

Chapter 4

Geopolitics of China's 'Maritime Silk Road' Concept: A Perspective

India is situated geographically in such a way that we just cannot escape anything that happens in Western Asia, in Central Asia, in Eastern Asia or South-East Asia. Whether it is in terms of war or in terms of peace, we cannot escape it...we just cannot escape the burdens and responsibilities which that position brings to us³².

Jawaharlal Nehru

In October 2013, while on a visit to Indonesia, the Chinese President proposed “greater connectivity with ASEAN countries... (and) develop maritime partnership... to build the ‘Maritime Silk Road’ of the 21st century”, commonly called the ‘Maritime Silk Road’ or MSR.³³ The concept draws from China’s Han Dynasty era (206 BC-220 AD) when key land and sea trading routes carried Chinese silk to Europe³⁴.

To the Chinese, two contrasting concepts of ‘symbolism’ and ‘realism’ go hand-in-hand. Symbolism emerges from any idea that does not necessarily mirror reality – it could be an abstract or fictitious one, or a historic case, which may or may not be relevant to present times. But it is noteworthy, that the Chinese draw upon the idea innovatively, and apply it with finesse through a pragmatic realpolitik approach to

³² The Futility of War’, *Selected Works of Jawaharlal Nehru*, Second Series, Volume 13, edited by S. Gopal, Delhi: Jawaharlal Nehru Memorial Fund, 1992, p. 364.

³³ “Speech by Chinese President Xi Jinping to Indonesian Parliament”, *ASEAN-China Centre*, October 03, 2013, at http://www.asean-china-center.org/english/2013-10/03/c_133062675.htm (Accessed 16, September 2015)

³⁴ Gurmeet S Khurana (2016), Executive Director, National Maritime Foundation, Delhi, Vijay Sakhujia and Jane Chan (Eds), *China’s Maritime Silk Road and Aisa*, (New Delhi: Vij Books India Pvt Ltd , 2016) pp 1-9

meet their clear-sighted national objectives. The 'Maritime Silk Road' (MSR) initiative of President Xi Jinping is an example that represents a master-stroke of Chinese diplomacy, which for future generations, may well be considered a historic example of Chinese statecraft since the era of Mao Zedong.

Since the MSR concept was announced, China has approached all countries, particularly those strategically located along the shipping lanes stretching across the Western Pacific and the Indian Ocean, seeking their partnership. Notably, a major portion of the MSR lies across the Indian Ocean and its contiguous seas. In February 2014, China formally invited India to join the MSR.

China claims that MSR is driven purely by an economic agenda. It involves China's engagement with the countries located along the MSR to enhance sea trade connectivity with its MSR partners through development of their ports and related infrastructure and developing economic-industrial zones in their hinterlands. Through this, China claims that it is offering assistance to its MSR partners to boost trade-linked industrial productivity. MSR aims not only to make sea-transportation more efficient, but also shifting of China's low-end manufacturing industries to the economic-industrial zones of the MSR partners. While this would help China to address its industrial overcapacity and rising production costs, the MSR partner countries would gain through development of trade and industrial infrastructure. It would also help China to gainfully invest its surplus money into the MSR projects. China has also established the US\$ 40 billion dedicated 'Silk Road Fund' and the Asian Infrastructure Investment Bank (AIIB) with an expected initial capital of US\$40 billion, which may also be used to support China's Silk Road initiatives.

In more comprehensive terms, however, MSR aims not only to bail out China from the current economic 'doldrums', but also uses 'economics' as effective 'camouflage' to achieve its national objectives in the Indo-Pacific region through favourable geo-politics. The term 'geopolitics' may be defined as the interplay among countries based on their relative power, which is conditioned by the spatial, temporal, political, economic, security and legal aspects of international relations.³⁵

This chapter examines MSR in context of China's likely grand-strategic objectives in the Indo-Pacific region, to assess how the concept transcends the domain of (pure) 'economics' into the ('economics plus') realm of broader geo-politics. It concludes by appraising China's approach in this direction.

MSR: Geopolitical Objectives

Regional Influence

MSR helps China to propagate influence in the Indo-Pacific region (its 'periphery'), and possibly beyond it. For Beijing, such influence is an overarching strategic objective for various reasons ranging from China's civilizational existence and recognition as the 'Middle Kingdom', to the contemporary realities of its 'rise' as a challenger to the global predominance of the United States and 'displacing' its influence in the Indo-Pacific region. While China is presently seeking the status of a global power alongside the US in a bipolar world, its longer term objectives may be more ambitious - possibly akin to the 'Middle Kingdom of the 21st century'.

³⁵ This connotation is closely related to the erstwhile concept of (military) *Balance of Power*, that continues to be in vogue in present times, albeit in a broader sense of both 'hard' and 'soft' (including economic) power.

China realises that its aim of being the global 'unipole' is not easy. It would need to overcome numerous challenges ranging from 'territorial consolidation' to re-orientation of the global economic and security architecture. This makes China a non-*status quo* power, whose foremost imperative would be to garner geo-political support of the regional countries and a univocal stance at international and regional fora. This is necessary for Beijing to shape the global order in its favour, and fructify its maritime and territorial claims.

China's regional influence is also necessary for assured access to natural resources and raw-material to feed its high-end manufacturing industries. It is pertinent to note that Beijing strongly believes in the dictum of 'flag follows trade' and is well known for its 'mercantilist' approach to economic growth. Towards this end, China began engaging the African countries a decade before the MSR was conceived. In the African context, therefore, MSR may be merely a platform to reinforce China's larger geopolitical ends, rather than a medium to forge mutually-beneficial economic partnerships with the African countries, such as through outsourcing Chinese manufacturing and investments to develop their trade infrastructure.

China is also seeking to increase its defence exports in the region. Between 2010 and 2014, China overtook Germany, France and the United Kingdom to become the world's third largest arms exporter (exporting five per cent of global sales), but lags far behind Russia in the second place (exporting 27 per cent). MSR could also be used to shift low-end Chinese defence industry to the huge regional markets, thereby facilitating arms exports to the regional countries. This driver transcends 'economics', and goes into the domain of Beijing's 'national-strategic' objective to create a security

dependence of the regional countries upon China. As MSR enables China's regional influence to facilitate its arms exports, Chinese-origin hardware being operated by IOR countries would accrue strong military-strategic dividends for China in terms of the sustenance of its naval forces in the Indian Ocean through overseas technical and ordnance support, virtually akin to 'overseas bases'.

