

Chapter 1

Introduction

We cannot afford to be weak at sea ... history has shown that whatever power controls the Indian Ocean has, in the first instance, India's seaborne trade at her mercy, and in the second, India's very independence itself¹

-Jawaharlal Nehru

The Ancient Silk Road : Historical Precedents

The ancient route between East and West was established during 206 BC to AD 220 in Han Dynasty of China for the political contact with the many Kingdoms of Central Asia. Extending 10,000 kilometres (6,400 miles), the Silk Road derives its name from the lucrative trade in Chinese silk carried out along its length, beginning during the Han dynasty (207 BCE – 220 CE). The Central Asian sections of the trade routes were expanded around 114 BCE by the Han dynasty, largely through the missions and explorations of Chinese imperial envoy, Zhang Qian. The Chinese took great interest in the safety of their trade products and extended the Great Wall of China to ensure the protection of the trade route. The **Silk Road**, or **Silk Route**, is a series of trade and cultural transmission routes that were central to cultural interaction

¹ On March 28, 1958, standing on the quarterdeck of 'Mysore' Prime Minister, Pandit Nehru said 'From this ship I look at India and think of our country and its geographic situation - on three sides there is the sea and the fourth high mountains - in a sense our country may be said to be on the very lap of an ocean. In these circumstances I ponder over our close links with the sea and how the sea has brought us together. From time immemorial the people of India have had very intimate connections with the sea. They had trade with other countries and they had also built ships. Later on the country became weak... Now that we are free, we have once again reiterated the importance of the sea. We cannot afford to be weak at sea... History has shown that whatsoever power controls the Indian ocean has, in the first instance, India's seaborne trade at her mercy and in the second India's very independence itself.' (Vol II ,Naval History - Blueprint to Blue water)

through regions of the Asian continent connecting the West and East by linking traders, merchants, pilgrims, monks, soldiers, nomads, and urban dwellers from China and India to the Mediterranean.

While many different kinds of merchandise traveled along the Silk Road, the name comes from the popularity of Chinese silk with the west, especially with Rome. The Silk Road routes stretched from China through India, Asia Minor, up throughout Mesopotamia, to Egypt, the African continent, Greece, Rome, and Britain. The northern Mesopotamian region (present day Iran) became China's closest partner in trade, as part of the Parthian Empire, initiating important cultural exchanges. Paper, which had been invented by the Chinese during the Han Dynasty, and gunpowder, also a Chinese invention, had a much greater impact on culture than did silk. The rich spices of the east, also, contributed more than the fashion which grew up from the silk industry. Even so, by the time of the Roman Emperor Augustus (27 BCE – 14 CE) trade between China and the west was firmly established and silk was the most sought after commodity in Egypt, Greece, and, especially, in Rome. The greatest value of the Silk Road was the exchange of culture. Art, religion, philosophy, technology, language, science, architecture, and every other element of civilization was exchanged through the Silk Road along with the commercial goods the merchants carried from country to country. Along the network of routes disease traveled also, as evidenced in the spread of the bubonic plague of 542 CE which is thought to have arrived in Constantinople by way of the Silk Road and which decimated the Byzantine Empire. The closing of the Silk Road forced merchants to take to the sea to ply their trade,

thus initiating the Age of Discovery (1453-1660 CE) which led to world-wide interaction and the beginnings of a global community².

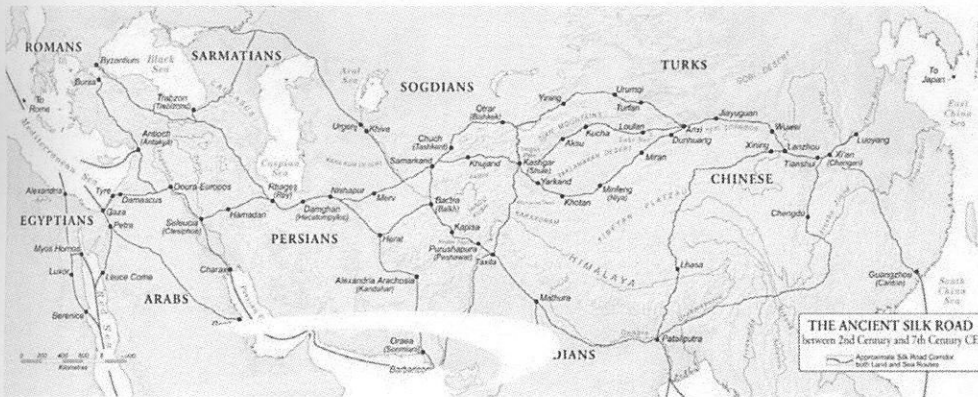


Fig 1.1 : Map of Ancient Silk Road (Source : United Nations Conference on trade & Development (UNCTD) ; Investment Guide to Silk Road 2014)

