

## Chapter 7

### Conclusions and Recommendations

*“No ocean is in need of strategic stability more than the Indian ocean which is arguably the most nuclearised of the seven seas” - Thomas PM Barnett<sup>115</sup>*

After having discussed various dimensions of MSR, this chapter summarise the strategic (security), economic and geo-political implications of the MSR for India and suggest way ahead.

#### Strategic Implications

Despite increases in China-India political and economic relations, tensions remain along 4,057 km border shared, most notably over Arunachal Pradesh (which China asserts is part of Tibet and therefore of China), and over the Aksai Chin region at the western end of the Tibetan Plateau. In October 2013, Chinese and Indian officials signed the Border Defense Cooperation Agreement, which supplements existing procedures managing the interaction of forces along the Line of Actual Control. China and India continue to accuse each other of frequent incursions and military build-ups along the disputed territories, with the most recent incident occurring in September 2014 along the Line of Actual Control in Eastern Ladakh. The military stand-off lasted twelve days and

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<sup>115</sup> Thomas P.M. Barnett is an American military geostrategist and Chief Analyst at Wikistrat. He developed a geopolitical theory that divided the world into “the Functioning Core” and the “Non-Integrating Gap” that made him particularly notable prior to the 2003 U.S. Invasion of Iraq when he wrote an article for Esquire Magazine in support of the military action entitled “The Pentagon's New Map” (which would later become the title of a book that would elaborate on his geopolitical theories)

coincided with President Xi Jinping's visit to India, the first of a Chinese President in nearly a decade, casting a shadow over the visit<sup>116</sup>. China also commissioned recently the China Pakistan Economic Corridor (CPEC) despite opposition from India. China's docking of submarines in Sri Lanka in 2014 and Karachi in May 2015 are likely to be 'trial balloons' for regular operational deployments of Chinese submarines in the region. China has been steadily building strategic relationships from Middle East to Southern China with investment initiatives at Gwadar (Pakistan), Chittagong (Bangladesh), Sittwe (Myanmar), and Hambantota (Sri Lanka)<sup>117</sup>. China also opposed Indian Naval ships' presence in South China sea and economic co-operation with Vietnam. China as per its 2015 white paper on defence, restructured its armed forces on 31 Dec 2015. China's 2015 military strategy made it clear that it will continue building its military power to project power beyond its periphery and protect its economic and strategic interests abroad.

Although the MSR is couched as an economic initiative, to the maritime analyst, it has deeper, particularly security, implications. What troubles Indian strategists is the fact that China's long-term ambition of establishing permanency of presence is being aided by the structure of 'outposts' from Myanmar to Bangladesh, Sri Lanka, Maldives, Pakistan, Sudan, Tanzania, Seychelles, Mozambique, and a couple of others in the pipeline. China is attempting to expand its influence in the Bay of Bengal and Arabian Sea by building ports in Indian Ocean littoral states, through a strategy generally referred to as 'String of Pearls'. While these 'outposts' have been built in the guise of

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<sup>116</sup> Cordsemen & Colly, *Chinese Strategy & Military Modernisation in 2015 : A Comparative Analysis* : Centre for Strategic & International Studies, Washington (Burke Chair in Strategy) pp 37

<sup>117</sup> Dinesh Yadav, *India and China – Time to Evolve Maritime Confidence Building Measures*, National Maritime Foundation; Also available from [www.maritimeindia.org](http://www.maritimeindia.org)

developmental assistance, the MSR is perceived as the final cog in the wheel that will make Chinese warships easily supportable in terms of logistics and operational turnaround, a prerequisite for the People's Liberation Army Navy (PLAN) to forward deploy in IOR.

Maritime trade, including of energy resources, is carried out along the routes that follow established *sea-lines*, viz. the shortest, most cost effective and navigationally safe routes between "source" and "destination". It therefore follows that these are akin to "jugular veins" that channel the "lifeblood" of countries for their economic sustenance and development. In naval parlance, these maritime highways are referred to as *Sea-Lines of Communication* (SLOCs). With communications being a crucial element of military operations, this is indicative of the military-strategic importance of sea-lines. China's long and vulnerable SLOCs extend from West Asia and East Africa to China's eastern seaboard. Eighty-five per cent of China's oil imports flows through the northern Indian Ocean in close proximity to Indian naval deployments. So far, the PLAN does not possess the quantitative strength or strategic basing rights to secure its IOR SLOCs. However, China's growing SLOCs can potentially convert the IOR into a contested space. Indian analysts take the official Chinese discourse seriously: that China's economic growth and high dependence on West Asian and African resources would translate into an expansion of Chinese naval power in the long term, requiring capabilities to accomplish missions in the IOR as well. For some, this is the logic that is driving PLAN to gradually extend its operational range from the first and the second island chains to 'far seas' that stretch from the east of the IOR to the east coast of Africa. The

