

## Chapter 6

### A Look in to Other Similar Projects in the World

*Those who live in this region have the primary responsibility for peace, stability and prosperity in the Indian Ocean. We recognize that there are other nations around the world, with strong interests and stakes in the region. India is deeply engaged with them. We do this through dialogue, visits, exercises, capacity building and economic partnership (.....). We seek a future for Indian Ocean that lives up to the name of SAGAR – Security and Growth for All in the Region<sup>106</sup>.*

*Narendra Modi, Prime Minister of India*

China and India have launched a series of maritime cooperation initiatives such as the Chinese 21st Century **Maritime Silk Road (MSR)** and the Indian Projects ‘**Spice Route**’, ‘**Mausam**’, ‘**Cotton Route**’, ‘**Sagar Mala**’, the ‘**Blue Revolution**’ (from the Ashoka Chakra on the Indian flag) and ‘**SAGAR**’—Security and Growth for All in the Region. While these initiatives are being interpreted by some as countermeasures against each other, the two sides may need to seek win-win cooperation and a sound development of Sino-Indian relations based on an objective and in-depth evaluation of these initiatives. There are similar projects in the world namely **Trans Pacific Partnership (TPP)** a trade agreement among twelve Pacific Rim countries and **Flying Geese Paradigm (FGP)** the technological development project in Southeast

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<sup>106</sup> Narendra Modi, Prime Minister of India, during IFR in Feb 2016, while launching SAGAR –Security & Growth for All in the region.

Asia with Japan as a leading power. The highlights of these projects are discussed in succeeding paragraphs.

### **The Trans-Pacific Partnership**

The Trans-Pacific Partnership (TPP) is a trade agreement among twelve Pacific Rim countries (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States & Vietnam) signed on 4 February 2016 in Auckland, New Zealand, after seven years of negotiations, which has not entered into force<sup>107</sup>. The 30 chapters of the TPP Agreement concern many matters of public policy and a stated goal to "promote economic growth; support the creation and retention of jobs; enhance innovation, productivity and competitiveness; raise living standards; reduce poverty in our countries; and promote transparency, good governance, and enhanced labor and environmental protections." Among other things, the Agreement contains measures to lower trade barriers such as tariffs, and establish an investor-state dispute settlement mechanism (but states can opt out from tobacco-related measures).<sup>1</sup>The United States government has considered the TPP as the companion agreement to the proposed Transatlantic Trade and Investment Partnership (TTIP), a broadly similar agreement between the United States and the European Union.

Historically, the TPP is an expansion of the Trans-Pacific Strategic Economic Partnership Agreement (TPSEP or P4), which was signed by Brunei, Chile, New Zealand, and Singapore in 2005. Beginning in 2008, additional countries joined the discussion for a broader agreement: Australia, Canada, Japan, Malaysia, Mexico, Peru,

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<sup>107</sup> [https://en.wikipedia.org/wiki/Trans-Pacific\\_Partnership](https://en.wikipedia.org/wiki/Trans-Pacific_Partnership) (accessed on 25 January 2016)

the United States, and Vietnam, bringing the total number of participating countries in the negotiations to twelve. Current trade agreements between participating countries, such as the North American Free Trade Agreement, will be reduced to those provisions that do not conflict with the TPP, or that provide greater trade liberalization than the TPP.

Participating nations aimed at completing negotiations in 2012, but contentious issues such as agriculture, intellectual property, and services and investments prolonged negotiations. They finally reached agreement on 5 October 2015. Implementing the TPP has been one of the trade agenda goals of the Obama administration in the US. On 5 October 2015 Canadian prime minister Stephen Harper expected "signatures on the finalized text and deal early in the new year, and ratification over the next two years." A version of the text of the treaty "Subject to Legal Review (...) for Accuracy, Clarity and Consistency" was made public on 5 November 2015, the same day President Obama notified Congress that he intends to sign it.

The TPP is a continuation in the trend of having regional trade and economic forums / agreements over and above the global architectures such as WTO. While the latter remains relevant, it is increasingly deadlocked over aspects such as agricultural subsidies where at times the interests of developed and developing nations do not coincide. Regional forums on the other hand can achieve greater synergy. TPP may thus be seen in this light also.

Some of the provisions of TPP known through leaked documents are indicative of a skewed relationship wherein, there are two sets of countries. One set of countries represent the developed nations who will probably provide the skill set, capital and the markets and the other set representing the underdeveloped countries such as Vietnam,

Malaysia, Mexico etc which will provide the manufacturing and the industrial base. It is for this reason that there was some opposition to the Japan becoming a member as it is capable of large investments as also considerable R&D thereby posing a challenge to big business in USA.

