

PAPER

Belt and Road Initiative: Objectives and Challenges

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Amna Ejaz Rafi

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Executive Summary

The Belt and Road Initiative (BRI) is a Chinese led investment plan wherein the focus is to connect to world regions through economic cooperation. So far, 151 countries from Asia, Europe, Africa and Middle East have joined BRI. The two-way trade investment between China and other countries in BRI stands at US\$ 380 billion. China's economic expansion to world regions has addressed the challenge of industrial overcapacity at home. BRI has provided China with a diversified foreign policy outlook wherein new economic partnerships are being established and alternate energy routes secured. Seeing the impact of BRI globally, the energy and infrastructure projects in BRI member countries have resulted in improved socio-economic indicators. The construction of Mombasa-Nairobi Standard Gauge Railway in Kenya and the building of Port of Bagamoyo in Tanzania are the developments that speak of the socio-economic uplift of African people. CPEC, the flagship project of BRI has seen investment of US\$ 26 billion out of proposed US\$ 62 billion in energy and transportation sectors. Thus, China's led BRI has attracted the developing world towards collective economic growth. BRI's advancement to world regions' is a testament towards smooth progress. While, there also exists opposition to BRI. The opposition is primarily linked to China's global ascendancy. In order to impede China's outreach to other regions', a number of tactics are being employed. Counter strategies in form of terrorism and propaganda are in vogue. CPEC is a victim of regional confrontational politics. India through subversion is trying to sabotage the corridor. The narrative that CPEC is China's predatory lending to Pakistan for possible geostrategic objectives is part of the propaganda. To balance out the competitive tendencies, the BRI countries will have to step-up efforts towards political stability and economic growth. Regional platforms like the Shanghai Cooperation Organisation (SCO) will be useful in promoting the Central Asia-Afghanistan-South Asia connectivity. China's Strategic Cooperation Pact (worth US\$ 400 billion) with Iran is a significant move. The strategic pact will enhance the China-Iran economic ties, and this might lessen the Gwadar-Chabahar competition.

Key Words: BRI, China, India, CPEC, Chabahar

Belt and Road Initiative: Objectives and Challenges

Introduction

The Belt and Road Initiative (BRI) is a Chinese led investment plan to build global infrastructure network connecting Asia, Africa, Europe and the Middle East.¹ BRI's origin can be linked to China's economic growth. In 2010, China became the world's second largest economy, with excess capacity and capital.² During the period China's industrial and economic structure faced challenge of overcapacity, at that time, the idea to expand the industrial sector to other regions and countries was seen as a solution to China's burgeoning industry. The vision behind China's economic outreach was to diversify the trading links and look for new investment destinations. To address the issue of domestic overcapacity,³ and to economically expand beyond East Asia, it was essential to link with surrounding regions and countries. The economic openness to the outside world was a revolutionary change in China's foreign economic policy and global strategy. The policy underpinned outward investments in bordering regions of Southeast Asia, South Asia and Central Asia.⁴ China's economic engagement with neighbouring regions required a robust peripheral diplomacy, and to materialise the foreign economic policy, the grand strategy was evoked and that was the beginning of the BRI.⁵

Another factor that pushed China towards the trans-regional approach was the USA's reinforced involvement in Asia Pacific. The US 'Pivot to Asia' and 'Rebalance Strategy' were directed at promoting Washington as East Asia's strategic offshore balancer⁶ and constraining China's political growth. China's BRI was a strategic move to balance out the US and allies' encirclement policy and also to emerge as an influential political player. The US also proposed a New Silk Road Initiative (NSRI) intended to integrate

¹ Alex He, "The Belt and Road Initiative: Motivations, Financing, Expansion and Challenges of Xi's Ever-Expanding Strategy," *Journal of Infrastructure, Policy and Development*, Vol. 4, Issue 1 (2020): 139 & 142, DOI: 10.24294/jipd.v4i1.1180.

² He, "The Belt and Road Initiative: Motivations, Financing, Expansion and Challenges of Xi's Ever-Expanding Strategy," 141.

³ He, "The Belt and Road Initiative: Motivations, Financing, Expansion and Challenges of Xi's Ever-Expanding Strategy," 140.