The 21st Century Maritime Silk Route

Chinese President Xi Jinping proposed the concept of the Maritime Silk Road (MSR) — now a part of the **One Belt, One Road** initiative during his visit to Indonesia in October 2013. The MSR is an attempt to promote economic cooperation and connectivity by reviving the ancient maritime Silk Road trading route. To this end, China has pledged US\$40 billion in the Silk Road Fund to develop infrastructure along the route. The plan is geographically ambitious as well, envisioning the Belt and Road as encompassing Asia, Africa, and Europe and their near seas. The land route “focuses on bringing together China, Central Asia, Russia and Europe”. The Silk Road is envisioned as “a new Eurasian Land Bridge” created by transportation routes, with “core cities” as links in the chain. In the maritime route, there would be

² https://en.wikipedia.org/wiki/Silk_Road (Accessed on 30 Aug 2015)

two legs: one linking China to the Indian Ocean via the South China Sea and the other traveling through the South China Sea to the South Pacific (Fig 1.2 below refers).

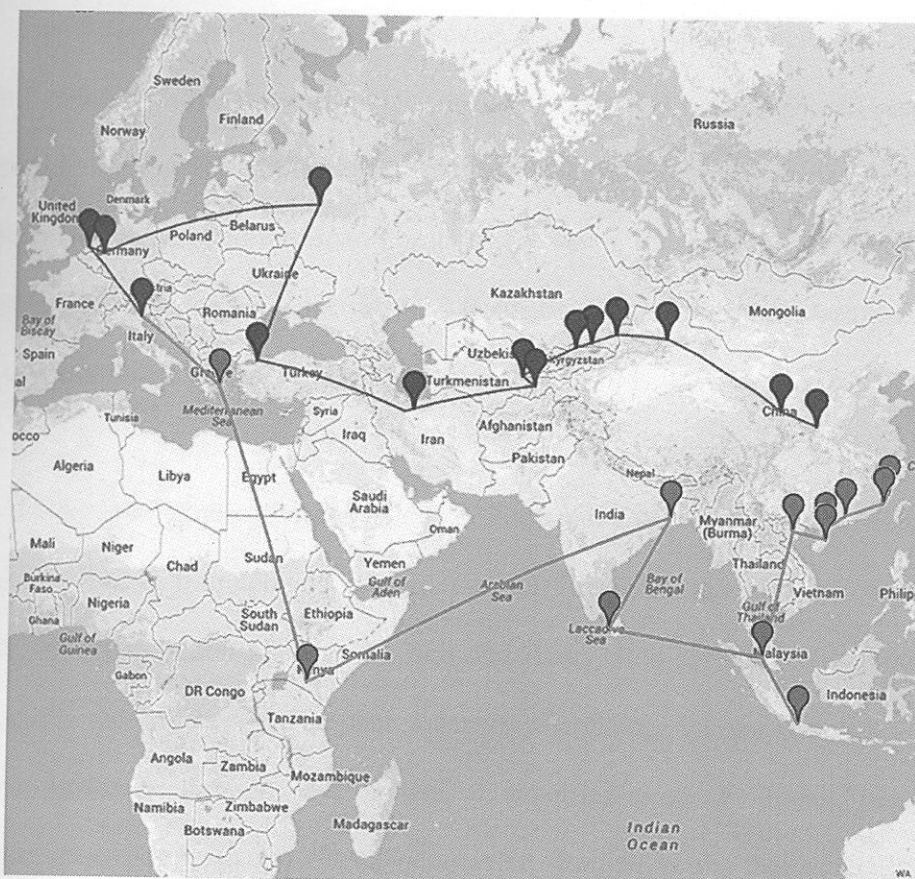


Fig 1.2 : 21st Century Maritime and Overland silk route

(Source: <http://www.xinhuanet.com/world/newsilkway/index.htm>.)

According to the *Xinhua* map (Fig 1.2), the MSR will begin in Quanzhou (Fujian province), and also touch Guangzhou (Guangdong province), Beihai (Guangxi) and Haikou (Hainan) before heading south to the Malacca Strait. From Kuala Lumpur, the MSR heads to Kolkata, and then crosses the northern Indian Ocean to Nairobi, Kenya. From Nairobi, the MSR goes north around the Horn of Africa and moves through the Red Sea into the Mediterranean, with a stop in Athens before meeting the land-based Silk Road in Venice. According to China's official

discourse, the MSR will bring ‘new opportunities and a new future to China and every country along the road that is seeking to develop’³.

