



VIVEKANANDA INTERNATIONAL FOUNDATION

# China-One Belt and One Road Initiative: Strategic & Economic Implications

*ISSUE BRIEF*

*Vivekananda International Foundation*  
3, San Martin Marg, Chanakyapuri,  
New Delhi – 110021

Copyright @ Vivekananda International Foundation, 2016

Designed, printed and bound by IMPRINT SERVICES, New Delhi

---

All rights reserved. No part of this may be reproduced or utilized in any form, or by any means, electronic or mechanical, including photocopying, recording or by any information storage and retrieval system, without prior permission in writing from the publishers.

# China-One Belt and One Road Initiative: Strategic & Economic Implications

by  
Gautam Sen





## About the Author



Gautam Sen

Professor Gautam Sen is presently Emeritus Professor at MILE, Visiting Professor Gorakhpur University, Adjunct Faculty, NIAS, Bangalore, Research Professor, Government of India and Guest lectures at the National Defence College, Delhi and other Institutes of Higher Education Think Tanks regularly.

Professor Sen was formerly Sawarkar Professor of Strategic Studies(1981-2007), Head Department of Defence Studies(1981-2001), Director National Centre of International Security and Defence Analysis (2002-2007) & Director BCUD at the University of Pune. He was Director General and Member Board of Trustees, Indian Institute of Education, Pune (2006-2011). Between 2006 -2013, Sen has been a Visiting Professor at Madras University, Gorakhpur University, Gujarat Vidyapith, Goa University, Institute of Social and Economic Change, Bangalore, and Member of Task Force to Advise Government of Goa for creating a Maritime Commission for Goa.



## FOREWORD

1. At the outset, let me compliment Prof Gautam Sen for producing this monograph on a topic which is contemporary and of great relevance to us and the world at large.

2. The instant President Xi Jinping proposed his Silk Road Economic Belt and the 21st Century Maritime Silk Road (also known as the 'One Belt, One Road' (OBOR) or 'Belt and Road Initiative' (BRI)), there was an intense curiosity and interest surrounding this proposal and the same still continues unabated. This heightened interest stems from the fact that, the world is largely unable to fathom out the exact rationale and intent behind this proposal. This paper is therefore, a very welcome and useful step towards shedding light on the OBOR and providing answers to some of the questions surrounding it.

3. It is an original research work as it tackles this important topic from a completely different perspective. The author has studied the implications of the OBOR against the backdrop of India - China relations. Credit must also go to the author for giving an unbiased assessment as he has studied the OBOR initiative both from the Indian and the Chinese perspectives. I must also compliment him for presenting his paper through eight well researched lucid parts which are backed by extensive and elaborate foot notes, which are a testament of the vast research undertaken by him.

4. The Silk route is a manifestation of the age old trading route which has enabled establishment of linkages between various civilizations right throughout history. This fact has been leveraged by China through its proposed OBOR initiative which provides for a three dimensional (land, sea and air) linkage to the Afro Eurasian land mass. While seeing the OBOR from a Chinese perspective, the author has identified the OBOR as a link between "The China Dream" and "The Global Dream". He has also tried to present the Chinese perspective of the OBOR being a win-win cooperative arrangement which is mutually equal and inclusive for all its partners.

5. I firmly believe that neo realism has impacted Indian strategic thinking in an extremely positive way. The same is evident from the fact that India has rightly questioned the relevance of the OBOR to India in its present state, especially when enough information about specifics is not

forthcoming from China. India also has strong reservations about the China Pakistan Economic Corridor (CPEC); which is a part of the OBOR and passes through Pakistan Occupied Kashmir (POK).

6. The author has correctly homed on to the fact that despite all the hype that has been generated by the OBOR, what remains to be seen is whether the initiative is in itself sustainable, as it basically relies on the principle of cooperative economic interdependence to turn it into a reality and only time will prove its practicability or otherwise.

7. The author has at the end of his exhaustive research recommended that the OBOR initiative needs to be continuously monitored and further studied against specific parameters as it has far reaching ramifications for India. I strongly endorse the author's recommendation and feel that this excellent paper would awaken the interest and curiosity of the academia towards exploring this important subject further. I am confident that this work by Prof Gautam Sen would be of great value to the global strategic community and would prove to be an invaluable source of knowledge on this contemporary topic.

8. I must add here that the VIF is already in the process of examining the OBOR in its totality. As a part of this process, the following work has been done:-

- (a) An occasional paper titled "Understanding the Chinese One Belt One Road" which was written by Amb Prabhat P Shukla in August 2015 is available on our website.
- (b) Present monograph by Prof Gautam Sen, which is going for printing.
- (c) A monograph on CPEC which has been written by Mr Sushant Sareen will be printed shortly.

New Delhi

January 2016

(General N C Vj)  
PVSM, UYSM, AVSM (retd)  
Director - VIF  
Former Chief of the Army Staff  
&  
Founder Vice Chairman, NDMA



## Abstract

"The India-China relationship is likely to be the most complex, perhaps the most competitive relationship between two of the world's mega-states in the twenty-first century. Their cooperative interactions will be edgy and formal, often brittle – irrespective of public professions to the contrary. National interest guides the making of nation state irrespective of differences in political, social and cultural thinking of a nation state to govern, administer and sustain stability. National interest always acts as a catalyst to synergize the vitality of a nation state. Core national interest is therefore singular in nature and cannot be different or influenced due to difference in political thinking, or political processes undertaken by different political parties to govern and administer, or by social and cultural entities in a nation state or due to the framed constitution of the country. When Xi Jinping, the Chinese President during his visit to Kazakhstan and Indonesia in September and October 2013, unveiled the Silk Road Economic Belt and the 21<sup>st</sup> Century Maritime Silk Road proposals also termed as 'one belt, one road' (BRI) it set into motion an organic pivot which is very much poised to be a major strategic term of reference affecting global diplomacy in the 21<sup>st</sup> Century. It has already become a major priority issue in Beijing's foreign policy drive Chinese statements suggest that the initiative will include five areas of connectivity: policy, infrastructure and facilities, trade, currency, and people The presentation is covered in eight parts 1) Explaining the Silk Road, 2)The Setting: Understanding China and India's Aspirations, 3)China's Global Perspectives on New Silk Road, 4)Strategic Significance of One Belt One Road 5) Assessing China's Military Strategy in 21st Century 6)China's Approach to India, 7)Important Strategic Implications, 8) India's Perspectives and Strategic Outlook 9) Recommendations and Conclusion. Recently George Friedman pointed out that "the most significant feature of the global system currently is the ongoing destabilization of the Eurasian land mass, from the Atlantic to the Pacific, from the Arctic to the Arabian Sea. One important aspect of this is that the destabilization isn't, at this point, a single systemic crisis, but a series of relatively self-contained disorders. Thus the European, Russian and Middle Eastern systems have different dynamics, and while they touch on each other, they have not yet reached the point of having merged into a single crisis." It is this natural geopolitical advantage that China is attempting to use to establish the

economic agglomeration over the region and fortify her credibility through trade and commerce integration with the Chinese Economy in general and achieve strategic credibility to challenge major European and North American conglomerate. Friedman further addresses to the geopolitical question of East Asia and observes that "Asia is so vast and diverse and geographically fragmented that it is impossible to speak of Asia as a whole. East Asia is that part of Asia east of the Central Asian deserts that extend deep into China, and north of the Himalayas and hilly jungles east of the Himalayas. It consists of two main parts: One is the mainland, the region between the southern barriers and Siberia, which is Han China and its subordinate states, Tibet, Xinjiang, Inner Mongolia and Manchuria. The other is the East Asian archipelago, a string of islands and peninsulas stretching from the Aleutians to the Malay Peninsula-Java interface. Of particular importance to an East Asian net assessment are Taiwan, the Philippines and Japan. One additional feature is noteworthy: the Korean Peninsula, wedged between China and the archipelago. In the simplest terms, at this moment, the critical question is the dynamic in the northeast, involving China, Japan, the Koreas and, of course, the global power, the United States" He thus gives a key strategic rationale of China to subjugate India with both Economic and strategic Military agglomeration to carve out a permanent position of a super power next to the United States.

# *China-One Belt and One Road Initiative: Strategic & Economic Implications*

## PREAMBLE

Napoleon was the first to draw the attention of the world about the potential of China to emerge as a major power and had warned that it was better to let the giant in China sleep. However, more than a century back, Swami Vivekananda too warned the world about the possibility of an emerging China with a capacity to rewrite the global balance of power. In the first two decades of the 21<sup>st</sup> century, China has indeed emerged as global strategic and economic power with visible and empirical proof of her ability to redefine Communism as a new brand of Chinese Communism, absolute nationalism supported by a totalitarian mode of Governance.

Some two decades ago, Bhabani Sen Gupta had described India to be the "Fulcrum of Asia". Today she stands at the cross road of geo-politic and geo-economics in Asia too. India's rich cultural, social, multi religious and multi ethnic combination of diversity gives her a far greater and deeper civilizational consciousness. It is not unidirectional like China. India has developed the habit over the centuries, first to internalize and then to synergize the diversity of human nature following different philosophical, social, political, religious and even spiritual pathways to coexist peacefully when autonomous or even under subjugation by outside political and military powers as seen during the reign of the Mogul's followed by the British colonialism. India developed the art of assimilation and integration, which no other civilization can boast to have even attempted.

China is just the reverse of integration or assimilation of diversity and over the centuries have nurtured the method to retain the purity of her philosophical mooring contained in the philosophy of Confucius for political thoughts and Sun Tzu for redefining military and strategic culture in the light of the Chinese model of Communism as we see to be functional today. It needs to be recorded that unlike Pakistan, China has never had an established enmity with India throughout the history of India-China relationship. The Pakistan-India relationship on the other hand, is a result of hatred of Pakistan towards India. Therefore Pakistan India relationship will always remain hostage to the emotive factor insurmountable by diplomatic means while Sino-Indian relations can be approached through negotiations

and dialogues on contentious issues while progress and development can be achieved through the doors of “real politic”.

Currently, China's growth rates have slowed as the government moves away from the low-end manufacturing, export-oriented model and attempts to create a sustainable middle class within China itself. The countries that have looked to China for affordable, mass-produced goods since the 1990s will still be in the market for those products -- which increasingly will come from other locations as wages rise for Chinese workers. So which countries are the ones to watch as potential replacements for China?

The following observations are made in this paper:

Historical continuity of the demarcation of the Silk Route and the integrity of the same from the ancient to the middle ages has been preserved.

Fine-tuning has been done in the contemporary period to make it leaner, efficient and functional at regional and global levels.

No loss of perspective that development of the land route is heavily financed by China to have complete political and strategic interest control by China.

By constantly reiterating that the China-Pakistan Economic Corridor (CPEC) is only for Economic development of the region in Pakistan with an outlay of USD 50 billion just does not cut ice to rationalize to alleviate poverty social mobilization etc.

CPEC has enormous strategic importance for China to continue establishing the strategic agglomeration over India.

CPEC will allow Pakistan to have a wall behind her back at any time of conflict situation and who knows it has the potential to be fully converted into a treaty to cover Pakistan with a cooperative security model unlike the Indo-Soviet Treaty of Friendship which was primarily to checkmate possible third party military intervention.

History has recorded that billions of US dollars given and continues to be given to Pakistan has converted it to be reenter state and misused for other purposes and most time unsuccessfully to equate themselves with India.

The graphic representation on the map shows how keen China is attempting to securitize not only her trade and energy requirements but also connect up with the littoral states of the Indian Ocean and deep economic interests that they have tried to develop inside the African sub-continent.

The sea-lanes through the Indian Ocean region, which carries more than 80% of China's energy, related raw material is vital to her national interest.

To end the ambitions of China to be a dominant power next only to the US is very much apparent the way the architecture of Silk Route/Road/ OBR has been created.

