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PROSPECTS FOR SINO-INDIAN MARITIME CONNECTIVITY IN THE INDIAN OCEAN REGION

Abstract

This paper examines the prospect for Sino-Indian maritime cooperation in the context of China's recent multilateral maritime connectivity project known as the 21st Century Maritime Silk Road. This ambitious step as a part of China's greater 'Road and Belt' initiatives generated considerable trade and infrastructure development prospects for neighbouring countries including India. However, India is highly skeptical and anxious about China's long term motive and has taken rather an ambivalent position. Geopolitical apprehensions concerning China's rise and the fear of China's growing influence in the Indian Ocean made this maritime project an uneasy development for India, despite the initiative's potential to accord the country tangible economic benefits. In addition, extra-regional forces in Indian Ocean geopolitical calculations could complicate India's maritime cooperation with China. Therefore, the complicity involves a much broader geopolitical hedging. There is an alignment of interests among India, the US and Japan in preventing China's deeper and long-term engagement in the Indian Ocean Region. However, economic interdependence, the need for infrastructure development as well as seaward reorientation of Indian economy could drive the country to find out a carefully crafted policy of exploiting economic benefits by engaging with China in the maritime sphere.

1. Introduction

The multi-billion dollar maritime connectivity project of China known as the 21st Century Maritime Silk Road has created a critical context for China's maritime engagement in the Indian Ocean Region (IOR). This initiative manifests a significant foreign policy aspiration of China in today's world. Under the leadership of President Xi Jinping, the Maritime Silk Road as a part of 'Road and Belt' initiatives has become a key component of the country's economic diplomacy, neighbourhood policy, multilateral cooperation and energy security.¹ With a dramatic increase of China's sea-based imports and exports, maritime connectivity has become critically important to China. As Cai Penghong observes, "China's further development heavily depends on a secure and stable sea lane in the IOR to transport oil and raw materials into China and export China's goods to other countries."² To build partnerships in the maritime sphere, China is promoting the idea of "win-win cooperation" so that countries along the road can share in mutually beneficial outcomes.

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¹ Woo Duck Han, "Projects can Further Promote Northeast Asian Prosperity", *China Daily*, 14 February 2015.

² Cai Penghong, "The Indo-Pacific: Its Geopolitical Implications for China", *Global Review*, Winter, 2013.

However, the implication is quite obvious suggesting a significant Indian stake in this process. India which considers Indian Ocean and adjacent regions to be its core economic and security priority, is very skeptical and anxious about China's long term motive and has taken rather an ambivalent position. Geopolitical apprehensions concerning China's rise and the fear of China's growing influence in the neighbouring regions made this maritime project an uneasy development for India. In addition to inheriting historical rivalry with China particularly the sensitive border disputes, India shares a common concern with the US and Japan over Chinese potential influence in the IOR. On the other hand, India has a deepening economic interdependence with China. In the last decades, China has become its largest trading partner. The two countries' growing industrialisation, seaward economic reorientation, increasing volume of trade, and the consequent demand for infrastructure development together have created ample economic complementarities between them. However, India's participation in the initiative involves multiple factors ranging from domestic popular support to decision making process to geopolitical compulsions and aspirations.

This paper primarily seeks to examine the prospect for Sino-Indian maritime cooperation in the context of China's recent multilateral maritime connectivity initiative and to find out what implications this initiative could bring for their future relations. This central theme of the paper is developed in three sections. The first section examines potential Indian response, including its concern over other neighbouring countries' participation in the initiative. The second section outlines extra-regional factors and Indian Ocean geopolitical issues that could complicate China's maritime cooperation with India. The final section, identifying potential complementarities, mediating factors and challenges, assesses whether India would consider joining the initiative in the long run to exploit potential economic benefits out of this maritime connectivity initiative.

2. China's Maritime Connectivity Initiative

The 21st Century Maritime Silk Road is undertaken by China to initiate a new era of maritime connectivity and cooperation.³ This draws inspiration from the legacy of historical maritime exchanges of goods and culture among the Chinese, Indians and Arabs starting over two millennia ago. The availability of large quantities of porcelain, silk and consumer goods after the Chinese 'economic revolutions' during about 900 AD, together with superior ships and navigational techniques of Chinese merchants, led to the growth of China's maritime enterprises across the Indian Ocean.⁴ During the time of Song and Yuan Dynasties from 960 to 1368 AD, Quanzhou became the largest oriental port, almost as famous as Alexandria of Egypt.⁵ A great Chinese explorer of

³ Xinhua, "International Experts Focus on More Practical Aspects to Build Silk Road Economic Belt", *Shanghai Daily*, 30 November 2014.

⁴ John E. Wills, Jr., "Maritime Asia, 1500-1800: The Interactive Emergence of European Domination", *The American Historical Review*, Vol. 98, No. 1, 1993, pp. 83-105.

⁵ Address by Li Zhaoxing, Former Foreign Minister and Chairman of China Public Diplomacy Association,

Ming Dynasty Admiral Zheng commanded seven voyages to the Indian Ocean.⁶ The subsequent development of shipping routes passing from the South China Sea into the Indian Ocean and beyond⁷ is popularly known as Maritime Silk Road today.

As a part of China's 'One Belt, One Road' strategy, Chinese President Xi Jinping declared the initiative in October 2013 with the aim of strengthening ties with its neighbouring countries and speed up their exchanges in terms of people, capital, goods and ideas.⁸ The Maritime Silk Road will cover countries and regions with a total population of 4.4 billion and a total economic volume of US\$ 21 trillion, 63 per cent and 29 per cent respectively of the world's total.⁹ Major areas of cooperation will include maritime connectivity and transportation development, oceanic resources mobilisation, infrastructure building, port and economic zone development, cooperation in scientific research, environmental protection, tourism promotion and maritime archeological conservation.

China is devising an innovative model for its 'One Belt, One Road' initiative including the Maritime Silk Road. The model is based on the combined strategies of "bringing in" and "going out", offering a new stage of China's development and opening up to the outside world.¹⁰ The core of this model is based on a new concept of 'justice'. As China is dependent on natural resources from abroad, this development model will share the country's growth dividends with its neighbours through common partnership.¹¹ In addition, this will encourage each country's innovative development, offering modern technology and helping out countries not possessing natural resources.