The Boao Forum for Asia, an annual economic dialogue held in China’s Hainan Province, was an especially high-profile meeting this year; Chinese President Xi Jinping himself delivered the keynote address. The reason for the special emphasis was clear: Beijing selected the Boao Forum as the venue to deliver the first in-depth explanation of China’s vision for the Silk Road Economic Belt and Maritime Silk Road, collectively known as the “Belt and Road.”

During the Boao Forum, China’s National Development and Reform Commission (NDRC), in conjunction with China’s Foreign Ministry and Commerce Ministry, issued an action plan for the Belt and Road. Beijing is not shy about its ambitions for the project — “The plan is expected to change the world political and economic landscape through development of countries along the routes, most of which are eager for fresh growth,” *Xinhua* wrote. Beijing hopes that annual trade volume between China and “Belt and Road” countries will “surpass 2.5 trillion U.S. dollars in a decade or so,” Xi Jinping said. The document laid out the basic goals of the Belt and Road⁴:

³ Zorawar Daulet Singh (2014): Indian Perceptions of China’s Maritime Silk Road Idea, Institute for Defence Studies and Analyses, *Journal of Defence Studies*, Vol. 8, No. 4 October-December 2014, pp. 133-148

⁴ Shannon Tiezzi is Managing Editor at *The Diplomat*; [thediplomat.com/authors/shannon-tiezzi/Where-Is-China's-Silk-Road-Actually-Going?](http://thediplomat.com/authors/shannon-tiezzi/Where-Is-China's-Silk-Road-Actually-Going/) Her main focus is on China, and she writes on China’s foreign relations, domestic politics, and economy. Shannon previously served as a research associate at the U.S.-China Policy Foundation, where she hosted the weekly television show *China Forum*.

“It is aimed at promoting orderly and free flow of economic factors, highly efficient allocation of resources and deep integration of markets; encouraging the countries along the Belt and Road to achieve economic policy coordination and carry out broader and more in-depth regional cooperation of higher standards; and jointly creating an open, inclusive and balanced regional economic cooperation architecture that benefits all.”

The Belt and Road are often understood primarily as infrastructure projects. Indeed, that will be the main focus in the early stages, as Chinese leaders have repeatedly spoken of infrastructure as a “bottleneck” preventing further economic cooperation. But there’s more to the Belt and Road than simply the construction of roads, railways, and ports. Even on the infrastructure front, China’s vision to “form an infrastructure network connecting all sub-regions in Asia, and between Asia, Europe and Africa” includes energy and communications infrastructure as well as transportation.

Implications for India

Security

The String of Pearls theory is a geopolitical theory regarding potential Chinese intentions in the Indian Ocean region. It refers to the network of Chinese military and commercial facilities and relationships along its sea lines of communication, which extend from the Chinese mainland to Port Sudan. The sea lines run through several major maritime choke points such as the Strait of Mandeb, the Strait of Malacca, the Strait of Hormuz and the Lombok Strait, as well as other strategic maritime centers in Pakistan, Sri Lanka, Bangladesh, the Maldives and Somalia. The term as a geopolitical concept was first used in an internal United States Department of

Defense report titled "Energy Futures in Asia". The term has never been used by official Chinese government sources, but is often used in the Indian media.

The emergence of the String of Pearls is indicative of China's growing geopolitical influence through concerted efforts to increase access to ports and airfields, expand and modernize military forces, and foster stronger diplomatic relationships with trading partners. The Chinese government insists that China's burgeoning naval strategy is entirely peaceful in nature and designed solely for the protection of regional trade interests. It has been claimed that China's actions are creating a security dilemma between China and India in the Indian Ocean. China has a tradition of using a checkbook policy against India in South Asia. Under this latest initiative, China is developing ports in Bangladesh, Sri Lanka and Pakistan, and is trying to enlarge its sphere of influence using its economic might in the Bay of Bengal and Arabian Sea. China's military-strategic intent behind the MSR cannot be discounted⁵. The unprecedented docking of a PLA Navy submarine at Colombo port (Hambantota) in September 2014 is a bellwether for future developments in the Indian Ocean⁶. China is likely to seek naval access to the maritime infrastructure that it is helping to create, thereby increasing its strategic presence in India's primary areas of maritime interest. The PLA Navy could seek replenishment facilities in Chittagong, Colombo, Gwadar, Hambantota, and so on. The question arises: what can India do to prevent this? India could possibly try to use its leverages with the IOR countries; but these are hardly adequate vis-à-vis the economic attractiveness of China's MSR.

