

India Calls CPEC Illegal: RSTV – Big Picture

Anchor: Frank Rausan Pereira

Guests- Lt Gen (Retd.) PC Katoch, Defence Expert; Prabhu Dayal, Former Ambassador; Professor Harsh V. Pant, Head, Strategic Studies, Observer Research Foundation.

What's in the News?

- The Minister of State in the Ministry of External Affairs, V. Muraleedharan said that the Government's position on China's '[One Belt One Road](#)' or 'Belt and Road Initiative' has been clear and consistent.
- Government's concerns arise in part, from the fact that the inclusion of the so-called 'China-Pakistan Economic Corridor' ([CPEC](#)) as a flagship project of 'OBOR/[BRI](#)', directly impinges on the issue of sovereignty and territorial integrity of India.
- The Indian Government has conveyed its concerns to the Chinese Government about their activities in areas illegally occupied by Pakistan in the Union Territories of Jammu & Kashmir and Ladakh and has asked them to cease such activities.
- India has also asserted that China must follow the principles of openness, transparency and financial responsibility and it must pursue projects in a manner that respects sovereignty, equality and territorial integrity of other nations.

Larger Background:

- The entire area of Jammu and Kashmir acceded to the Dominion of India in 1947, as validated by the "Instrument of Accession". However, there are certain parts of J&K which are under the illegal occupation of Pakistan and China.
- The China-Pakistan Economic Corridor is an infrastructure project proposed by China that involves the construction of a corridor stretching from the Chinese border to Pakistan's deepwater ports on the Arabian Sea.
- Construction of a 3,218 km long route from the Chinese province of Kashgar to the Pakistani port of Gwadar, is seen as the hallmark of the CPEC project.
- The CPEC passes through parts of the Union Territories of Jammu & Kashmir and Ladakh which are under the illegal occupation of Pakistan.
- The Indian Government's position on this issue has been endorsed by many other countries.
- Further, India is of the firm belief that connectivity initiatives must be based on universally recognized international norms.

India's opposition to the CPEC

- India has had a long-standing opinion that the CPEC is illegal, however, China continues to override all of India's concerns.
- During the G-20 summit at Hangzhou in September 2019, PM Narendra Modi had expressed India's concerns over the CPEC in his bilateral meeting with Chinese President Xi Jinping, holding that the two countries needed to be "sensitive" to each other's strategic interests.
- However, there is not much that can be done by India in the near future, as the CPEC is already partially operative.
- Thus India would have to adopt a long term strategy.

Boycotting Chinese goods: A possibility?

- It is a well-known fact that the Chinese take advantage of their military and economic power.

- India cannot place a ban on the usage of Chinese goods due to the following reasons:
 - China is India's third-largest trading partner. Banning them would affect India's economic situation.
 - Also, as per the global economic regulations of the [WTO](#), India cannot ban Chinese goods.
- However, India can adopt the ideology of Nationalism and encourage people to boycott Chinese goods.

Is CPEC the key to Pakistan's economic situation?

- Many consider the CPEC to be the key to Pakistan's economic crisis, however, several economists remain skeptical about the opaqueness of projects under CPEC.
- The CPEC is a complicated set of infrastructure investments that will be paid for mostly by Pakistani investors, consumers, and taxpayers by availing commercial loans from Chinese banks. The commercial loans would, in turn, be paid back by Pakistani power generation companies and the Government.
- Some economists are of the opinion that the availability of energy wouldn't indicate a sudden booster to the local economy and the compulsory buying of electricity from the Independent Power Producers (IPPs) would generate another vicious cycle of circular debt for Pakistan.
- It also reveals that China is using Pakistan to dump its coal, despite the latter having large coal resources of its own.
- The total CPEC cost is around \$46 billion and there is also a lot of cynicism regarding the terms and conditions of the loans that Pakistan is obtaining from China under the CPEC project.
- This could result in Pakistan becoming highly indebted to China and China, in turn, could manipulate Pakistan to hand over its assets.

The Chinese game plan:

- China is a part of the Russia-India-China (RIC) trilateral and during the summit, it has been ardently against the issue of strategic encirclement by western countries, particularly the USA. However, it is repeating the same thing itself.
- Its engagements with Myanmar i.e; China-Myanmar economic corridor and Pakistan i.e; CPEC has effectively covered all regions around India.
- China has also been using Pakistan as a tool against India to limit India's influence on South Asia.
- However, China wants India as well to join the BRI due to its huge market.

India Vs China's approach:

- India's expansive proposition has given an edge to India in comparison to China's global connectivity proposition. India has an advantage in terms of shaping the larger normative framework.
- Diplomatically, India has a more robust inner engagement with various countries with whom it shares a similar approach.
 - India-Japan's Asia Africa Growth Corridor
 - India, Australia, USA, and Japan are coming up with a unique infrastructure-based approach under the Quadrilateral (QUAD).
- When India promotes a project in friendly countries it provides suitable alternatives to weaker nations, instead of forcing it on them. China, on the other hand, advocates unilateralism and dictates terms to the smaller countries. When China announced the BRI, it offered no other alternatives.

Can India take on China?

- Any conflict between India and China would be largely sub-conventional.
- Pakistan and its proxies could be used by China to destabilise India.
- So India could also consider such proxy options, which is a technique used by many countries such

as Russia, the USA, etc.

- Transporting the proxy war from J&K to Pakistan's territory could potentially break the China-Pakistan nexus.

Way Forward:

- India should push for establishing alternate models of infrastructure development in the region.
- The sovereignty and defense of the country should be looked at from a strategic point of view. India's engagements should be influenced by China's expansion and its effects on Indian interests.
- India should also focus on promoting its domestic industries while coming up with alternatives to challenge China regionally.
- India should try to shape the global narratives in such a way that it is beneficial to India.

Conclusion:

India is considered as one of the emerging superpowers in the world and has been working robustly on its international relations and should use this support judiciously in tackling the CPEC issue. India should take a firm stand on this issue while holding onto its territorial integrity. India should also undertake efforts to promote regional connectivity and its domestic markets.