China has two major objectives in pursuing this region wide mega-connectivity network. The first is to turn China into a world centre of maritime trade and cooperation. With an 18,000-kilometer coastline and an increasing dependence on sea for more than 90 per cent of the trade that drives China's growth, maritime connectivity, security and trade potential would be vital considerations for the future Chinese economy. China holds eight of the world's 10 largest deep-water harbours, fourth largest shipping capacity, and annual 6 per cent growth in demand for ocean shipping as a result of foreign trade, with a potential to become the key centre of

"Building the Maritime Silk Road of the 21st Century with Open Mind and Bold Courage", delivered in an *International Symposium on Maritime Silk Road of the 21st Century*, 12 February 2015, Quanzhou, Fujian Province, China.

⁶ Zhang Xianyi, "History and Legend of Sino-Bangla Contacts," *The News Today*, 28 September 2010.

⁷ James A. Anderson, "China's Southwestern Silk Road in World History", *World History Connected*, Vol. 6, No. 1, 2009.

⁸ Institute of International Studies, *Imbalance and Restructuring: Fudan International Strategic Report 2014*, Fudan University, China, 2014.

⁹ Xinhua, "Maritime Silk Road to Boost Regional Prosperity: Overseas Experts", *Shanghai Daily*, 14 February 2015.

¹⁰ Shi Ze, "One Road and One Belt and New Thinking with Regard to Concepts and Practice", *CIIS Time*, 25 November 2014.

¹¹ *Ibid.*

global seaborne trade.¹² To realise its maritime potential, China is keen to seize the opportunities of rapidly growing global ocean economy and establish pivots and corridors for maritime economic cooperation.¹³

The second purpose is to respond proactively and innovatively to the necessity of an alternative model for China's future economic growth. To sustain the ongoing pace of Chinese economy, traditional business model needs to be reformed. Despite having excessive production capacity (total 900 million tons in 2014 in which 730 million tons were utilised), growth is slowing down and domestic employment opportunity is getting slimmer day by day.¹⁴ China needs to find external markets to invest its huge accumulated capital and excessive production capacity so as to create employment, mobilise resources and bring high returns on its investment. Besides, China needs to take care that other countries have capacity to buy Chinese products. For that end, assisting economic growth of its neighbours through infrastructure building and industrialisation is heavily linked to China's own development. While China is advancing the idea of win-win cooperation, the Maritime Silk Road and other Silk Road projects are at the winning end first for China, and then possibly winning for its neighbours and partners.¹⁵ These efforts could ensure the realisation of China's goal of doubling the 2010 GDP and per capita income of urban and rural residents,¹⁶ and reverse the slowing down of its economic growth in the coming decades.

Within the first two years of launching the initiative, China has made major progresses in several areas including policies and planning. China has already made notable advances in formulating pertinent policies and building institutional mechanisms. President Xi Jinping visited several countries including India, Sri Lanka, the Maldives and many of Southeast Asian countries in the last two years. Responding to China's call, more than 50 countries and many regional and international organisations including the European Union (EU), Association of South East Asian Nations (ASEAN), Shanghai Cooperation Organization (SCO) and United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) expressed their interests to support the initiative. China also signed the 'Road and Belt' cooperation agreements with many countries on projects and programmes ranging from transport infrastructure to industrial development and people-to-people exchange.¹⁷

In addition, China has devised the funding sources for the projects, and for that end, successfully launched a US\$ 40 billion Silk Road Fund.¹⁸ This fund can be

¹² Yang Mingjie, "Sailing on a Harmonious Sea: A Chinese Perspective", *China US Focus*, 26 May 2011.

¹³ Address by Li Zhaoxing, *op. cit.*

¹⁴ Author's interview with Professor Shen Dingli, Deputy Dean, Institute of International Studies, Fudan University, 23 March 2015.

¹⁵ *Ibid.*

¹⁶ Xinhua, "Xi Eyes More Enabling Int'l Environment for China's Peaceful Development", *Shanghai Daily*, 30 November 2014.

¹⁷ Address by Li Zhaoxing, *op. cit.*

¹⁸ Feng Jianmin, "China's US\$ 40b Fund to Pave Silk Road Projects", *Shanghai Daily*, 17 February 2015.

further leveraged with private investment up to US\$ 8 trillion.¹⁹ The establishment of Asian Infrastructure Investment Bank (AIIB) and Brazil, Russia, India, China, South Africa (BRICS) Bank were two other major breakthroughs towards the funding arrangement. Silk Road Fund coupled with US\$ 50 billion of AIIB and BRICS Bank would be the basic funding architecture for the 'Road and Belt' projects.²⁰ The fund will be mainly invested in infrastructure, resource development and industrial and financial cooperation through long-term equity investments.

3. India's Response: Concerns and Counter-Measures

India's position towards this maritime connectivity project is generally ambivalent, marked by its skeptical view of China's long term motive and nervousness about China's likely presence in the Indian Ocean.²¹ The perceived threat of Chinese expansion rooted in the psyche of Indian political elites as well as strategic calculations based on Indo-US alignment of interests in the IOR are the key driving factors behind such not-so-clear stance. India's reluctance to take an explicit stance suggests the country's sensitivity to maritime engagement with China, contrary to its willingness to involve in the joint study on Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC).²² In addition, India has a self-understanding of its critical importance for a successful integration of South Asia with the Maritime Silk Road. Hence, the country has demanded detail information about the project from China, and is keenly observing recent developments, remaining careful about making any definite move.

With the BJP-led new government in power, India's overall view of cooperation and connectivity with China shows certain visible shifts. During the previous government under Manmohan Singh, Sino-Indian relations reached a new height. Particularly, Manmohan's 2013 China visit and the Border Defence Cooperation Agreement (BDCA) underlined both countries' willingness to manage their differences.²³ Top leadership of both India and China agreed to effectively move with BCIM-EC by establishing joint study group and expressing commitment to work collectively for regional cooperation and connectivity. This underpinned a positive and strong ground for building partnership in areas like maritime connectivity. On the other hand, Modi government has taken rather a cautious and restrictive view of its cooperation with China. India's enthusiasm for BCIM-EC has gone down, and it views China's multilateral initiatives like the Maritime Silk Road through geopolitical and market-competition lens. Instead of looking at China-initiated regional endeavours as a collective way to address common challenges, Modi and his technocrats consider maritime connectivity project as Chinese expansion in the Indian Ocean -

¹⁹ "China Hopes Silk Road Fund can be Leveraged by Private Capital", *The Economic Times*, 02 December 2014.

²⁰ *Ibid.*

²¹ Abhijit Singh, "The Developing India-China Maritime Dynamic", *The Diplomat*, 01 May 2014.

²² "China Admits Mistrust about Mega Silk Road Project", *The Economic Times*, 31 January 2015.