Engaging Key Countries

Although China needs the support of all its prospective MSR partners, it is critically necessary for Beijing to bring a few key countries like Indonesia 'onboard'. Although it was first announced in Indonesia in September 2013, it is unlikely that the conception of MSR happened to coincide with President Xi Jinping's visit to Jakarta. It is more likely to have been deliberated well in advance, and 'timed' with the visit, considering that Indonesia bears a high potential to play a pivotal role in the geopolitics of the Indo-Pacific region. Furthermore, Indonesia's geographic location and disposition makes it cardinal for China's naval mobility in the Indo-Pacific region, across the Southeast Asia's maritime choke-points.

Sri Lanka is another key country, essentially in terms of its geo-strategic 'centrality' in the IOR vis-à-vis China's maritime energy 'lifelines', which President Xi Jinping may have referred to implicitly when he called Sri Lanka as the "hub" of MSR.³⁶ It may be recalled that eight years ago in March 2007, China signed an agreement with Sri Lanka to provide financial aid and technical support to develop Hambantota port located at the southern tip of Sri Lanka, only six nautical miles from the arterial shipping route of the Indian Ocean. The choice of Colombo for the

³⁶ "China hopeful of Colombo Project as Sri Lanka backs Silk Road", *India Today*, March 26, 2015, at <http://indiatoday.intoday.in/story/president-maithripala-sirisena-president-xi-jinping-maritime-silk-road-initiative/1/425874.html> (Accessed 28 August 2015)

unprecedented visit of a Chinese submarine to the Indian Ocean in September 2014 is among the more recent indicators of the maritime-strategic salience of Sri Lanka. Notably, the submarine docked at the Colombo International Container Terminal, which has been constructed through financial assistance provided by China.

India is another key prospective MSR partner. While New Delhi's participation may not be critical for the success of MSR's 'economic' agenda, its reticence would be a cause for grave concern for Beijing, particularly when seen in the light of India's increasing strategic convergence with the United States. In March 2014, the Chinese Ambassador to New Delhi proposed to merge MSR with the India's projects 'Mausam'³⁷ and 'Spice Route'.³⁸ The two Indian projects also have historical underpinnings, and widely seen as an Indian 'response' to the MSR. Notably, the same month, the Indian Prime Minister visited the three Indian Ocean island countries (Seychelles, Mauritius and Sri Lanka), which was reported in the Chinese state-run daily *Global Times* as "a move to boost India's maritime influence". *Global Times* added that,

"...there is no easy way of persuading a rising power in China's neighbourhood to recognise that its mega project (MSR) is not seeking for influence or striving for hegemony... the recent remark that 'the One Belt and One Road initiatives can also be linked with India's Spice Route and Mausam projects,' by Chinese Ambassador to India Le Yucheng might provide a blueprint for cooperation that could create tangible benefits for both sides and help India to set suspicions aside."³⁹

³⁷ The Project was launched on June 20, 2014 at UNESCO's 38th World Heritage Session at Doha, Qatar. "Project Mausam", Ministry of Culture (Government of India) website, at <http://www.indiaculture.nic.in/project-mausam> (Accessed 28 August 2015)

³⁸ A heritage project initiated by the south Indian provincial state of Kerala, and supported by UNESCO. It is based on the ancient 2000-year-old Spice Route that connected 31 countries. "Kerala Tourism inks pact with UNESCO to preserve Spice Route heritage", *Business Line*, August 2, 2014, at <http://www.thehindubusinessline.com/industry-and-economy/travel/kerala-tourism-inks-pact-with-unesco-to-preserve-spice-route-heritage/article6275259.ece> (Accessed 29 August 2015)

³⁹ "Cooperation best route for Beijing and Delhi over maritime objectives", *Global Times*, March 26, 2015, at <http://www.globaltimes.cn/content/914139.shtml> (Accessed 28 August 2015)

Whether the Chinese proposal carries any 'substantive' dividend for India may be debatable, but it is clearly an effort by Beijing to sway New Delhi through symbolism. Like the Chinese, will India combine symbolism with pragmatism? What would New Delhi do to resolve its 'MSR Dilemma'?

Pakistan is another key country for MSR, notwithstanding the fact that no ancient silk route touched any Pakistani port. For many years, the China-Pakistan Economic Corridor (CPEC) project has been central to China's strategy to gain access to the Indian Ocean for its underdeveloped west, and enhance its influence in the IOR. However, Pakistan's role in MSR seems to have been underplayed by China, possibly to cater for India's sensitivities.

Softening' China's 'Maritime Rise'

Since the turn of the new millennium, the Chinese leadership have emphasized on mobilizing nationalist feelings through the revival of China's 'maritime glory'. The glorification of voyages undertaken by the 15th century Chinese Admiral Cheng He during Beijing Olympics in 2008 is case in point. Concurrently, Chinese naval power grew rapidly in both qualitative and quantitative terms. Such enhanced 'capacity' also increased China's 'self-confidence' to adopt an assertive politico-military posture towards its maritime-territorial claims in the Western Pacific.

Through 'economics' of MSR, China may have sought to 'dilute' the regional focus on its 'hard' (military) power, and also offset the adverse effects of its politico-military assertiveness. Secondly, by leveraging the enhanced MSR-related economic

stakes, China could control escalation of conflict in such scenarios, and compel these countries to acquiesce to Beijing's will.

MSR may be seen as a counter to the theory of 'String of Pearls', which was propounded by a United States' think-tank, but has since gained significant traction in Indian academic discourse. Before MSR was launched, China laboured hard to convince the regional countries that its port projects in the Indo-Pacific region were commercial, not military-strategic ventures. In end July 2013 (two months before the launch of MSR), the China's state-run daily *Global Times* carried an article saying,

"China is stringing up a chain of pearls in the Indian Ocean – this expression has made many headlines in Indian newspapers. India, if we are to believe the forecasts of alarmist scholars, is going to wear a heavy and suffocating string of pearls...it is not true that China's involvement in the Indian Ocean (through port projects) bears ulterior motives under ostensibly commercial cover....these ports...might resemble 'string of pearls' that encircles India, but a strategy named after this fact is imaginary."⁴⁰

Driven solely by an economic agenda, the MSR may have been considered by Beijing as a way to make the regional countries realize the 'truth' in what the Chinese were 'always saying'. While MSR would serve to 'trash' the western 'String of Pearls', it would enhance China's options for using the maritime facilities in IOR of replenishment of naval forces engaged in peace-time missions (like counter-piracy) and also short-of-war contingencies (akin to the US concept of 'places, not bases').