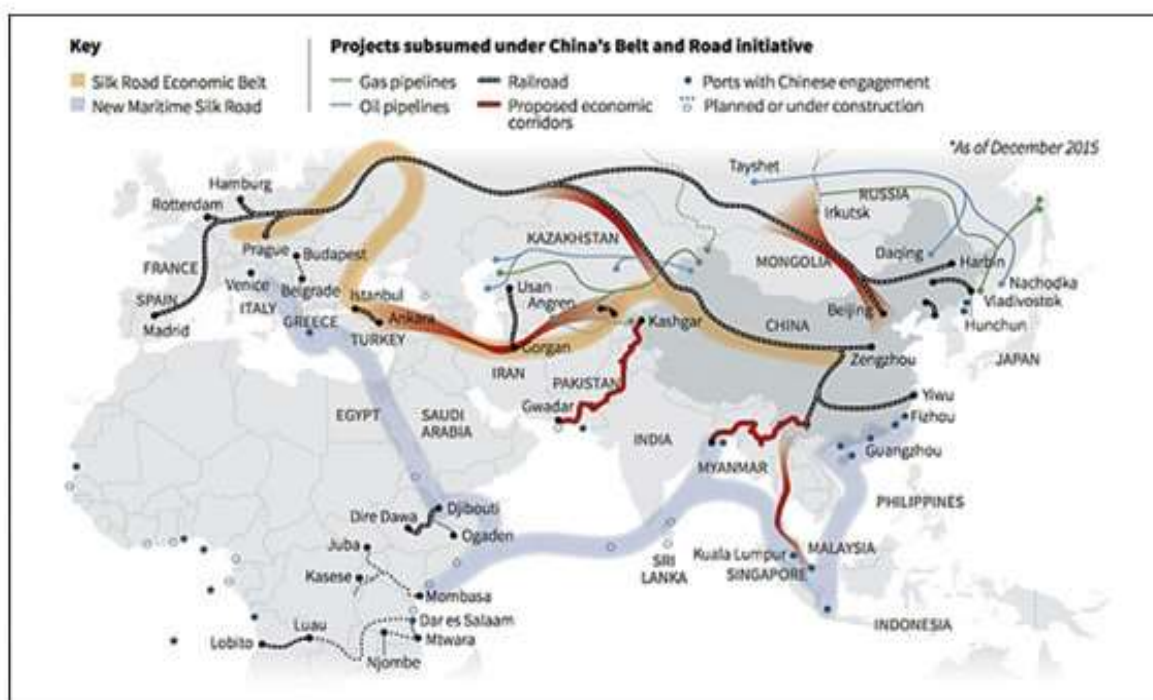
⁴ He, "The Belt and Road Initiative: Motivations, Financing, Expansion and Challenges of Xi's Ever-Expanding Strategy," 141.

⁵ He, "The Belt and Road Initiative: Motivations, Financing, Expansion and Challenges of Xi's Ever-Expanding Strategy," 142.

⁶ Renato Cruz De Castro, "The Obama Administration's Strategic Rebalancing to Asia: Quo Vadis in 2017" *Pacific Focus, Inha Journal of International Studies* XXXIII, no. 2 (August 2018): 206.

energy rich Central Asia with South Asia through Afghanistan.⁷ However, the endeavour failed to materialise due to the security situation of Afghanistan.

Broadly, the two essential components of BRI are the overland Silk Road Economic Belt (SREB) and the ocean based 21st century Maritime Silk Road (MSR).⁸ MSR will originate from East China and will be connected through various seaports in the South China Sea, the Arabian Sea, the Persian Gulf and will terminate at the Baltic Sea.⁹ While, the SREB aims to build and expand land routes for people and commerce across Europe, the Middle East, Central Asia and Asia.¹⁰



Source: Wu Hao, Syed Mehmood Ali Shah, Ahsan Nawaz, Ali Asad, Shahid Iqbal, Hafiz Zahoor, Ahsen Maqsoom, "The Impact of Energy Cooperation and the Role of the One Belt and Road Initiative in Revolutionizing the Geopolitics of Energy Among Regional Economic Powers: An Analysis of Infrastructure Development and Project Management," *Complexity*, Vol. 2020, Article ID 8820021, <https://doi.org/10.1155/2020/8820021>.

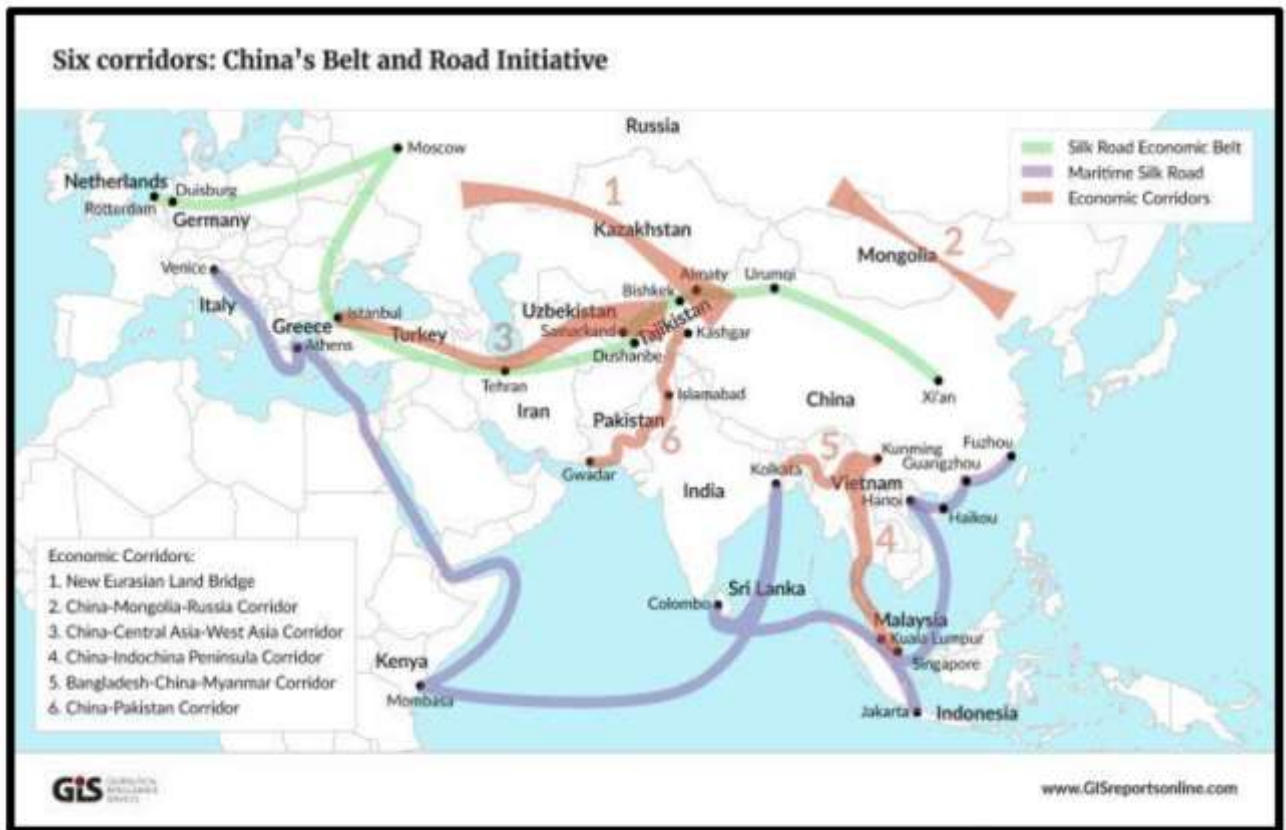
⁷ Dr. AB Hamid Sheikh, "The NSRI and the BRI: The Future of Central Asia," Working Paper 19 in *South Asia Democratic Forum (SADF)*, June 9, 2020, ISSN No. 2506-8202, 1, <https://www.sadf.eu/working-paper-19-the-nsri-and-the-bri-the-future-of-central-asia/>.