²³ Ananth Krishnan, "China Highlights Outcome of Manmohan's Visit", *The Hindu*, 26 October 2013.

a big concern for India's national security and regional preeminence. The national security establishments and civil society in Modi's good book are also advocating for a more geopolitically driven response to China's call for regional connectivity and cooperation.

India's response to the initiative includes three likely steps. First, India is pursuing a 'wait and observe with caution' stance at this early stage. This step is marked by a dilemma between the temptation of joining and the fear of China's expansion in the Indian Ocean. From the economic and commercial viewpoint, India understands that a successful maritime connectivity will generate opportunities for its economic growth. India's need for infrastructure including ports, roads, highways, telecom and power infrastructure is enormous. The country is also in immense need of investment to reverse sluggish manufacturing industry and to address a growing number of unemployed young people. Despite the fast development of the software industry which created around two million jobs in the last decade, a large portion of more than 12 million young people who enter the labour market every year are unemployed.²⁴ China can provide all of these, and it is the infrastructure provider of Asia today. On the other hand, India also perceives the initiative to be a gateway for China to extend its sphere of influence in the Indian neighbourhood.

Nevertheless, India is not considering the Maritime Silk Road as a severe challenge to its national security. What is there in the mind of the top leadership and policy-makers is a state of reluctance to see it as an immediate opportunity, unlike other South Asian countries. India is thinking on both sides of the argument for the country's participation. India can roll either way: work in tandem with China allowing its investment and presence in the Indian Ocean, and then grab economic benefits from this project. On the other end of the spectrum, given the recent poor track record of the Indian diplomacy, India might consider China's presence across the Indian Ocean as a reduction of India's overwhelming influence in the region and hence, see the project as a harmful development.

Second, India is preparing with counter-measures and policy responses. Both from geopolitical and market competition perspectives, Indian foreign policy is mostly guided by Kautilyan thinking and zero-sum strategy. As the country shares border with China, specially a disputed border over Arunachal Province where it fought a war in 1962, India's political psyche inclines to undertake counter-measures against China's possible engagement in adjacent area of India's maritime boundary.

Some possible counter-measures could be:

- (1) *Speeding up efforts to strengthen navy and maritime surveillance capacity:*
India has been rapidly transforming its navy to become a maritime

²⁴ Liu Zongyi, "Beijing Offers Manufacturing Lesson to Delhi", *Global Times*, 23 November 2014.

power. Although maritime domain was mostly neglected during the post-colonial independent India, the Bharatiya Janata Party (BJP) started to give much importance on building maritime capability since 1998.²⁵ Now, the Indian Navy is the fifth largest maritime force in the world and continues to push forward ambitious expansion plans. By 2025, it aims to operate 162 imported and locally designed platforms, including two aircraft carriers and conventional and nuclear-power submarines.²⁶ With this growing strength, India would pursue stronger maritime policy to eliminate the historical burden of being dominated by outsiders.

- (2) *Welcoming similar initiatives by the peer competitors of China in the region:* Even though India's power is increasing, the US, together with its allies France and Japan, will remain as the strongest military force in the Indian Ocean theatre for a long time. Hence, the second alternative counter-measure could be to participate in any competing initiatives taken by the US and its Asian allies. India has already expressed its support for US Indo-Pacific Economic Corridor project in exchange of US and Japan's support for its Mekong-Ganga Cooperation project.²⁷
- (3) *Undertaking similar initiative by India itself:* This is something India might think in the long run. In order to enhance and sustain its legitimacy to lead the region as a part of so called natural rights, India could dig out history to find any trace of India-led collective initiatives. Reportedly, India is already thinking of such endeavour known as 'Project Mausam'. Although there has been no formal declaration, Indian Cultural Minister Mahesh Sharma announced in the Indian Parliament of a project to revive the ancient links among the countries of the Indian Ocean to gain a more holistic understanding of the subcontinent's maritime history.²⁸ Not an economic endeavour like the Maritime Silk Road, it aims to reestablish communications, rekindle long-lost ties across nations of the Indian Ocean, and forges new avenues for cooperation and exchange. While India projects this initiative as a cultural endeavour, it has both strategic and security dimensions. Indian former foreign secretary Sujatha Singh's meeting with culture secretary Ravindra Singh on how to link the project with India's foreign policy goals suggests that India is likely to pursue long-term strategic objectives through building partnership in

²⁵ Chunhao Lou, "US-India-China Relations in the Indian Ocean: A Chinese Perspective", *Strategic Analysis*, Vol. 36, No. 4, 2012, pp. 624-639.

²⁶ Rahul Bedi, "Interview: Admiral Nirmal Verma, India's Chief of Naval Staff", 22 July 2011, available at <http://defence.pk/threads/indian-navy-news-discussions.30327/page-96#ixzz3yH0e4UR8>, accessed on 18 March 2015.

²⁷ Liu Zongyi, "India Still Nervous about China's Growing Strength Despite Economic Ties", *Global Times*, 06 January 2015.

²⁸ "Project Mausam to Revive Links Among Indian Ocean Countries", *Outlook India*, 01 December 2014.

the name of 'Project Mausam'.²⁹ India is further promoting its maritime connectivity initiatives as part of its newly proposed 'Cotton Route', aimed at increasing its economic cooperation and strategic partnerships with countries in the IOR.³⁰ Prime Minister Modi's visit to Seychelles, Mauritius and Sri Lanka were aimed at boosting these initiatives.

Third, India is likely to get involved in diplomatic persuasion of neighbours with an aim to discouraging them from building any partnership that undermines perceived interests of India in this region. This policy step is linked with India's regional diplomacy of keeping its neighbours under its own sphere of influence. India is very sensitive about other countries' deep involvement in its neighbourhood. This step depends primarily on how India reaches its decision regarding its own participation in the maritime belt. If India is convinced that it is a beneficial endeavour for the country, it can play a game changer role and a solution itself.³¹ India's participation could eliminate the most critical barrier for other smaller countries to join the initiative. But given the mistrustful psyche of India, it is more likely that it will act to consolidate its sphere of influence on its neighbours, instead of realising common development and prosperity.³²

4. Geopolitical Apprehensions and Extra-regional Forces

A fundamental factor to consider is India's geopolitical and security orientation would make it difficult for the country to allow China to meddle in the Indian Ocean affairs. Bestowed with a geopolitically significant location at about 1,000 miles into the Indian Ocean and as the only linkage between the Bay of Bengal, the Arabian Sea and the Malacca and the Andaman Straits, India enjoys unique geographic preeminence in the IOR. This has cultivated a strong aspiration among Indian strategists who view the Indian Ocean as their 'rightful domain' to dominate the region.³³ Most of the Indian defence and naval policy documents put extensive focus on the necessity and rights of India to dominate the region. The Indian Army Doctrine pointed out that "by virtue of her size and strategic location in the IOR, India is expected to play her rightful role to ensure peace and stability in it."³⁴ They have established an inextricable inter-linkage between the IOR and Indian national security. India's maritime doctrine published in 2007 emphasises that any development in the Indian Ocean affects India's national security and the country needs to take interests

²⁹ Sachin Parashar, "Narendra Modi's 'Mausam' Manoeuvre to Check China's Maritime Might", *The Economic Times*, 16 September 2014.