It got further attention when China was not included in the partnership. Japan on the other hand has recently joined. USA does not enjoy sufficient political leverage today over China. They are thus not in a position to really influence political decision making to give any unfair advantage to their businessmen. They however, can do the same in smaller countries. Therefore USA is no longer keen for further investments in China (one of the reasons for India becoming a top FDI destination) as was the case in early nineties. They also have inadvertently been the vehicle for growth of the Chinese economy. The global recession in 2008-09 forced the Western world to take notice of the fact that China has taken over most of the manufacturing away from Western business houses. The US economy was not adding sufficient value and was highly leveraged to China. Probably that is one of the reasons they started looking for alternatives (USA joined negotiations for TPP in 2008).

In summation TPP is yet another regional architecture reflective of changing geo-strategic and geo-economic realities. Exclusion of China from TPP may thus be both due to strategic as well as economic motives.<sup>108</sup>China's OBOR strategy is also seen by some as a response to the "Asia pivot" of the Obama administration and more specifically to challenge the Trans Pacific Partnership (TPP). How the TPP and China's OBOR strategy

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<sup>108</sup> Ajay Chhibber (2015), China's One Belt One Road Strategy: The New Financial Institutions and India's Options, Working Paper No. 2015-155, pp 7, National Institute of Public Finance and Policy (also available from <http://www.nipfp.org.in>)

interact with each other remains to be seen with some suggesting that China should be brought into the TPP if it were to meet the exacting requirements proposed under the treaty.

### **The Flying Geese Paradigm (FGP)**

<sup>109</sup>It was developed in the 1930s, but gained wider popularity in the 1960s after its author Kaname Akamatsu published his ideas in the *Journal of Developing Economies*. Akamatsu's third flying geese paradigm (FGP) is a model for international division of labor in East Asia based on dynamic comparative advantage. 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 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 formation.

The main driver in the model is the "leader's imperative for internal restructuring" due to increasing labor costs. As the comparative advantages (on a global scale) of the "lead goose" causes it to shift further and further away from labor-intensive production to more capital-intensive activities it sheds its low-productivity production to

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<sup>109</sup> [https://en.wikipedia.org/wiki/Flying\\_geese\\_paradigm](https://en.wikipedia.org/wiki/Flying_geese_paradigm) (accessed on 26 January 2016)

nations further down in the hierarchy in a pattern that then reproduces itself between the countries in the lower tiers. The impulse for development always comes from the top tier causing many to label the FGP a top-down model. The FGP has proved to be a useful tool when describing the regional production patterns in East Asia as industries such as the textile industry has left not only Japan – the most advanced East Asian nation – but also, at a later point, South Korea and Taiwan etc. These second tier nations have now firmly established themselves in for instance the automotive industry and are now beginning to shift to the even more advanced production of microcomputers and the like.

As has been shown recently, Akamatsu's theory emphasizes the differentiation of the world economy, which leads to the rapid diffusion of new techniques to rising industrial nations, which starts with the import of new commodities by these nations. In time, techniques and capital goods are imported as well, and homogenous industries are being established. The uniformization of both industry and agriculture gave rise to the fierce and conflictive competition between Europe, the United States and Japan in the last quarter of the 19th Century. When an innovation occurs in some industry in an advanced nation, investment is concentrated there, causing a rise in the trade cycle. Innovation leads to an increase in exports, and the nation's prosperity creates and increases the import of raw materials and foodstuffs. Akamatsu sees a counter-movement in other parts of the world, centered on the rising production of gold, which, according to him, leads to an increase in effective demand and further stimulates exports of the innovating nation. In that way, world production and trade expand, prices increase and a world-wide rise in the long-term trade cycle results.

However, innovations spread from the innovating nations to other nations, leading to the development of industries in those countries, with the result of a conflictive relationship with the industries of the innovating nation. Exports of the innovating nation become stagnant, and on the world level, there is a tendency towards overproduction, prices turn downwards, and the rates of growth of production and trade fall. The first, rising A-phase of the Kondratiev cycle will be according to Akamatsu a period of differentiation in the world economic structure, while the “falling period” or B-phase of the Kondratiev cycle will, Akamatsu argues, coincide with a process of uniformization in world economic structure.

### **Project Mausam**

India has launched Project *Mausam*, an initiative by the Ministry of Culture with Indira Gandhi National Centre for the Arts to acknowledge and celebrate maritime heritage sites across the world. It aims to establish and nominate Indian coastal sites as transnational property on the World Heritage List of UNESCO. Though it might be perceived as a counter to China’s MSR, project Mausam is a gradual outcome of historical intervention to identity Indian peninsula within the wider Indian Ocean world<sup>110</sup>.