⁸ Rida Rizvi, "Analyzing Public Opinion of Pakistanis on China Pakistan Economic Corridor," Iqbal International for Research and Dialogue (IRD), International Islamic University, Islamabad, 77.

⁹ Captain T Sugreev, "The Belt and Road Initiative of China: Security Implications for India and the Indo Pacific Region," *United Service Institution of India*, <https://www.usiofindia.org/publication-journal/the-belt-and-road-initiative-of-china-security-implications-for-india-and-the-indo-pacific-region-and-response-strategies.html>.

¹⁰ Spencer Feingold, "China's Belt and Road Initiative Turns 10. Here's What to Know," *World Economic Forum*, November 20, 2023, <https://www.weforum.org/agenda/2023/11/china-belt-road-initiative-trade-bri-silk-road/>.

Geographically, the BRI consists of the northern route of China-Central Asia-Russia-Europe (Baltic Sea); the middle route of China-Central Asia-West Asia (Middle East)-Persian Gulf and the Mediterranean; and the southern route of China-South Asia and Southeast Asia-Indian Ocean. The road includes the route of China-South China Sea-Indian Ocean-Europe and the route via the South China Sea to the South Pacific region.¹¹ The priority regions for infrastructure connectivity are located along six economic cooperation corridors in Southeast Asia, Central Asia and South Asia. They include the China-Pakistan Economic Corridor (CPEC), Bangladesh-China-India-Myanmar (BCIM), the Eurasian Land Bridge, China-Mongolia-Russia, China-Central Asia-West Asia and the China-Indochina Peninsula¹² as well as some key railways and ports connecting countries alongside the 21st Century Maritime Silk Road (MSR).¹³



Source: Geopolitical Intelligence Service (GIS) 2017.

Source: Dr. Frank Umbach, "China's Belt and Road Initiative and the Mediterranean Region: The Energy Dimension," *Mediterranean Dialogue Series*, No. 14, Konrad Adenauer Stiftung, August 30, 2018, https://www.kas.de/c/document_library/get_file?uuid=ea53ec38-ae98-ebe4-992b-c8ca8998fe3b&groupId=252038.

¹¹ He, "The Belt and Road Initiative: Motivations, Financing, Expansion and Challenges of Xi's Ever-Expanding Strategy," 144.

¹² He, "The Belt and Road Initiative: Motivations, Financing, Expansion and Challenges of Xi's Ever-Expanding Strategy," 146.

¹³ He, "The Belt and Road Initiative: Motivations, Financing, Expansion and Challenges of Xi's Ever-Expanding Strategy," 146.

Seeing the economic progress of BRI, the initiative has made inroads world over. Developed as well as developing countries are part of the economic endeavour. So far, 151 countries from world regions' have joined BRI.¹⁴ China over a period of 10 years (2013-2023) has signed US\$ 1 trillion worth of investment and construction deals with BRI countries.¹⁵ China's total imports and exports with countries involved in BRI reached US\$ 19.1 trillion (2013-2022).¹⁶ While the two-way trade investment between China and other countries in BRI totaled US\$ 380 billion during the same period.¹⁷ Under the BRI framework, China has established bilateral mechanisms for e-commerce cooperation with 30 countries spanning five continents.¹⁸ China has also signed cultural and tourism cooperation documents with 144 BRI partner countries.¹⁹ Cities from 60-plus BRI partner countries have formed more than 1,000 pairs of friendly cities with their Chinese counterparts.²⁰

The vitality of BRI refers to the popularity of economic integration in developing world.²¹ The economic activities in countries are positively impacting the socio-economic indicators. Some of the BRI projects that have created job opportunities for the locals are the Mombasa-Nairobi Standard Gauge Railway project in Kenya; the project has generated 37,000 jobs.²² CPEC, the flagship project of BRI is progressing smoothly. During the first 10 years of CPEC (2013-2023), US\$ 26 billion were invested in power, road, hydel and public transport.²³ 8,000 megawatts of electricity were produced²⁴ and around 510 kilometres of roads and highways were built.²⁵ Besides, 236,000 jobs have been generated.²⁶ These indicators refer to the socio-economic

¹⁴ How is the Belt and Road Initiative Advancing China's Interests? *China Power*, <https://chinapower.csis.org/china-belt-and-road-initiative/>

¹⁵ How is the Belt and Road Initiative Advancing China's Interests?