³⁰ Dipanjan Roy Chaudhury, "India Plans Cotton, Ancient Maritime Routes to Counter China's Ambitions", *The Economic Times*, 17 April 2015.

³¹ Author's interview with Professor Zhao Gancheng, Senior Fellow, Shanghai Institute for International Studies, 17 March, 2015.

³² Liu Zongyi, "S. Asia Forum Delayed by India's Self-Interests", *Global Times*, 09 December 2014.

³³ Chunhao Lou, "Power Politics in the Indian Ocean: Don't Exaggerate the China Threat", *East Asia Forum*, 24 October 2013.

³⁴ "Indian Army Doctrine", Headquarters Army Training Command, Simla, 22 October 2014.

to any such occurrences.³⁵ It is expected that China's increasing presence in the Indian Ocean would be perceived as intended to dominate the ocean and to threaten India's national security.

In today's world, the Indian Ocean has emerged as a major centre of geopolitical competition. The immense strategic significance of the ocean, together with its central position in the geopolitical thinking from Harold Mackinder and Alfred Thayer Mahan to contemporary geostrategist Robert Kaplan,³⁶ has created enduring interests among both traditional and newly rising powers. The IOR is comprised of one-third of the world's population, 25 per cent of landmass and 40 per cent of oil and gas reserves. The Ocean is the third-largest body of water in the world and contains vital sea lanes and choke points, such as the Straits of Hormuz, Straits of Malacca, Lombok and the Sunda Straits. Hosting the transit of more than 80 per cent of the world's seaborne trade and oil, the Indian Ocean's sea lanes are considered among the most strategically important in the world.³⁷ Therefore, Indian Ocean has recently seen an increased involvement of both regional and extra-regional powers in terms of strengthening military surveillance and strategic partnerships.

In this context, China's maritime initiative, unlike the overland Silk Roads, is drawing much deeper geopolitical connotation. It is highly likely to be assessed through the prism of a rising China. "Because China's rise has caused a transformation in the global power structure, relations between China and the external world are now entering into a very sensitive period."³⁸ More importantly, apprehensions are spreading in quite a loud volume since China's so-called assertiveness in the maritime sphere is reflected through its recent actions, such as the proclamation of the South China Sea as a core national interest, opposing a US carrier entering the Yellow Sea for military exercises and serious face-off with Japan over the Diaoyu islands.³⁹ Though there could be some debate over to what degree geopolitical factors are concretely present in this calculation, in effect these factors will have definite influences on the possibility of China-India maritime cooperation. The deepening alignment of interests among India, the US and Japan is based on their shared perception that China ultimately aims at establishing its control over the Indian Ocean. This perceived apprehension is likely to bring these countries together into a soft network, Indo-US-Japanese Axis, in terms of formulating common approaches to their security and external policies to deal with China in this region.

The US maintains two major wings in its pivot to Asia: Asia-Pacific where it has Trans-Pacific Partnership and other bilateral and multilateral security alliances,

³⁵ "Freedom to Use the Seas: India's Maritime Military Strategy", Integrated Headquarters Ministry of Defence (Navy), New Delhi, 2007.

³⁶ See Robert Kaplan, *Monsoon: The Indian Ocean and the Future of American Power*, New York: Random House, 2010.

³⁷ Sergei DeSilva-Ranasinghe, "Why the Indian Ocean Matters", *The Diplomat*, 02 March 2011.

³⁸ Da Wei, "Has China Become 'Tough'?", *China Security*, Vol. 6, No. 3, 2010, pp. 97-104.

³⁹ *Ibid.*

and the Indian Ocean with increasing ties and strategic cooperation with India. The US seeks a forward presence in the Indian Ocean to maintain its preeminent Asian power status.⁴⁰ Responding to shifting power balance in Asia, it has deployed substantial military forces in the IOR. "The US 5th Fleet is headquartered in Bahrain and uses the island of Diego Garcia as a major air-naval base and logistics hub for its Indian Ocean operations."⁴¹ During the 1990s, the US established this 5th Fleet, which comprises an aircraft carrier strike group and multiple other task forces.⁴² Successive US governments have been able to secure military facilities in Oman, Bahrain, Kuwait, United Arab Emirates (UAE), Qatar, Saudi Arabia, Kenya and Singapore.

Along with prevailing military deployment, the US is also very active in fuelling strategic competition among the Asian powers in the Indian Ocean. By building strategic partnerships with India, Japan and Australia, the US is mostly acting with a view to preventing China from gaining preeminence in the maritime sphere. According to Chen Xiangyang, "The United States is taking advantage of China's maritime disputes with its neighbors by shoring up the position of its allies (Japan and the Philippines) vis-à-vis China."⁴³ It also takes particular interest in strategic competition between India and China in Asia.⁴⁴ During the last decade, it held several, unprecedented joint exercises, including advanced naval and air combat exercises that involved U.S. submarines and aircraft carriers.⁴⁵ For a greater coordination in its pursuit to maintain hegemony in global oceans, the US has devised the geopolitical concept of 'Indo-Pacific' as a part of incorporating India into its Asia-Pacific alliance.⁴⁶

On a quite similar ground, Japan is also showing greater assertiveness in the maritime sphere in general and Indian Ocean in particular. Due to maritime disputes with China and remilitarisation drive, the country has started to modernise the Japanese Coast Guard (JCG) by surpassing JCG budget to the self-imposed 1 per cent of GDP limit, and strengthen overall Japanese maritime capabilities.⁴⁷ Recent Japanese naval presence in Indian Ocean started in 2001 with the Japanese Navy's US-led war on terror missions in the Indian Ocean under Enduring Freedom-Maritime Interdiction Operation.⁴⁸ In addition, the Japanese Navy has been operating counter-piracy operations in the Gulf of Aden since 2009, and has established a

⁴⁰ Robert Kaplan, *op. cit.*

⁴¹ Sergei DeSilva-Ranasinghe, *op. cit.*

⁴² Frans-Paul van der Putten, Thorsten Wetzling and Susanne Kamerling, "Geopolitics and Maritime Security in the Indian Ocean", *Policy Brief No 11*, The Hague Institute of Global Justice, August 2014.