⁵ Geethanjali Nataraj (Jul 2015), Why India Should Join China's New Maritime Silk Road ; <http://www.eastasiaforum.org/2015/06/27> , She is a senior fellow at the Observer Research Foundation, New Delhi and Policy Lead, Knowledge Partnership Program, DFID India and IPE Global

⁶ David Brewster, *The Bay of Bengal: The Maritime Silk Route and China's Naval Ambitions* (Dec 2014). <http://www.aspistrategist.org.au/the-bay-of-bengal-the-maritime-silk-route-and-chinas-naval-ambitions>. He is a Fellow with the Australia India Institute and a Visiting Fellow with the Strategic and Defence Studies Centre at the Australian National University. He is the author of *India's Ocean*

Notably, even Bangladesh and Maldives have opted to support the MSR, and with Pakistan, India has no leverage at all. Hence, the progress of the ongoing developments seems inevitable, over which, India seems to have little control.

December 2015 marked the seventh anniversary of Chinese naval anti-piracy escort missions in the Gulf of Aden. China has so far conducted more than 400 escort missions in the troubled waters. As on early 2011, there were eight Chinese fleets operating in the region. Although the fleets were engaged in providing security in the region against pirates, the anti-piracy missions have boosted PLA Navy's knowledge and ability to perform in the Indian Ocean Region, something that China was seeking for a long time. China's naval fleets made port calls at Yemen, Oman, Sri Lanka and Pakistan among others while conducting anti-piracy missions. Certain naval vessels, such as the Wenzhou and Ma'anshan frigates in the eighth fleet also took part in the multi-national naval exercise in Pakistan – AMAN 2011, while on their way to the Gulf of Aden. The Chinese have also stepped up diplomatic and economic ties with these countries. These developments indicate that China will continue to use such ports at least as resupply facilities. Beijing may not be willing to enter into a formal agreement with these countries for providing support for its navy, but it is likely that it would continue to develop closer relations with these countries to ensure a support network for its navy in the Indian Ocean.

Many view the MSR as part of a Chinese attempt to reorder Asia and undermine US influence in the region. Another explanation is that the US 'pivot' to Asia — which focuses on concentrating additional forces and equipment in the Asia

Pacific, along with establishing the Trans-Pacific Partnership (TPP) — is part of a strategy to contain China by the US and its allies in Asia.

Formal proposal to induct India into the MSR was made during the 17th round of talks between special representatives in New Delhi. So far India has been somewhat reticent in its response primarily owing to lack of clarity about the Chinese grandiose economic and trade designs, as also infrastructural linkages and above all the larger strategic motivations⁷.

From Indian perspective the entire proposal has to be seen in the context of broader geo strategic implications for India particularly in the Indian Ocean. The strategic objectives of MSR raise questions of Chinese real intentions? China has steadily expanded its influence in the Bay of Bengal and Arabian Sea by building ports in Sri Lanka, Pakistan and helping build Sandia Deep Sea port in Bangladesh apart from other Indian Ocean littoral engagements through a strategy generally referred to as String of Pearls. Scenario is exacerbated by Pakistan, Bangladesh and Sri Lanka pledging support to President Xi Jinping's MSR initiative as part of the overall Asian Security Plan. Given the emerging scenario, concerns in New Delhi are that countries like Bangladesh and Sri Lanka could be further drawn into the Chinese orbit. One of the reasons for the regional outreach of the Indian government is to prevent such a potentially disturbing development by restabilising Indian credibility with its neighbours.

⁷ Brig.(Retd) Arun Sahgal, PhD July 2014, China's Proposed Maritime Silk Road (Msr): Impact on Indian Foreign and Security Policies; http://ccasindia.org/issue_policy.php?ipd=21 (sourced on 15 January 2016)

Notwithstanding above the major Indian concerns emanate from the architecture of MSR and its linkages with proposed Chinese land bridges that would straddle India from west to East. On the West is the proposed China-Pakistan economic corridor that would link restive Xinjiang province of China with Chinese developed deep sea port at Gwadar. Indian concerns centre around the proposed corridor passing through Pakistan Occupied Kashmir (PoK), a disputed Indian territory. The developed road rail communications will allow China to make strategic moves in POK. Given its military and nuclear collusion this is a serious development with major impact on India's threat perspective. Lastly once the corridor develops over the next few years (2019-20) Gwadar will certainly become an important commercial hub for both China and Pakistan. It will be a serious development given the fact that it provides an access to the Persian Gulf and is in proximity of the proposed Indian developed Iranian port, Chahbhar (40 Nautical Miles) doubled with its ability to support both naval and commercial activity in South Arabian Sea and along the sea lanes in Western Indian Ocean. In all likelihood it might be developed as a possible future naval and communication base drawing the PLAN directly into the Indian Ocean. Therefore despite the Chinese map showing MSR passing Pakistan, geopolitical realities and huge infrastructural investments clearly indicate it to be a part of the overall strategy, omission in the map could be deliberate to prevent fierce Indian reaction.