Response to US 'Rebalance'

The MSR may be seen as a response to the 'rebalance' strategy initiated by the United States in 2011.⁴¹ Viewed from China's perspective, the strategy seeks to

⁴⁰ Hu Zhiyong, "India wears unreal <String of Pearls>", *Global Times*, July 28, 2013, at <http://www.globaltimes.cn/content/799641.shtml> (Accessed 28 August 2015)

⁴¹ Opening Remarks by President Obama at APEC, Session One, *The White House*, Office of the

contain China within East Asia. The containment operates at the geopolitical level, involving economic, diplomatic, and military-strategic elements. The economic element of 'rebalance' seeks to isolate China through creation of US-led 'exclusive' blocks such as the Trans-Pacific Partnership (TPP). The diplomatic element seeks to counter the increasing US politico-diplomatic engagement with its regional allies, 'partners' like India and other littoral countries. Potentially, the MSR could be used by Beijing as an effective counter to both the 'economic' and 'diplomatic' elements of the 'rebalance' strategy.

The MSR can also be seen as a military-strategic response to the 'rebalance' strategy of the United States. The strategy seeks a military-strategic containment of China through increasing military presence in the Western Pacific, and its '*Joint (operational) Concept for Access and Maneuver in the Global Commons*' (JAM-GC). Through MSR, China could seek to project its naval power into the IOR, which could release the US strategic pressure in China's backyard. In February 2014, the PLA Navy task force crossed the Southeast Asian straits into the Indian Ocean to conduct unprecedented and unannounced exercises off northern Australia,⁴² as if testing its concept of 'strategic distraction'.

Possibly some geopolitical aspects of MSR conceived above may not have been conceived by Beijing when MSR was launched. Nonetheless, the Chinese leadership is likely to capitalise on these opportunities from a realpolitik perspective.

Press Secretary, 13 November 2011, at <http://www.whitehouse.gov/the-press-office/2011/11/13/openingremarks-president-obama-apec-session-one>

⁴² Michael Brissenden, 'RAAF Monitored Chinese Military Exercise in Waters between Christmas Island and Indonesia', *ABC Net News*, February 13, 2014, at <http://www.abc.net.au/news/2014-02-13/china-flexed-military-muscle-north-of-australia/5257686>

'Wither' MSR

Soon after the MSR initiative was first announced in October 2013, the Chinese government launched an 'aggressive' region-wide MSR campaign to elicit support of the prospective partners. Likely to be a result of a top-down directive, the campaign involves all echelons of Chinese policy establishment ranging from the apex leadership to Chinese think-tanks organisations. It includes various activities ranging from inviting foreign officials and academia to MSR conferences in China to the out-bound visits at all level ranging from the President to young scholars. During events conducted in China, in accordance with 'higher directives', the visiting delegates are accorded 'top-notch' hospitality, and all expenditure on this count is reimbursed by the Chinese government.

Beijing is likely supplement to the MSR initiative with other measures. An article by PLA's Major General Ji Mingkui of the Chinese National Defense University (NDU) recommends that for reinforcing MSR and overcoming the geopolitical risks and historical or cultural issues that might run counter to the concept, China "should mobilize the forces of overseas Chinese in countries along the route and encourage them" to use their "social resources to promote official and personal multi-level international cooperation."⁴³ The unprecedentedly quick reaction by the PLA Navy to evacuate Chinese citizens (along with foreign nationals) from Yemen in March-April 2015 may be seen in this context.

⁴³ China.org, December 1, 2014, at <http://paper.people.com.cn/dnis/index.jsp> cited in Nathan Beauchamp-Mustafaga, "Dispatch from Beijing: PLA Writings on the New Silk Road", *China Brief* (The Jamestown Foundation), Vol 15: 4, February 20, 2015, p.2

The positive outcome of Beijing's MSR campaign is clearly discernible. For most developing countries of the Indo-Pacific region, the economic dividends of MSR are irresistible. Hopeful that China would replicate Japan's Flying Geese Paradigm (FGP) of the 1960s, these countries cannot afford to miss this 'opportunity'. With Japan as the 'lead goose', FGP was an economic model for division of labour in East Asia based on optimisation of comparative advantage, which resulted in the development of South Korea, Taiwan, Singapore, Hong Kong and other the participating economies (in the 'wild geese flying pattern').

Individually, countries are driven by their own geopolitical imperatives to support MSR. The geo-strategically disadvantaged Bangladesh, for example, seeks to 'connect' with China to avoid being 'boxed in' by the India. During the meeting between President Xi Jinping and Prime Minister Sheikh Hasina in June 2014, the two discussed both the BCIM Corridor Project and the MSR.⁴⁴ While MSR is a maritime 'extension' of the BCIM Project meant to foster economic connectivity, both bear a geopolitical rationale for Dhaka.

Among others, three key regional countries are likely to become China's MSR partners. On the eve of the visit of Indonesia's President Joko Widodo to China in end-March 2015, he indicated his desire to seek details of MSR so that he could endorse it.⁴⁵ Sri Lanka is likely to follow suit; notably, in his December 2014 pre-election manifesto, Sri Lanka's President Sirisena had expressed his intent to reconsider the US\$1.4 billion Chinese-funded project to develop Colombo port.

⁴⁴ 'China and Bangladesh pledge to build 'Maritime Silk Road'', *DVB News*, 11 June 2014, at <http://www.dvb.no/dvb-video/china-and-bangladesh-pledge-to-build-maritime-silk-road-burma-myanmar/41423>

⁴⁵ 'Indonesia to throw open doors to Chinese investment; seeks details on maritime Silk road', *South China Morning Post*, March 25, 2015, at <http://www.scmp.com/print/news/asia/article/1746628/widodo-aims-use-china-visit-boost-ties-and-see-details-maritime-silk-road>

However, later events led to a “careful assessment” of the issue, following which, the Sri Lankan government indicated that it is likely to go ahead with the project.⁴⁶ In April 2015, a Chinese company was given a 40 year contract for operating Gwadar port.⁴⁷ A few days later, the Chinese President announced an investment of a mammoth US\$ 46 billion for the China-Pakistan Economic Corridor (CPEC) project. Notably, the same month, the Pakistani Prime Minister approved a deal to buy eight Chinese-built submarines. These developments led the Indian Navy chief to remark that “We have our eyes firmly set on waters of interest around us. The navy is a multi-dimensional combat force and we are looking at all aspects related to sea control and sea denial amid the unfolding developments in the region”.⁴⁸ Possibly, India remains the only country in the Indo-Pacific region that has not yet decided to join the MSR.