⁴³ Chen Xiangyang, "Time to Rethink the China-Focused Pivot", *China-US Focus*, 14 August 2014.

⁴⁴ Michael J. Green and Andrew Shearer, "Defining U.S. Indian Ocean Strategy", *The Washington Quarterly*, Vol. 35, No.2, 2012, pp. 175-189.

⁴⁵ Evan S. Medeiros, "Strategic Hedging and the Future of Asia-Pacific Stability", *The Washington Quarterly*, Vol. 29, No.1, 2005, pp. 145-167.

⁴⁶ Cai Penghong, *op. cit.*

⁴⁷ Richard J. Samuels, "New Fighting Power! Japan's Growing Maritime Capabilities and East Asian Security", *International Security*, Vol. 32, No. 3, 2007/08, pp. 84-112.

⁴⁸ Toshi Yoshihara and James R. Holmes, "Don't Expect much from Japan in the Indian Ocean", *Journal of Military and Strategic Studies*, Vol.13, No. 2, 2011, pp.1-17.

de facto base in Djibouti to support its counter-piracy activities in 2010.⁴⁹ Like the US, Japan is also working towards strengthening ties with India in multiple fronts including partnership in the maritime sector. Both Japan and India agreed to further strengthen 'the Strategic and Global Partnership', considering the changes in the strategic environment. In 2011, Japanese Prime Minister Abe called for strengthening Japanese-Indian cooperation at sea.⁵⁰ They have decided to conduct bilateral naval exercises on a regular basis with increased frequency.

India is increasingly aligning with the US-Japanese coalition in the Indian Ocean. The country's 'Indian Ocean psyche' is deeply rooted in its aspiration for a great power status in the world. India considers its ability to dominate the Ocean as the most vital pillar of its future power potential. It has been aggressively expanding its naval presence by establishing listening posts in the Seychelles, Madagascar and Mauritius, as well as by co-opting the Maldives as part of its southern naval command in 2009.⁵¹ The Indian Navy is envisioning for a three-carrier fleet as the cornerstone of India's future blue-water navy, making it the equal of the Royal Navy and second only to the United States in aircraft carrier assets.⁵² In addition, its dependency on the ocean for more than 70 per cent of oil imports has driven the country to deepening its strategic influence by becoming a major foreign investor in regional mining, oil, gas and infrastructure projects.⁵³

India's China concern in the Indian Ocean is also linked by its defense community with the so-called idea of "String of Pearls." This is supposedly a geopolitical term and indicates China's sea based facilities in the Indian Ocean littoral along the sea lanes of communication, ranging from mainland China to Port Sudan and involving several major maritime choke points. Since it has been coined in 2005 by US consultancy Booz Allen Hamilton which predicted China's potential desire "to expand its naval presence throughout the IOR by building maritime civilian infrastructure in friendly states in the region", India's maritime posture is claimed to be guided by this concept.⁵⁴ While might be useful in framing China's maritime policy through geopolitical lens, this concept neither fully captures the multi-prong nature of China's maritime interests and strategies, nor attests India's careful policy approach towards Chinese increasing presence in the Indian Ocean. China never uses the term and India's mainstream documents also avoid muddling with it too much.

At present India's options in Indian Ocean are complicated, due to lack of its superior power projection capability, poor infrastructure and inexperience in the maritime sphere. Hence, India pursues limited and relative maritime control and

⁴⁹ Frans-Paul van der Putten, Thorsten Wetzling and Susanne Kamerling, *op. cit.*

⁵⁰ *Ibid.*

⁵¹ Sergei DeSilva-Ranasinghe, *op. cit.*

⁵² Walter C. Ladwig, "Delhi's Pacific Ambition: Naval Power, "Look East," and India's Emerging Influence in the Asia-Pacific", *Asian Security*, Vol. 5, No. 2, 2009, pp. 87-113.

⁵³ Sergei DeSilva-Ranasinghe, *op. cit.*

⁵⁴ Benjamin David Baker, "Where is the 'String of Pearls' in 2015?"; *The Diplomat*, 05 October 2015.

allows US dominance in the Indian Ocean, tolerating an unchallenged US military presence in the region. However, India's maritime power is increasing day by day, so is its ambition. Even though the US, together with its allies France and Japan, will keep its strongest military presence for quite some time, it is quite probable that India by dint of its growing maritime power and geographic advantages will definitely play a bigger role in regional affairs. How would a powerful India act in terms of treating external powers, be it the US, Japan or China, is particularly a gray zone. For now, India needs favourable external presence in the Indian Ocean, and its previous records suggest that it will prefer the US-led alliance to remain the strongest force in the region in the next decade or so.

These geopolitical issues bear certain potential to complicate China's relations with India and other littoral South Asian countries, obstructing potential Sino-Indian maritime cooperation. It is not unlikely that geopolitical apprehensions would drive the initiative towards a conflicting direction to a certain extent. If that is the case, it will add to the India's dilemma, by throwing the government into a complicated calculation based on both perceived fear and existing relations with key geopolitical actors in the region. India, with its rising economic and military power, might have some leverage to choose its autonomous path from the US. But as long as it remains occupied with geopolitical considerations, it will nurture and fuel its trust gap with China.

5. Complementarities and Potential Benefits for India

Looking from an optimistic perspective, experts believe that India and China share many common grounds which could allow the latter much room to convince the former to participate in the maritime connectivity. The most important of all is the common drive for economic growth. Modi government's overall external policy speaks of a growing space for India-China cooperation. After taking seat, Modi has been pursuing a six-characteristic foreign policy which are "developing the economy first, focusing on the neighbourhood, securing a resolution of tensions on the borders, expanding India's engagement with Asian countries, expanding cooperation with major powers and learning from China how to deal with multilateral issues."⁵⁵ Just like former Chinese leader Deng Xiaoping, Modi is a realist, whose aim is to rejuvenate India's economy. Modi visited China's special economic zones and relatively developed regions many times when he served as Chief Minister of Gujarat. It is quite evident that Modi wants to introduce China's experience of development into India. His government has made it very clear that any Indian economic strategy must involve a significant role of China.⁵⁶ This emphasis on economic growth and the recognition of the China's role is likely to forge economic partnerships, positively affecting India's policy towards maritime connectivity with China.