Furthermore Chinese facilities along the western sea board have the potential of presenting two front naval threat scenarios, together with the Chinese forays in Bay of Bengal. This will force India to develop additional access points and facilities astride the proposed Chinese Silk Road including Gwadar/Makran Coast. For examples, working with Iran to upgrade facilities in Chahbhar, work closely with

regional countries along the proposed route to ensure credible Indian presence and commercial interests. Lastly it also means that India will need to spend more on long haul vessels, to ensure greater endurance and sustainability for its power projection and expeditionary roles. This will not mean major recasting of plans from existing force levels but nuanced shift in the focus. These perhaps are the reasons why India has not been over enthusiastic for the Chinese MSR proposal⁸.

Second corridor is what is being loosely termed as BCIM acronym for Bangladesh, China, India and Myanmar. This corridor will connect India's north-east with China's Kunming province initially through road and later rail connectivity. India given the restive North East and relations with Bangladesh and Myanmar earlier was lukewarm to the proposal. However, now with a push by the Indian government to improve connectivity, economic and cultural linkages with NE and greater connectivity with SE Asia there is greater acceptance of the idea. If this corridor eventually fructifies this would mean not only enhanced trade and connectivity it would also imply China being able to upgrade infrastructure and port facilities in Bangladesh and Myanmar, that could over period become important trading hubs. With three major neighbouring countries coming incrementally within Chinese influence and Myanmar becoming major energy transshipment hub securitisation of the Bay of Bengal will follow creating major strategic challenge on the eastern sea board of India and direct confrontation with the PLAN⁹.

Third aspect is the maritime context. Despite the fact that MSR is couched largely as an economic initiative, objective reality is that maritime space in the IOR is likely to be contested despite it being conceived as 'Global Commons'. Important

⁸ Brig.(Retd) Arun Sahgal, PhD July 2014, China's Proposed Maritime Silk Road (Msr): Impact on Indian Foreign and Security Policies, http://www.ccasindia.org/issue_policy.php?ipd=21

⁹ Zorawar Daulet Singh (2014): Indian Perceptions of China's Maritime Silk Road Idea, *Journal of Defence Studies*, Vol. 8, No. 4 October-December 2014, pp. 140-141

regional and extra regional actors such as India, China, Japan, Korea and the US among other will like to ensure sea lanes of communications that are vital to national growth and development are kept open and not manipulated by contending powers.

The logic of IOR becoming a contested space is also dictated by the views of Chinese leaders who believe that the growth of the economy and continued dependence on natural resources would have to translate into expansion of Chinese naval power in the long run, requiring capabilities to accomplish missions in the IOR as well. This in fact is the rational and logic that is driving the PLAN to extend its operational range from 'near' and 'middle' seas an area adjacent to the inner and outer rims of the first and the second island chains to 'far seas' that stretch to the East of Indian Ocean extending to the East coast of Africa. It is this broader strategy of projecting power up to and beyond 1000 nautical miles from its territorial waters that is behind the growing focus on maritime force development and possible deployment of nuclear attack submarines and carrier based task forces in IOR by 2020, as also seeking naval bases in the Indian Ocean.

From Indian perspective these are serious projections. Indian Ocean is largely seen by Indian political and strategic establishment as an area of Indian domination and influence. Just like the Chinese India needs to protect its core areas of interests such as trade, economy and resources driving the outreach of India's maritime interests. These *over period could* extend up to Western Pacific, South China Sea, Eastern Mediterranean, the Central and Southern Indian Ocean, islands such as Diego Garcia, Madagascar, Mauritius, Reunion and Seychelles. These will also be inclusive of South Africa and Australia as they dominate the Southern approaches of the Indian Ocean. As India begins to interact with the IOR powers off its own coast, shaping of future maritime environment competition will be manifested.

Thus the MSR may be nothing but an economic disguise for the 'string of pearls' theory, which concerns the build-up of Chinese commercial and military facilities, and relationships in the India Ocean.

Economic Influence

China's tack to the seas can be broadly equated to the geo-economics since sea borne trade remains the most economical means of transporting large volumes over long distances. As the world's leading export nation, second largest economy and trading nation by any yardstick of measurement and, as the largest shipbuilder, the oceans have become critical for its continued development. This can be best farmed by examining the sectoral distribution of its economy and the part played by exports and imports in the post liberalisation period. In 1982 – a time when Deng Xiaoping's reforms were in the implementation phase, the industries contributed 44.8% to its GDP whereas the shares of agriculture and services sectors were 33.4% and 21.8% respectively. By 2013, a remarkable turnaround has taken place where the contribution of industry sector was 43.9%, that of services sector had gone up to 46.1% of national GDP and the agriculture sector share had come down to 10%. This is reflective of a significant increase in the valued added productivity in the Chinese economy. Further, in 1982, the exports and imports of goods and services as a factor of GDP contributed 15.1% to the GDP, whereas, in 2013, this figure stood at 50.1% of national GDP, thus registering more than threefold growth over a 30-year period.