The MSR also capitalizes on the geopolitical outlook of the smaller regional countries – particularly those in Southeast Asia – who are prone to ‘hedging’-cum-‘bandwagoning’. Although these countries seek to ‘hedge’ against China, they will ‘bandwagon’ for a collective approach, even if it serves China’s grand-strategic objectives. However, it remains to be seen whether the MSR ‘bandwagon’ would be able to ‘displace’ the influence of the United States among these countries.

⁴⁶ “India’s Approach to China’s Maritime Silk Road: An Alternative View”, *NMF Issue Brief*, National Maritime Foundation (NMF) New Delhi, February 17, 2015, at <http://www.maritimeindia.org/CommentaryView.aspx?NMFCID=8390>

⁴⁷ Saibal Dasgupta, “China gets 40-year management rights on Pak’s Gwadar port, and access to Arabian Sea”, *Times of India*, April 14, 2015, at <http://timesofindia.indiatimes.com/world/china/China-gets-40-year-management-rights-on-Paks-Gwadar-port-and-access-to-Arabian-Sea/articleshow/46923252.cms>

⁴⁸ Rahul Singh, “India keeping a close eye on China-Pak military cooperation: Navy chief”, *Hindustan Times*, April 20, 2015, at <http://www.hindustantimes.com/india-news/we-re-closely-tracking-developments-in-chinese-navy-and-ready-for-any-eventuality-admiral-dhowan/article1-1339001.aspx>

China's Africa Push for MSR

The 'Vision and Action Plan on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road', released on March 2015, by National Development and Reform Commission, Ministry of Foreign Affairs and Ministry of Commerce of the People's Republic of China, stated that "through this initiative, China, intends to connect Asian, European and African countries more closely and take mutually beneficial cooperation to a new high and in new forms" (Appx 'C')⁴⁹. While connectivity between Asian and European countries has always been the cornerstone of China's flagship 'One Belt One Road initiative', however, 'Africa' figured for the first time, officially, in this strategic game plan.

It is important to explore the background of how the changing dynamics of China-Africa relationship has converged with the MSR narrative.

Changing Dynamics of China-Africa Ties and its convergence with MSR

China's engagement in Africa has a long history. Following the success of Asian-African Conference in Bandung, Indonesia, China began aiding African nations since 1955. Infrastructure development soon became the chosen area of cooperation. The Chinese funded Tanzania-Zambia Railway (TAZARA) constructed in the 70s became the epitome of China-Africa camaraderie. Today, China claims to have completed 1,046 projects in Africa, built 2,233 kms of railways and 3,530 kms of roads⁵⁰. It is one of the most active players in the key sectors of the African economy

⁴⁹ Antara Ghosal Singh, Research Associate, National Maritime Foundation, Delhi, Vijay Sakhuja and Jane Chan (Eds), *China's Maritime Silk Road and Aisa*, (New Delhi: Vij Books India Pvt Ltd, 2016) pp 80-94

⁵⁰ 'The West's green eyes on China-Africa win-win cooperation', *China Daily (Xinhua)*, 31 January, 2015, from http://www.chinadaily.com.cn/business/2015-01/31/content_19457842.htm

such as aviation, highway, railway, telecommunications and power projects. The proposed 1,402 km coastal railway in Nigeria (China's single largest overseas project), the ongoing Mombasa-Nairobi railway in Kenya and the Addis Ababa-Djibouti rail projects in East Africa are some of the noteworthy Chinese investments in Africa⁵¹. Reportedly, 2,500 Chinese companies are operating in Africa today and creating over 100,000 jobs in the continent. China even claims that China-Africa cooperation has contributed to more than 20 percent of Africa's development.

Under the Xi-Li leadership, this relationship has been further fast-tracked. There have been back-to-back high-level exchanges between the two sides in recent years and newer, more innovative pledges taken, replacing the older and more conventional ways of interactions. For instance in 2014, after taking office, President Xi Jinping visited Africa (Tanzania, South Africa and Republic of Congo) as a part of his maiden overseas visits symbolising the continent's rising importance in Chinese foreign policy. Soon after Premier Li Keqiang undertook a four-country Africa tour visiting Ethiopia, Angola, Kenya, and Nigeria and 13 African leaders visited China during the year. Again, beginning of 2015, Chinese Foreign Minister Wang Yi, as a part of his 'customary beginning-of-year Africa trip', visited five African nations - Kenya, Sudan, Cameroon, Equatorial Guinea and the Democratic Republic of Congo⁵².

During these visits, the Chinese side initiated what they called 'China-Africa relation version 2' or China's new Africa policy based on 4-6-1 cooperative mode (ie.

⁵¹ Wang Xu, 'Sino-African ties look bright as trade heads toward \$200b', *China Daily USA*, 26 December 2014. from http://usa.chinadaily.com.cn/epaper/2014-12/26/content_19175501.htm

⁵² 'Chinese FM's Africa visit strengthens ties, cooperation', *Global Times (Xinhua)*, 18 January, 2015, from <http://globaltimes.cn/content/902488.shtml>

4 principles like treating each other equally; consolidating solidarity and mutual trust among others - 6 key areas like industry, finance, poverty reduction, ecological protection, people-to-people exchanges, and peace and security and 1 model that is of FOCAC). While aiming to take the China-Africa trade volume to \$400 billion by 2020 from \$ 210 billion in 2013, the Chinese side is now focusing on developing a more holistic relationship with the continent by supplementing traditional assistance programs with more co-operation based programmes like social welfare, poverty reduction schemes, human development and cultural exchange. The idea is to shift its role from that of a traditional giver to a partner.

Although there was no official mention from either side during these visits about a possible link between MSR and Africa, however, it is only evident now that the groundwork for Africa's incorporation was on ever since. In fact, China's renewed focus on partnering African nations rather than being traditional assistance suppliers, its emphasis on economic cooperation, connectivity building, developing cultural contact, people-to-people exchanges, creating Africa talent pool etc. reflected the very essence and the core ideas presented in the 'On Belt, One Road' Vision Document.