⁵⁵ "Media Plays Role in Sino-Indian Peace", *Global Times*, 03 February 2015.

⁵⁶ *Ibid.*

In addition, there is a significant level of economic interdependence between the two countries. China is the largest trading partner of India: bilateral trade is to reach US\$ 100 billion by 2015, from US\$ 61.74 billion in 2010.⁵⁷ But India has a huge trade deficit, US\$ 35 billion in 2013, with China,⁵⁸ while prior to 2005, India enjoyed a trade surplus with China. In addition to trade, China has several big cooperation projects in India including: a US\$ 2.4 billion contract to build the second phase of a massive coal-fired power complex in southern India, and an agreement to set up Chinese Power Equipment Service Centres (PESCs) in India.⁵⁹ Adding up to existing economic ties, China is offering India with massive investment funds for infrastructure development. During the Chinese President Xi Jinping's official visit, China pledged to invest US\$ 20 billion in India in the next five years, establish two industrial parks and participate in its infrastructure development including the high-speed railway project from Delhi to Chennai.⁶⁰ It represents a huge leap compared to the investment stock of US\$ 411 million during the past decade.

India might also think pragmatically to exploit potential benefits from the maritime connectivity and cooperation with China. The Chinese initiative will provide enormous opportunities for infrastructure investment and low-cost financing. China is now the world's third-largest outbound investor, and its outbound investment in 2014 totaled over US\$ 100 billion for the first time.⁶¹ Connectivity projects are driven by the country's huge outbound investment plan, which is expected to exceed US\$ 1.25 trillion in the decade from 2015, and to help finance a large-scale infrastructure boom among developing economies, starting with its neighbours.⁶² This infrastructure investment could help India to address its low level of industrialisation and unemployment problems. As China has more than US\$ 3 trillion of foreign exchange reserves⁶³ it could offer low-cost financing to the participating countries.⁶⁴ China is also increasingly accommodating huge inbound investment in the previous years. In 2014, it absorbed US\$ 119.6 billion in non-financial foreign investment. This helped China surpass the United States to become the world's top destination for foreign investment.⁶⁵ This will create large-scale business expansion opportunities for neighbouring countries in China's mainland.

The other factor that could also bring India closer to China is the former's participation in the multilateral effort to develop an alternative financial order in

⁵⁷ Timsy Jaipuria, "Sino-Indian Trade likely to Reach US\$100 Billion by 2015, says Deloitte", *The Financial Express*, 20 August 2011.

⁵⁸ "China is Addressing Sino-India Trade Imbalance: Le Yucheng", *The Economic Times*, 16 September 2014.

⁵⁹ Liu Zongyi, "China's Economic Relations with SAARC: Prospects and Hurdles", *CIIS Time*: 01 December 2014.

⁶⁰ Liu Zongyi, 06 January, *op. cit.*

⁶¹ Wang Yanlin, "China Expects to be Net Investor", *Shanghai Daily*, 17 January 2015.

⁶² Zhao Shengnan, "Sri Lanka Welcomes Chinese Investment, Says Minister", *China Daily*, 28 February 2015.

⁶³ Han Dongping, "US Should Adapt to Changed Geopolitics in Asia", *China Daily*, 12 February 2015.

⁶⁴ Xinhua, "China's Silk Road Strategy Draws Interest from Over 50 Countries: Official", *Shanghai Daily*, 25 January 2015.

⁶⁵ Wang Yanlin, "China's FDI Grows Fastest in 4 Years", *Shanghai Daily*, 17 February 2015.

Asia.⁶⁶ India's willingness to be an inaugural member of both AIIB and BRICS Bank is a big development in this regard. In addition, both countries have been working together in BCIM-EC initiative. Since 2013, BCIM got the momentum when the top leadership of both China and India agreed to form the joint study group. The progress is quite promising with important meetings, successful Kolkata to Kunming (k2k) car rally and combined country report on thematic areas of cooperation. If this initiative can deliver fruits on its promises, India will be encouraged towards greater partnership building in other connectivity areas.

Experts also believe that India will understand in the long run that it has common security interests with China in the IOR.⁶⁷ It is quite logical to see China playing a constructive role in the Indian Ocean. While it is rather a remote zone for China, but the region is critical for the safety of Chinese seaborne trade and energy transportation as well as for the security of the sea lanes of communication. This is also a common ground. Like China, India's import of crude oil has followed an upward trend over the past years and currently India is the fourth-largest buyer of crude oil and petroleum products. By 2025, India is expected to overtake Japan as the world's third-biggest importer. On the other hand, unlike China which has been more successful in source diversification, especially in pipeline diplomacy, India's geographical location is less promising in terms of overland source diversification.⁶⁸ As such, the safety of maritime energy transportation is crucial for India. In this context, working with China could seem profitable to India. Establishing of a forum of Oceanic regionalism, particularly China's participation in the Indian Ocean Rim Association (IORA) could become a reality in the long run.

6. Mediating Factors on the Geopolitical Front

On the geopolitical front, despite having conflicting interests among the countries, a relative stability in the region is the most likely outcome. Gradually other big powers, both regional and extra-regional, will adjust their policies in terms of peaceful coexistence with this geoeconomic maritime belt. There are several reasons to believe that this normalisation would take place. First, countries well understand that Cold War thinking is over. A newer form of multilateral diplomacy has emerged where countries allow competitors in and engage with them to maximise their national interests. This rising tolerance to multilateral coexistence would be a key factor to the evolving geopolitical architecture in the IOR. Contemporary postures of the US, while showing assertiveness in deterring the rise of any peer competitor in the high seas, signal a relatively mild tone towards China. Since the beginning of Obama's second term, the US has become cautious in making statements or taking steps on

⁶⁶ Author's interview with Professor Ren Xiao, Director, Centre for China's Diplomatic Research, Fudan University, 24 March 2015.

⁶⁷ *Ibid.*

⁶⁸ Serafettin Yilmaz and Olga Daksueva, "China-India Energy Policy in the Middle East: A Comparative Analysis", *Global Review*, Winter 2014.

related issues. It appreciated Japan's restraint on the Diaoyu Islands issue and avoided making any public response on the Sino-Japanese maritime face off.⁶⁹ In addition, the US now tends to reinterpret its rebalancing strategy that it does not mean containing China or seeking to dictate the terms in Asia.⁷⁰ Along with this shifting behavior and the growing maritime capability of China and India, there is a good possibility that the US dominance in the Indian Ocean will transform into US-India-China trilateral co-existence and interaction.⁷¹ Geopolitical factors are going to be subsided by economic and other forms of common challenges.