China's regional trade statistics during 2003-2013 indicate that Asia, Africa and, Oceania and Pacific Islands are the three regions where Beijing has an unfavourable trade balance. The Indian Ocean Region (IOR), comprising the littoral and the landlocked/Geographically Disadvantaged States (GDS) that are proximal to its coast, contribute nearly 20% of China's international trade in value terms. This

trend of negative trade balance is more pronounced in this region, be it the share of the Asian or the African states. Saudi Arabia, Iran, Iraq, Kuwait, Oman, and South Africa are the principal contributing countries to this, thereby indicating the energy and mineral dependency of China in the IOR. The negative trade balance with Thailand can be attributed to the imports of automotive and telecom/IT industry sub-aggregates.

The Indian Ocean and South China Sea are major transit routes carrying oil and gas from the Middle East and Africa to the major East Asian economies, including China. About 80% of China's oil imports pass through these SLOCs before reaching China. In 2013, China's largest LNG suppliers were from the Middle East (44%), Southeast Asia (28%) and Australia (20%). In 2012, 72% of China's coal imports traversed across the South China Sea to reach the mainland. The BP Energy Outlook has projected that China will become world's largest net energy importer as production, as a share of consumption, will drop from 85% today to 80% by 2035. As a result, China's oil import dependence will rise from 57% in 2012 to 76% in 2035, while gas dependence will rise from 25% to 41%. Given such projections, it is likely that the country's already large oil and gas shipments traversing the Indian Ocean and the South China Sea will increase in the decades ahead¹⁰.

China's One Belt, One Road initiative — of which the Maritime Silk Road initiative is one part — has an economic and strategic rationale. For more than 35 years, China's economic development and progress has been mostly concentrated in its eastern, coastal provinces. The initiative seeks to address this while also establishing China as not only an Asia Pacific power but also a global power.

¹⁰ Christopher Len (2015) China's 21st Century Maritime Silk Road Initiative, Energy Security and SLOC Access, *Maritime Affairs: Journal of the National Maritime Foundation of India*, 11:1, 1-18, DOI: 10.1080/09733159.2015.1025535, pp 4

Through the continental project, the Silk Road Economic Belt, China is planning to boost development in the economies of its western provinces and administrative regions. The launch of the project will provide new export markets for Chinese goods and capital. Through this initiative, China will find new markets for exports in central Asia and East Africa where many of the countries have huge domestic demand due to burgeoning middle classes.

Geo-Political Scenario

Fifty countries are interested in participating in China's Silk Road Economic Belt and Maritime Silk Road projects, jointly known as "one belt and one road." "Along the belt and road are many developing countries with a combined population of 4.4 billion and an annual economic output of 2.2 trillion U.S. dollars." In other words, China's Silk Road is a big deal, and not just for Asia. In fact, the Silk Road is making progress on an entirely different continent – Africa.

During Foreign Minister Wang Yi's trip to Africa in mid-January of this year, he visited Kenya and spoke about China's plan to build a \$3.8 billion railroad linking Nairobi, Kenya's capital, to Mombasa, a port on the Indian Ocean. Though the railroad project isn't being pitched as part of the Silk Road, it's no coincidence that Nairobi, an inland city, is included on *Xinhua's* Maritime Silk Road map. The rail link between Nairobi and Kenya's largest port will be crucial in actually connecting Nairobi to the maritime trading route.

The Maritime Silk Road, like its overland counterpart, is currently in a stage that heavily emphasizes the building of infrastructure projects. That was China's rationale for founding the Asian Infrastructure Improvement Bank in addition to a

separate \$40 billion Silk Road Fund. Both funding sources aim to “break the connectivity bottleneck,” in President Xi Jinping’s words.

The proposed MSR is inspired by US led Trans-Pacific Partnership (TPP) a proposed trade agreement between several Pacific Rim countries concerning a variety of matters of economic policy. Among other things, the TPP seeks to lower trade barriers such as tariffs, establish a common framework for intellectual property, enforce standards for labour law and environmental law, and establish an investor-state dispute settlement mechanism. The stated goal of the agreement is to "enhance trade and investment among the TPP partner countries, to promote innovation, economic growth and development, and to support the creation and retention of jobs." TPP is considered by the United States government as the companion agreement to TTIP (the Transatlantic Trade and Investment Partnership), a broadly similar agreement between the United States and the European Union¹¹.