Following these high level visits, Chinese scholars and strategists carried out a high pitch campaign in Chinese media highlighting the synergy between China's 'One Belt and One Road' initiative and Africa's own 'Development strategy in the 21st century'. They argued that it is time the two strategies should be combined to add new momentum to Sino-African ties and to further China's global interests.

Why Africa? Why now?

To better understand the reason behind this sudden Africa push for the MSR, it is important to contextualize the development against the backdrop of China's conventional Africa Policy. Contrary to the overwhelming perception that China's Africa policy is all about oil and gas, existing literature highlights that China pursues a multiple dimensional Africa policy directed at its multiple interests in the continent. For instance, in the realm of politics, the support of African countries is important to China in regard to its 'One China policy' and also on several domestic and international policy agendas at multilateral forums. In terms of economics, it provides enormous market opportunities to China in addition to vast reserve of natural resources. China also has security interests in the region. The presence of Chinese investments and personnel in the continent has increased manifold and ensuring their security is one of China's top priorities. In terms of ideology, China finds Africa as a fertile ground to export its development model and in terms of geopolitics, China feels that Africa is one place where it clearly enjoys an upper hand on the US and other European powers in terms of public perception and goodwill. These multiple interests, either exclusively or mutually, have influenced China's Africa policy from time to time. For example, from 1949-1979 political interests mostly dominated China's Africa policy – that is to garner Africa's support to avoid international isolation, to spread revolution in Africa, for solidarity on agendas like human rights, UN reform, Tibet, Xinjiang, Taiwan etc. From 1979-1990s when China started its reform and opening up; economics became the driving force of China-Africa ties. Under Jiang Zemin's 'Going out strategy', African resources and markets increasingly captured Chinese imagination. However, following the 2008 financial crisis, when Chinese

exports to western markets started decreasing, Africa's importance further increased in China's policy circle.

In recent years, China's own economic transformation has become one of the key reasons behind China's coming up with global initiatives like 'One Road, One belt', or 'AIIB'. While adjusting to the new normal in the Chinese economy, China now has to chase new economic goals like creating new markets for Chinese goods, making resources available for its rising energy needs, moving up the global supply chain, cracking down on its polluting industries, keeping the business running for Chinese constructive companies and create jobs for its citizen. And, Africa offers a one-stop shop for all Chinese needs and objectives.

Chinese scholars argue that it is high-time China diversifies from investing its huge foreign exchange reserves in buying US government bonds to investing in infrastructure construction across the world. According to them, this policy will deliver higher returns and will also help address the large overcapacity in construction materials that it has developed at home. And, when it comes to infrastructure construction, nowhere else in the world the need for infrastructure is so dire as in the developing world, especially in the African continent. Huang Jianhui, Deputy Director of the Center for Financial Research and Development, China Development Bank, writes in the *China Daily*, that no less than US\$ 7.5 billion is required to be spent, on an average, on infrastructure in Africa each year, which is far beyond the \$1 billion loan the World Bank has advanced in 2011 and this creates great opportunities for Chinese construction companies.⁵³

⁵³ Huang Jianhui, 'A vision for financing Africa's infrastructure', *China Daily*, 6 February 2015, from http://africa.chinadaily.com.cn/weekly/2015-02/06/content_19507419.htm

Not just that, rise in labour costs in China, they argue, is weakening Chinese industry's comparative advantage and thus relocating its labour intensive industry to new places has become an utmost necessity. Chinese scholars argue that Africa, with a large number of surplus labourers, whose wages are a small fraction of their counterparts in China, is the right place for industry transfer on a large scale.

Other than this, the latest developments around the MSR project can also be a trigger causing the Chinese to change the course of MSR and make it pass through the backyard of Africa. Although the initiative is projected to have received an overwhelming support from more than 50 countries⁵⁴ in the world, still it has always been at the centre of controversies and criticism.

First, the 'One belt, One Road' initiative, of which MSR is a part, has been criticised as 'China's Marshall Plan'⁵⁵ which is supposedly meant to serve China's larger ambition of becoming a dominant power and challenging the traditional ones. Second, there has been much negative publicity and criticism in the international media about the quality of Chinese investments abroad, especially after the MSR project along with other Chinese overseas investments have started running into trouble in certain partner countries like Sri Lanka, Greece, and earlier in Myanmar and Mexico.

⁵⁴ China's Silk Road strategy draws interest from over 50 countries: official, Xinhua, 25 January 2015, from <http://en.people.cn/n/2015/0125/c90883-8840754.html>

⁵⁵ Under the Marshall Plan, financial aid was offered by the US to the European and Asian nations to help rebuild their economies in the aftermath of World War II. It was largely aimed at containing the expansion of the Soviet Union and other communist countries.

Given the Chinese sensitivity towards its self-image and aversion to criticism, this negative publicity has not gone down well among the Chinese policy circle. The Chinese media is abuzz with articles accusing the Western countries in hyping up Chinese project failures,

the West being green eyed towards China's 'grand going-out' strategy and reiterating China's stand that the 'Belt and Road Initiatives' is no 'Marshall Plan' in substance and that China's gain is not at the loss of others.⁵⁶

Interestingly, a section within the Chinese scholarly circle has been rather vocal about China's limited success in the realm of overseas investment. They note that China, in spite of being the world's second-largest source of outbound direct investment, has more than half of its overseas investment projects which are non-profitable. They caution the government that 'blindly' pushing Chinese domestic enterprises to invest overseas under the Belt and Road Initiatives is unlikely to produce satisfactory results.⁵⁷ An urgent need to incorporate pragmatism, perseverance and prior local awareness⁵⁷ in China's overseas investment approaches is being strongly advocated by these scholars.

Under such circumstances, it is only likely that the Chinese leadership will be looking for more support and endorsement from newer sources in the international community for its flagship initiative of MSR. In this regard, Africa has been a time-tested source of steady allies for Beijing throughout history, supporting China repeatedly, both in the case of international and domestic crisis. Be it inclusion in the

⁵⁶ 'Belt and Road Initiatives' no Marshall Plan of China, *China Daily*, 31 January, 2015, from http://www.chinadaily.com.cn/opinion/2015-01/31/content_19456082_2.html

⁵⁷ Chris Dalby, 'Chinese SOEs need local awareness abroad', *Global Times*, 22 December, 2014, from <http://www.globaltimes.cn/content/898118.shtml>

Security Council or the Tiananmen Square incident, or the One China Policy, African countries' support has always been crucial for the leaders in Beijing. In that perspective, it is not impossible that Beijing will be vying for African countries' support this time as well to add more credibility to the initiative and veer more domestic and international support and acceptance for the same.