On the same token, India is also likely to be able to reconcile both of its pro-West interests in the Indian Ocean and potential maritime cooperation with China, keeping the relationship low in geopolitical terms in both fronts. There are at least two reasonable claims that support this assessment: First, India's naval power, which is increasing in a faster and considerable degree, would grant India a much stronger autonomy from the US-led Western dominance in the Indian Ocean. As a consequence, India would be in a better shape to make independent decisions and follow divergent choices in some areas for instance cooperating with China in Ocean economy. Second, the complex interdependent nature of interactions between the extra-regional forces and China might create additional incentive for India not to completely sideline China's role in its future ambition to emerge as a big power both regionally and globally.

Second, there has been a growing maturity among the major powers, and by learning from the past, they now act with greater restraints. China has been quite successful in avoiding war or serious confrontation and has smoothly steered into a new multipolar world. China's relations with Russia and India, with whom it fought border wars in the 1950s and 1960s, have stabilised over the years.⁷² Cool headed thinking and responsible behaviour have prevailed between China and the US. Both countries are working hard to avoid misunderstanding and misperception of each other's actions. A host of dialogue mechanisms, notably the Strategic and Economic Dialogue (S&ED) is facilitating trust building at the strategic level.⁷³ Some key examples of accommodative behaviors are: China's participation in the US-led RIMPAC naval exercises for the first time; and China's flexible reading of the US deployment of 60 per cent of its naval forces to the Pacific.⁷⁴ Similarly, India is also showing mature posture in crafting its engagement in issues that concerns China. In the latest published maritime strategy, a revised version of India's 2007 maritime doctrine, the country reduces its excessive focus on the Indian Ocean as well as reassures its resolve of not

⁶⁹ Ruan Zongze, "Toward a New Type of Major-Country Relationship between China and the US: Challenges and Opportunities", *China Institute of International Studies (CIIS) Paper*, No. 1, December 2013.

⁷⁰ *Ibid.*

⁷¹ Chunhao Lou, 2012, *op. cit.*

⁷² Feng Zhongping and Huang Jing, "China's Strategic Partnership Diplomacy: Engaging with a Changing World", *ESPO Working Paper*, No. 8, European Strategic Partnerships Observatory (ESPO), June 2014.

⁷³ Chen Xiangyang, *op. cit.*

⁷⁴ Zhao Gancheng, *op. cit.*

engaging directly in the affairs of the Western Pacific to avoid being sandwiched in the US-China power politics dynamic.⁷⁵

Third, in the dawn of 21st century, all the countries in Asia share a common outlook that this is the 'Asian Century'. "The concept of a 'Greater Asia-Pacific' is taking shape – a region covers the Pacific and Indian Ocean, of nearly 4 billion population, over US\$ 42 trillion in total economic output (60 per cent of the world's total), and over US\$ 20 trillion in trade volume (77 per cent of the world's total), with an increasingly deep and complex interaction between and among political, economic, security and environmental factors."⁷⁶ There is a greater spread of the idea that a common Asian identity provides a unique ground for rising Asian economies to cooperate and assist one another in attaining economic growth and improving the quality of life to the scale of developed industrialised countries. Such an optimistic outlook is based on the glorious past of the Asian civilisations with highly developed economy and close contacts with one another. This underpinned a newer form of geographical imagination and reimagining of the entire world keeping Asia at its centre. It is highly likely that Asian common identity will make a bridge between India and China, leading to greater harmonisation of their policies and actions. In addition, this idea of greater Asian regionalism is slowly gaining currency to the outside world. With the mounting economic and military capability of Asia, as well as the dominant representation of Asian culture, outside powers will eventually give credence to this world's largest cultural conglomerate.

7. Challenges for India to Overcome

There are several key challenges India ought to overcome if it wants to arrive successfully at a position to consider its meaningful involvement in the maritime and other forms of connectivity with China. The first challenge would be how to separate the inter-linkage between border disputes and sensitivity in the areas of substantive cooperation. Frequent tensions at the disputed border induced from the historical legacy of border war are likely source of mistrust that could breed further anti-Chinese directions in Indian policies in many areas. Indian and Chinese troops were engaged in a face-off even when President Xi and Modi held official talks in Delhi.⁷⁷ In addition, India has announced the creation of a new military corps of 50,000 troops, likely to be stationed along the often-contentious border with China.⁷⁸ This marks India's growing worries in the east and sensitivity towards Chinese assertiveness in the neighbouring regions. However, the level of cooperation between the two countries in the previous decades is a testimony that both can build partnerships keeping aside

⁷⁵ "Ensuring Secure Seas: India's Maritime Military Strategy", Integrated Headquarters Ministry of Defence (Navy), New Delhi, 2015.

⁷⁶ Cai Penghong, *op. cit.*

⁷⁷ Liu Zongyi, 01 December 2014, *op. cit.*

⁷⁸ Sanjay Kumar, "Uneasy Neighbors", *Global Times*, 31 July 2013.

all bilateral outstanding issues.

The second challenge necessitates India to address the anti-Chinese psyche of political leaders and negative popular opinion towards Chinese initiatives. This is relevant for any joint initiatives with China. Both ordinary Indian people and opinion makers regard China as a threat rather than a friend. Many Indians feel anxious and worried as their neighbour is becoming more and more powerful.⁷⁹ A joint poll conducted by the Lowy Institute for International Policy and Australia India Institute shows that 83 per cent of 1,223 adults surveyed considered China a security threat.⁸⁰ This negative view could make any strong partnership with China very unpopular domestically and hence, unwelcomed politically.