¹⁶ The Belt and Road Initiative: A Key Pillar of the Global Community of Shared Future, The State Council Information Office of the People's Republic of China, October 10, 2023, http://www.scio.gov.cn/zfbps/zfbps_2279/202310/t20231010_773734.html#:~:text=From%202013%20to%202022%2C%20the,US%24240%20billion%20from%20China.

¹⁷ The Belt and Road Initiative: A Key Pillar of the Global Community of Shared Future.

¹⁸ "A Decade of BRI: Xi's Response to Global Challenges," *ENGLISH.GOV.CN*, The State Council The Peoples Republic of China, October 16, 2023, https://english.www.gov.cn/news/202310/16/content_WS652d2b2bc6d0868f4e8e03f1.html#:~:text=The%20BRI%20has%20come%20to,narrowed%2C%22%20he%20once%20remarked.

¹⁹ A Decade of BRI: Xi's Response to Global Challenges.

²⁰ A Decade of BRI: Xi's Response to Global Challenges.

²¹ A Decade of BRI: Xi's Response to Global Challenges.

²² He, "The Belt and Road Initiative: Motivations, Financing, Expansion and Challenges of Xi's Ever-Expanding Strategy," 149.

²³ "CPEC Fully Proves Its Real Worth: Mushahid Sayed," *Associated Press of Pakistan (APP)*, <https://www.app.com.pk/global/cpec-fully-proves-its-real-worth-mushahid-sayed/>.

²⁴ "CPEC Attracted \$25 billion Investment in 3 Years," *The Express Tribune*, August 10, 2023.

²⁵ "CPEC Attracted \$25 billion Investment in 3 Years."

²⁶ "CPEC Attracted \$25 billion Investment in 3 Years."

progress being carried out under BRI. Thus, China's led BRI has defied the challenge of industrial overcapacity at home, has out-manoeuvred the US rebalance strategy and has also provided a solution to the economic vulnerabilities of the developing world. In the words of Chinese President Xi Jinping, "BRI is a response to the formidable challenges confronting the world. Global growth requires new drivers, development needs to be more inclusive and balanced, and the gap between the rich and the poor needs to be narrowed."²⁷

Some of the symbolic projects developed under the BRI umbrella are the Karakoram Highway (through CPEC),²⁸ Jakarta Bandung High Speed Rail,²⁹ China-Laos Railway,³⁰ China-Thailand Railway, Mombasa-Nairobi Standard Gauge Railway, Addis Ababa-Djibouti Railway,³¹ Hungary-Serbia Railway, Gwadar seaport, Port of Piraeus and Hambantota port.³² BRI's footsteps in African continent is significant, the corridor is an opportunity for the African region to flourish economically. Paul Frimpong, Executive Director of the Africa-China Center for Policy and Advisory (think tank based in Ghana) says, "the BRI is important for Africa because primary infrastructure bottlenecks in energy, water, sanitation, telecommunications, and transportation, and low access to electricity need to be removed for the continent to achieve its goals of boosting intra-African trade. The interconnectivity on the continent provided by Chinese-built projects aligns with Africa's ambitions for the next 50 years, including achieving inclusive social and economic growth by ending poverty, inequalities of income and creating decent jobs."³³ In Africa, the Port of Bagamoyo in Tanzania is being constructed with Chinese assistance. The port is likely to emerge as one of the largest ports in the region.³⁴

²⁷ A Decade of BRI: Xi's Response to Global Challenges.

²⁸ He, "The Belt and Road Initiative: Motivations, Financing, Expansion and Challenges of Xi's Ever-Expanding Strategy," 147.

²⁹ A Decade of BRI: Xi's Response to Global Challenges.

³⁰ A Decade of BRI: Xi's Response to Global Challenges.

³¹ Ehizuelen Michael Omorovi, "A Successful Decade of BRI's Contributions to Africa," *China Daily*, July 20, 2023, <https://www.chinadaily.com.cn/a/202307/20/WS64b86971a31035260b817644.html>.

³² He, "The Belt and Road Initiative: Motivations, Financing, Expansion and Challenges of Xi's Ever-Expanding Strategy," 147-148.

³³ BRI Drives Strong African-China Relations, Ghanaian, Expert Says, February 20, 2024, <https://english.news.cn/20240220/005a2dc6ec3946ef9a7b6eef0e85da3/c.html>.

³⁴ Editorial: Belt and Road Initiative in the African Context: Questions on Regional Connectivity and Inclusive Development," *Journal of International Logistics and Trade (JILT)*, 199, <https://www.emerald.com/insight/content/doi/10.1108/JILT-11-2023-070/full/pdf?title=editorial-belt-and-road-initiative-in-the-african-context-questions-on-regional-connectivity-and-inclusive-development>.

Challenges to BRI

Financial Constraints

Many of the countries forming part of BRI are struggling economies. More than 90 per cent of all countries classified as 'low income' or 'lower middle income' by the World Bank are member countries of the BRI. As these countries have taken on loans from China, many are struggling to repay them, with some having to turn to the International Monetary Fund (IMF) for financial support. Countries including Sri Lanka and Zambia³⁵ became burdened with soaring interest payments on loans and were forced to default.

Myanmar has demonstrated hesitation in accepting Chinese investment. Myanmar government has halted the construction of the Myitsone dam. The dam was one of China's largest investment projects in Myanmar.³⁶ Meanwhile, since the military's takeover in Myanmar, many countries have pulled out their investments. Myanmar ranks 149th out of 191 countries on the UN Human Development Index-HDI.³⁷ Pakistan another BRI country faces political challenges and weak economy. According to the UN HDI, Pakistan ranks 161st out of 191 countries.³⁸ Thus, the fragile economies coupled with weak political institutions are a challenge to smooth operation of BRI.