## INTRODUCTION

*Summary: The unveiling of the "Silk Road (SR)/ One Belt One Road(OBOR)" in 2013 has complicated the India–China relations further. Cooperative interaction will be edgy, formal and more often brittle. India sees SR/OBOR as a major influencing factor affecting the strategic balance between China and India. India sees SR/OBOR as a major building block of China in defining her national interest in the global context. India sees China to be moving her diplomatic goal post both at regional and global levels at five areas of connectivity. India sees Chinese action to subjugate India with both Economic and strategic Military agglomeration to carve out a permanent position of a super power next to the United States.*

"The India-China relationship is likely to be the most complex, perhaps the most competitive relationship between two of the world's mega-states in the twenty-first century. Their cooperative interactions will be edgy and formal, often brittle – irrespective of public professions to the contrary."<sup>1</sup> National interest guides the making of nation states. Irrespective of differences in political, social and cultural thinking of a nation state to govern, administer and sustain stability, national interest always acts as a catalyst to synergize the vitality of a nation state. Core national interest is therefore singular in nature and cannot be different or influenced due to difference in political thinking, or political processes undertaken by different political parties to govern and administer, or by social and cultural

entities in a nation state or due to the framed constitution of the country.

When Xi Jinping, the Chinese President during his visit to Kazakhstan and Indonesia in September and October 2013, unveiled the Silk Road Economic Belt and the 21<sup>st</sup> Century Maritime Silk Road proposals also termed as 'one belt, one road' (BRI)<sup>2</sup>, it set into motion an organic pivot which is very much poised to be a major strategic term of reference affecting global diplomacy in the 21<sup>st</sup> Century. It has already become a major priority issue in Beijing's foreign policy drive<sup>3</sup>. Chinese statements suggest that the initiative will include five areas of connectivity: policy, infrastructure and facilities, trade, currency, and people<sup>4</sup>.

The presentation will be in the following parts:

- Part I: Explaining the Silk Road
- Part II: The Setting – Understanding China and India's Aspirations
- Part III: China's Global Perspectives on New Silk Road
- Part IV: Strategic Significance of One Belt One Road
- Part V: Assessing China's Military Strategy in 21<sup>st</sup> Century
- Part VI: China's Approach to India
- Part VII: Important Strategic Implications
- Part VIII: India's Perspectives and Strategic Outlook
- Part IX: Recommendations and Conclusion

## PART I: EXPLAINING THE SILK ROAD<sup>5</sup>

*SUMMARY: As per Alfred J Andre, the terms, "Silk Road", "Silk Roads" and "Silk Routes" are valid today. Its expanse on a global scale due to digital technology ensures that we are now in an era of profound advancement in our understanding of the Silk Road. The Silk Road lives on. In late in the 19th century German geographer, Baron Ferdinand von Richthofen used it to describe the trade routes linking China, India, and the Mediterranean world, through central Asia. The plural form is important because the Silk Roads consisted of a constantly shifting network of pathways for many different types of exchanges. Silk was one of the most important goods carried on the Silk Roads because it combined great beauty, lightweight, and high value. One can define the Silk Roads as the long-and middle-distance land routes by which goods, ideas, and people were exchanged between major regions of Afro-Eurasia. Frank and Gills have argued that the Silk Roads helped create a single Afro-Eurasian world-system, perhaps from as early as 2000 B.C*

### Origin of the Silk Road<sup>6</sup>

#### Ancient Silk Route



Source: <http://draconia.jp/blog/wp-content/uploads/2013/10/SilkRoadMapOKS.jpg>

David Christian has written extensively on Silk Roads in the *Journal of World History* and has pointed out that the Silk Roads have normally been treated as a system of exchanges which bridged the major regions of agrarian civilization in Afro-Eurasia, and as they took birth in the classical era. "One can focus on the many trans ecological exchanges that occurred along the Silk Roads, which linked the agrarian worlds to the pastoralist world of the Inner Eurasian steppes and the woodland cultures to the north. It can be argued that these trans-ecological exchanges have been as important to the history of the Silk Roads as the more familiar trans-civilizational exchanges. A clear understanding of these trans-ecological exchanges suggests that the Silk Roads should be seen as a complex network of exchanges that linked different ecological zones of the Afro-Eurasian landmass into a single system. However, the Silk Roads were much older than is usually recognized, that their real origins lie in the emergence of Inner Eurasian pastoralism from the fourth millennium BC. Therefore one has to explore the prehistory of the Silk Roads; reexamine their structure and history in the classical era; and explore shifts in their geography in the last thousand years. A revised understanding of the role and history of the Silk Roads shows the extent to which the entire Afro-Eurasian landmass has been linked by complex networks of exchange since at least the Bronze Age. It shows us that Afro-Eurasia has a common history despite the ecological and cultural variety of its many different regions"<sup>7</sup>. Lastly it is necessary to validate whether the terms, "Silk Road", "Silk Roads" and "Silk Routes" are valid today. As per Alfred J Andre, the answer is "yes" as he found no reason to abandon "inexact terms" since he considered that the "current institutionalization of Silk Road studies and its expanse on a global scale due to digital technology ensure that we are now in an era of profound advancement in our understanding of the Silk Road. The Silk Road lives on."<sup>8</sup>

Definition: "The German phrase *Die Seidenstrassen* seems first to have been used late in the 19th century by a German geographer, Baron Ferdinand von Richthofen (1833–1905)<sup>9</sup>. He used it to describe the trade routes linking China, India, and the Mediterranean world, through central Asia. The plural form is important because the Silk Roads consisted of a constantly shifting network of pathways for many different types of

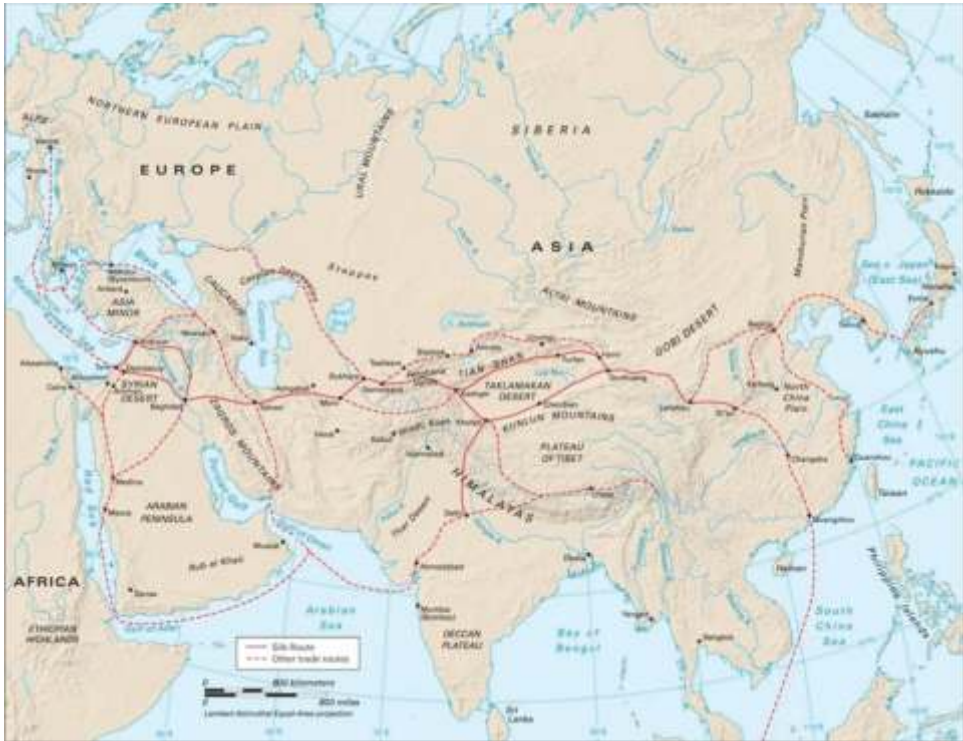


exchanges. Silk was one of the most important goods carried on the Silk Roads because it combined great beauty, lightweight, and high value. But they also carried many other goods, including ceramics, glass, precious metals, gems, and livestock. Material goods, in turn, were just one element in the varied traffic of the Silk Roads. They also transported disease vectors, languages, technologies, styles, religions, and genes. The term Silk Roads is sometimes extended to include the sea routes that linked the Mediterranean, Africa, the Indian subcontinent, Southeast Asia, and China. These routes were certainly as important as the land routes in maintaining the underlying unity of Afro-Eurasian history. One can define the Silk Roads as the long-and middle-distance land routes by which goods, ideas, and people were exchanged between major regions of Afro-Eurasia. This is really a very conservative definition. Its only novelties are that exchanges with or between non-agrarian communities may have been more significant as compared to exchanges between the major agrarian civilizations because the word trade fails to suggest the variety of exchanges that took place along the Silk Roads”<sup>10</sup>.

Historiography<sup>11</sup>: “Since its introduction, the term Silk Roads has been widely used by historians. In the late 19th century the imperial conflicts between Britain and Russia in Asia known as the “Great Game” generated much interest in the Silk Roads among governments, diplomats, and scholars in Europe and Russia. This interest stimulated a series of pioneering expeditions into Xinjiang at the beginning of the twentieth century, which are well described in Peter Hopkirk's *Foreign Devils on the Silk Road*<sup>12</sup>. The leaders of these expeditions, such as Sir Aurel Stein and Sven Hedin, excavated the remains of once flourishing towns along the old Silk Roads, whose very existence had been forgotten. In doing so, they revealed the scale and importance of the cultural and commercial exchanges along the Silk Roads in the classical era. Since then, the Silk Roads have secured a firm place in the historiography of China, the Mediterranean world, and inner and central Asia. As a result, much detailed historical and archeological research has been devoted to their history and functioning. There also exist several general works on the history of the Silk Roads, as well as a large literature of popular works, often profusely illustrated, on a subject that has

immense popular appeal<sup>13</sup>. Finally, because of their vital role as links between different regions of the Afro Eurasian landmass, the Silk Roads occupy a central place in recent writings on world history. Frank and Gills have argued that the Silk Roads helped create a single Afro-Eurasian world-system, perhaps from as early as 2000 B.C.<sup>14</sup>

### *The Silk Roads in World History:*



The Silk Road in the Middle Ages

“Modern historiography has not fully appreciated the ecological complexity of the Silk Roads. As a result, it has failed to understand their antiquity, or to grasp their full importance in Eurasian history. The role played by the Silk Roads in exchanging goods, technologies, and ideas between regions of agrarian civilization is well understood. Less well understood is the trans-ecological role of the Silk Roads—the fact that they also exchanged goods and ideas between the pastoralist and agrarian worlds. The second of these

systems of exchange, though less well known, predated the more familiar “trans-civilizational” exchanges, and was equally integral to the functioning of the entire system. A clear awareness of this system of trans-ecological exchanges should force us to revise our understanding of the age, the significance, and the geography of the Silk Roads. Further, an appreciation of the double role of the Silk Roads affects our understanding of the history of the entire Afro-Eurasian region. The many trans-ecological exchanges mediated by the Silk Roads linked all regions of the Afro-Eurasian landmass, from its agrarian civilizations to its many stateless communities of woodland foragers and steppe pastoralists, into a single system of exchanges that is several millennia old. As a result, despite its great diversity, the history of Afro-Eurasia has always preserved an underlying unity, which was expressed in common technologies, styles, cultures, and religions, even disease patterns. The extent of this unity can best be appreciated by contrasting the history of Afro-Eurasia with that of pre-Columbian America”<sup>15</sup>.