MSR is part of China's attempt to neutralize its 'Malacca Dilemma'<sup>118</sup>. In 2003, Hu Jintao had publicly expressed the 'Malacca Dilemma', which describes the vulnerable SLOCs crucial to China's trade and their potential to interdiction from another state. However a successful MSR can guarantee China requisite protection in the form of bases/ports in IOR. Thus India's option of using an asymmetric maritime option by targeting China's vulnerability in the IOR if pushed to the wall or confronting coercion on the Himalayan frontiers is neutralized, if MSR is materialized.

From India's maritime and naval perspective, should the MSR evolve in the framework just perceived, it would compel India to develop additional access points and facilities astride the proposed Chinese MSR. The India's decision to expedite Indian involvement in the construction of Chabahar Port on Iran's Makran coast could also have been partially driven by this quest to seek high-quality transit points in the IOR. Another implication is that India will need to invest more on long-haul vessels to ensure greater endurance and sustainability for its own power projection and expeditionary roles.

The MSR will also be helpful to China in promoting certain strategic objectives — for example, in supporting friends and clients, neutralising similar activities by other naval powers, or merely by showcasing one's maritime power. Thus, the proposed MSR has clear strategic objectives.

### **Economic Influence**

The West has traditionally been India's dominant oil trading partner and will remain so in the foreseeable future. However, recent trends indicate a very rapid growth

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<sup>118</sup> Cordsemen & Colly, *Chinese Strategy & Military Modernisation in 2015 : A Comparative Analysis* : Centre for Strategic & International Studies, Washington (Burke Chair in Strategy) pp 226 & 472

of trade with East Asian countries. For example, India's trade with ASEAN and China, which individually stand at US\$13 to 14 billion today, has increased by 5 times in case of the former and 20 times in case of the latter in the last 10 years. Therefore, with up to 95 percent of India's trade moving by sea, the importance of sea-lines in its eastern seaboard will increase considerably. India is presently the sixth largest energy consumer in the world. Although a study indicates that India's energy consumption will increase at a rate of 5 percent every year through 2010-11 in a "business-as-usual" scenario, the actual consumption may grow at an accelerated pace. India's energy situation is more critical compared to that of China. Coal meets only half of its needs, and here too, some quantities of superior quality coal need to be imported. While oil makes up 30 percent of the energy mix, oil reserves are relatively poor. India's mere 5 billion barrels of proven reserves - against China's 18 billion barrels - has led it to import 65 percent of its needs - compared to China's 40 percent - almost all from West Asia. It is estimated that consumption will rise from the present 2.6 Mb/d (2004) to 3.2 Mb/d by 2010, with India emerging as the fourth largest oil consumer after the United States, China and Japan. This would lead to greater dependence on West Asia for oil. There is an ambitious plan to increase the contribution of renewable sources to 12 percent of the total energy mix, but this is unlikely to be reached in view of their relatively high costs and the necessary subsidies to make them viable<sup>119</sup>. The silk route passes through the Strait of Hormuz in the west and the Straits of Malacca and Singapore in the east. The former links the Persian Gulf to the Arabian Sea and Indian Ocean, through which 40 percent of the world's oil passes. Presently, 15 Mb/d of oil crosses this chokepoint, which includes

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<sup>119</sup> Khurana GS, Securing the Maritime Silk Route : Is there a Sino-Indian Confluence ; Central Asia-Caucasus Institute, Silk Road Studies Programme ISSN : 1653-4212, pp 92-93

about 60 percent of China's imports and a similar proportion in the case of India. India has its own imperatives with regard to economic connectivity. Its 'Look East' policy is severely impeded by constraints of land connectivity. Its endorsement of the BCIM corridor may be seen in this context. Hence, nearly all of India's merchandise trade with these countries transits via the sea. In 2013, 30 percent of India's total foreign trade transited east across Southeast Asia's maritime choke-points. This proportion is likely to increase in the coming years, which would necessitate security and safety of shipping and seafarers. Being boxed within two sets of maritime choke-points on both extremities of the Indian Ocean, source-diversification is not easy for India. Besides, it may not be prudent for India to diversify to Eastern Asia, due to the prevailing inter-state maritime disputes in the China Seas. However, if the MSR concept could contribute to enhanced security assurances with regard to freedom of navigation in this region, India could benefit from it. Development of facilities along silk route will not only ensure security but also increase the handling capacity and also ensure all weather unhindered supply.

