

# OBOR: India's Concerns and Policy Prescriptions

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# Different Phases of India-China Relations

1949-1959: Enthusiastic

1960-1987: Hostile

1988-2016: Pragmatic

# 4-Pillars of Engagement





# India and China: The State of Play

As Prime Minister Narendra Modi leaves on a crucial visit to China tomorrow, SUSHANT SINGH lists what's top of mind in both New Delhi and Beijing



## MODI Wants

- Peace, stability on the LAC; no further Chinese incursions
- Roadmap towards solving border issues
- Strong economic ties, greater Chinese investment in Indian infrastructure
- To work with Beijing to make his pet 'Make in India' project a success
- Greater balance in bilateral trade

## XI Seeks

- Solution to border issue
- Eased rules for Chinese investment in India
- To involve India in his 'Belt and Road' vision for the New Silk Route
- To keep New Delhi from forming a strategic anti-China alliance with US
- To integrate India into new China-led global economic infrastructure, viz. BRICS Bank, AIIB

## INDIA

\$ 2.04 trillion GDP (nominal) 2014

\$ 1,625 GDP (nominal) per capita 2014

0.586 Human Development Index (Medium)

\$ 319,390 million Foreign Exchange reserves

\$ 45 billion Military Expenditure



## CHINA

\$ 10.35 trillion GDP (nominal) 2014

\$ 7,764 GDP (nominal) per capita 2014

0.719 Human Development Index (High)

\$ 4,009,553 million Foreign Exchange reserves

\$ 166 billion Military Expenditure



## Indirect Stakes

### No Objection

- **China–Mongolia–Russia corridor**
- **China–Indochina Peninsular corridor**
- **China–Central Asia–West Asia corridor**

## Involved Stakes

### High Concerns

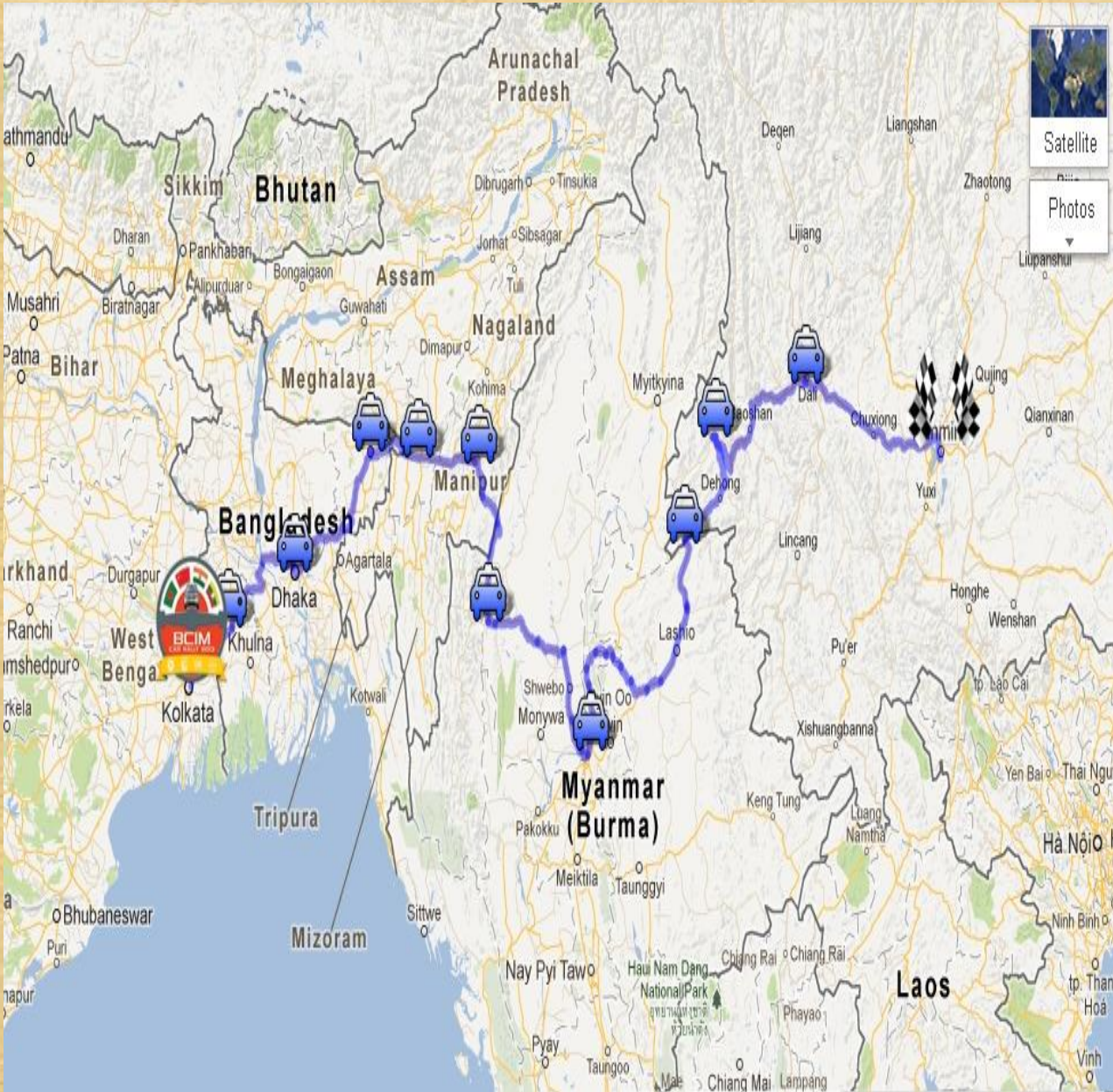
- **Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC)**