World historians are becoming increasingly aware of the underlying unity of Afro-Eurasian history. Andre Gunder Frank and Barry Gills have argued that the entire Afro-Eurasian region belonged to a single “world-system” from perhaps as early as 2000 BC<sup>16</sup>. And William McNeill and Jerry Bentley have recently restated the case for a unified Afro-Eurasian history<sup>17</sup> But Marshall Hodgson had made the same point as early as the 1950s, when he argued that “historical life, from early times at least till two or three centuries ago, was continuous across the Afro-Eurasian zone of civilization; that zone was ultimately indivisible... The whole of the Afro-Eurasian zone is the only context large enough to provide a framework for answering the more general and more basic historical questions that can arise.”<sup>18</sup> Christian further argues that the Silk Roads played a fundamental role in creating and sustaining the unity of Afro-Eurasian history. It counts as one more attempt by a historian interested in “world history” to tease out the larger historical significance of the Silk Roads<sup>19</sup>

## Part II: THE SETTING:<sup>20</sup> UNDERSTANDING CHINA & INDIA'S ASPIRATION

*SUMMARY: A strong China as it is emerging in the 21 Century will always have an expansionist ambition. China is exhibiting its willingness to contest other hegemonies and influence in all issues and areas wherever it deems its national interest demands. China's proposed silk land and maritime routes are an indication of their steadily increasing global objectives. China would respond with 'unrestricted warfare' against its adversaries i.e. they would not confine their responses to any normative international standards. In relation to the South China Seas, the island disputes with Japan, the Philippines, and Vietnam etc., China has shown scant interest in settlement other than on their own terms. China has followed a classic mercantilist policy of 'sell more and buy less', thereby accumulating vast foreign exchange reserves of (now) approximately US\$3.5-4.0 trillion.*

*China's Grand Narrative:* China has been an imperial state for most of its history. Presently, it must be noted that Manchu China integrated Mongolia, Xingjian, Tibet and Taiwan between the 17<sup>th</sup> and the 18<sup>th</sup> Century. It is important to note that Nehru observed, "A strong China has always been an expansionist China". China is now strong enough to challenge the military power of countries such as the US and Russia, and has shown itself willing to contest others' hegemonies and influences in all issues and areas wherever it deems its national interest demands. The latter includes its military prowess, its geostrategic interests, or its economic and financial plans.

*Chinese Power: Comprehensive National Strength<sup>21</sup>:* China see itself becoming the greatest power in all dimensions in the world – as it assumes that it was throughout history. It already has a defence budget in excess of US\$ 200 billion per annum – and reputedly an internal security needs budget higher than its defence budget. In purchasing power parity terms (PPP), it is perhaps close to the total US annual defence budget (\$ 683 Bn). Chinese generals have indicated that in case of general hostility with any major power, China would respond with 'unrestricted warfare' against its

adversaries i.e. they would not confine their responses to any normative international standards. In relation to the South China Seas, the island disputes with Japan, the Philippines, and Vietnam etc., China has shown scant interest in settlement other than on their own terms. China's proposed silk land and maritime routes are a peaceful indication of their steadily increasing global objectives.

*China's Economy:* China plan to industrialize itself as soon as it became independent in 1949. During the period of the early good relations with the former Soviet Union, over a hundred large industrial firms were set up across China. Later, and after tumultuous intervening years, Deng Tsiao Ping in 1978, recast Chinese economic policies into 'market socialism'. The world was invited to set up factories in special economic zones to produce all manner of goods utilizing less expensive Chinese labor for world market. Additionally, China implemented a substantive copy and reverse engineer on large variety of the consumer and industrial goods. Over a period of 30 plus years, China became the inexpensive light consumer goods 'workshop' of the world. It also followed a classic mercantilist policy of 'sell more and buy less', thereby accumulating vast foreign exchange reserves of (now) approximately US\$3.5-4.0 trillion. These reserves were reinvested in US Treasury notes. Coupled with the internal limits to consumption expenditure by Chinese citizen, these foreign exchange reserves became a basis for provision of credit mainly to state owned enterprises for the production of industrial and other production goods in a 'Make in China' policy. Simultaneously, China embarked on a vast infrastructural program which resulted in a 'bigger, better, larger, greater' slew of major projects for infrastructural growths along the length and breadth of China. The Chinese Yuan is by now, effectively, a junior 'paper dollars'. It has given the Chinese the same heft as the US Dollars in a limited sense. As long as the Americans do not pay back – and the Chinese do not liquidate – the US Treasury notes, the Chinese advantage of providing credit for diverse purposes at home or abroad will not diminish. This is the true measure of US-China interdependence, which is unlikely to be ended by either country to without self-inflicting a financial and economic disaster on themselves. This is also what allows the Chinese to allocate billion of US dollar denominated funds

strategically abroad. We have also to see and understand the political economy basis of the creation of the developmental and infrastructural banks floated under Chinese aegis recently, albeit under BRICS cooperation.

*China's Dream:* Not much needs to be said about Chinese President Xi Jinping's enunciation of 'China's Dream'. It plainly spells out in gentle but expansive terms that the world is 'China's Oyster'. China will span the globe in pursuit of its objectives and national interest.

*China's Vulnerabilities:* Authoritarian States crumble when the populace becomes well educated and discerning as a comfortable middle class. This is especially true in an age of instant communication. Such a populace resents corruption, inequity, nepotism, the profligacy of a small unanswerable elite class – and yearns for the 'fifth freedom' i.e. real freedom. The second vulnerability, according to economists, is that the Chinese economy is developing economic bubbles that may create nationwide turmoil in case they burst. It is also suggested by others that Chinese growth rates are destined to decline as China becomes wealthier and its population growth declines as expected in the coming decades. Finally, China's assertive behavior with all and sundry states big or small is creating apprehension and extended resentment-- and China cannot manage or dominate so many adversaries across the world.

*India – Lack of a Grand Narrative:* The possible premise of a grand narrative for India is under dispute. The fault lines are the various discontinuities in India's history. Do we go back to our inspirations in the distant past? How do we adjudicate between the roles played by different communities, religious groups, and caste formations at different stages in our history? Do we take our cue from most recent colonial control of our territory? All the preceding is unresolved amongst educated Indians. As a consequence, India has been unable to define its national interest, its national security perspectives or develop a strategic culture emanating from its historical experience. For the most part analysts display the continuation of India's strategic needs as derived from the years of British occupation.

*India's Defence Planning and Postures:* India's defence planning since independence has been defensive. It has also been prioritized mainly in

relation to Pakistan although lip service rather than provision has been provided to other aspects, especially long term of our strategic needs. The defence forces and their needs have been attended to in a highly civilian bureaucratic context. Perhaps this was inevitable given the spate of military coups in the developing world, particularly with the role assumed by the Army in Pakistan few years after independence. Nonetheless, this also explains our shortcomings during the debacle of 1962, and presumed strategic framework of peace and goodwill to all – and therefore from all. Subsequently the armed forces needs have been attended to in ad hoc and sporadic manner. While the goal of indigenous production and self sufficiency was proclaimed soon after independence, the objective and pragmatic policies for their implementations have never been seriously undertaken. India's Ordnance factories have resorted to importing knock down versions of platforms and assembling them under license. With the exception of Atomic Energy, Space and Missile development few other areas of defence related activities could truly be termed 'indigenous'. Well-funded DRDO has hardly performed to the expectations. Indeed, it is instructive that in our country, the ISRO has performed so well in civilian space endeavor. Yet the military aspect of R&D has lagged so far behind.

*India's economic, financial:* India's mixed economy model derived and modified from the erstwhile Soviet Union's original plansaw India's economy fall between two stools. Neither the state owned sector nor the private sector, heavily controlled by the state could function with the efficiencies that a free market could galvanize. So India underperformed under its dirigiste national economic endeavor for over 50 years until Narasimha Rao became the Prime Minister and gave the political cover for Manmohan Singh to implement sweeping economic reforms in 1991. While India achieved high growth rate as a consequence, one fatal economic policy flaw remains. The manufacturing and industrial sectors were neglected while the service sector grew much larger. As a result, while incomes grew, the manufacturing and industrial and production sector lagged behind. So did infrastructure development and investments for increasing the productivity of the agricultural sector as well allocations to education and health. The Government resorted to large-scale handout

subsidies to the poor or the special beneficiaries as welfare measures rather than attempting to empower people through imparting skills and creating jobs. India's international trade pattern has also been a problem. Few items of high quality products are available for export since for too long reliance was being placed on raw materials for exports in lieu of finished products. Indeed 40 per cent of India's foreign exchange earnings come from the remittances made by the Indian labourers working in the Middle East. India's long term political economy thus remains haphazard, unpredictable and subject to unplanned twists and turns of the international economy beyond its control.

*India's Dream:* India's dream of a vast and sophisticated economy and a strong and unassailable military capability and a stable social and political polity remains a distant dream. It may be described as a form of virtual reality. While one could say that much may have been achieved, much real strength and strong capabilities across the range of needs falls short. In relative terms India is way behind China in strength of its economy or military capabilities. It need not be so. India has been singular in the achievement of having created a free and a democratic society of a vast uneducated and poor population, which has shown immense resilience of maintain an open system through a myriad challenges.

*India's Vulnerability:* India's very democratic achievements are also the cause of some of its vulnerability. The fractiousness, the religious disputations and caste-based affiliations has created barriers to speed of achievement in economic matters. The need to bargain and make side payments to special groups of the voting public has bred a culture of cynicism, chicanery, corruption amongst the political class who rule the country at both central and state levels.

*India's Options:* China's economic, financial and military capability, on the other hand is vastly superior to India. It followed well-formulated economic, financial and military policies with a long-term perspective and implemented them over the appropriate period as the Chinese leadership may have envisaged them. The major lesson to be learnt from the Chinese experience is that, where necessary they resorted out of the box planning



and implementation both internally and externally for the achievement of economic, financial and military goals without following conventional wisdom. India needs to adopt similar approach to achieve its economic, financial and military objectives as appropriate in its own special environment. While implementing its new economic and financial policies India needs particularly to augment its military capabilities by focused research in the new breed of weapon systems based on esoteric technologies now coming into experimental and prototype development – kinetic, high speed projectiles, drones, PGMs, robotics, etc.

### PART III: CHINA'S GLOBAL PERSPECTIVES ON NEW SILK ROAD

*SUMMARY: China sees Central Asia as an important region that will help promote its own economic growth via trade routes that satisfy the Chinese demand for hydrocarbon resources, judging by numerous rail road networks being constructed with great speed by China in almost every part of Eurasian region. One of the most important energy deals between Central Asia and China is the 1100-mile gas pipeline that transports Turkman gas to China via Uzbekistan and Kazakhstan. China and Turkey agreed to build a roughly 7000-kilometer rail route connecting the largest cities of Turkey. The construction is well underway and is expected to be completed by 2023. China has provided Central Asian countries with generous loans. For example, in 2009, it provided about \$4 billion to Turkmenistan to develop its Yolo-tan -South Osman gas field. China also provided \$10 billion in loans to Kazakhstan in 2009. China professes that she does not have any ideological or political agenda interweaved in its Silk Road investments and is quite cautious about maintaining its political neutrality in the region, including refraining from investing in disputed projects. Xi has announced a 10-year central government plan to provide 30,000 government scholarships to Shanghai Cooperation Organization member states, and to invite 10,000 teachers and students from these countries'. Four of Central Asia's five countries are China's strategic partners. The infrastructural projects to be undertaken in Africa under the "Belt and Road" framework include the development of deep water ports in coastal cities including Bizerte, Tunisia; Dakar, Senegal; Dar es Salaam, Tanzania; Djibouti; Libreville, Gabon; Maputo, Mozambique; and Tema, Ghana. These will be key sites of the transcontinental exchange of manufactured goods and commodities between Asian and African economies along the Maritime Silk Road. Up to now, China has completed 1,046 projects in Africa, building 2,233 kilometers of railways and 3,530 kilometers of roads, among others, promoting intra-African trade and helping it integrate into the global economy.*

*Central Asia: Chinese approach to Central Asia is based on advancing its own economic and business interests. China sees Central Asia as an important region that will help promote its own economic growth via trade routes that satisfy the Chinese demand for hydrocarbon resources. China*

gladly makes generous investments in the Central Asian infrastructure if it finds that these investments will benefit the Chinese economy. The Chinese attempt to revive the Silk Road is not as well publicized as the United States' or Turkish initiatives; however, there have been many significant investments in road and railway constructions, as well as in the energy sector. During a trade expo held in Urumqi in the fall of 2012, Chinese Premier Wen Jiabao proclaimed that, "the ancient Silk Road regained its past vigour and vitality"<sup>22</sup> Judging by numerous rail road networks being constructed with great speed by China in almost every part of Eurasian region, Wen's assertion may be true.