To support the silk road initiatives, China initiated the creation of the Asian Infrastructure Investment Bank (AIIB) to provide infrastructure loans and invited other Asian countries to join as founding members. On October 24, 2014, the representatives of 21 countries signed the intergovernmental Memorandum of Understanding (MOU) on Establishing the AIIB in Beijing. As of January 2015, 26 countries have signed up as prospective founding members, including the 10 ASEAN members. Negotiations on the AIIB Articles of Agreement (AOA) are underway, and this process is expected to be completed shortly. Countries that subsequently sign and ratify the AOA will officially become founding members of the AIIB. The AIIB has an authorized capital of US\$100

billion, of which China has pledged half the amount – US\$50 billion – as initial subscribed capital. In November 2014, China further pledged another US\$40 billion to a new Silk Road Fund to develop the infrastructure and resources along the land and sea trade routes. Earlier in 2009, China had established a US \$10 billion China–ASEAN Fund on Investment Cooperation and a US \$15 billion credit line for infrastructure projects in ASEAN. Two years later, it pledged RMB 3 billion (US\$490 million) to the China–ASEAN Maritime Cooperation Fund. What makes the AIIB and Silk Road Fund significant compared to these earlier initiatives is that it is framed as part of a China-centric regional vision to “turn China’s neighborhood areas into a community of common destiny.”<sup>120</sup>

China shares strong linkages with both ASEAN and IORA. Its total trade with the IORA is around US\$ 669 billion, compared with India’s trade of around US\$ 206 billion. The Maritime Silk Road initiative will further boost China’s commercial engagement with both ASEAN and IORA. This will have a huge impact in South Asia, where Beijing is emerging as a vital power. India’s standing in South Asia is being tested by China’s increasing influence in South Asia in recent years. Pakistan, Sri Lanka, Maldives, Bangladesh and Nepal have become China’s key partners in the South Asian region. Chinese port building initiatives in Gwadar, Hambantotta, and Chittagong reflect this fact. China is steadily upgrading its Maritime Silk Road concept with a variety of strategic proposals in the ASEAN region, in South Asia, as well as in IOR. This approach is linked with China’s “comprehensive national power” concept. Nation building,

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<sup>120</sup> Christopher Len (2015) China's 21st Century Maritime Silk Road Initiative, Energy Security and SLOC Access, Maritime Affairs: Journal of the National Maritime Foundation of India, 11:1, 1-18, DOI: 10.1080/09733159.2015.1025535

improving economic ties, and maximizing national security interests have moved simultaneously in China's foreign policy strategies.

The 'BCIM Initiative', initially termed as the 'Kunming Initiative', is a sub-regional grouping of Bangladesh, China, India and Myanmar. It started off as a 'Track 2' exercise in 1999 in Kunming as an offshoot of the conference on "Regional Cooperation and Development among China, India, Myanmar and Bangladesh". The aims of the initiative include building a combination of road, rail, water and air linkages in the region that would facilitate transnational flow of people and goods, minimising cross-border trade barriers, ensuring greater market access and enhancing trade, tourism, investment and economic growth.

If the BCIM Initiative is successful in building the 'Kolkata to Kunming' highway, it would be the first expressway connecting Southeast Asia to South Asia. In February 2012, officials from the four countries approved initial plans to develop the 2,800- km highway. In 2013, the historical 'BCIM Car Rally' was held to cover this proposed route from India to China. Eighty participants from Bangladesh, China, India and Myanmar, covered 2,800 km in 20 cars from Kolkata to Kunming via Jessore, Dhaka, Sylhet, Silchar, Imphal, Kohima, Mandalay, Ruili, Tengchong, Erhai Lake, Dali. At present, the highway proposal is still in its very early phases. The BCIM countries are working out the details and logistics of building it. It has been predicted that, if the BCIM economic corridor is built, merchandise trade in the region would increase by US\$ 5.7 billion, US\$ 4.1 billion, and US\$ 2.7 billion under full, moderate, and partial tariff

liberalisation, respectively. The welfare gain might be US\$ 411 million, US\$ 281 million, and US\$ 193 million under full, moderate, and partial tariff liberalisation scenarios<sup>121</sup>.

