Beijing and Tokyo also have a territorial dispute in the East China Sea over the Senkaku/Diaoyu Islands. China has also prompted competition in South Asia, where Japan has been a predominant donor of development projects. Tokyo shares New Delhi's concerns regarding China's connectivity projects, namely unsustainable debt practices, a disregard for sovereignty and territorial integrity, and a lack of transparency. Japan worries that an influential China will spread its approach to doing business and alter the current security architecture and environment in ways that Japan considers hostile to its strategic interests. New Delhi and Tokyo are also uneasy about China's disregard for established rules and norms on dispute resolution, as seen in Beijing's decision to ignore an international tribunal's July 2016 ruling on China's territorial claims in the South China Sea. India and Japan's converging strategic interests give both countries incentives to offer alternatives to Chinese-led connectivity projects.

The maritime domain offers some promising opportunities, and India has increased its partnerships and collaboration in the Indian Ocean. To cite a few examples, India is partnering with Japan to create smart-islands and maritime corridors, even as New Delhi intensifies collaboration with the United States on antisubmarine warfare. At the same time, India is cooperating more actively with France across the Indian Ocean on initiatives ranging from complex military exercises to information sharing aimed at enhancing maritime domain awareness.<sup>57</sup> New Delhi will have to continue working closely with partners such as the United States, France, Japan, and Australia to expand its maritime footprint. Simultaneously, India must explore possible ways to collaborate with other countries like Indonesia, Singapore, and the UK. As it contemplates these steps, India will have to debate and consider new concepts and ideas, such as joint facilities and burden sharing, in response to its changing regional security environment.

## The Way Forward

Connectivity is increasingly seen as a tool for exerting foreign policy influence. This view is reflected at the highest levels of diplomacy by countries like India, Japan, and the United States that have issued strong remarks about connectivity and infrastructure.<sup>58</sup> Clearly, politics and connectivity are entwined in complex ways.

Given the geopolitical stakes and India's reservations about how China's BRI connectivity projects are currently being pursued and the strategic advantages they may confer, there is likely little scope for the two countries to collaborate on the BRI. India perceives efforts to enhance interconnectedness as a new theater for geopolitical competition with China in South Asia and the Indian Ocean. At the same time, connectivity also presents India with an opportunity to reestablish its regional primacy.

On initiatives like the BCIM Economic Corridor that include both China and India, New Delhi probably will continue to drag its feet and slow down discussions. There may be limited opportunities for collaboration through institutions that count both India and China as members, but the increasing mistrust in the relationship will hamper any positive momentum. When it comes to outstanding invitations to participate in other Chinese-led initiatives like the MSR, New Delhi will remain hesitant, knowing that joining such projects is not in its strategic interests. Instead, India will likely maintain bilateral collaboration with countries like Japan while also remaining engaged with entities like BIMSTEC and the Bay of Bengal community, of which China is not a part. Most of all, India must stop underestimating Chinese goals and ambitions in the region.

Ultimately, India must be more proactive. While China is successfully implementing development projects hundreds of miles from its borders, India is still struggling to craft domestic development plans for its own border regions. New Delhi intends to prioritize development in its international engagement, but India will have to weave together its ad-hoc initiatives into one coherent road map to regional connectivity and infrastructure construction. Even as India must address infrastructure and development needs at home, it also needs to provide an alternative to China's overtures to the region. To this end, India must not only respond to the changes Chinese engagement is prompting in its neighborhood but also collaborate with partners to further its vision of regional connectivity, while accounting for its own capacity and resource limitations.

Until the advent of the BRI, New Delhi did not feel its bilateral relationships with its neighbors were threatened as there was no such competition between India and leading donors in South Asia, like Japan. China's rise not only introduces a new actor in South Asian dynamics but also highlights the underlying fact that Beijing's influence in the region comes at a cost to India's role and profile as a regional leader. China's engagements in South Asia are a result of its global ambitions to be a great power. Like every rising power in history, China questions the existing order and aims to create a structure favorable to its interests. India currently lacks the resources to compete with China in terms of global power ambitions, and this shift undoubtedly affects New Delhi's strategic and national interests.

In some cases, India can take steps on its own to sharpen its response. To begin with, India will have to clearly account for its resources and capabilities related to connectivity and infrastructure development. The current government understands the urgency of acting boldly to address the changes in its neighborhood, efforts that will require fresh thinking and new approaches, such as the concept of burden sharing. New Delhi must invest in and develop its strategic assets—like the Andaman and Nicobar Islands, for instance—to project power across the Indian Ocean.

These unilateral steps notwithstanding, India's ongoing response might not be enough to provide neighbors with a feasible alternative to Beijing's continental and maritime projects, in light of New Delhi's significant resource limitations. Given India's massive mandate to develop much-needed infrastructure domestically, the country's ability to act alone in South Asia and the larger Indian Ocean is further limited. New Delhi cannot and need not act alone.

Fortuitously, convergence between the strategic interests of India and other regional actors (especially Japan) have provided both incentives and opportunities for collaboration.

New Delhi must seek help from partners like Japan when necessary to build and upgrade its infrastructure and create an alternative to Chinese-led connectivity corridors and infrastructure projects.<sup>59</sup> India must have a blueprint to identify specific projects, mechanisms, and goals for its connectivity initiatives. Other countries like Australia, France, Germany, the UK, and the United States are keen to see India play a leading role in the region. These nations have technical expertise and are already present in the region to some degree. New Delhi must identify the advantages each of these states offer and leverage them to collaborate in areas of common interest and pursue its strategic connectivity goals. Together, India and these countries can coordinate their use of resources to address common goals such as peace and security.

While India seems to have identified partnerships as a way to address its connectivity challenges, it must now be deliberate about the nature and scope of relevant projects in the region. So far, New Delhi's response has been reactive and inadequate. If India continues to pursue a reactive policy, it will exhaust its limited resources chasing China as Beijing strives to become a regional and global power. India must take stock of its strategic priorities; create a sensible, coherent policy framework in response; and move toward a burden-sharing model with its partners to secure its strategic interests in the region.

As the BRI and other connectivity projects transcend and reimagine boundaries and connect Asia with far-flung locations around the world, policymakers have to grapple with new ideas and

challenges. Competition and other diplomatic interactions between China and India bilaterally, in their neighborhood, and on a global scale will shape Asia's new security architecture and determine the region's economic and strategic terrain for many years to come.

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