Power Politics

China, the architect of BRI has progressed on economic grounds. The East Asian country's innovative trade practices involving capitalist style economy along with conservative approaches have led to economic progress. China has been successful in eradicating poverty at the grass root level.³⁹ With stable economic growth (GDP US\$ 18.566 billion),⁴⁰ China has made economic inroads in regional organisations, like Association of Southeast Asian Nations (ASEAN),⁴¹ Asia Pacific Economic

³⁵ Mariama Diallo, "China's BRI Brings Roads, Rails and Debt to Africa," *Voice of America*, October 11, 2023, <https://www.voanews.com/a/china-s-bri-brings-roads-rails-and-debt-to-africa/7306133.html>.

³⁶ Ruosui Zhang, "Chinese Investment in Myanmar: Beyond Myitsone Dam," *The Diplomat*, July 22, 2020, <https://thediplomat.com/2020/07/chinese-investment-in-myanmar-beyond-myitsone-dam/>.

³⁷ How is the Belt and Road Initiative Advancing China's Interests?

³⁸ How is the Belt and Road Initiative Advancing China's Interests?

³⁹ Mr. Lijian Zhao Deputy Chief of Mission Chinese Embassy, Islamabad talk on "China's Political System and Institutional Framework." Organized by the *South Asian Strategic Stability Institute (SASSI) University, Islamabad*, January 8, 2019 (talk is a part of the *Silk Road Knowledge and Policy Dialogue Series* initiated by SASSI).

⁴⁰ The Top Ten Largest World Economies in the World in 2024, *Forbes India*, February 7, 2024, <https://www.forbesindia.com/article/explainers/top-10-largest-economies-in-the-world/86159/1>.

⁴¹ Staff Writer, "ASEAN becomes China's top trade partner as supply chain evolves," *Nikkei Asian Review*, July 15, 2020, <https://www.asia.nikkei.com/Politics/International-relations/ASEAN-becomes-China-s-top-trade-partner-as-supply-chain-evolves>.

Cooperation (APEC)⁴² and Regional Comprehensive Economic Partnership (RCEP).⁴³ China has an active participation in region's economic organisations, and that elevates its status as an indispensable force in region's economic, and financial integration.⁴⁴ The way China has become part of East Asia's economic landscape, now China has turned towards the world regions' and BRI is China's foreign policy initiative⁴⁵ targeted at expanding its geopolitical horizon globally. China through BRI has advanced to South and Central Asias' and beyond. In the words of Mr. Gao Yunlong, Vice Chairman of Chinese People's Political Consultative Conference, "BRI globally has created a stabilising impact. The initiative is not in pursuance of China's global power ambitions. China is a staunch supporter of peace and believes in cooperation and 'win-win situation' for all."⁴⁶

China's foreign policy outlook is primarily defined in terms of economic growth and political rise. To grow smoothly, to expand politically and to gain economically requires a peaceful region. Thereby, it is in the interest of China to avoid military conflicts and have a peaceful neighbourhood. However, the element of assertiveness is also apparent in China's foreign policy. China has maintained a stringent position in South China Sea. Likewise, on the border dispute with India, China has a firm position. In extreme situations, China has reacted with force to Indian troops. China's obdurate policy towards its territorial claims is indicative of the fact that China despite being a proponent of economic connectivity and peaceful rise will never allow any state to step into its claimed territories. Seeing BRI from a geopolitical lens, the corridor is a strategic move by China to emerge as a global power. With BRI, China may be able to build greater influence over other countries and establish a stronger hand in shaping the development of the international economic system. In view of China's emerging

⁴² Bates Gill, "Pivotal Days: US – Asia-Pacific Alliances in the Early Stages of the Trump Administration," Research Paper, *Chatham House*, 4, <https://www.chathamhouse.org/sites/files/chathamhouse/publications/research/2017-06-23-pivotal-days-us-asia-pacific.pdf>.

⁴³ Samuel Scoles, "15 Asia-Pacific Countries Sign World's Largest FTA; A Closer Look at RCEP's Key Outcomes and Implications," White & Case LLP International Law Firm, Global Law Practice, November 24, 2020, <https://www.whitecase.com/publications/alert/15-asia-pacific-countries-sign-worlds-largest-fta-closer-look-rceps-key-outcomes>.

⁴⁴ Chengxin Pan, "The Indo-Pacific and Geopolitical Anxieties about China's Rise in the Asian Regional Order," *Australian Journal of International Affairs* 68, Issue 4, 462, <https://doi.org/10.1080/10357718.2014.884054>.

⁴⁵ Peter Wolff, "China's Belt and Road Initiative – Challenges and Opportunities," Report, 2016 Annual Meeting of the Asian Development Bank, *German Development Institute* (2016): 3, https://www.idos-research.de/uploads/media/Belt_and_Road_V1.pdf.

⁴⁶ "Inauguration Ceremony of Friends of Silk Road," *Pakistan-China Institute, Islamabad*, February 14, 2019, <https://www.youlinmagazine.com/article/friends-of-silk-road-launched-by-pakistan-china-institute/MTQxMw==>.

clout globally, the US and the West would be naïve not to take into account the expansionist agenda purported by the vision of regional connectivity.