## Strategic Stakes

### Outright Rejection

- **China-Pakistan Economic Corridor (CPEC)**
- **Maritime Silk Road**





## Indian Concerns on BCIM - EC

**Economic impacts of cross-border trade on local industry – ‘Chinese goods flooding the market’**

**Environmental impact of large infrastructure projects**

**Preservation of the unique cultures of the hill tribes**

**Traditional and non-traditional security threats**

**Undocumented migration**



## Indian Objections to CPEC

**Passing through the disputed territory**

**Stationing of Chinese troops to protect the projects**

**Pakistan diverting increased wealth towards destabilizing India**

**Potential Military utilization of Gwadar port**

**No consultation with India**



## Indian Objections to 21<sup>st</sup> Century MSR

**Aimed at decreasing India's influence in its own backyard**

**Countering India's only strategic advantage vis-à-vis China**

**China's belated offers to cooperate on MSR**

**Potential exploitation of sea-based natural resources in the Indian Ocean**

***'String of Pearls'***





# Bilateral Policy Prescriptions

BCIM - EC	CPEC	21 <sup>st</sup> Century MSR	General
Joint actions against terrorist groups & Drug Traffickers	India-China Consultations over projects in Pak administered Kashmir	Initiating cooperation with India on its <i>Sagarmala</i> initiative	Peace & Tranquility on Line of Actual Control
Special Task Force to assess environmental risks	Leverage on Pakistani establishment to curb terrorist groups acting against India and Afghanistan	Joint maritime research and exploration in Indian ocean	India's Inclusion in Quadrilateral Dialogue (Af-Pak-Ch-US) for peace & development in Afghanistan
To address Indian concerns on trade deficit with China	Maintaining neutrality on Kashmir issue and encouraging India-Pakistan dialogue over Kashmir	CBMs to declare Indian ocean as <i>de-militarized</i> zone	People to people contacts at all levels

## Key Lesson for China and India

“ To see ourselves as others see us is a valuable gift, without doubt. But in international relations what is still rarer and far more useful is to see others as they see themselves.”

- Historian **Jacques Barzun**



**Thank You!**

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