The idea of organizing and exploring the study of India’s cultural relation with the outside world was laid by Greater India Society in 1926. Project Mausam is a result of serious interdisciplinary academic enquiry by researchers to explore Indian Ocean culture, both historically and spaciouly. As the blueprint of the project points out the aim

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<sup>110</sup> Adwita Raj, *Revisiting Maritime Past: Maritime Silk Road and Project Mausam*, Vijay Sakhuja and Jane Chan (Eds), *China’s Maritime Silk Road and Aisa*, (New Delhi: Vij Books India Pvt Ltd , 2016 ) pp 111-121. She is Research Associate , National Maritime Foundation.

of the project is at the macro level to reconnect and reestablish communications between the countries of the world, leading to an enhanced understanding of cultural values' and at the micro level it attempts to elaborate and illustrate 'national cultures in their regional maritime milieu'. The historical influence and impact of sea cannot be derived unless and until it has human interaction, for instance, there is no 'history of sea or ocean' as such, and it is always from the human perspective that its dominance or even presence is addressed.

The word '*mausam*' was first used by an Arab traveller referring to Arabian Sea later on it was developed and understood as a regular wind system or a season of shipping and navigation by Greeks. Their regular, predictable appearance made them critical for sailors as well as farmers who tilled the land. The 'discovery' of regularity of monsoon winds facilitated easy movement of people, goods and ideas across the Indian Ocean. The occurrence of monsoon winds followed a regular pattern of southwest from May to September and northeast from November to March.

From November to March high pressure builds up over continental Asia and blows dry winds down from Arabia and western India towards Africa and China. The Northeast Monsoon accompanied by surface currents accelerated movement of ships from North to South of Indian Ocean. The winds moves west across the Indian Ocean from Australia to northern Madagascar and then back in a more northerly steam towards Java.



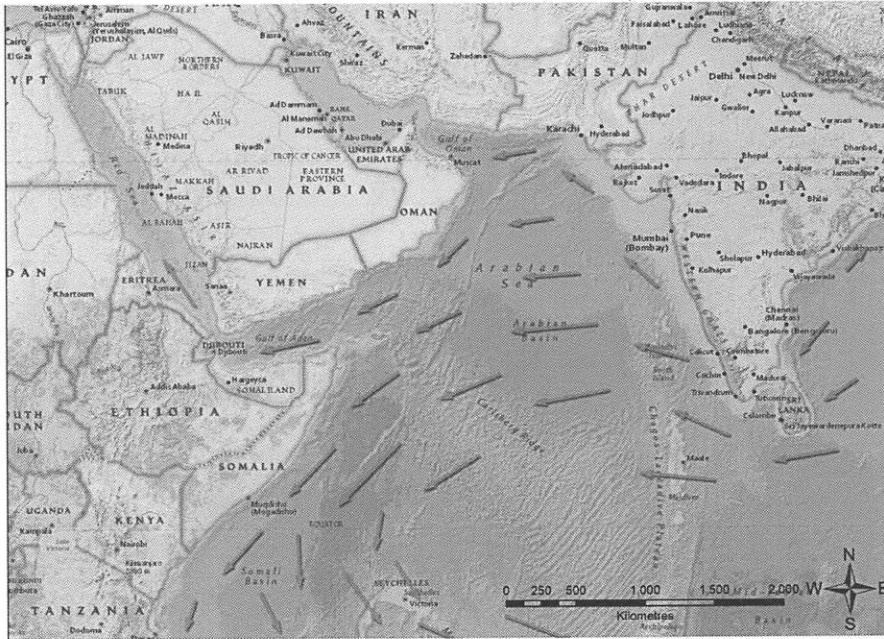


Fig 6.1: North East Monsoon/ © ESRI & National Geographic Source  
<http://moocs.southampton.ac.uk/shipwrecks/2014/10/02/maritime-rhythms-indian-ocean-monsoon/>

From May to September this process is reversed, as high pressure zones in the southern hemisphere, accompanied by surface currents pushes strong winds towards the north. This brings heavy rainfall to South and Southwest Asia, the winds blows so strongly in June and July all the sailings were interrupted and the ports were usually closed.