Regional Competitive Tendencies

China's building of seaports in Pakistan, Sri Lanka and Myanmar will not only open these countries to other regions but will also make China an influential player in the region. These developments will lead to structural changes at the regional level, with introduction of new political actors in South Asia, in particular China. In backdrop of China's enhanced role in South Asia, the regional countries are likely to align with China for infrastructure development. Bangladesh has allowed China access to Chittagong seaport. This move by Bangladesh has signaled to its immediate neighbour India⁴⁷ that despite India's opposition to BRI, Bangladesh has joined BRI. On the geostrategic account, BRI has provided China with a legitimate ground to build "logistic bases"⁴⁸ in the region. China has overtaken India in the South Asian context. It is a fact that all the regional countries except Bhutan have joined the BRI.⁴⁹

China's emerging partnership with Pakistan and Bangladesh, the countries along India's periphery are indicative of China's reinforced footprints in region.⁵⁰ To balance China's infrastructure projects in South Asia, India has been trying to establish military ties with the Indian Ocean Region (IOR) states. India has sold a patrol vessel to Mauritius, fast attack crafts to Seychelles, Offshore Patrol Vessels (OPVs) to Sri Lanka and advanced light helicopters to Maldives. India has also deployed coastal surveillance radars in Sri Lanka, Mauritius, Seychelles and Maldives.⁵¹ Along with this, India has also leased the Mattala Rajapaksa International Airport; the airport is co-located with the Hambantota seaport of Sri Lanka.⁵²

⁴⁷ Taufiq-E-Faruque, "Sino-Indian Geostrategic Competition: Bangladesh Perspective," *ELK Asia Pacific Journal of Social Sciences*, Vol. 5, Issue 1, 1-24, (2018): 4-5, https://www.researchgate.net/publication/335164097_SINO-INDIAN_GEOSTRATEGIC_COMPETITION_BANGLADESH_PERSPECTIVE/link/5d53fd7a299bf16f0736e822/download.

⁴⁸ Captain Abraham Samuel, "Emerging Indo-Pacific Geopolitics: Challenges and Opportunities for India," *Indian Ministry of Defence* (July 2018): 97, <https://www.mod.go.jp/msdf/navcol/SSG/review/8-1-s/8-1-6.pdf>.

⁴⁹ Belt and Road Initiative in Bhutan, *BRI Watch*, Vol. 5, May 2022, <https://briwatch.info/wp-content/uploads/2022/05/Bhutan-NL-May.pdf>.

⁵⁰ Chietigj Bajpae, "China full-circle in the Sino-Indian Relationship," *Lowy Institute for International Policy*, September 2017, 117, <https://www.lowyinstitute.org/the-interpretor/coming-full-circle-sino-indian-relationship-0>.

⁵¹ Samuel, "Emerging Indo-Pacific Geopolitics: Challenges and Opportunities for India," 101, 102.

⁵² Samuel, "Emerging Indo-Pacific Geopolitics: Challenges and Opportunities for India."

Confrontational Politics and Negative Propaganda

CPEC being the flagship project of BRI⁵³ is a victim of regional competitive tendencies. India has vociferously opposed CPEC. India's opposition is associated with an economically strong Pakistan and China's enhanced role in South Asia.⁵⁴ India has opted out of all three BRI forums (in 2017, 2019 and 2023).⁵⁵ The Indian stance over BRI and CPEC is a testament to regional confrontational politics.⁵⁶ The tactics employed by India to subvert the corridor involve coercive methods and propaganda. The narrative that the corridor is "China's predatory lending to Pakistan for possible geostrategic objectives" is part of the propaganda.⁵⁷ Terms like "debt trap diplomacy" are coined to generate criticism over CPEC and BRI.⁵⁸

Counter Strategies Against BRI

India is investing in Chabahar seaport. The entire game is directed at failing CPEC, and offering Central Asia with a direct route to Afghanistan via Iran. The Indian funded construction of the road network linking the Zaranj border crossing between Afghanistan and Iran is aimed at creating a similar link between the Chabahar port and Central Asia.⁵⁹ This competing route for providing Central Asia with a link to Maritime Trade via the Indian Ocean is widely believed to be the reason why India is fanning separatist sentiment in Pakistani Balochistan.⁶⁰

BRI will provide the Central Asian states with trading outlet via the China-Central Asia-West Asia corridor. The regional countries owing to the economic benefits and trading links are likely to support Gwadar. However, another scenario that cannot be overlooked is the economic competition from certain regional quarters that might reinforce the adversarial tendencies. In this context, it needs to be understood that on one side, Gwadar is a gateway for Central-South connectivity while, on the other hand, the seaport's trading scope will make Jebel Ali port (Dubai) and Chabahar port (Iran)

⁵³ Rizvi, "Analyzing Public Opinion of Pakistanis on China Pakistan Economic Corridor," 7.

⁵⁴ Samuel, "Emerging Indo-Pacific Geopolitics: Challenges and Opportunities for India," 96.

⁵⁵ How is the Belt and Road Initiative Advancing China's Interests?

⁵⁶ Amna Ejaz Rafi, "Shanghai Cooperation Organization (SCO) and Regional Security," *Journal of Current Affairs (JoCA)*, Vol. 3, No. 1, 100-116, (2018): 106.

⁵⁷ Naveed Hussain, "Situationer: Is CPEC a 'Debt Trap' for Pakistan?" *Express Tribune*, July 5, 2023.

⁵⁸ Hussain, "Situationer: Is CPEC a 'Debt Trap' for Pakistan?"