The Chinese Government envisages the creation of a new railroad, motorway and sea networks to distribute their products across Europe, Eurasia and Middle East. China has been involved in construction of numerous railroads on the Eurasian continent. For example, China and Turkey agreed to build a roughly 7000-kilometer rail route connecting the largest cities of Turkey. The construction is well underway and is expected to

be completed by 2023.<sup>23</sup> China has been pursuing great interest in developing multilateral partnerships with Central Asian countries in many areas, including energy, trade and transportation routes. One of the most important energy deals between Central Asia and China is the 1100-mile gas pipeline that transports Turkmen gas to China via Uzbekistan and Kazakhstan<sup>24</sup>. The Central Asia-China gas pipeline began operating in 2009 and aimed to reach its full annual capacity of 40 billion cubic meters of gas by this year<sup>25</sup>. Another important energy project is the Kazakhstan-China oil pipeline, which is China's first direct import pipeline, pumping 14 million tons of oil per year<sup>26</sup>. In addition, China has provided Central Asian countries with generous loans. For example, in 2009, it provided about \$4 billion to Turkmenistan to develop its Yolo-tan-South Osman gas field. China also provided \$10 billion in loans to Kazakhstan in 2009, including a \$5 billion loan to Kaz Munai Gas, Kazakhstan's national oil and gas company<sup>27</sup>. Jeffrey Woodruff, a senior director at Fitch Ratings, says that China's lending politics would reduce Central Asia's debt to Russian companies: "China wants the energy supplies, has a huge capital base to help to secure them and may be able to offer better rates than western lenders for some time going forward"<sup>28</sup>. China has also made significant investment into Central Asian railroads.

In February 2013 the Government of China approved the construction of a new two billion-dollar railroad from China to Kyrgyzstan and Uzbekistan<sup>29</sup>. China also plans to convert the track gauge size of Kyrgyzstan's railways from Russian (1,520 mm) to international standards (1,435 mm) in order to make connections with China, Turkey and Iran faster and more convenient. Improved railroads would dramatically reduce logistical costs and time of transportation. In summary, the relationships between China and Central Asian countries are developing very actively and productively. China is eager to advance mutually beneficial cooperation with and throughout Central Asia. Since China's paramount goal is to secure and diversify ways of addressing its ever-growing needs for energy, the proximity and abundant resources of Central Asia makes the region a perfect business partner. In return, Central Asian hydrocarbon-rich states receive very much needed Chinese investments for exploitation of their natural resources. China is to

triple the portion of natural gas in its energy mix by 2020, which will certainly have a positive impact on the relationship between China and Central Asia<sup>30</sup>.

China is very pragmatic and business-oriented in its Silk Road approach. China does not have any ideological or political agenda interweaved in its Silk Road investments and is quite cautious about maintaining its political neutrality in the region, including refraining from investing in disputed projects. For example, China announced that it will remain uninterested in investing in the construction of the Rogun Dam until Tajikistan and Uzbekistan resolve their disputes. On the other hand, having the third largest economy in the world and playing a leading role in the Shanghai Cooperation Organization (SCO), China yields considerable potential to change the dynamics in the region. Consequently, while Central Asian countries welcome Chinese investments and opportunities for business partnership, they do not want to be dependent predominantly on the Chinese partnership.

In September 2013<sup>31</sup>, President Xi Jinping during his state visit made the official suggestion for the first time during a speech on China's Central Asia strategy at Nazarbayev University in Astana, Kazakhstan. He proposed the economic belt, which is inhabited by "close to 3 billion people and represents the biggest market in the world with unparalleled potential". The policy speech outlined the new Chinese leadership's diplomatic priority of accelerating comprehensive cooperation with the inland region that is home to China's strategic partners. He underscored the more than two millennia of exchanges between China and Central Asia. To create the new economic belt, Xi suggested China and Central Asian countries accelerate policy communication, improve road connectivity, promote unimpeded trade, enhance monetary circulation and enhance understanding.



Xi's Suggested Economic Belt

Xi mentioned the Shanghai Cooperation Organization is working on a transportation agreement to improve road connectivity. "After the agreement is signed, further discussion should be used to improve cross-border transportation infrastructure and forge our transportation network connecting East Asia, Western Asia and South



China's New Silk Road

Xi said that the new Silk Road will become another global growth locus once western China is better connected with Central Asia, China's former ambassador to Uzbekistan Gao Yusheng said. Xi also suggested conducting trade in local currencies. "If our region can realize local-currency convertibility and settlement under current and capital accounts, it will significantly lower circulation costs, increase our ability to fend off financial risks and make our region more economically competitive in the world," Xi said. The total trade volume between China and Central Asia climbed in 2012 to \$46 billion - 100 times the volume in 1992, the year China forged diplomatic relations with the region's five nations.

Xi has announced a 10-year central government plan to provide 30,000 government scholarships to Shanghai Cooperation Organization member states, and to invite 10,000 teachers and students from these countries' Confucius Institutes to China for study tours. China's former ambassador to Kazakhstan Yao Peisheng said the proposed economic belt will extend beyond a slogan to encompass not only economic but also political and cultural efforts.

Four of Central Asia's five countries are China's strategic partners. China established a strategic partnership with Turkmenistan during Xi's visit. Xi's Central Asia tour is "directly addressing" both welcoming and questioning voices within China's neighbors about China's rise. East China Normal University's Center for Russian Studies deputy director Yang Cheng said. "It is now China's turn to share growth's benefits with Central Asia". China and Kazakhstan will achieve an estimated bilateral trade volume of \$40 billion in 2015 by improving trade structure, diversity, cooperation scale and quality to tap ties' "enormous potential", Xi said in agreement with his Kazakh counterpart Nursultan Nazarbayev in a talk after the university speech.

Bilateral trade surged to \$13.57 billion in the first half of 2013, up 23.1 percent year-on-year. Both countries' leaders hailed the trust and support for each other's core interests. They underlined energy cooperation between China and Kazakhstan as "complimentary, mutually beneficial and win-win". The two sides agreed to ensure cross-border oil and gas pipeline construction and to strengthen oil and gas development and refinement.

They will seek new cooperation focuses, including commercial nuclear, new and clean energies. Enhancing cooperation in other fields - connectivity, agriculture, technology, localities and local currency clearance - are also shared goals.

Xi and Nazarbayev vowed to crack down on the "three evil forces" of terrorism, extremism and separatism. Central Asia and western China have both faced a growing threat of extremist and terrorist penetration in recent years. The common pursuit of security and stability is "one of the driving forces" that brings China and Central Asia together and deepens their cooperation, China Institute of Contemporary International Relations' Central Asia studies researcher Wang Lijiu said. Xi further stated that "China will never seek a dominant role in regional affairs, nor try to nurture a sphere of influence, he added, saying that China and Central Asian nations should be genuine friends of mutual support and trust."<sup>32</sup>

It must also be noted that since 2002 China has concluded a number of significant military and security cooperation agreements with the Central Asian states, including:

- Provision of US\$3 million in military aid to Kazakhstan in March 2002
- Joint military exercises with Kyrgyzstan in July 2002
- Conclusion of a Sino-Kazakh "Mutual Cooperation Agreement on 23 December 2002
- Extradition agreements with Kazakhstan and Kyrgyzstan for the return of Uyghur "separatists and terrorists"<sup>33</sup>
- Provision of US\$1 million in military aid to Kyrgyzstan in October 2003
- "Cooperation-2003" SCO joint military exercises on Kazakh and Chinese soil, August 6-11, 2003
- Bilateral agreements on cooperation in combating "extremism, terrorism and separatism" with Uzbekistan and Tajikistan in September 2003.<sup>34</sup>



- Opening of “Regional Anti-Terrorism” (RAT) center in Tashkent on 1 November 2003<sup>35</sup>
- Opening of the SCO permanent secretariat in Beijing on 1 January 2004.<sup>36</sup>
- SCO “Peace Mission 2007

Africa and the 21st Century Maritime Silk Road: The African continent's position on the “Belt and Road” is located at the far west of the 21st Century Maritime Silk Road. Historically, the eastern coast of Africa is remembered as the westernmost stop on Admiral Zheng He's epic 15th century voyages across the Indian Ocean. In 2005 there was great fanfare in the Chinese press when Mwamaka Sharifu, a Kenyan girl who was reportedly the descendant of one of Zheng He's Chinese sailors, received a scholarship from the Chinese government in commemoration of the 600th anniversary of Zheng He's first voyage across the Indian Ocean.<sup>37</sup> The infrastructural projects to be undertaken in Africa under the “Belt and Road” framework include the development of deepwater ports in coastal cities including Bizerte, Tunisia; Dakar, Senegal; Dar es Salaam, Tanzania; Djibouti, Djibouti; Libreville, Gabon; Maputo, Mozambique; and Tema, Ghana. These will be key sites of the transcontinental exchange of manufactured goods and commodities between Asian and African economies along the Maritime Silk Road.<sup>38</sup> These ports are also likely to be developed as industrial hubs, following the model of China's development of the new Cameroonian deepwater port of Kribi. While China Harbor Engineering Company started constructing the new port in June 2011, the development plan also includes the creation of a 260 square kilometer industrial zone, as well as roads and railways connecting Kribi to major cities in Cameroon, projects which will be undertaken by other Chinese companies<sup>39</sup>. In Kenya, China is constructing a railway connecting the capital city Nairobi with the port city of Mombasa. This will eventually be expanded into a regional rail corridor connecting Kenya—one of the African gateways to the Maritime Silk Road—with Uganda, Burundi, and South Sudan<sup>40</sup>. As the Kribi port development project in Cameroon shows, Chinese firms have been active in Africa long before the 2013 announcement of the 21st Century.

*Maritime Silk Road:* According to statistics compiled by the State Council of China in 2013:China has become Africa's largest trade partner, and Africa is now China's



second largest overseas construction project contract market and the fourth largest investment destination ... Up to now, China has completed 1,046 projects in Africa, building 2,233 kilometers of railways and 3,530 kilometers of roads, among others, promoting intra-African trade and helping it integrate into the global economy<sup>41</sup>. An early infrastructural project was the Tan Zam railway between Tanzania and Zambia, which was built between October 1970 and June 1975, and involved not just Chinese financing, but also the participation of 50,000 Chinese engineers and laborers, 65 of whom perished during the arduous construction<sup>42</sup>. The beginning of the engagement of the People's Republic of China with Africa dates back a decade earlier to 1960, when China provided an interest-free loan of 100 million RMB to Guinea's newly independent socialist government for the construction of a slate of aid projects including factories, plantations, and paddy fields. Other newly-decolonized African states received similar aid packages from China<sup>43</sup>. Over the subsequent decades, changed in tandem with changes in its domestic political economy.