In such a situation, it is not impossible that China will seek more support and encouragement for MSR from other sources. And, as history testifies Africa is one place which has always provided a steady source for allies and support to Beijing at different platforms at the time of its need.

How will Africa be incorporated in the MSR map – A Possible Blueprint?

The Vision and Action plan neither gives definite details about MSR's geographical spread, now is it aided by a pictorial representation or an official map. All it mentions is that the 21st-Century Maritime Silk Road is designed to run from China's coast to Europe through the South China Sea and the Indian Ocean in one route, and through the South China Sea to the South Pacific in the other. As a result, there are speculations abound regarding its exact layout and design, the real vision and mission, the mechanism of implementation and possible implications for the world.

However, based on the available literature, three possibilities look more likely. Some section of Beijing's official media uses a map (Fig. 4.1) which indicates that the MSR will start from China's eastern coast, pass through Southeast Asia, the southernmost tip of India and East Africa, all the way to the Persian Gulf and the Red

Sea⁵⁸. It is actually a replica of the old Maritime Silk Road project dating back to 2,000 years ago. Ancient Chinese navigator from the Ming Dynasty (1368-1644) period, Zheng He, followed somewhat similar route and made his first contact with a coastal city in Africa, what is now Mombasa, in Kenya. Admiral Zhnag's *guanxi* with Africa, 600 years ago, is often propounded by the Chinese leadership to validate and enhance China's ties with Africa. Some Chinese scholars believe that the modern day Maritime Silk Road (MSR) will not be very different from admiral Zhang's Africa blueprint.

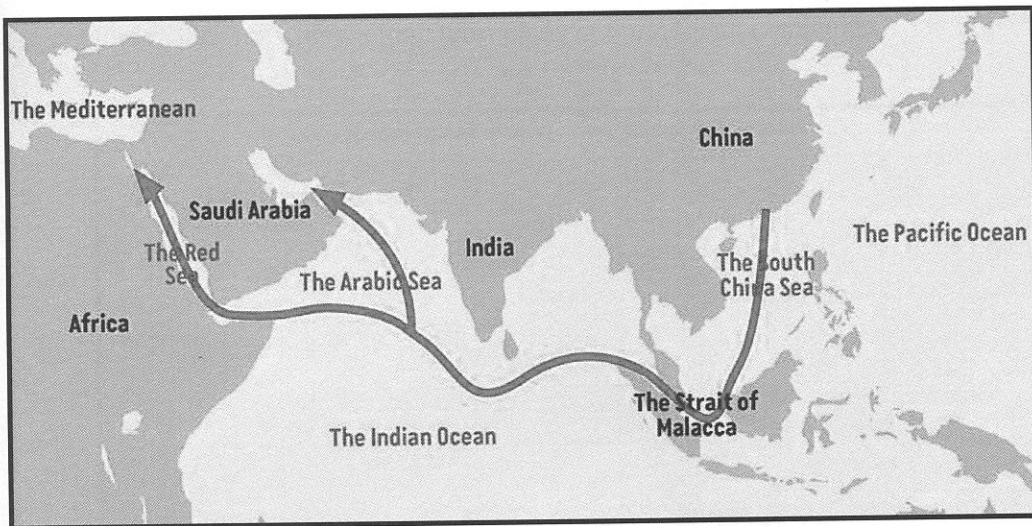


Fig 4.1: A Beijing Review map showing proposed reach of the New Maritime Silk Road, Source: Beijing Review, http://www.bjreview.com.cn/Cover_Stories_Series_2015/the_maritime_silk_road.html

However, to some, in both Chinese and international strategic community, the above graphic is a much simpler version of a larger game plan by the Chinese side. They are projecting yet another version of MSR map, showing how Kenya and Djibouti will have a much bigger role to play in the modern Silk Road initiative. In

⁵⁸ Yin Pumin, 'A second wind for an ancient route'. *Beijing Review*, Volume 58, No 6, February 5, 2015, from http://www.bjreview.com.cn/Cover_Stories_Series_2015/the_maritime_silk_road.html

addition, they say, China is funding and developing key ports in Tanzania, Nigeria, Mozambique, Madagascar and Seychelles⁵⁹. However, it is not merely port development, but also local infrastructure development and connectivity within Africa, which is one of the top priorities of the Chinese in the continent. One Chinese scholar notes that while transporting a container in a cargo ship from Shanghai to Mombasa costs less than \$ 500 US, transporting the same from Mombasa to Nairobi costs \$1,500 US due to poor infrastructure⁶⁰. So it is addressing this transportation challenge and connecting the vast hinterland of Africa to its Maritime Silk Road project that makes for China's long term plans in the African continent.

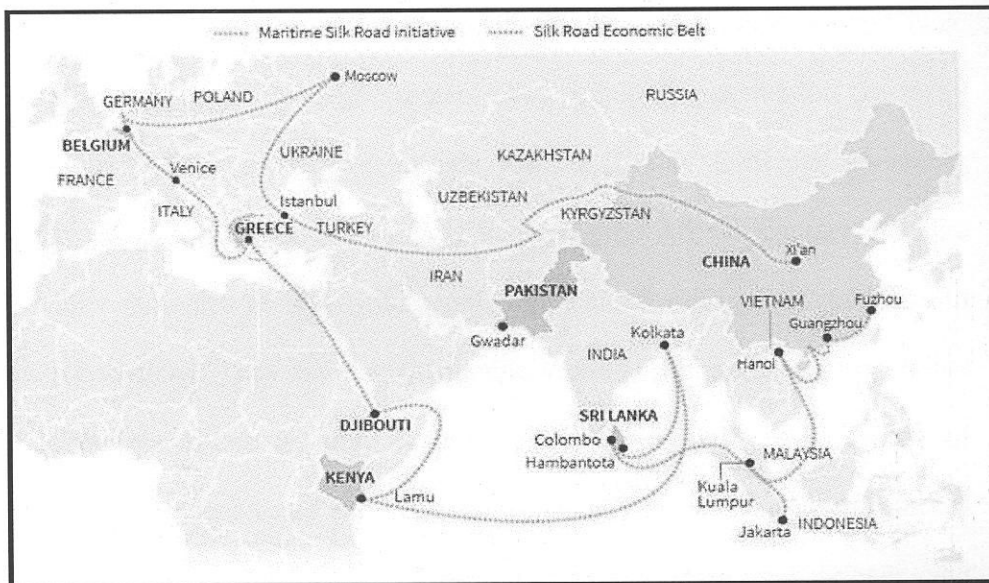


Fig 4.2 : A Reuters map shows how Kenya, Djibouti will have a much greater role to play in the MSR initiative,