⁵⁹ Lieutenant General (R) Naeem Lodhi and Brigadier (R) Abdul-Rehman Bilal, "Maximizing the Regional Potential of CPEC," Chapter in CPEC A Precursor to Regional Economic Growth and Stability," Editor Dr. Zafar Iqbal Cheema, *China Studies and Information Center, Strategic Vision Institute (SVI), Islamabad*, 2019, 233 and 234.

⁶⁰ General Lodhi and Brigadier Bilal, "Maximizing the Regional Potential of CPEC," 233 and 234.

less significant in terms of regional trade. In backdrop of the economic contest, Tehran views Gwadar as a direct threat to its own Chabahar port. In order to undermine Gwadar's progress, Iran is abetting insurgency in Balochistan. Dr. Allah Nazar, a prominent militant ethnic Baloch is believed to find refuge in Iran. Militant groups like Al Zainaboon and the Qasim Force are equipped by Iran. The presence of Indian intelligence networks like RAW in Chabahar port has further exacerbated the security challenge. Kulbhushan Jadav was heading a clandestine network from Chabahar.⁶¹ This intricate web of alliances and rivalries underscores the adversarial tendencies targeted at sabotaging CPEC and BRI.

India's stepping up into Asia Pacific and forming part of region's military exercises,⁶² and security arrangements could be to balance China and BRI regionally.⁶³ India's alliance with the US is another defining trend in this context, as both the countries are opposed to China's rise.

India has also established a development partnership with Japan. The project Asia-Africa Growth Corridor (AAGC) is a step in this direction. The project after completion will connect Asia and Eastern Africa.⁶⁴

A new diplomacy, called "minilateralism"⁶⁵ is also gaining ground in the Indo-Pacific region. The "quadrilateral alliance"⁶⁶ of US, Japan, Australia and India is an example; the countries are trying to strengthen the maritime security.⁶⁷ It is a cooperative endeavour on part of regional countries in securing the maritime environment. However, the absence of China from Quad (Quadrilateral Security Dialogue) raises the question that why the region's powerful navy is not a part of maritime security

⁶¹ Jan Achakzai, "Iran's Shadowy Influence in Balochistan and Precarious Balancing Act for Pakistan," *The News*, January 22, 2024.

⁶² Tien-sze Fang, "India's Pivot to the Asia Pacific and the Transformation of its International Role," National Tsing Hua University, Taiwan, 16, <http://web.isanet.org/Web/Conferences/HKU2017-s/Archive/56e36657-5d52-4905-8775-3696db05cc02.pdf>.

⁶³ Bharath Gopalaswamy, "India's role and China's roads in the Indo-Pacific Looking East and South, New Delhi's attention is finally turning to Southeast Asia," *the Diplomat*, February 21, 2018, <https://thediplomat.com/2018/02/indias-role-and-chinas-roads-in-the-indo-pacific/>.

⁶⁴ Paul Caussat, "Facing Political Issues and Protecting National Sovereignty: The Sino-Indian Economic Relation Since 1947," in *Emerging Asian and Global Powers*, ed. Young-Chan Kim (Switzerland: Springer Nature, 2020): 96.

⁶⁵ Rory Medcalf, "Of Names, Maps and Power," Chapter 1 in *Contest for the Indo-Pacific Why China Won't Map the Future* (Australia, La Trobe University Press, 2020), 7.

⁶⁶ Rory Medcalf, "Of Names, Maps and Power," 44.

⁶⁷ Benjamin Clarke, "Pakistan and the Quadrilateral Security Dialogue: Current and Future Perceptions" *Islamabad Policy Research Institute (IPRI) Journal* XIX, no.1 (Winter 2019): 32 and 33.

arrangement. Thus, Quad can be termed as a countervailing strategy to BRI in the Indo-Pacific region. China has called Quad as an “embryonic alliance”⁶⁸ targeted at constraining China’s rise.

India-Middle East-Europe Economic Corridor (IMEC), An Alternative to BRI

The India-Middle East-Europe Economic Corridor (IMEC) is a proposal to enhance connectivity and economic integration between Asia, the Arabian Gulf and Europe. The project includes two separate corridors, the eastern corridor connecting India to the Arabian Gulf and the northern corridor connecting the Gulf to Europe.⁶⁹ IMEC was proposed during the G20 Summit in New Delhi in September 2023.⁷⁰ India, Saudi Arabia, UAE, France, Germany, Italy, EU and the US all are signatory to the corridor. IMEC’s physical infrastructure includes railway lines connecting the UAE to Israel via Saudi Arabia and Jordan, as well as electric cables to enhance digital connectivity and pipes for clean hydrogen export.⁷¹



Source: Dr. Sahibzada, Muhammad Usman, Fatime Mehdi, “War of Corridors,” *Stratheaia*, September 16, 2023, <https://stratheaia.com/war-of-corridors/>.

⁶⁸ Medcalf, “Of Names, Maps and Power.”

⁶⁹ Kashif Anwar, “The IMEC Vs BRI: Taking the Cue,” *Modern Diplomacy*, September 29, 2023, <https://moderndiplomacy.eu/2023/09/29/the-imec-vs-bri-taking-the-cue/>.

⁷⁰ Abdul Moiz Khan, “The India-Middle East-Europe Economic Corridor (IMEC): Too Little, Too Late?” *Carnegie Endowment for International Peace*, February 12, 2024, <https://carnegieendowment.org/sada/91214>.

⁷¹ Khan, “The India-Middle East-Europe Economic Corridor (IMEC): Too Little, Too Late?”