Another model which can be compared to MSR is Akamatsu’s third flying geese paradigm (FGP). The **Flying Geese Paradigm** (FGP) is a view of Japanese scholars upon the technological development in Southeast Asia viewing Japan as a leading power. It was developed in the 1930s, but gained wider popularity in the 1960s after its author Kaname Akamatsu. The paradigm postulated that Asian nations will catch up with the West as a part of a regional hierarchy where the production of commoditized goods would continuously move from the more advanced countries to the less advanced ones. The underdeveloped nations in the region could be considered to be "aligned successively behind the advanced industrial nations in the order of their different stages of growth in a wild-geese-flying pattern." The lead

¹¹ https://en.wikipedia.org/wiki/Trans-Pacific_Partnership (sourced on 25 January 2016)

goose in this pattern is Japan itself, the second-tier of nations consisted of the newly industrializing economies (South Korea, Taiwan, Singapore and Hong Kong). After these two groups come the main ASEAN countries: Indonesia, Thailand and Malaysia. Finally the least developed major nations in the region: China, Vietnam, Philippines etc. make up the rear guard in the formation¹².

China has long engaged in these sorts of infrastructure development projects in Africa, constructing roads, railways, and public buildings. While still rhetorically separate from the Maritime Silk Road, these projects speak to the same vision: regional connectivity, brought to you by Beijing. So while China publicizes its Silk Road progress in Asia, don't forget that similar themes are unfolding in Africa — and that the two projects will eventually link up, if Beijing has its way.

Effect on Unipolar World Order

To be a world leader, China will first have to be supreme in Asia, which has 10 of the world's largest countries, half the world's population and accounts for 30% of global exports. To be supreme in Asia, it will have to deal with Japan and India. Even if there were no conflict, the centre of the world will shift from the Atlantic to the Pacific - or as some of us want to call it, the Indo-Pacific. China, more than any other country today, can afford to continue strengthening its military machine, with its concentration in maritime modernisation. By 2049, 100 years after the communist takeover, China hopes to be able to become a strong economic power backed by a strong military power that is able to withstand any opposition.

It is becoming apparent that China is giving up its low profile and emerging as the obvious challenger to US globally, but beginning with the Western Pacific.

¹² https://en.wikipedia.org/wiki/Flying_geese_paradigm (sourced on 25 January 2016)

China's assertiveness lately in Asia - from the Sea of Japan, through the South China Sea up to the Gwadar port in Pakistan and Kyaukpyu in Myanmar - is also infrastructure for shortening distances from Africa as well as the maritime manifestation of the Chinese challenge to American supremacy. China has begun to strengthen its presence in the Arab world and Iran, sensing a US withdrawal. Following the US policy towards India and Pakistan, China, too, seeks to have a dehyphenated relationship with both these countries, even as this de-hyphenation is less obvious in India.

The Chinese plans about their Silk Road Economic Belt and Maritime Silk Route indicate both their fear of being encircled and desire to be able to challenge the US. There is a great deal of stress on overland routes through to Europe. There are now freight train connections between eastern China and Madrid (10,000 km) and Hamburg carrying Chinese exports. China has established Afghanistan's fibre optic cable network, with a similar deal with Tajikistan. Russia and China jointly built major terrestrial telecommunication links across the Eurasian continent.

Ultimately, the challenge will be to the US dollar and China has ambitions to make its currency one of the reserve currencies at the IMF. Obviously, this would be viewed with concern in Washington. By the end of 2013, the renminbi (RMB) was the second most-used currency in trade and oil transactions overtaking the euro.

Some of the analyses coming out of Washington downplay China's achievements, even the sustainability of its economic progress and political stability. David Shambaugh of George Washington University, for example, describes China as a 'partial power', saying that it may have global presence but not yet global influence.

Chinese scholars have commented that US policy toward China continues to be marked by an all-inclusive containment policy that utilises more resources to tackle Chinese capabilities economically, politically and militarily. According to this argument, Americans fear that continued Chinese prosperity would make it more assertive in international affairs. Further, that if China-US relations were to slide towards confrontation, there would be no peace in Asia-Pacific and East Asia.

China's assertiveness in the South China Sea challenges US security interests in the Western Pacific. But for both India and China, the region from Aden to Malacca, and the littoral from East Africa and Australia, is economically and geo-strategically vital. While China is gaining access to Eurasia and West Asia, India remains landlocked out of West and Central Asia by Pakistan and China.