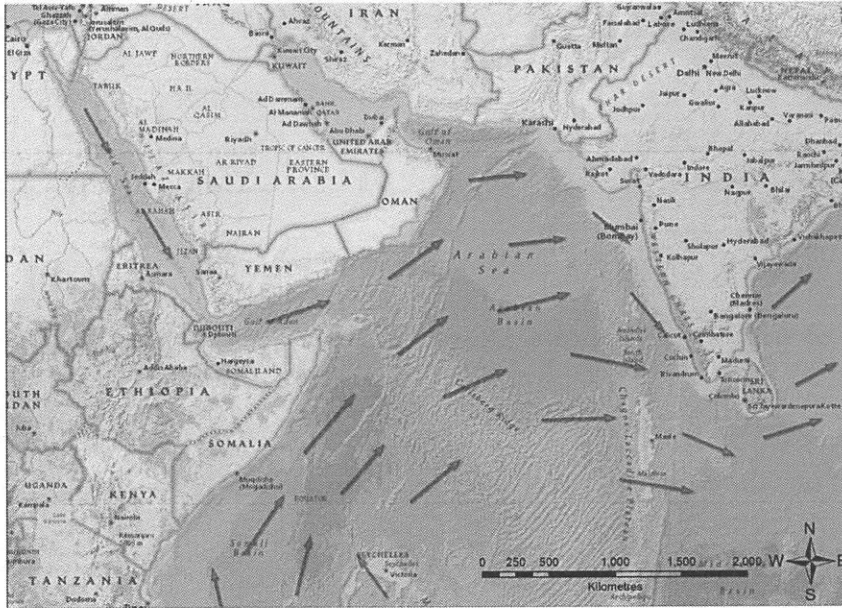


Fig 6.2 : South west Monsoon/ © ESRI & National Geographic, Source : <http://moocs.southampton.ac.uk/shipwrecks/2014/10/02/maritime-rhythms-indian-ocean-monsoon/>

Once the direction, area and period were known, the distance and time of sailing was reduced, and voyages became more favorable. The central theme of the project is to elaborate how this exchange network not only led to the exchange of commodities, culture, religion, ideas, values and technology, but played a crucial role in influencing patterns of migration, identity formation and cultural changes.

The first National Conference of Project Mausam held in November, 2014, in Kerala highlighted its main objective to review existing material, database, archeological remains in collaboration with various organizations and institutions to evaluate and acknowledge the maritime engagements in the past. The multidisciplinary approach initiated by the project, marked by the intersection of archeology, anthropology, geography and economy, aided by molecular science, oceanology, and meteorology

enable to reconstruct understanding of the maritime past and acknowledge it as a global phenomenon at different time and spaces.

Reviewing the maritime past, the project aims to connect local and regional histories in shaping 'the global world' and provides a platform for local and regional researchers to bring forth their work to a common platform. The monthly lecture series of Project Mausam gives scholars across the world, a chance to showcase their study leading to improve accessibility and dissemination of knowledge across the Indian Ocean region. Few issues highlighted in the recent lectures are how movements caused by human activities amalgamated local traditions with the foreign identities and created new forms of art and belief, the need to synthesize material remain and textual sources as of socio-cultural significance, the study of shipwrecks in identifying the scale and complexity of commercial exchange. The study of ship architecture of the vessels adds a further dimension to research, bringing alive the Arabic and Chinese sources which provide meaning and descriptions of this trade.

The holistic approach gives a broader framework for analysis and understanding about the past as a process of social formation, cultural exchange and global economy and enables to study patterns of migration, spread of ideas, rectification and transformation of religion, evolving technologies, evolution of medicine and the spread of diseases. The forgotten and neglected issues of the trade network like indentured labour and the slave trade also get highlighted. The Project initiated by Ministry of Culture aims to explore multiculturalism in the Indian Ocean world by exploring common heritages and the multiple identities nations share. The seminars and

conferences held under Project Mausam promotes scholars to study 'shared past' by generating a multitude of themes that it incorporates.

Though the project highlights several aspects of the maritime past, however many more remain<sup>111</sup>. The trade ties and exchange relation were not entirely sea borne there were instances of overland ties as well that ensured smooth circulation of goods and commodities. The overseas maritime trade could have never flourished without a well-established overland trade network. The way project has been shaping up, it has overlooked the role of regional linkages in establishing overseas ties. This makes the project a little rigid and leaves a very little space for any elaborative understanding of cultural engagement and linkages between the coast and hinterland. The regional and local ties were crucial as, not everything traded was produced in coastal areas. The study of regional ties will enable us to understand the organization and adaptability of a trading network, the regional linkages of trade, pattern of migration and its impact.

The epistemological approach initiated by project Mausam helps us to break away from the conventional conjecture of continental histories and allows a 'representation independent reality,' an understanding of the historical past as an inclusive connecting process. This gives a broader framework for analysis and understanding about the past as a process of social formation, cultural exchange and global economy.