Considering that China's industrial capacity is at least two decades ahead, Indian industries could leapfrog in the same way that the Southeast Asian economies did in the 1980s on the back of 'outsourcing' by Japanese multinational companies. Commonly referred to as the 'Flying Geese Paradigm', the sound logic for such 'outsourcing' was based on comparative advantage and market rationalism. On the other hand, if New Delhi opts to stay out of the MSR, India's industrial growth will lag behind its Asian neighbours – most of which are China's avowed MSR partners – thereby adversely affecting India's economic growth and developmental plans.

India also needs to overcome infrastructure-related constraints to enhance connectivity for its overseas trade, which contributes substantially to the national economy. Notably, in 1990–91, India's external trade accounted for a mere six per cent of the GDP, which rose to 52 per cent by 2010–11. The MSR could be an effective maritime supplement to the land-based Bangladesh-China-India-Myanmar (BCIM) Economic Corridor under active consideration by New Delhi. It could be dovetailed with India's own 'Sagarmala' project, and thereby contribute to the nation's efforts to enhance sea-trade connectivity, while also progressively leading to 'port-led development' of the hinterland, and the SEZs. The MSR may also help India to develop its 'blue economy' through bolstering its marine industries and ship-building capacity.

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<sup>121</sup> Hussain ZZ, Initiative for Southern Silk Route, Linking Bangladesh, China, India and Myanmar, National Institute of Singapore, Institute of South Asian Studies Working Paper No 192, 17 June 2014

## The Geopolitical Scenario

More than 50 countries are interested in participating in China's Silk Road Economic Belt and Maritime Silk Road projects, jointly known as "one belt and one road." "Along the belt and road are many developing countries with a combined population of 4.4 billion and an annual economic output of 2.2 trillion U.S. dollars," *Xinhua* paraphrased the official as saying. In other words, China's Silk Road is a big deal, and not just for Asia. In fact, the Silk Road is making progress on an entirely different continent – Africa.

The entire proposal should be seen in the context of Indian national interests and implications for India's role in the IOR and South Asia. The unstated, underlying strategic objectives of MSR raise questions about Chinese intentions. China is attempting to expand its influence in the Bay of Bengal and Arabian Sea by building ports in Sri Lanka, Pakistan and Bangladesh, apart from other Indian Ocean littoral states, through a strategy generally referred to as 'String of Pearls'. Pakistan, Bangladesh and Sri Lanka have pledged support to Xi Jinping's MSR initiative. If the MSR leads to important neighbours like Bangladesh and Sri Lanka drifting into the Chinese orbit, it would represent a serious setback to India's traditional conception of the subcontinent as a privileged sphere.

Because nearly every Indian neighbour in the IOR littoral already has strong economic ties with mainland China, the perception is that these smaller states are finding it difficult to resist internalizing Chinese norms for Asian security. Since 2006, China–South Asia trade has increased by 280 per cent to US\$ 100 billion. Another perception is that South Asian states have already discovered the option and ability to play the 'China

card', that is, exploit Sino-Indian mistrust to advance their national and developmental objectives. For India's neighbours, the MSR is perhaps another potential opportunity to play the 'China card' in their strategic bargaining with India. A former diplomat, however, argues:

It would be premature to view the concept of MSR in purely strategic terms. The sovereign decisions of littoral states on scope and extent of Chinese investments should not be underestimated. No one would like to get sucked into military conflict or armed confrontations arising from port developments undertaken by the Chinese as part of the exercise. Nevertheless, one of the reasons for the regional outreach of the Indian government is to decelerate such a possibility by re-establishing Indian credibility with its neighbours. Interestingly, while the *Xinhua* MSR map excludes Gwadar, Indian analysts offer competing interpretations. One view is that China is hedging against an unstable Gwadar corridor, which begins from Xinjiang and passes through Pakistan-occupied Kashmir. Given the potential for deeper instability in the AfPak region and Baluchistan province after the drawdown of Western forces, China is shifting its priority to other maritime routes in the IOR. Another view is that China will pursue both *continental* and *maritime* lines of communication. If the MSR loses traction or is delayed, the land corridor to Gwadar can become an important commercial hub for both China and Pakistan. Gwadar's proximity to the Persian Gulf and its ability to support both naval and commercial activity in the Arabian Sea makes this Silk Road too attractive to be dismissed. Indeed, Sino- Pakistani diplomatic activity suggests the Kashgar-Gwadar corridor is still in play. After a recent visit to China, a Pakistani minister noted that

'Gwadar is the gateway to the economic corridor and it will be developed into a modern port city.