### *China's engagement with Africa*

The rise of China's private corporations after the economic liberalization of

the 1980s saw a transition from state-owned enterprises to private businesses in the implementation of Chinese development projects overseas<sup>44</sup>. Recent examples of such projects include China Railway Group's Light Railway in Addis Ababa, Ethiopia, the first phase of which was recently completed<sup>45</sup>. 21 China Railway Construction Corporation's Abuja-Kaduna railway in Nigeria, which was completed in December 2014, and which is the first phase of a larger railway modernization project connecting Lagos with Kano<sup>46</sup>; and the Lobito-Luau railway in Angola, also built by China Railway Construction Corporation, which will eventually be connected to the Angola-Zambia and the Tanzania-Zambia railways<sup>47</sup>. Likewise, Chinese engineering firms like China Civil Engineering Construction Corporation, China Airport Construction Group Corporation, and China Harbour Engineering Company are constructing airports across the continent, including airports in Angola, Comoros, Djibouti, Gabon, Kenya, Nigeria, Sudan, Tanzania, and Togo<sup>48</sup>. Apart from the transportation sector, companies are also involved in Africa's energy sector, including hydropower dams in Ethiopia and Uganda<sup>49</sup>; biogas development in Guinea, Sudan and Tunisia; and solar and wind power plants in Ethiopia, Morocco, and South Africa. Other economic sectors Chinese companies are actively involved with in Africa include agriculture, construction, healthcare, mining, and industrial manufacturing. A recent count estimates over 2,000 Chinese companies are engaged across almost every country on the African continent<sup>50</sup>. To finance these and other projects under the "Belt and Road" framework, China has created a number of key financial institutions. In November 2014, President Xi announced the creation of a 40 billion USD Silk Road Fund. The bulk of its financing will come from the Chinese government, with the remainder from China Investment Corporation, China Development Bank Capital Company, and the Export-Import Bank of China<sup>51</sup>. In July 2014, China and its partners in the so-called BRICS bloc—Brazil, Russia, India, and South Africa—contributed 100 billion USD to establish the New Development Bank, an alternative to the U.S.-dominated World Bank and International Monetary Fund for emerging economies to raise funds for infrastructural development<sup>52</sup>. China also established the Asian Infrastructure Investment Bank in 2014, with other founding

members from across Asia, the Middle East, and other countries including New Zealand and the United Kingdom. Like the Silk Road Fund and the New Development Bank, the Asian Infrastructure Investment Bank offers funding for infrastructure projects<sup>53</sup>. China has also created smaller investment vehicles to finance infrastructural and other overseas business projects<sup>54</sup>. The deep water port development projects listed earlier, for example, will be partly financed by investment vehicles set up by China and Thailand<sup>55</sup>.

*The Neocolonial Question:* While China has cancelled the debts of some of its crisis-stricken partner countries, or offer them grants or zero-interest loans to pay for Chinese development projects<sup>56</sup>, most of the loans issued by Chinese financial institutions have to be repaid by the recipient countries. In certain cases, China allows its partners to pay for their development projects by bartering the local products, in particular natural resources. China and a number of African states have had such countertrade arrangements since the 1980s, and since then China has received key primary products including oil, rubber, and minerals as payment for development loans<sup>57</sup>. These deals involving extraction of natural resources have led to accusations that China is engaging in neocolonialism in Africa, as was voiced by U.S. Secretary of State Hillary Clinton during a visit to Zambia in June 2011<sup>58</sup>. Such criticisms have also been voiced by a number of African leaders who are concerned about China's growing economic clout<sup>59</sup>. While popular African perceptions of China's economic engagement remain generally positive across the continent<sup>60</sup>, positive public opinion concerning the benefits of Chinese investment to their local economies are on the decline<sup>61</sup>. Foreign Minister Wang Yi's recent announcement that Chinese diplomacy in 2015 will focus on building international cooperation for the "Belt and Road" reflects the government's sense of urgency<sup>62</sup>, especially given a recent diplomatic set back in Sri Lanka<sup>63</sup>, and India's continued deferral, arising from old suspicions of what it calls the "string of pearls" geopolitical threat<sup>64</sup>. From accepting China's invitation to participate in the "Belt and Road."<sup>65</sup>

The continued acceptance of Chinese investments over the past five and a half decades by African states and their people is an important sign that

China's presence in Africa should be seen as that of a partner in economic development rather than that of an aspiring neocolonial hegemon<sup>66</sup>. In historical context, the criticisms of China's engagement with Africa in the Western press today echo Western colonial fears in the 1930s of Japan's growing influence in Africa<sup>67</sup>. A number of African and Western experts have joined the public conversation in critiquing the accusations of neocolonialism voiced by Secretary of State Clinton and others. The Zambian economist Dambisa Moyo, for instance, has pointed out that the empirical evidence of China's activities in Africa shows that its interests are purely commercial and that it has no interest in undermining the political structure, much less the sovereignty, of its African partners<sup>68</sup>. (The key exception is China's interest in keeping its partners from offering diplomatic recognition to Taiwan. A country will break relations with Beijing should it recognize Taiwan as "China"; but even in this situation Chinese enterprises in the country have been known to continue functioning despite the loss of diplomatic relations<sup>69</sup>. The political economist Deborah Brautigam reminds us that China's swaps of infrastructure for resources with its African partners are based on its positive experience with swapping its own oil for Japanese industrial technology in the late 1970s. The industrial infrastructure and technological training thus received from Japan formed one of the bases for China's subsequent economic takeoff in the 1980s. As such, China sees the similar arrangements it has made with its partner countries in Africa and elsewhere as offering similar mutual benefits for their economic development<sup>70</sup>.

While China's overseas investments are certainly open to scrutiny, it is essential to consider these in the context of projects from other countries: it is by no means necessarily true that Chinese projects offer worse outcomes than those from the West<sup>71</sup>. Indeed, when looked at in comparative perspective, it is clear that China's infrastructural investments in particular fill a development gap in Africa that the West has largely ignored<sup>72</sup>, and that China's massive imports of African commodities have accelerated African trade and expanded the market for African exports<sup>73</sup>, creating the conditions for the continent's dramatic recent economic growth<sup>74</sup>. Africa's recent rapid

growth, which mirrors China's own economic take-off three decades earlier, suggests that, like the Chinese enterprises that came before them, African enterprises, given the right economic conditions, will be able to hold their own against competition from Asia and the West. The implication is that the neocolonial narrative about China's engagement with Africa is defeatist in its dire prognosis about the ability of African enterprises to compete against Chinese and other multinational corporations in the global market. Consider the case of textiles.

While the textile industry in some African economies failed to withstand competition from China and other global competitors, the same industry in other African economies like Kenya's and Madagascar's was able to meet the international competition and recover and grow<sup>75</sup>. Indeed, the textile industry is one of the mature industries that the Chinese government has encouraged to move offshore, to allow Chinese industry to move up the value chain, and Chinese entrepreneurs from the textile and other mature industries have settled and taken up citizenship in African countries like Lesotho, further developing the local economies with their industrial knowledge, and deepening the commercial and technical know-how of their local colleagues and employees<sup>76</sup>. Such capacity building can accelerate the movement of African industries up the value chain, as was the experience of the mature Chinese enterprises themselves in the 1990s and 2000s. Africa's movement up the industrial value chain can already be seen in the emergence of an indigenous automobile industry<sup>77</sup>. This shows that, rather than defeatism, optimism is warranted when projecting the probable outcomes of China's continued engagement with Africa.

#### PART IV - STRATEGIC SIGNIFICANCE OF 'ONE BELT ONE ROAD'

*SUMMARY: President Xi Jinping put forward the strategic conception of building the "Silk Road Economic Belt" and "21st Century Maritime Silk Road", known shortly as the "One Belt and One Road. Various countries along the proposed route have expressed broad support, while domestic cities and provinces, which were part of the ancient Silk Road, have welcomed the idea. China and relevant countries, together with regional organizations, have put in a lot of efforts to jointly build the 'One Belt and One Road'. They have devised innovative methods to strengthen bilateral ties and enhance regional cooperation. The idea carries forward the spirit of the ancient Silk Road that was based on mutual trust, equality and mutual benefits, inclusiveness and mutual learning, and win-win cooperation. It also conforms to the 21st century norms of promoting peace, development, cooperation and adopting a win-win strategy for all. The conception organically links the "Chinese dream" to the "Global Dream" and has far-reaching strategic significance with a global impact. China already has close economic and trade cooperation with the related countries along the proposed route, accounting for a quarter of China's total foreign trade. The annual trade between China and these countries has grown by 19 percent on average in the past decade. The joint efforts by China and the countries connected to the 'One Belt and One Road' vision has made rapid progress, especially in the fields of transportation, infrastructure development, trade and investment, energy and natural resources and in promoting financial security and advancing bilateral and regional cooperation. China has made headway via the ASEAN Ten Plus One arrangement, the Shanghai Cooperation Organization, the BRICS countries, and solidified bilateral ties with Russia and countries in Central Europe, Central Asia the Middle East and South Asia. One Belt and One Road', allows the countries involved to create a three-dimensional and multi-layer transport network that connects them via land, sea and air. As China embraces its role as an expanding world power under Xi's leadership it*

*increasingly seeks to establish itself as an economic and institutional equal to the United States.*

President Xi Jinping put forward the strategic conception of building the "Silk Road Economic Belt" and "21<sup>st</sup> Century Maritime Silk Road", known shortly as the "One belt and One Road"<sup>78</sup> initiatives. The proposal garnered the interest of the global community, as soon as it was announced. Various countries along the proposed route have expressed broad support, while domestic cities and provinces, which were part of the ancient Silk Road, have welcomed the idea. Over the past year, China and relevant countries, together with regional organisations, have put in a lot of efforts to jointly build the 'One Belt and One Road'. They have devised innovative methods to strengthen bilateral ties and enhance regional cooperation and have made impressive progress.



This visionary conception that leverages on China's historical connections has created a new opportunity to rejuvenate the economic and cultural ties built via the ancient Silk Road. It presents a "win-win approach" to peaceful coexistence and mutual development. The idea carries forward the spirit of the ancient Silk Road that was based on mutual trust, equality and mutual benefits, inclusiveness and mutual learning, and win-win cooperation.

It also conforms to the 21st century norms of promoting peace, development, cooperation and adopting a win-win strategy for all. The conception organically links the "Chinese dream" to the "Global Dream" and



has far-reaching strategic significance with a global impact.

Once the "One Belt, One Road" vision is realized, it would create the most promising economic corridor, directly benefiting a population of 4.4 billion people or 63 percent of the global population, with a collective GDP of 2.1 trillion U.S. dollars that accounts for 29 percent of the world's wealth. The related region, which is the most dynamic and vibrant economically, encompasses many developing countries with emerging market economies and a big growth potential. Most of these countries also have a late-mover advantage, which provides large room for development. China already has close economic and trade cooperation with the related countries along the proposed route, accounting for a quarter of China's total foreign trade. The annual trade between China and these countries has grown by 19 percent on average in the past decade.

For the past one year, the joint efforts by China and the countries connected to the 'One Belt and One Road' vision has made rapid progress, especially in the fields of transportation, infrastructure development, trade and investment, energy and natural resources and in promoting financial security and advancing bilateral and regional cooperation.

First of all, China has made headway via the ASEAN Ten Plus One arrangement, the Shanghai Cooperation Organization, the BRICS countries, and solidified bilateral ties with Russia and countries in Central Europe, Central Asia the Middle East and South Asia. A bilateral, regional, and multilateral cooperation mechanism between China and the countries along the proposed route has been established preliminarily in either a fixed or non-fixed manner.

Secondly, the vision for a 'One Belt and One Road', allows the countries involved to create a three-dimensional and multi-layer transport network that connects them via land, sea and air. That includes the New Eurasian Continental Bridge, which is regarded as the 'modern Silk Road', the China-Singapore Economic Corridor that runs through the Indo-China Peninsula and the Bangladesh-China-India-Myanmar Economic Corridor that connects China to South Asia. The prototype of a backbone passage for the One Belt and One Road vision has emerged.

Thirdly, several financing platforms such as an Asian interconnection and mutual communication investment bank, the Shanghai Cooperation Organization development fund and the Shanghai Cooperation Organization development bank are being planned to finance these ambitious infrastructure development projects.

Fourthly, different logistics hubs are being built across the region to support the 'One Belt and One Road' initiatives. Several free-trade industrial parks have also sprung up that would help to connect the production, circulation and marketing of goods in the region. The eventual economic dividends of the 'One Belt and One Road' vision are expected to bring about shared economic prosperity that will help promote social progress, political stability and overall security in the region.