IMEC underscores the deepening ties between India and the Gulf region. The corridor is seen as a counter move to China's led BRI.⁷² Whether IMEC will be successful in limiting BRI in region or not is yet to be seen. However, in backdrop of China's economic footprints in region, it seems that BRI is well positioned. Bilateral trade between China and Saudi Arabia is US\$ 106 billion (double the value of US-Saudi trade).⁷³ China also has investments in multiple development schemes including Etihad Rail project (connecting Fujairah with Saudi Arabia). Moreover, an important link in IMEC is the Greek seaport of Piraeus, the port is the largest in Eastern Europe. The port will receive cargo coming from the Haifa port in Israel. The Chinese shipping company Cosco has been the majority stakeholder in the port since 2016.⁷⁴ China's economic presence in Middle East makes the country an influential power in the region.

Conclusion

The idea associated with regional connectivity is economic integration, diversification of trading ties and securing energy routes. Another angle linked to regional connectivity is the competing trends and conflicting forces at play. BRI is China's outward march,⁷⁵ the initiative has outmanoeuvred the regional and global obstructions targeted at constraining China.⁷⁶ China by reaching out to new regions' has widened its geopolitical horizon. This engenders an environment of competition and influence within the larger Indo-Pacific region. The US and India are likely to be (greatly) affected by Chinese advancements. India might lose its hegemony regionally, the seaports – Gwadar, Hambantota and Chittagong will connect South Asia with adjoining regions'. Likewise, the US might become less influential in South and Central Asia due to BRI. Former Prime Minister of Australia Kevin Rudd in his book, *The Avoidable War: The Dangers of a Catastrophic Conflict between the US and Xi Jinping's China* points towards the escalating competition between the US and China:

⁷² Nikhil Inamdar, "Can India-Europe Corridor Rival China's Belt and Road?" *BBC News*, October 2, 2023, <https://www.bbc.com/news/world-asia-india-66957019>.

⁷³ Khan, "The India-Middle East-Europe Economic Corridor (IMEC): Too Little, Too Late?"

⁷⁴ Khan, "The India-Middle East-Europe Economic Corridor (IMEC): Too Little, Too Late?"

⁷⁵ M.S.H.U. Karunaratne, "Theoretical Analysis on the Convergence of India and China's Interests and their Impact on Post-Conflict Sri Lanka," *The International Journal of Social Sciences and Humanities Invention* 5, no. 4 (2018): 4568, <https://doi.org/10.18535/ijsshi/v5i4.04>.

⁷⁶ Castro, "The Obama Administration's Strategic Rebalancing to Asia: Quo Vadis in 2017," 181.

“armed conflict between China and the US over the next decade, while not yet probable, has become a real possibility.”⁷⁷

Recommendations

- China and the BRI countries will have to counter the inimical designs targeted at sabotaging the regional connectivity. In this regard, the BRI countries need to focus more towards political stability and economic growth. With internal strength, terrorism and confrontational regional approaches can be countered.
- To promote the Central Asia, Afghanistan and South Asia connectivity, efforts at regional front are needed. For that matter, Shanghai Cooperation Organisation (SCO) having representation from China, Russia, Central and South Asia, and Afghanistan can be a platform towards greater economic integration, and regional connectivity.
- India is a member of SCO and also has a Full Dialogue Partner (FDP) with ASEAN. These two credentials point towards India’s trans-regional aspirations. India’s anti-BRI and anti-CPEC positions should be challenged and countered in regional platforms. It should be pointed out that all the South Asian countries have the right to grow economically and any endeavour undertaken to sabotage regional connectivity is against the region’s peace and economic progress.
- Seeing Pakistan’s political orientation and the emerging power equation in Indo-Pacific, Pakistan, in backdrop of CPEC is seen as an ally of China. Pakistan needs to diversify its policy outlook and for that other than relation with China, efforts to develop relations’ with ASEAN countries should be on agenda.
- Pakistan’s foreign ministry in conjunction with the commerce ministry should depute a time bound research group to study the landscape of Southeast Asian markets and identify goods and services through which Pakistan can capitalise its share of the market.
- Pakistan should also enter in talks with China and regional countries on possibility of accommodating its entrance in Regional Comprehensive Economic Partnership (RCEP) agreement.
- Pakistan and China need greater cooperation in countering terrorism, especially those terrorist outfits that threaten the CPEC routes.

⁷⁷ Dr. Murad Ali, “A Decade of CPEC,” *The News*, July 11, 2023.

- To balance out the competition between Gwadar and Chabahar seaports', efforts are needed to engage Iran economically. The China-Iran '25 Year Strategic Cooperation Pact' (worth US\$ 400 billion) could be termed as a positive move.⁷⁸ Under the deal, China will invest in Iran's oil and gas sectors. This will enhance the China-Iran economic ties. Resultantly, the Chabahar seaport is likely to emerge as a complementary port to Gwadar, thus, lessening the competitive tendencies in region.
- Regionally, to embark upon the narrative of geo-economics, Pakistan will have to brand itself as a geo-economic player and an attractive destination for investments. Pakistan should try to establish economic partnerships with regional countries including Afghanistan, Iran, India, Bangladesh and Sri Lanka.
- Pakistan and China through a collaborative think tank forum need to promote the economic vision of BRI and CPEC. The diaspora in western world can augment these efforts.

⁷⁸ Farnaz Fassihi and Steven Lee Myers, "China, With \$400 Billion Iran Deal, Could Deepen Influence in Mideast," *The New York Times*, March 27, 2021, <https://www.nytimes.com/2021/03/27/world/middleeast/china-iran-deal.html>.