Therefore, despite China's MSR map bypassing Pakistan, the planned Chinese investments in Pakistan are indicative of a sustained strategy. The omission in the map is probably deliberate to prevent adverse reactions from India's strategic community and make the MSR appear less contentious in Indian debates. Since the MSR will probably be a long-drawn process, India will need to scale up its own investment in its immediate neighbourhood in precisely those capacities where China is investing (ports, logistics, shipbuilding) to dissuade India's neighbours such as Bangladesh, Myanmar and Sri Lanka from becoming Chinese 'political outposts'.

China has long engaged in these sorts of infrastructure development projects in Africa, constructing roads, railways, and public buildings. While still rhetorically separate from the Maritime Silk Road, these projects speak to the same vision: regional connectivity, brought to you by Beijing. So while China publicizes its Silk Road progress in Asia, don't forget that similar themes are unfolding in Africa — and that the two projects will eventually link up, if Beijing has its way. As highlighted by the 'Vision and Action Plan on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road' (Appendix A), Africa is the latest entrant to the Maritime Silk Road Initiative. China's engagement in Africa has a long complex history but under Xi-Li leadership, the relationship has not only been intensified but have also been upgraded to what the Chinese side termed as 'version 2' and which can also be termed as a prelude to MSR's Africa tilt. The need for China's own economic transformation is at the root of this development. The growing criticism and controversy around the Chinese flagship project

further acted as catalysts causing the Chinese to change the course of MSR and make it pass through the backyard of Africa. Since the vision plan does not provide details about the exact geographical extent of MSR, its exact layout and design, there are speculations abound regarding how Africa is going to be incorporated in the project. However, based on the available literature, three possibilities look more likely. Possibility I 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 Sea. Possibility II suggests Kenya and Djibouti will have a much bigger role to play in the modern Silk Road initiative together with Tanzania, Nigeria, Mozambique, Madagascar and Seychelles. Possibility III is that seven of the twelve proposed strategic ports along the MSR will be located on Africa's coastlines at Djibouti, Dares Salaam (Tanzania), Maputo (Mozambique), Libreville (Gabon), Tema (Ghana), Dakar (Senegal) and Bizerte (Tunisia). In spite of comparatively positive attitude towards China and Chinese investments in Africa, African countries have chosen to make a cautious/measured response to China's MSR proposal. On the other hand, several African countries of late, has 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. Their objective is to encourage non-African states to engage and align their Indian Ocean policies more readily with African positions and concerns.

MSR's Africa tilt produces both challenges and opportunities for India. Challenge, because India has great stakes in Africa. Since independence India has always wanted to assume a leading role and responsibility in Africa as a major development and investment partner and security provider. Not just that, India considers East Africa as its

maritime strategic neighbourhood. China's increased involvement in Africa under the MSR banner will not only increase competition for India in the continent but will pose a serious 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 manoeuvre viz-a-viz Beijing on MSR and on other pressing issues in Sino-Indian relationship<sup>122</sup>.

### Way Forward

It is to be noted that, China, in order to reclaim its top position in world economy, is trying to settle its disputes with neighbouring countries and is projecting as a soft power. China, understands well that to grow economically, its ever increasing energy requirements are to be met, and it is dependent on Indian Ocean SLOCs for more than 80 percent of its oil requirements. Since 1995, China's demand for oil has doubled from 3.4 to 6.8 Mb/d<sup>123</sup>. One forecast says that by 2030 it will rise further to nearly 11 Mb/d, when imports will account for 80 percent of China's total oil needs, up from the present 40 percent. According to current trends, China's heavy dependence on West Asian oil will grow by as much as 70 percent in 2015, up from 60 percent at present<sup>124</sup>.