Therefore the 'One Belt and One Road' vision is not only a strategic conception for the great rejuvenation of the Chinese nation, but also a beneficial path for the common prosperity of countries along the proposed route and an organic combination of the Chinese dream with the global dream. The Chinese president's initiatives will really help build a community of common interest and destiny. As China embraces its role as an expanding world power,<sup>79</sup> under Xi's leadership it increasingly seeks to establish itself as an economic and institutional equal to the United States. The FTAAP cannot fulfill this vision. This year's APEC may seem to present a dramatic push-and-pull between Obama's TPP and Xi's FTAAP, but for the real battle for influence over global trade, look to China's new Silk Road strategy.

## PART V: ASSESSING CHINA'S MILITARY STRATEGY IN 21<sup>st</sup> CENTURY

### *Deciphering China's White Paper*

While In November 1995, the Information Office of the State Council of the People's Republic of China issued the first defense-related white paper on "Arms Control and Disarmament", the first "defense white paper" was issued in 1998, called "China's National Defense." Following this publication, defense-related white paper has been issued every two years by China. On 26<sup>th</sup> May, 2015 China released the tenth white paper called "China's Military Strategy."<sup>80</sup>

A critical analysis of the above mentioned White Paper<sup>81</sup> entitled "China's Military Strategy" (see Appendix A) is essential to understand the aggressive nature of Chinese decision making to achieve her goals and objectives in the new world order. Needless to add, the great challenge in the 21<sup>st</sup> Century is the rise of China and the impact that she has already created in the international system. We must ask the fundamental question behind China's reasoning to publicly innumerate her defence strategy. However before that there are a number of questions whose answers we must have to predict to a certain degree of possibilities to decipher China's intent to utilize the capacity and capability that she is developing militarily. First, is China's Economic, political, technological and strategic agglomerations, as we are seeing to be projected by her, sustainable for the coming 50 years from now? Second, is China seeking to change the global order and also change the balance of power in such a way that what happens in Asia will represent a new era to unfold? Third, is China trying to carve out a new strategic blueprint, which in turn will produce new security architecture for Asia? Fourth, given the possibility of the emergence of a new architecture, how will the existing architecture of global security respond to it? Fifth, how the Chinese leadership under President Xi Jinping assesses and reacts to the now emerging India as perhaps a game changer under the present leadership dispositions.

It is in the context of the above observations that we have to seriously consider the aims and objectives of China's Defence Strategy document. When China burst into the world scene some 20 years back with the largest purchasing power parity surpassing that of the United States, with the

projection that it may become the world largest economy, India had still not emerged from the stranglehold of the “license raj” nor had the economic liberalization been instituted. It is not very certain today whether China will truly become the world's largest economy considering the changes that are taking place in India in particular. India is well poised to be major economic, social, political and military power in Asia, though it will take more time to surpass China. However it should not be lost sight of that “China, by the centenary of its founding, intends to restore itself to the global position of pre-eminence that it once enjoyed in Imperial times”.<sup>82</sup>

It is essential to note that the China's White Paper 2015, dubbed as “China's Defence Strategy in the 21<sup>st</sup> Century has been in making with the same meticulousness as the previous ones. However, it is to be seen that this document, which has been reproduced in full as Appendix A in Footnote No.80, has some of the unique features as it postulates on its national security strategy to cover the domain of maritime, cyber security, strategic nuclear capability, and her attempt to be a lead player in space technology. China has in its history been a major maritime player when it came to trade and commerce over the centuries but the White Paper makes it specific in terms of China's attempt to qualify as an emerging maritime power with the ultimate aim to equal with the United States' naval presence and capability globally. The attempt has been to take out China from its slumber of isolationism, subjugated nation status suffered under the colonial powers, fragmented politics and insular policies<sup>83</sup>.

The release of the White Paper coincided with the China's declaration to invest USD 46 billion on the China-Pakistan Economic Corridor (CPEC) with a view to give her access to Western Indian Ocean region through the Pakistani port of Gwadar. On the politico-diplomatic front, both during the 2014 and 2015 Shangri-La Dialogues, China has spared no effort to showcase her military decision making team to match that of the United States to project her strategic rationale related to the South China Sea<sup>84</sup>. The White paper while addressing the maritime challenge, turns the PLA's traditional approach to operations and strategy on its head, by stating that “the traditional mentality that land outweighs sea must be abandoned, and great importance has to be attached to managing the seas and oceans and protecting maritime rights and interests.” Therefore, the PLA Navy “will

gradually shift its focus from 'offshore waters defense' to the combination of 'offshore waters defense' with 'open seas protection', an evolutionary development from what was announced in the 2006 white paper, the "Navy aims at gradual extension of the strategic depth for offshore defensive operations."<sup>85</sup>

The white paper has thereby acknowledged the need to shift the balance in PLA thinking from ground operations to joint naval and aerospace operations—something that has been signaled for years (going back officially at least to 2004), but will require change in all aspects of future military modernization. The impact of this admission on the PLA as an institution cannot be understated. It will have effects on everything from force size, structure and composition to personnel policies, doctrine, training, logistics and equipment acquisition.

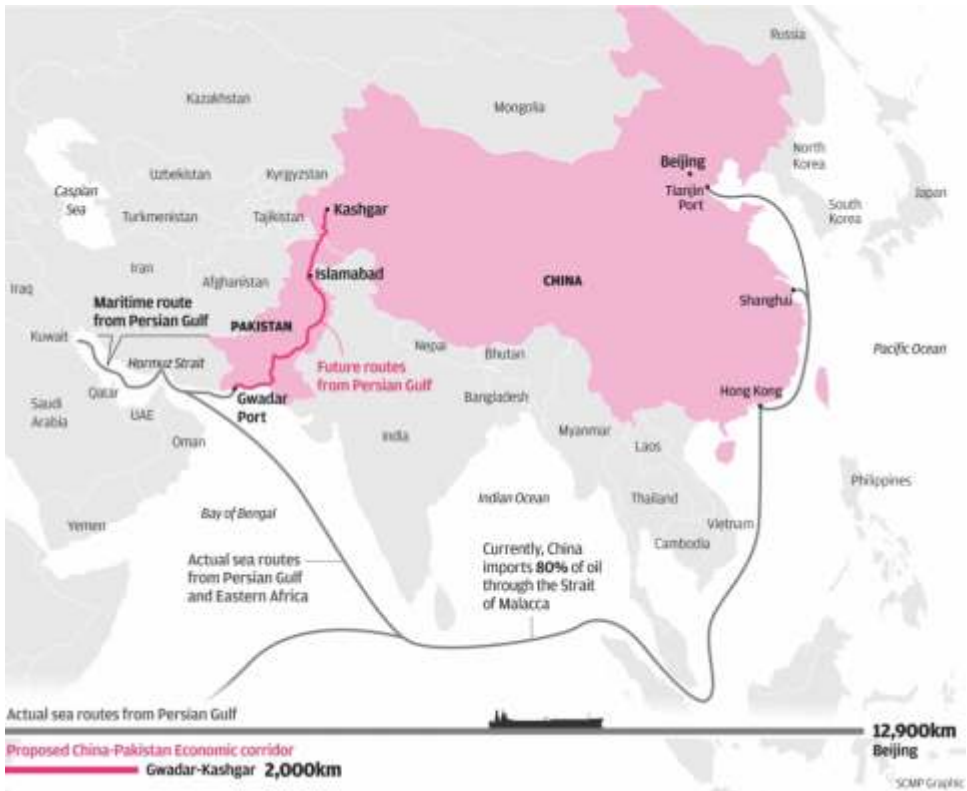
It is also pertinent to quote Balasko<sup>86</sup> on two integrative processes that he underlines in his deliberation and the role of the Third Plenary Session of the 18<sup>th</sup> Chinese Communist Party Central Committee. He states that:

*"First, "That joint operation command authority under the [Central Military Commission], and theater joint operation command system, will be improved" and decided to "optimize the size and structure of the army, adjust and improve the proportion between various troops, and reduce non-combat institutions and personnel. Though no details of these changes have been announced publicly, we can expect them to be rolled out in the coming years and take several more years to implement and trouble shoot....andsecond through an integrated program consisting of all these elements, the PLA seeks "to enhance [its] overall capabilities for deterrence and warfighting." Results will not come overnight. Many changes will have major impact on long-standing "rice bowls" and institutional prerogatives. A careful reading of the white paper will see the word "gradual" is used multiple times. The changes envisioned, though still not revealed to the public, will take years and could result in the temporary loss of combat readiness as units and organization undergo transformation."*

## PART VI: CHINA'S APPROACH TOWARDS INDIA

Chinese President Xi Jinping has invited India to join the Chinese Silk Route through South Asia. From China's historical point of view, India is the converging point of Maritime Silk Road (MSR) and the ancient Silk Road on land. China has already showcased to Indian Diplomats and Journalists China's preparations to build the New Silk Road (NSR) from the historic city of Xian, once the flourishing capital of imperial China. The Chinese government believes that India naturally is an important partner in this One Belt and One Road initiative. China has denied that the new projects were aimed at establishing China's influence, saying Beijing is not aiming to establish influence nor will it establish a new mechanism for the Silk Roads. China has put forward the second Silk Road, which is called the Bangladesh, China, India and Myanmar (BCIM), and the third one was the revival of the MSR connecting China's Fujian coast with Asia and the world. China also links its proposed Economic Corridor through the Pakistan-occupied Kashmir as part of Silk Road project. The (China-Pakistan) Energy Corridor will be built on the ancient Silk Road, which practically passes through Pakistan and link with Middle East and India. China has already invested over USD 1.2 trillion of its USD 3.95 trillion in US Treasury bonds besides billions of dollars and Euro and other international bonds and can also attract some of the 100 million Chinese tourists. India has expressed reservation as the Economic Corridor in Pakistan runs through disputed territory. India does not have direct link with NSR as it runs through parts of Pakistan. ON BCIM, India has sought more details from Beijing and about MSR for which China plans to make effective use of the newly developed port in Sri Lanka and Pakistan posing strategic concerns to India. India's concerns were also emboldened after two Chinese submarines were allowed to dock at the Colombo Port last year.

## China Pakistan Economic Corridor



On 10 August 2015, NDTV published a report on China's approach to India with special reference to the Economic Corridor and the Energy Corridor to be established through Pakistan. Appended below is the full report appended below.

"Xian, China: Giving final touches to its most ambitious plan to build a wide network of new silk roads on land and seas to enhance global connectivity, China has invited India to join President Xi Jinping's pet project that would revive the ancient trade route and benefit the region.

"From historical point of view India is the converging point of Maritime Silk road (MSR) and the ancient Silk Road on land. For more than 2,000 years India had very good exchanges with China through the passage of the South Silk Road," Gao Zhenting, Councillor, Department of International Economic

Affairs, told PTI. "So in China we have a belief that China and India both placed the trail of silk roads and MSR and we both have benefited from the roads," said Gao, who oversees the Silk Roads projects that involves a maze of highways on land and port connectivity by sea.

The projects were expected to revive China's trade links specially its sagging exports besides globally enhancing its sphere of influence. Throughout the history of Silk Road and Maritime Silk Road many scholars and businessmen from India visited China and still many Chinese remember the names of many of them and stories, he said. Gao took a team of diplomats and journalists to showcase China's preparations to build the New Silk Road (NSR) from the historic city of Xian, once the flourishing capital of imperial China.

The road enabled China's famous Buddhist scholar Xuanzang to visit India in 600 AD and return with treasure trove of Buddhist scriptures. According to the recent Encyclopaedia of 2000 years of cultural contacts between India and China, Xuanzang, an ardent Buddhist scholar, visited India traversing through the ancient Silk Road of Kyrgyzstan, Uzbekistan, Tajikistan and Afghanistan and entered the undivided India.

Xian houses the Wild Goose Pagoda, built in memory of Xuanzang's visit to India. "The Chinese government believes that India naturally is an important partner in this One belt and One Road," Gao said. "We are open to all friendly neighbouring countries to participate in this one belt and one road but of course we will not force any one to join nor we will give up if someone is not taking part," he said.