The third challenge is how India defines its position with regard to taking side with Vietnam, Philippines and Japan on the maritime disputes in both South and East China Sea. This relates to the future dilemma with the 'Act East' policy of Modi Government as well. If India can successfully explore complementarities between India's Act East policy and Chinese connectivity projects, the solution to this problem will become much easier. Since the beginning of the 21st century, the focus of India's "Look East" policy gradually expanded from economic and cultural fields to strategic and security fields and from Southeast to Northeast Asia. In 2011, India interfered with South China Sea disputes by declaring that it would cooperate with Vietnam on oil fields exploitation in this region. Though it is claimed that India's actual interest in Asia-Pacific is to get more leverages from China,⁸¹ after Prime Minister Narendra Modi took power, the "Look East" policy has been developed into an "Act East" policy. India has also enhanced its strategic and military cooperation with countries around China, such as Japan, Vietnam and Australia.⁸²

The final challenge is how to keep balance between its strategic partnerships with the US, Japan, South Korea and Australia on the one hand, and to continue to extend cooperation with China, on the other. The US and its Asia-Pacific allies want to have closer security cooperation with India particularly in the maritime sector.⁸³ Modi government after taking the office made Japan the first foreign port of call beyond the Indian subcontinent. Japan has been consistently assisting India's economic rise through aid, investment and technology transfer. During the last visit, Tokyo pledged US\$ 35 billion assistance, while the two sides also upgraded their ties to a "Special Strategic and Global Partnership" to emphasise increased economic and defence

⁷⁹ Hu Shisheng, an expert on South Asia at the China Institute of Contemporary International Relations, cited in Sanjay Kumar, *op. cit.*

⁸⁰ Sanjay Kumar, *op. cit.*

⁸¹ Zhao Gancheng, "Chinese Perspectives: Interests and Roles in Indo-Pacific", in Mohan Malik (ed.) *Maritime Security in the Indo-Pacific: Perspectives from China, India, and the United States*, London: Rowman and Littlefield, 2014.

⁸² Liu Zongyi, "New Delhi-Beijing Cooperation Key to Building an 'Indo-Pacific Era'", *Global Times*, 30 November 2014.

⁸³ Meena Krishnendra, "India and the Indo-Pacific Geopolitical Imagination", *Global Review*, Fall 2014.

cooperation.⁸⁴ Whether India would be able to keep its strategic independence from this multi-prong strategic engagement with the US and Japan will be highly significant to its ability to work with China on 'One Road, One Belt' projects.

8. Conclusion

China's drive to establish the 21st Century Maritime Silk Road shows a high prospect for a new development and cooperation model to promote comprehensive and collective economic growth across different parts of Asian and African continents. Going beyond geopolitics-centric maritime partnership, this initiative is a promising development in connecting rising economies with poor and underdeveloped regions, and thus creating a more balanced distribution of growth in the coming decades. China is advancing the idea of "win-win cooperation" and acting with a negotiating, flexible and transparent attitude to curb geopolitical apprehensions and build confidence among the countries along the road.

India being the largest and most powerful country in the Indian Ocean littoral occupies vital importance in connecting the East and Southeast Asia with Middle East and East Africa. It is facing geopolitical and security dilemmas in making concrete decisions. Economic interdependence and the need for industrialisation and infrastructure development as well as seaward reorientation of national economies have created ample complementarities between the two countries. While India's position would be big factor into the play, the complicity involves a much broader geopolitical hedging. There is an alignment of interest among India, the US and Japan in the Indian Ocean. The traditional policy of the US of preventing the rise of peer competitor in its hegemonic pursuit of controlling global oceans could make China's maritime initiative appear as a counter-balancing by China, and lead to strengthening of US Indo-Pacific security alliances. Japan's growing maritime ambition along with its customary anti-Chinese stance has brought the country closer to the US-Indian platform. Nevertheless, the growing Indian maritime capability might lead the calculation to a different direction. Whether India will act in tandem with the US-Japanese frame in the long run will depend how India assesses its trade off between its potential geoeconomic opportunities and geopolitical aspirations.

India in the long run might prefer to participate in the initiative. The most compelling factor would be its enormous need for infrastructure development and employment creation to meet challenges of growing population and industrialisation. Its participation will also depend on China's diplomatic ability to maintain the benign nature of the maritime belt in the face of perceived threats and geopolitical apprehensions. Economic and security complementarities are likely to create scope for

⁸⁴ R. Lakshminarayan, "Modi on the Move", *Global Times*, 16 September 2014.

greater connectivity and cooperation between India and China. In due course, extra-regional actors could also understand the significance of maritime cooperation and adjust with the Silk Road maritime belt, going beyond Cold War zero-sum thinking, leading to peaceful status quo in the IOR.

For a successful maritime connectivity through the Maritime Silk Road that would create greater appeal to neighbouring countries including India, China needs to project the initiative as a collective endeavour by the countries along the road, instead of appearing to be solely a Chinese project. For that end, it should think of creating a forum for regular consultation and negotiation on the potential areas of cooperation, as well as for jointly defining terms and procedures. Developing concrete plans for efficiently implementing the initiative as a commercially profitable and diplomatically meaningful cooperation would be critical for convincing India to participate. It is very important to note that, making the Maritime Silk Road a win-win scheme in this region, which is marked by historical legacies of disputes, instability and unequal level of development will require a great plethora of innovative thinking and policies.⁸⁵ One very important step is to make constant efforts to avoid any activities that provoke geopolitical apprehensions among the potential big partners like India. For instance, China's reportedly signing of "a 10-year agreement with Djibouti to set up a navy base to serve as a logistics hub for the People's Liberation Army-Navy"⁸⁶ is likely to draw geopolitical connotation of the initiative and discourage others to participate in the initiative.

China needs to increase its diplomatic maneuvering skills to a great extent. Chinese embassies in the partner countries will have to play more engaging role. Many Chinese experts think that the country's foreign missions are not equipped enough to undertake specific activities dedicated for projects like the Maritime Silk Road. There is a strong necessity to strengthen its foreign missions by creating specific departments to deal with such issues. Public diplomacy in the long run would be very important for materialising this project. Countries with democratic political setting like India have different portfolios other than the government. The project ought to take multiple stakeholders into confidence. Business groups, entrepreneurs and civil society are having their growing influence as pressure groups in the policy making processes. Negotiation and discussion should evolve in multiple fronts, alongside formal government channels. More diplomatic level exchanges among foreign ministries, ministries of trade and commerce, transportation, energy and other relevant government departments should be undertaken to foster spreading of the idea.

China needs to be pragmatic while undertaking plans. Clear incentives should be chalked out to generate wide-scale interests in India. Priority should be given on output oriented projects in the beginning so that the initiative can visibly deliver on

⁸⁵ Author's interview with Professor Ren Xiao, *op. cit.*

⁸⁶ Anthony Kleven, "Is China's Maritime Silk Road a Military Strategy?", *The Diplomat*, 08 December 2015.

its promises. This will build confidence on win-win cooperation. China has to find out acceptable ways to resolve maritime disputes peacefully with its neighbours in both South China and East China Seas. China's ability to resolve the disputes in a win-win manner would be a great leap forward towards building confidence among both regional and extra-regional players, and thus motivating them to participate in its ambitious projects.