Therefore China has termed Indian ocean as harmonious waters while South China sea is called as troubled waters. Therefore MSR serves as a best platform to meet

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<sup>122</sup> Antara Ghosal Singh China's Africa Push for Maritime Silk Road in Vijay Sakhuja and Jane Chan (Eds), China's Maritime Silk Road and Aisa, (New Delhi: VijBooks India Pvt Ltd , 2016 ) pp 80-98

<sup>123</sup> Report of US Energy Information Administration 04 Feb 14

<sup>124</sup> Khurana GS, Securing the Maritime Silk Route : Is there a Sino-Indian Confluence ; Central Asia-Caucasus Institute, Silk Road Studies Programme ISSN : 1653-4212, pp 92

its requirement economically, strategically and politically. The infrastructure (construction of ports, logistical stations, storage facilities and free-trade zones in the Indian Ocean) offered to countries as part of MSR, may also be turned in to military replenishment bases, if required, on short notice. The Indian strategic community believes that the MSR can potentially help China consolidate its naval / maritime strategy of access and basing in the Indian Ocean in support of PLA Navy's future operations<sup>125</sup>. Since African resources are China's focus right now, the project could well be a surrogate for a giant Chinese SLOC running all the way from the East African coast, to the Southern coast of China – created, maintained and controlled by Beijing. China also aims to diversify its trade routes and reduce its dependence on trade passing through the Strait of Malacca, through Arctic waters (Northern Sea Route (NSR)). The Arctic offers an alternative and shorter route to conduct part of its trade with Europe, especially Central and Northern Europe (accounts for just 2.9 percent of China's international trade and estimated to increase between 5-15% by 2020)<sup>126</sup>. In its ultimate form, therefore, the MSR could end up setting up Chinese logistical hubs in the Indian Ocean, linking up already existing string of pearls.

While the response of the few of the Asian countries to MSR project is some what positive, the countries in African continent have responded well. Knowing well China's dubious past, territorial ambitions and it's disputes with most of the neighbor states, the countries in Asian region are viewing the project with suspicion. Despite the scale and

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<sup>125</sup> Rory Medcalf and C Raja Mohan (2014), Sea change of China power, *The Australian*, February 11, 2014, (Rory Medcalf is director of the international security program at the Lowy Institute. C. Raja Mohan is non-resident fellow at the Lowy Institute and heads the strategic studies programme at Observer Research Foundation, Delhi. They are co-chairs of the Australia-India Roundtable)

<sup>126</sup> Humpert Malte , *The Future of Arctic Shipping: A New Silk Road for China?* (The Arctic Institute: Center for Circumpolar Security Studies, November 2013), pp 5 & 6

scope of planned investment, the MSR is yet inspire confidence amongst ASEAN countries due to the 'opaque' nature of its proposal<sup>127</sup>.

India on the other hand, already troubled by China's encirclement policy through string of pearls strategy, is more careful in responding to invitation offered by China to join MSR. However India has accepted the BCIM corridor, where Chinese companies are involved in building infrastructure. India also has launched projects in the Indian Ocean to counter the Chinese and ensure that China does not start to dominate the Indian Ocean – through its 'String of Pearls'. India's maritime initiative on the Indian Ocean has been variously presented as 'Project Mausam', 'Spice Route', 'Cotton Route', 'Sagar Mala' and the Blue Revolution (from the Ashoka Chakra on the Indian flag) and SAGAR— Security and Growth for All in the Region. The initiative envisions India as the center of the "Indian Ocean world," which stretches from Africa in the west to Southeast Asia in the east. Like China's Maritime Silk Road, Project Mausam would boost regional commercial and cultural linkages – but where the MSR would have all roads leading back to China project Mausam seeks to return India to its role as the center of Indian Ocean trade. The project has three-dimensional: first, to deepen cultural bonding, second, to ensure maritime security and third, to broaden economic connectivity with nations of the Indo-Pacific Region. China has tried hard to get India to find ways to bring the MSR and India's Mausam (Spice Route) projects together. On the surface, the two projects do have much in common – both seek to expand regional integration, especially when it comes to trade and commerce. But on a deeper level, both the MSR and Project Mausam are about expanding influence – culturally, economically, and even strategically.