Gao denied the new projects were aimed at establishing China's influence, saying Beijing is not aiming to establish influence nor will it establish a new mechanism for the Silk Roads. "By saying inclusiveness we are not aiming to establish new mechanism or aiming to have our sphere of influence and also we do not say no to other existing cooperative mechanism," Gao said, referring to Shanghai Cooperation Organisation, ASEAN and APEC and other similar organisations.

Stated to be the most ambitious project of its kind, China's plans included



revival of the ancient Silk Road, starting from Xian and possibly to Constantinople through parts of Pakistan, central Asia and Turkey. The second Silk Road is called the Bangladesh, China, India and Myanmar (BCIM) and the third one was the revival of the MSR connecting China's Fujian coast with Asia and the world.

China also links its proposed Economic Corridor through the Pakistan-occupied Kashmir as part of Silk Road project. India has expressed reservations as it runs through disputed region.

A Pakistani diplomat in China, Shazab Abbas, who was part of the delegation, said his country will be the "harbinger" for implementing the Silk road project.

"The (China-Pakistan) Energy Corridor will be built on the ancient silk road which practically passes through Pakistan and link with Middle East and India," he said, adding the corridor will be game changer for the entire region and a driving force for real cultural and economic integration. For its part, India do not have direct link with NSR as it runs through parts of Pakistan.

The Wagah border point is closed for Indian goods other than selective bilateral trade. India has no direct access to Afghanistan and Central Asian countries. India, however, is linked to BCIM and the MSR. While New Delhi has endorsed the BCIM, it sought more details from Beijing about MSR for which China plans to make effective use of the newly developed port in Sri Lanka and Pakistan posing strategic concerns to India.

Gao said the final blue print of the Silk Roads will be released in about two months. The final document was expected to contain details of the extent of road networks. He said the countries in this great plan include those from South West Asia, South Asia, Central Asia, East Asia including nations like Russia, Mongolia, to the Russian confederation and courtiers in East Europe. "We believe all ports along the road is very important and priority will be given to establishment of certain zones and parks in the areas. Maritime cooperation and security of maritime navigation are important," he added. The road projects include infrastructure connectivity, industrial investment

and trade cooperation besides cooperation in energy, financing and people-to-people cooperation. It also covers ecological and environmental protection and maritime cooperation, Gao said. The emphasis for the new road initiatives will be infrastructure.

Funding for the projects was expected to be provided by the newly established BRICS Development Bank and the Asian Infrastructure Development Bank (AIDB) being set up by China for which it has invited India to be a member of it. Chinese analysts say China has already invested over USD 1.2 trillion of its USD 3.95 trillion in US Treasury bonds besides billions of dollars and Euro and other international bonds. The BRICS bank and AIDB could provide new openings for safe Chinese investments.

Gao said the silk road projects brings about new opportunities of cooperation between Indian and Chinese business firms as well as an opportunity to increase Chinese investments in India as it involved development infrastructure including building of roads and rail and highways, power stations and heavy equipment.

"We are now having good cooperation and will have more opportunities in future with potential for further opportunity development infrastructure," he said, referring to India's latest five year plan placing emphasis on infrastructure development. This provides advantage for Chinese firms to work with their Indian counterparts, he said. This will also help India to attract some of about 100 million Chinese tourists who visited abroad last year. "To promote infrastructure and facilitation of visa services will bring more Chinese tourists into India," Gao said."

## PART VII: IMPORTANT STRATEGIC IMPLICATIONS

China's world view in the 21<sup>st</sup> Century is a separate matter and will not be enumerated here as this is an Indo-centric evaluation of China's hopes, aspirations and strategic rationale to contain South Asian and the littoral states of the Indian Ocean. In the 1950s, China had economic relations with only 40 or so countries. China's overseas economic interests were therefore limited to trade with these countries. By the beginning of the 1980s, China had established economic and trade relations with 178 countries and regions; obviously, the scope of its economic interest had expanded. Along with the continuous implementation of the open door policy, the scope of China's overseas national interest will naturally expand even further. After the disintegration of the Soviet Union, Russia's domestic politics became chaotic. China believes that Russia's domestic political stability is important to China's interests. Therefore, China developed policies to support Yeltsin in stabilizing domestic politics. After the Sino-Russian Foreign Ministers Talks in 1992, Foreign Minister Qian Qichen addressed journalists. He said: "Central Asian countries have close ties with Russia in every aspect and at the same time are members of the Commonwealth of Independent States. China and Russia share a common interest in keeping Central Asia stable and economically prosperous."

It is unlikely that China and India will be able to resolve the Border issue in the near future. China has 17 international borders to be demarcated with her neighbours. One of the most contentious one is the Sino-Indian Border. China's zeal to have a corridor to the Arabian Sea and hence its presence and capacity to do so by a land route has made it initiate the China Pakistan Economic Corridor which passes through disputed territory as per Indi. Hence rather than reducing tension in the bilateral relationship between India and China, it may become a permanent irritant in the international as well as the strategic rationale in South Asia. By supporting Pakistan, which is nearly a failed state, harboring on the threshold of acting as a reinter state, the absence of the United States from Afghanistan, China will now become the third nation to further continue to perpetuate external powers operating in the erstwhile North Western Frontier. The massive financial

investment by China in the China-Pak Corridor and in the energy sector is an indication as to where the Chinese priority lies in South Asia.

China does not consider that the Taliban is the creation of Pakistan nor is it a supporter of the same. China considers that Pakistan is doing well and can be trusted as a stable political ally and deserves to be propped up against India. China in Asia Pacific region considers that Japan is too hard a bargainer with a tough business attitude and can never be an ally and the United States cannot be trusted being always a contender for the first power position in the globalized world having a definite impact on world politics.

China's stand on the South China Sea is a definite indicator that if she becomes truly capable to flex her military muscle then will not entertain any country's presence in the South China Sea region. China's devaluation of her currency is yet to be studied carefully. Its effect on Macro and Micro economics at the global levels is yet to be ascertained. It is too early even to conjecture what it really indicates for the future. Will it result in a cascading effect leading to some form of a meltdown – one is not sure as yet. China's defence modernization and defence budget is a crucial factor. It is bound to affect the comfort levels of a country like India.

When one places the objectives enunciated in “China's Military Strategy” document and China's Silk Routes formulation it becomes clear that China is attempting to achieve singularity between the two. The Silk Routes proposition provides China to achieve economic and technological agglomeration over vast regions belonging to various nation states through which China's One Belt One Road passes. “China's Military Strategy” document gives a clear indication of the ambition of China to achieve military strategic agglomerations world wide as a major power next only to the United States.

## PART VIII: INDIA'S PERSPECTIVES AND STRATEGIC OUTLOOK

### *Historical Reality*

India, on gaining independence in 1947, inherited many disadvantages. Despite carrying the baggage of many accumulated burden of misuse over the centuries she did have one natural advantage of resurgent nationalism on gaining independence in 1947. One should not fail to note that India has been a nation under subjugation for centuries without experiencing the status of a nation state or the culture of experiencing nationhood. India's diversity, her multi-cultural, multi-racial, multi-religious and multi-ethnic characteristics were greatly derided as well as destroyed and literally shut down. India also carried the consequences of servitude and the humiliation of military defeats in the hands of the invaders from outside over centuries. Interestingly, India became subservient to its inherited partitioned geography, which created Pakistan. This aspect has led to the unending interpretation of its territorial integrity by outside powers to the extent of being internationalized by the members of the international organizations

Conceptually, Indian political class as leaders of the largest democracy even at the time of independence committed an unpardonable error which searched for the sustaining roots of Indian nationhood in alien idioms, values and norms. The acceptance of geographical division of the undivided India agreed to by the political leadership blunder committed by Indian political leadership and such decision making influenced by the outgoing British Raj has created today the crisis of identity of the nation states' nomenclature which has remained undefined: Bharat, Hindustan or India. While the moral and psychological momentum of the freedom movement carried on till the disastrous military set back in 1962. Thanks to the idealism of Nehru and illiteracy of Krishna Menon on matters military, India dissipated the high moral and practical aspects of nationalism to guide the destiny of independent India. This coupled with the confusion created by Gandhian pacifism compounded by initiating non-alignment as a foreign policy tool to address hard realities of real politic played by the super powers during the cold war period and the absurdity of rewriting non-alignment as non-alignment 2.0 as late as in 2013 by a group of public intellectuals in

collusion with some of the top bureaucrats responsible to craft India's Strategic policies reduced India's strategic thinking to irrelevancy by the end of the term of the last Government in office in 2014. Earlier in 1990-91, Jaswant Singh noted the stark reality of Indian thinking and assessment on matters military in the following way:

*"We thought that all that warfare and strategy were about individual valor and bravery; we thought our soldiers are the best in the world (yes, they are, but is that all?) We thought besides, 'What does India, well-meaning India have to fear from any quarter?' To my mind, this was, in turn, both a consequence and a cause. This mentality was the consequence of the failure to evolve an Indian state, and became the cause, in turn, failing to do so even after independence. Also, the defining catalyst in the evolution of nation states in the West, the industrial revolution, had entirely missed India; our historical experience was thus all together different. But we did not recognize that perhaps inevitably, therefore, with no inheritance of strategic thought, with our land vivisected geographically otherwise; equally, with scarce incentives for conceptualizing independently such a thought, with our political leadership either ignorant or unconcerned or both, an evolution of this irreplaceable ingredient remained limited in the extreme... That is why conclusions as those of George Tanham, widely distributed throughout the International strategic community, did not seem to greatly surprise or even pain anyone in India. Nor did it result in any other reaction, even one of correction. The implications, however, of this seeming inability of people of great antiquity and cultural resilience are grave and cannot be escaped... Wars, historians have noted, are decided by three factors: terrain, the difference of the levels of Armament Technology; and the character, attitude, and approach of the contending sides. The terrain is given, and technology can be improved, but the last cannot be easily remedied. And this last has been India's main deficiency and principle reason for the lack of any intelligible national strategic thought".*

That India, till 1995, did not have a declared Defence policy but only guidelines is evident from Jaswant Singh's address entitled "What Constitutes National Security in a Changing World Order? India's Strategic Thought", published as CASI Occasional Paper Number 6 June 1998. The relevant part of the publication is appended below for record:

*"For many years now, in fact, for five terms in Parliament, I have been seeking from successive governments a clear, intelligible, comprehensive and reliable enunciation of our defense policy.*

*I offer but two, somewhat lengthy, quotations. The first, the reply of the Government when, as Chairman of a Committee of Parliament, I had asked them to explain their policy. This was in 1990-91. In April 1995, I again asked the Government to clarify their policy. The then Prime Minister, as Defence Minister, responded. I quote both statements in full without any additional comments.*

*In 1990, the then Defence Secretary stated during evidence:*

*I would submit that perhaps we have not been able to convince the honourable committee through our various notes that there is a policy. It is perhaps not defined in the manner that the committee was looking for.*

*He further added:*

*There is a document called the Operational Directives. It is a fairly comprehensive paper, which is issued from the Defence Secretary to the three Chiefs of Staff. It seeks to bring about as clearly as possible, under given circumstances, the threat situation which has been visualised in consultation not only with the three Services but the various agencies, the Ministry of External Affairs, as necessary with the Home Ministry in consultation with the Prime Minister's Office and finally it is approved by the Defence Minister. We have such a document, which has been in existence for a considerable period.*

*We found on closer examination that the contents of this document required considerable change because of the enormous change that*

*has taken place or is taking place not only in our near immediate vicinity but all round. We have, in the past year or so been getting the views, comments, perceptions of the three Services and have prepared a fresh document which has been very closely examined by the various concerned authorities in the Government. We found that there are a large number of areas where we were not in agreement. We set up a group of Senior Officers to sit together and come to a debated view on the basic minimum definition of what the country perceives as existing or emerging threats. That document is virtually finalised. It is now to go to the higher echelons.*