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<sup>111</sup> Thomas Daniel (2015), Project Mausam — A Preliminary Assessment of India's Grand Maritime Strategy from a Southeast Asian Perspective (Also available from [www.maritimeindia.org](http://www.maritimeindia.org)).  
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### **Project Spice Route**

Launched on March, 2011, the Project is a development of Muziris Cultural Heritage Conservation Project<sup>112</sup>. The project is regarded as a revival of the ancient spice route that connected 31 countries. The Project seeks to develop several historical areas of Kerala linked with the ancient spice route, including Wayanad, Valiyangadi, and Beypore. The Kerala Tourism Department has visited UNESCO and World Tourism Organization, leading to an agreement with UNESCO. The delegates of 31 countries along the spice route, including of China, Korea, Japan, Singapore, Aman, Brazil, Russia, Sri Lanka and Bangladesh have also been engaged.

### **Project Cotton Route**

The Project was introduced during a high-profile conference, 'India and Indian Ocean: Renewing the Maritime Trade and Civilisational Linkages', held in February 2015 at Bhubaneswar.<sup>113</sup> Besides the ministries of external affairs and defence, eight other Union government ministries were partners in the Conference. According to the Bhubaneswar Declaration issued after the Conference, India's ancient Cotton Route needs due attention. It further states that in the pre-Industrial Revolution era, India clothed the world. 'Cotton' transcends social and economic hierarchies. The Cotton Route concept should be leveraged to rekindle the historical maritime trade linkages across the Indian Ocean Rim. The understanding and interpretation should be shared across the member states for possible consensus on a way forward.

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<sup>112</sup> Dr. Zeng Xiangyu (2015), Connecting Chinese and Indian Initiatives in the Indian Ocean, (also available from [www.maritimeindia.org](http://www.maritimeindia.org)) (The author is the Lead Researcher & Coordinator of the Indian Ocean Studies Program at the Institute of South Asian Studies, Sichuan University)

<sup>113</sup> Dr Zeng Xiangyu *ibid*.

Being a new concept, its details— including its execution and organization — are not yet clear, leading to a few groundless speculations. According to a source, Cotton Route is likely to be an overarching concept covering all existing and potential Indian regional cooperation initiatives in Indian Ocean, with a focus on maritime cooperation with Iran and South Africa, the Indian Ocean islands (Mauritius and Seychelles, in particular) and Indonesia. It will be a ‘highway system’ involving revival of cultural exchanges with countries from ASEAN to East Africa.

### **Project Sagarmala**

Presently, Indian ports handle more than 90 percent of India’s total EXIM trade volume. However, the current proportion of merchandize trade in Gross Domestic Product (GDP) of India is only 42 percent, whereas for some developed countries and regions in the world such as Germany and European Union, it is 75 percent and 70 percent respectively. Therefore, there is a great scope to increase the share of merchandising trade in India’s GDP<sup>114</sup>. With the Indian Government’s “Make in India” initiative, the share of merchandise trade in India’s GDP is expected to increase and approach levels achieved in developed countries. India lags far behind in ports and logistics infrastructure. Against a share of 9 percent of railways and 6 percent of roads in the GDP the share of ports is only 1 percent. In addition high logistics costs make Indian exports uncompetitive. Therefore Sagarmala project has been envisioned to provide ports

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<sup>114</sup> Govt of India, Press Information Bureau Statement (2015) (Sourced from <http://pib.nic.in/newsite/PrintRelease.aspx?relid=117691> on 26 January 2016)

and the shipping the rightful place in the Indian economy and to enable port-led development. Government of India launched Sagarmala project in Mar 2015.

The prime objective of the Sagarmala project is to promote port-led direct and indirect development and to provide infrastructure to transport goods to and from ports quickly, efficiently and cost-effectively. Therefore, the Sagarmala Project shall, inter alia, aim to develop access to new development regions with intermodal solutions and promotion of the optimum modal split, enhanced connectivity with main economic centres and beyond through expansion of rail, inland water, coastal and road services.

The Sagarmala initiative will address challenges by focusing on three pillars of development, namely Supporting and enabling Port-led Development through appropriate policy and institutional interventions and providing for an institutional framework for ensuring inter-agency and ministries/departments/states' collaboration for integrated development, secondly Port Infrastructure Enhancement, including modernization and setting up of new ports, and thirdly Efficient Evacuation to and from hinterland. The Sagarmala initiative would also strive to ensure sustainable development of the population living in the Coastal Economic Zone (CEZ).