Source: Reuters, <https://twitter.com/reuterschina/status/531718038660599808>

⁵⁹ Shannon Tiezzi, 'China's 'Maritime Silk Road': Don't Forget Africa', *The Diplomat*, 29 January, 2015, from <http://thediplomat.com/2015/01/chinas-maritime-silk-road-dont-forget-africa/>

⁶⁰ 'Return of maritime Silk Road does not forget Africa', *China daily (Xinhua)*, 12 February 2015, from http://www.chinadaily.com.cn/world/2015-02/12/content_19571496.html

Africa's Response to MSR

Before we explore Africa's response to MSR, it is important to understand Africa's response to China's growing presence in the continent in general. In spite of much criticism about China's large-scale involvement in the African continent, especially in the international press, the overall perception of Africa about China and Chinese engagement remain mostly positive, except for some countries like South Africa, Nigeria where the relationship lately has developed some degree of competition.

China being Africa's largest trading partner for five consecutive years and one of the key investors, most African governments attach great significance to China. However, it is not just African governments but people in general too (in many African countries) have a positive attitude towards China. Different researches conducted by international bodies like Pew Research and African counterparts like Afro-barometer show that most African people find Chinese engagement in Africa to be mutually beneficial. They say that favourable views of China outnumber critical judgements by two-to-one or more in most countries in Africa. About 85% of Nigerians, 77% of Senegalese, and 75% of Ghanaians view China as a national partner and have high regard for Chinese business acumen and science and technology.

However, in spite of such an upbeat setting, MSR is yet to find many takers in the continent, at least officially. Except for Egyptian President⁶¹, not many countries have openly endorsed the MSR plan, while most are discussing the concept with their Chinese counterparts. On the other hand, several African countries of late, has

⁶¹ Wang Xue, Fouly, 'Egypt beefs up ties with China with landmark projects', *Xinhua*, from http://news.xinhuanet.com/english/2015-06/04/c_134295140.htm

renewed their focus on development of blue economy as a vital part of Africa's future development and are coming up with their own maritime visions. South-African President Jacob Zuma recently set out his vision for exploiting the country's maritime resources, by launching 'Operation Phakisa' which aims at unlocking the economic potential of South Africa's Oceans⁶². Similarly, as the security situation off the east coast of Africa improves, the Seychelles government is supporting the development of a 'blue economy', using the Indian Ocean's resources for inclusive growth⁶³. The African Union too expressed its commitment to embracing and developing the Blue Economy concept as a vital part of Africa's future development to be outlined in the AU's Agenda 2063⁶⁴.

African scholars are of the opinion that given Africa's limited maritime capacity in tackling both traditional and non-traditional security threats, it is important for Africa to build up partnerships with its neighbours and pool resources from other players, while at the same time voicing their concerns over militarisation of the Indian Ocean. On the economic front, they feel that the commercial aspects of the Chinese MSR could be integrated into Africa's own plan of developing its North-South terrestrial economic corridors and thereby strengthen the commercial attractiveness of the western Indian Ocean littorals of Africa. They are advocating that South Africa as

⁶² 'Address by His Excellency President Jacob Zuma at the Operation Phakisa: Unlocking the Economic Potential of the Ocean Economy Open Day', *The Presidency, republic of South Africa, Department: Planning, Monitoring and Evaluation*, 15 October 2014, from <http://www.operationphakisa.gov.za/Pages/Home.aspx>

⁶³ The Blue Economy: Seychelles' Vision for Sustainable Development in the Indian Ocean, Chatham House, 11 June, 2104, from <http://www.chathamhouse.org/event/blue-economy-seychelles%E2%80%99-vision-sustainable-development-indian-ocean>

⁶⁴ The Blue Economy: Key to Africa's Vision for the Future, Foreign Affairs Department, Ministry of Foreign Affairs and Transport, The Republic of Seychelles, 30 January, 2014, from http://www.mfa.gov.sc/static.php?content_id=36&news_id=695

the next chair of IORA, should take the lead to encourage non-African states to engage and align their Indian Ocean policies more readily with African positions and concerns⁶⁵.

What does it imply for India?

India shares a cultural, civilizational and historical linkage with Africa and therefore looks at a holistic relationship with the continent. According to High Level Committee on Indian Diaspora Report⁶⁶, 2000, of the 25 million strong Indian diaspora worldwide, around 3 million is distributed among different countries in Africa. Since independence, India has wanted to assume a leading role and responsibility in Africa as a major development and investment partner and security provider in the Indian Ocean.

According to a joint report by CII-WTO, India has been the fastest growing export market for African exports with growth of over 41.8% annually between 2005 and 2011 as against 28% recorded with China. On the other hand, India's exports to Africa has been growing at 23.1% between 2005 and 2011 – much comparable to the 25.6% exports growth achieved by Chinese exports to Africa. India- Africa overall trade grew at 32.4% during the period, which is higher than China-Africa trade growth at 27%. However, the total value of India-Africa trade (at US\$ 63 billion in 2011) is only 38% of the value of China-Africa trade (at US\$ 166 billion)⁶⁷.

Africa is a major supplier of natural resources for both China and India, mineral fuels account for 70% of Africa's exports to China, 80% of exports to India.

⁶⁵ Chris Alden and Elizabeth Sidiropoulos, 'Silk, Cinnamon and cotton: Emerging Power strategies for the Indian Ocean and its Implication for Africa', *Forthcoming publication from the South African Institute of International Affairs*

⁶⁶ <http://indiandiaspora.nic.in/diasporapdf/part1-est.pdf>

⁶⁷ India-Africa: South-South, trade and Investment for Development, CII-WTO, 2013

Africa's imports from China and India are diversified, while China supplies for African demand for industrial machinery, electrical and electronic equipment, India's export basket to Africa have also undergone significant changes over the past decade as exports of cereals, food products and other low value-added exports have been replaced by refined petroleum, automobiles and pharmaceuticals that require substantial value addition.