It is quite evident that ahead of the US presidential polls next year - China is seriously positioning itself to deal with the new incumbent from a position of strength and equality. Unipolar days may be over, and we may be looking at what China calls a multipolar world. But what Beijing actually wants is a world with only two geostrategic poles. Ultimately, Chinese analysts assess that a bipolar world, rather than a multipolar or unipolar one, would emerge, with US and China as the two poles. There would be widening gaps between the US and China with other countries in this bipolar world¹³.

Options for India

China was the leading economy in the world 2000 years ago which crashed miserably during 18th century during opium wars. Since then China is vigorously

¹³ Vikram Sood (2015), Is China emerging as an obvious challenger to US globally ; www.economictimes.indiatimes.com. He is an Advisor to Observer Research Foundation and a former chief of R&AW.

pursuing its goal to regain its economic supremacy. To become economic super power China has to be self reliant in energy sector. However China's more than 85% energy requirement is met through sea transportation through IOR. Therefore it is imperative for China, to establish and control safe SLOCs in Indian ocean. China therefore has mooted MSR which serves its many purposes. Firstly it will help to secure its oil needs. Secondly China can utilize the facilities militarily in case of conflicts in IOR. Thirdly, it can showcase China as a benevolent state and neutralize its negative reputation of establishing 'String of Pearls' in IOR to encircle India. China's attempt to bypass sea route through construction of Gwadar port and Chittagong ports has not yielded the desired results. China has invited India to join MSR.

India needs to examine the proposal carefully. While some of the ASEAN countries are well aware of China's dubious history and its maritime disputes in South China sea, the lure of economic development is irresistible. Though India has launched Projects 'Mausam', 'Spice route' and 'Cotton route' and given fresh impetus to its 'Act East' policy (from 'Look East') to counter MSR initiative, India lack requisite economic power and leverage with ASEAN countries to effectively counter the lure of MSR. India has also signed agreement with China for BCIM corridor. India may be left behind and isolated in case of not joining MSR proposal and may loose its influence in IOR. Therefore India may have to say 'yes' to MSR. However, acceptance of Chinese proposal, in the current form will legitimize the projects of China like construction of CPEC and Gwadar port, berthing of its submarines in Sri Lanka etc which China will show case as part of MSR and also may jeopardize

existing Indian influence in IOR¹⁴. Therefore India needs to tread cautiously and negotiate hard with China with conditions like favorable resolution of border disputes, military isolation of Pakistan etc alongwith building of suitable clauses to ensure India's national interests are not compromised in IOR in future.

Statement of Problem

China has recently been aggressively marketing/pushing the idea of 'Maritime Silk Route' promising economic development in the countries prominently located in Indian Ocean Region. Though the project is projected as creation of an economic and cultural exchange corridor, keeping in view of China's dubious history and instances like border incursions, it's recently launched economic corridor CPEC (through PoK) with its all weather friend Pakistan, construction/operationalization of Gwadar port to access Persian gulf, berthing of it's nuclear submarine in Sri Lanka in 2014, it's 'String of pearls' strategy encircling India and it's greater penetration in African sub-continent (under the garb of economic development), there is a need to examine the proposed project in the interest of India's economic, geo-political and security aspects and suggest measures to safeguard India's interests.

Objectives

The objective of the study is

- To study the implications of 'Maritime Silk Route' project of China on India particularly from geo-economic, geo-political and security perspectives

¹⁴ Raja Mohan C (2014), Will India join China's maritime Silk Road?; The Indian Express, February 15, 2014. He is a Distinguished Fellow at Observer Research Foundation, Delhi and a contributing editor for The Indian Express

- To analyze the hegemonic intent of PRC behind the proposed concept.
- To suggest way ahead to safeguard the interests of India

Research Questions

- What are the implications of the proposed 'Maritime Silk Route' project of China, on India's interests in the fields of economy, security and geo-politics?
- What shall be the India's action plan, in case of adverse implications?

Scheme of Chapterisation

Chapter 1 of the dissertation provides background of the subject and introduces the topic i.e, Ancient Silk Route of China, 21st Century Maritime Silk Route; it's implications for India and briefly discusses the options available to India. It also discusses the problem of statement and objectives of this study. Review of literature on Maritime Silk Route, Research methodology and Limitations/delimitations will be covered in 2nd chapter. Chapter 3 discusses the China's economic history, maritime history, the principles of MSR and China's strategic objectives in IOR. Chapter 4 covers the geo-politics of MSR including China's push for African countries. Chapter 5 covers the security dimensions of 21st MSR with reference to Indian Ocean. A glance on similar projects on economic development and cultural exchange programmes running in world is given in Chapter 6. The summary of strategic, economic and geo-political implications for India and Conclusions and recommendations of the study is presented in Chapter 7.