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<sup>127</sup> [http://www.idsa.in/idsacomments/ChinasMaritimeSilkRoute\\_AbhijitSingh\\_160714](http://www.idsa.in/idsacomments/ChinasMaritimeSilkRoute_AbhijitSingh_160714) (accessed on 27 January 2016)

However India lack requisite economic power and leverage, to provide/match infrastructure to IOR countries, offered by China under MSR. Another factor affecting India is the political scenario at home. Unlike China, which has a firm policy, till 2049, and a government which pursue reluctantly, the Indian government may change (and accordingly the policy) due it's democracy.

India has been an ardent advocate of the "open regionalism" concept in the Indian Ocean.<sup>5</sup> It has pursued this idea in IORA (Indian Ocean Rim Association, previously known as IOR-ARC), the only comprehensive multilateral body in the Indian Ocean. In July 2013, India, advocated that trade barriers in the IOR must be relaxed, and trade practices in the region must follow international norms and practices.

India has supported the outlook of other IORA members that there must be greater cooperation in the field of the maritime security enforcement regime, and visa regimes must become liberal in order to boost trade and investment in the region. Under the theme of "Deepening Economic Linkages for Balanced Inclusive and Sustainable Growth", India and Mauritius co-hosted the first economic and business conference among the IORA countries. Twenty IORA members currently subscribe to the "open regionalism" concept. China is a dialogue partner of IORA. Its idea of Maritime Silk Road is a comprehensive package that not only has economic nuances but political and security aspects as well. China's employment of the concept in maritime Asia combines both soft- and hard-power elements; India's "open regionalism" activism is limited to commercial multilateralism in the IOR<sup>128</sup>.

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<sup>128</sup> Panda Jagannath, Maritime Silk Road and India -China Conundrum, *Indian Foreign Affairs Journal* Vol. 9, No. 1, January-March 2014, 23-32

Though the MSR is Beijing's initiative, its historic roots are not exclusively Chinese. MSR represents the ancient maritime inter-linkages within Asia, which closely followed the regularly-reversing Monsoon winds, thereby enabling sea-borne commercial and cultural exchanges across Asia. India's support to the MSR concept would, therefore, serve to propagate Asia's 'rise' and integrate Asia economically. In the process, it would create mutual dependence, and thereby contribute to regional stability and prosperity.

China and India must cooperate rather than compete if an Asian century is to be realized. According to Angus Maddison (2007) India and China 200 years ago were almost 50% of the global economy. But by 1950 their share of the global economy had dropped to only around 15%. Since 1980's both economies saw a steep increase in their growth rates – more so in the case of China which saw almost 3 decades of spectacular growth rates. India also shed its slow growing so called “Hindu” growth rate and began to grow much faster. If both China and India could continue to grow rapidly they are projected to become more than 50% of the world economy by 2030 – roughly where they were 250 years ago. China and India have much to gain if they cooperate and much to lose if they compete in a manner that pulls each other down<sup>129</sup>. Further, with the regional countries supporting MSR on the back of growing regional economic integration, India's exclusivist approach may lead to its marginalisation, thereby helping China to ‘displace’ India's influence in its own backyard.

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<sup>129</sup> Ajay Chhibber (2015), China's One Belt One Road Strategy: The New Financial Institutions and India's Options, Working Paper No. 2015-155, pp 30, National Institute of Public Finance and Policy, New Delhi, also available from <http://www.nipfp.org.in>

Therefore India needs to tread cautiously and join MSR on its own terms to protect its interest and influence in the IOR. India may adopt the approach followed in BCIM corridor while allowing external agencies to operate inside India. The MSR could be an effective maritime supplement to the land-based BCIM Economic Corridor. It could be dovetailed with India's own 'Sagarmala' project, and thereby contribute to the nation's efforts to enhance sea trade connectivity, while also progressively leading to 'port-led development' of the hinterland, and the SEZs. However saying 'yes' to MSR will legitimize the other Chinese projects which India has been objecting to namely construction of Gwadar port, CPEC in Pakistan and port in Sri Lanka etc<sup>130</sup>. Further, India should use this opportunity to resolve the bilateral security issues namely boundary issue in the Himalayas, systematic buildup of military infrastructure along the border, and deployment of missiles in Tibet that may be targeting Indian strategic installations and also seek isolation of Pakistan militarily. Therefore India should lay clear terms and conditions prior to joining MSR to protect its interests.

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<sup>130</sup> <http://www.ipcs.org/article/china/xi-jinping-and-the-maritime-silk-road-the-indian-dilemma-4662.html>

(accessed on 27 January 2016)