

COMMENT

## Contours of a counter-BRI



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UPDATED: NOVEMBER 12, 2017 23:59 IST**India is being pulled into alliances to counter China's connectivity initiatives. It should not rush into them**

India finds itself at a crossroads of grand alliances unfolding in the Indian Ocean Region. While one axis is a maritime one across the Indo-Pacific, the other is land-based, extending from Afghanistan into Southeast Asia. Interestingly, both are intended to act as a check on China's growing clout.

On Sunday, foreign ministry officials from India, Australia, Japan and the U.S. held discussions on the sidelines of the **East Asia summit in Manila in the Philippines** and discussed peace and stability in the region in addition to addressing common challenges.

“The discussions focussed on cooperation based on their converging vision and values for promotion of peace, stability and prosperity in an increasingly inter-connected region that they share with each other and with other partners. They agreed that a free, open, prosperous and inclusive Indo-Pacific region serves the long-term interests of all countries in the region and of the world at large,” a statement from the Ministry of External Affairs said while reiterating that India’s Act East Policy was the “cornerstone of its engagement in the Indo-Pacific region”.

## Four corners

Of late, the U.S. has been more vocal in its desire to include Australia in the India-Japan-U.S. security cooperation in the Indian Ocean Region, referred to as the “quad” – a quadrilateral alliance of “like-minded” countries. Taking it a step further, Japanese Foreign Minister Taro Kono has called for the inclusion of France and Germany. Against this backdrop, the prospect of quadrilateral discussions in Manila have generated considerable global interest on the possible outcome which China hoped “would not target or damage” a “third party’s interest.” Prime Minister Narendra Modi’s meetings during his visit there will be watched closely.

While the quad still remains an idea, and it has to be seen what shape it takes, the diplomatic discussions in the national capital over the last few weeks and the statements by world leaders in the run-up to some recent high-level visits to India show distinct contours of a counter-alliance to China’s Belt and Road Initiative (BRI), also called One Belt, One Road, taking shape. The arc extends from Afghanistan on India’s west all across the Northeast and into Myanmar and the Southeast Asian countries.

Various strands of this are already under way. India has been trying to build connectivity under various initiatives in its own Northeast region, in its neighbouring countries, and further into ASEAN (the Association of Southeast Asian Nations). Now the U.S. has begun investing in India’s periphery, and Japan is attempting to align its own development initiatives to improve connectivity in the region with India’s Act East policy. The broader attempt is to institutionalise this into a structured trilateral format, and possibly a quadrilateral one at a later stage.

## Collaborating with India

Last month, ahead of his visit to India, while delivering a speech at the Centre for Strategic and International Studies in Washington, U.S. Secretary of State **Rex Tillerson expressed the need to collaborate with India** to ensure peace and stability in the Indo-Pacific so that it “does not become a region of disorder, conflict, and predatory economics.”

Elaborating on the predatory economics, Mr. Tillerson said there are a “number of fledgling democracies for infrastructure investment” and stressed on the need to have alternative means of developing them. He referred to China’s investment model, saying, “the financing mechanisms it brings to many of these countries [results] in saddling them with enormous levels of debt.”

Mr. Tillerson further said, “We think it’s important that we begin to develop some means of countering that with alternative financing measures, financing structures” and added that they began a “quiet conversation” during the East Asia ministerial summit in August to create “alternative financing mechanisms” in a multilateral way.

In September, the **U.S. signed a \$500 million agreement with Nepal** to build infrastructure for the latter’s electricity and transportation needs and to promote “more trade linkages with partners in the region like India.” Earlier, U.S. Secretary of Defence James Mattis had endorsed India’s sovereignty concerns surrounding the BRI.

Speaking at a think tank in New Delhi last month, Foreign Secretary S. Jaishankar endorsed the U.S. investment in Nepal. Stating that India cannot be in denial of other players coming into the region, he said: “I think an intelligent nation harnesses the changes and sees what works for you. To the extent we have countries whose broad goals are aligned with us.” India and Japan are also cooperating on a project for LNG (liquefied natural gas) supplies to Sri Lanka in addition to aligning their connectivity projects in Africa under the proposed ‘Asia Africa Growth Corridor’.

The broad mechanism is akin to China's own build-up of the BRI initiative. China spent over a decade building capacities independently in its areas of interest – for instance, it built a series of dual-use facilities across the Indian Ocean surrounding India which is popularly referred to as its 'string of pearls' strategy. All such efforts have now been consolidated under its grandiose idea of BRI, bringing legitimacy to them and succeeding in getting the global community on board with offers of lucrative investments and long-term returns.

### **Time for caution**

While cooperative mechanisms are crucial to maintain stability in the Indian Ocean Region, it would be prudent on India's part to do a cost-benefit analysis of building such grand alliances in such uncertain times, especially on the role of the U.S. with President Donald Trump at the helm. One of the agreements reached between Mr. Trump and his Chinese counterpart Xi Jinping was China's Silk Road Fund, under the People's Bank of China, to promote the Belt and Road international trade initiative. This shows the dichotomy in American policy, and India should exercise caution before jumping on to the bandwagon. It must await policy clarity from the U.S. both on Afghanistan and beyond.

On the other hand, Russia has asked India to join its International North-South Transport Corridor, arguing that it would be a gateway for India to connect with Central Asia through Chabahar port in Iran and via Afghanistan.

While India has objections to the BRI, it wouldn't be ideal to bracket the country in a counter camp, but rather it should balance its outreach in accordance to national interests and its own terms. After all, the very countries which are pushing India into alliances are deeply intertwined with China in terms of trade. Excessive dependence on multilateral frameworks to fulfil national objectives may seem lucrative in the short term but could prove to be a costly mistake in the long term and comprise Indian sovereignty.

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