Indian investments in Africa has increased manifold in the past decade in sectors like IT, telecommunication, automobile and energy. Researches indicate that it is likely to continue, given favourable conditions for investments and also, the Department of Industrial Policy and Promotion (DIPP), the investment promotion arm of the government, has identified Africa as one of the regions where Indian companies are encouraged to make investments.

Since outward investment data from both India and China to Africa remains largely sketchy, different researches provide different sets of data, however the general consensus is that both are important investors in the continent. For instance, according to IMF estimates, total Indian investments in Africa at the end of 2011 were US\$ 14.1 billion – a share of 22.5% in total Indian outward FDI stock as against China's \$14.7 billion by the end of 2011, or 2.6 percent of the total \$570 billion FDI stock⁶⁸. Another estimate puts cumulative Indian investments into Africa at over US\$ 35 billion (compared with more than USD 70 bn from China) and says India accounted for 5.8% of Africa's trade while China accounts for 16.13%.⁶⁹

⁶⁸ Xiaofang Shen, 'Private Chinese Investment in Africa: Myths and Realities', Policy Research Working Paper, *The World Bank*, January 2013

⁶⁹ Sarah Baynton-Glen, Africa-India trade and investment – Playing to strengths, Standard Chartered, 08 August 2012 from https://www.sc.com/en/resources/global-en/pdf/Research/Africa-India_trade_and_investment_Playing_to_strengths.pdf

Not just trade and investment, India's role as a development assistance provider to Africa is expected to increase. India has already stepped up its assistance in Africa which has already seen an annualised growth of 20.5% between 2009-10 and 2011-12. Since, 1964, the cumulative figure for India's assistance to Africa is estimated to be US\$ 1 billion. However, at the 2nd India-Africa Forum Summit in 2011, India pledged to extend LOCs worth US\$ 5.4 billion to the continent until. (By the end of 2009, China had provided a total of 256.29 billion yuan. From 2010 to 2012, China appropriated in total 89.34 billion yuan of which Africa received 51.8 percent.) But, unlike China, where the majority of assistance goes into economic infrastructure (61 % by the end of 2009 and 44.8 per cent between 2010-2012)⁷⁰, Indian assistance is largely focused on project assistance, capacity building, institution building and scholarships.

India considers East Africa as its maritime strategic neighbourhood⁷¹. It has developed extensive strategic partnerships with several African nations, in forms of training cooperation and assistance, participation in the UN peacekeeping missions, defence cooperation agreements/MOUs, exchange of head of governments, defence ministers, secretaries, head of defence staff, military delegations, naval goodwill visits, assistance, joint exercises, defence equipment transfers and sourcing. India being one of the largest troop contributors at the UN, has played an important role in keeping peace in the continent. Indian navy has been at the forefront of the anti-piracy operations in the Gulf of Aden and along the coast of Somalia. Taking into consideration, the changing global security situation, India is looking at taking

⁷⁰ http://news.xinhuanet.com/english/china/2014-07/10/c_133474011.htm
http://news.xinhuanet.com/english2010/china/2011-04/21/c_13839683_5.htm

⁷¹ Ruchita Beri, *India Africa security Engagement, India and Africa, enhancing Mutual Engagement*, Institute of Defence Studies and Analysis, Pentagon Press, 2014, pp. 115-130

defence cooperation with African nations from just traditional security perspective to non-traditional ones involving conflicts, health, and terrorism among others.

In this scenario, it is apparent that China's increased involvement in Africa under the MSR banner will not only increase strategic competition for India in the continent but will also pose a threat to its security. Also, if MSR finds more and more takers in the region from South Asia all the way to Africa, India will be increasingly cornered and will be left with very little room for maneuver viz-a-viz Beijing on the MSR and on other pressing issues in Sino-Indian relationship.

However, delving deep into the China-Africa-India triangle, it is evident that interests and concerns of China and India actually converge in Africa and their roles compliment each other. Both the emerging economies are great advocates of South-South solidarity and are keen to prove the western proponents of Dependency Theory that dealing with natural resources do not necessarily mean neo-colonialism especially in today's time when the terms of trade are in favour of primary commodity exporters. Both want to prove the world that South-South cooperation can actually bring trade, investment, cause technology transfer and generate actual growth and development. At the operation level, both are concerned of regime instability, political violence, conflicts and other non-traditional security threats emanating from the region. While both are focusing on enhancing trade with the region, lack of infrastructure, trade facilitations and institutional frameworks are posing major roadblocks. Under such a scenario, the Chinese proposal of securing policy coordination, improving facilities connectivity, obtaining unimpeded trade, financial integration and people-to-people bonds in the African continent under the MSR umbrella suits Indian interests too.

Furthermore, their involvement in the continent is also complimentary. As has been highlighted earlier, China's prime focus in the continent continues to be

economic infrastructure building while India mainly focuses on capacity building, institution building and human resource development. This opens avenues for further cooperation between the two. As has been highlighted by CII-WTO joint report, India has already been exploring the idea of triangular co-operation arrangements in the continent in which it can utilize the comparative advantage or expertise of individual partner countries/multilateral institutions to maximise its contribution. One such trilateral cooperation programme has been U.S.- India - Africa Triangular Partnership Programme. The three-year programme was inaugurated in 2010 to improve agricultural productivity and innovation in African Countries like in Kenya, Liberia, and Malawi. Following the same pattern, India and China may also choose to work together in African continent under the banner of MSR or something else, with the ultimate objective of a win-win situation for all parties involved.

There are precedents where Chinese and Indian companies have been cooperating with each other in Africa. India's Oil and Natural Gas Corp. Ltd (ONGC) and China National Petroleum Corp. (CNPC) have not only carried out joint hydrocarbon exploration and production in Sudan but have also participated in joint bidding for energy assets overseas. India and China have also carried out coordinated patrolling and counter piracy efforts in the Aden sector and off the coast of East Africa. Recently they cooperated with each other while carrying out the Yemen evacuation drill. Officials from either side expressed hope that in future they would like to cooperate more in the humanitarian and compassionate ventures. There are talks of joint operations between the navies of both countries including the coast guards, air force and among the disaster management agencies. At the Seventh China-India Defense and Security Consultation consensus has been reached on strengthening cooperation in various areas, such as anti-terrorism exercises, personnel

training, security of major events, combating transnational crime, food security and climate change.