*Now if you ask, is this the Defence policy, I would not be able to say the answer is in the affirmative because India's Defence Policy, to the extent that I can venture to make a statement, from 1947 onwards, more precisely from 1950 onwards, has been basically a policy to defend our territory, our sovereignty and our freedom and no more than that. But from time to time, vis-à-vis our immediate neighbours, vis-à-vis Bangladesh at a point of time and vis-à-vis Sri Lanka more recently, the policy proceeded to grapple with the problem as it arose. With various kind of background we may be able to build up in consultation with various concerned authorities, I venture to submit that it may not still be of the kind that the Committee have in mind.*

*The policy must be clear and this should be subject to debate. I am afraid that may not be there for the moment. But still there is an ongoing and continuing effort on all fronts, within the Services, within our Ministry. We are interacting with the various concerned departments and organisations of the Government. We are trying to proceed very rapidly in that direction. The recent decision of the Government to set up the National Security Council was another step in the same direction. It should not be left merely to the household of the Ministry of Defence or a few other concerned organisations to come to whatever view they think as most accurate. We have to try to expose the perceptions and the concepts to academics, to people*



*from various walks of life, retired civil servants, retired Defence Service officers, academicians, people from the Universities and parliamentarians who have been interested in the subject. So what is ultimately established as the national perception of what requires to be done, would be fairly well tested, on a broad basis.*

*On 16 May 1995, the Prime Minister and Minister of Defence, Shri P. V. Narasimha Rao, stated:*

*Mr. Speaker, Sir, I would only confine myself to a few matters, a very few matters impinging on the defence policy of the Government and I would like to take the House into confidence and explain these things to the best possible extent, to the extent I can.*

*Sir, the first criticism has been rather an extraordinary kind of criticism to say that we have no National Defence Policy. I would like to submit very respectfully that this is not true.*

*We do not have a document called India's National Defence Policy but we have got several guidelines, which are followed, strictly followed and observed, and those can be summed up as follows:*

- 1. To defend our National Territory over land, sea and air, encompassing among others the inviolability of our land borders, island territories, offshore assets and our maritime trade routes.*
- 2. To secure an internal environment whereby our Nation State is insured against any threats to its unity or progress on the basis of religion, language, ethnicity or socio- economic dissonance.*
- 3. To be able to exercise a degree of influence over the nations in our immediate neighbourhood to promote harmonious relationships in tune with our national interests.*
- 4. To be able to effectively contribute towards regional and international stability and to possess an effective out-of-the-country contingency capability to prevent destabilisation of the small nations in our immediate neighbourhood that could have adverse security implications for us.*

*This policy is not merely [sic] rigid in the sense that it has been written down, but these are the guidelines....*

*I think no more explanation or elaboration is needed...."*

From the above exposition it can be clearly inferred that for the first fifty years after India's independence, the political leadership have made the utterances on defence policy not through a policy document but as guidelines produced by the bureaucracy without any inputs from the Indian intellectual community at large or various stake holders in a transparent way. There has only been talks but without any will to implement a robust defence policy in place neither recording of any strategy for national security nor any attempt to define India's national interest. Even today, there is no official enunciation of a Defence Policy of India by the Government, no official document enumerating National Security Strategy and no White Paper on Defence Strategy.

### *Indian Dilemma*

India since the beginning of the cold war suffered from three shortcomings. First Nehru's relegating economics of market to a minor position in diplomacy, second, his inability of understanding of the inevitable onslaught of the potential power of an information age in the making and third, the long period of Nehru's leadership as prime minister. Devoid of the realist approach to world order the Nehruvian vision resulted in the incorporation of the world view that were based on the premise that there were only moral solutions to political problems. Translated into actual implementation, India incorporated central planning and state ownerships in all strategic sectors of defense production and social welfare including education under the garb of mixed capitalistic economy. Private sector thus remained confined to consumer oriented consumable products production, which accounted to less than thirty percent of total outlay for national development.

The private sector in this process lost the ability to have any stake related to national security or partnership in any form of decision making on national security. There were no experts who could agree to disagree with Nehru

publicly either within the ruling part or its political adversaries and survive. While Y B Chavan is a classic example of neutralization by the then political architects, J R D Tata became the symbol of insensitivity of the government towards the private sector. National interest in the post Nehru era was more or less ill defined by politicians and perused by an unwieldy bureaucracy which perpetuated the "license raj". The entire period of cold war thus saw the primacy of strategic policy making based on privilege information on a need to know basis. India fell into the trap of relying on bureaucratic outlooks and perceptions and being ever suspicious of any freethinking by any non-governmental individual or organization. So much so that even the Service Chiefs of the Armed forces were seldom consulted. The sharing of information mundane or otherwise was a taboo and the private entrepreneurs were viewed as animals who were only interested in profit making and hence could not be patriotic to safeguard national interests. Coupled with lack of information related to strategic matters, the bureaucracy and the political leadership ensured that they remained in power by denying information to others which could be a basis of national debate on strategic perspectives.

However, there is a definite impact of neo-realism on India's approach to galvanize National Security policy making strategy supported by strategic thinking where in the culture of strategic thinking has perceptively changed to become more realistic due to the participation of a variety of individuals, organizations and the private sector. The corporate sector giants have found stake in national security affairs indirectly to safeguard their business interests in major areas like energy, environment and intellectual property rights.

### *India's Strategic Perspective Towards China Under Modi Government*

This paper has already in the beginning and immediately above has attempted to place the hopes and aspirations, the vulnerabilities, ambitions and notions that both China and India on record. The sweeping victory by Narendra Modi in the national election in 2014 has had a significant impact regionally and globally. The election victory has brought to the forefront the possible role that India will play in Asia. Some scholars have already started

writing that Modi may follow the PRC model for economic development and growth and the Chinese analysts who have been keenly following the transition of power, governance and administration in India have started attributing historical analogies to explain the behavior of the new leader and the leadership style of Modi. Modi's intense display of nationalism, strategy to attract Indian diaspora during every visit of his abroad, his near iconic rock star status amongst them by attracting thousands of Indians settled abroad in every of his meeting, his techno suaveness to use the tools of information technology to connect up with Indian and non Indian masses around the globe (Modi has today 12 million followers on twitter) and not to forget his oratory skills has surpassed the public reputation as a leader who constantly stresses on the spirit of nationalism, patriotism to the hilt.

In the past eighteen months that Modi has been leading the government, there has occurred no corruption scams as was prevalent in the past government led by Dr Man Mohan Singh government. Fears have been expressed at some quarters that Modi may become the "Indian Shinzo Abe" resulting in overplaying the nationalism card and sensitized the border dispute with China to a totally different level.

Modi's strategic vision and perspectives has ushered in a degree of strategic competition and a situation to maintain a status quo on India China relations. Modi is the first Indian Prime Minister in whose time when the Chinese Premier Li Keqiang was visiting India that the Indian Government announced the establishing a "Mountain Strike Corp" with a view to move troops of the Indian Army in the Chinese territory. It was during Manmohan Sigh regime that India tested and operationalized the Agni-5 ICBM to bring the whole of China in range for the first time in 2012. Palash Ghosh wrote in International Business Time that "India's border patrol policy is only one small part of its military readiness against China" while Kapil Patil writing in 2012 stated that "India's overall land warfare strategy vis-à-vis China is determined by its deterrence posture, layered at both conventional and nuclear levels. Maintaining credible nuclear and conventional capabilities is therefore essential, not only for deterring the Chinese military threat but also for improving India's overall bargaining position in border settlement

talks with China.. Landing of a C-130 Hercules medium lift aircraft at Daulet Beg Oldi landing strip in Ladakh will further raise Modi's strategic vision and attitude to create a situational strategic parity of credibility with China in times to come.

While much literature has been generated on the China's Silk Routes/Roads/Belt, what is yet to be proven is on its question of sustainability and more so on a whole range of cooperative economic interdependence that must occur to make the grand strategy of one belt one road a reality. As of now China having sunk \$46 billion on the China-Pakistan Economic Corridor is faced with the question of India's objection of the route passing through disputed territory. India will be remiss if she agrees to the overtures done by China to Pakistan on this economic agglomeration by China on India through Pakistan.

## PART IX: RECOMMENDATIONS & CONCLUSION

### *Recommendations*

1. There is an urgent need to study the econometric models that can be applicable to China's Silk Roads/Routes/ Belt. These models have to be separate for separate issue areas.
2. It will be necessary to study the quantum of political intent that China is capable to bear on the lesser partners participating in the Silk Route venture.
3. With the slowdown of the Chinese economy and the 'Aging' factor of the Chinese population coming to the forefront, it will be prudent to make a realistic assessment as to whether China will be able to create a middle class society with consumerism to boost internal consumption of products made in China for the Chinese masses through retail distribution system, competitive commercialism without allowing political liberalization as prevalent today.
4. China's energy requirement will increase manifold as compared to what it is today. How will China face the issue ten years from now? This again requires statistical forecasting to be clear as to what grand strategy China will adopt. China is not endowed with the same levels of natural resources as the former Soviet Union had or the present Russia has access to.
5. Considering that the Silk Route endeavor by China is still very much only on the drawing board and far from being a serious fait accompli, it is recommended that it has to be studied from another angle where the Global Banking major HSBC on 24 November 2015 forecast a strong growth rate for India's export segment and have projected that India will outpace China in the period 2025 and 2050.
6. It has been observed that the Chinese defence production and especially naval modernization program is taking place at a very fast pace. All equipment/platforms may not be equal to world best standards. However it remains pertinent that China is definitely

going to create a superior numerical advantage as compared to the other countries in the Asian region. An in depth empirical study of Chinese defence industry as well as the other strategic programs including whether they are going to add on to their nuclear arsenal or would transfer strategic critical technology to countries like Pakistan and to what extent they will be successful to tip the balance of power in the Asian region, is necessary.

7. It has been pointed out earlier in this study that China's stand on the South China Sea is a definite indicator that if she becomes truly capable to flex her military muscle then she will not entertain any country's presence in the South China Sea region. This evaluation is recommended to be of primary importance to India.

China is no longer in an evolutionary state in the comity of nations. She has emerged as a major power economically and strategically. It has successfully privatized the means of production by a clever way and retained the control over power to decide on all matters related to development and human resources. She has demonstrated that despite not allowing political liberalization, a nation can achieve the status to use economic and strategic agglomeration over lesser-developed countries of the world. China is apprehensive of India because of the institutionalization of the democratic processes and freedom of the press. Any nation, which does not allow free access to information or freedom to the press/media or allow the society in general to evolve a culture of protest, is going to be confronted with serious problems from the individual citizens sooner than later. The decision to ban the operation of google or show scant respect to copyrights can create a cultural balloon, which has the potential to explode much faster than even an economic meltdown. China has to be constantly nudged to understand and made to give a midcourse correction to their behavior for a better social mobilization rather than only concentrating on economic, technological or strategic development. China's ambitious plans to strategize the New Silk Route or One Belt One Road will have serious short-sightedness if she continues to relegate human hopes and aspirations to an individual level.

## ENDNOTES

<sup>1</sup>OnkarMarwah, *Strategic Parity for Peace: Engaging China in the 21<sup>st</sup> Century*, Third K Subrahmanyam Memorial Lecture, NIAS, Bangalore, 2014.

<sup>2</sup>For an in-depth analysis of BRI see Scott Kennedy and David A Parker, *Building China's "One Belt, One Road"*, In CSIS, Center For Strategic & International Studies, 3 April 2015, <http://csis.org/publication/building-chinas-one-belt-one-road>

<sup>3</sup>For detail exposition see Times of India .... and Li Mingjiang, *China's "One Belt One Road" Initiative; new Round of Opening Up?* In RSIS, Nanyang Technological University <http://www.rsis.edu.sg/research/cms/>.

<sup>4</sup>See David Christian, "Silk Roads or Steppe Roads? The Silk Roads in World History." *Journal of World History* 11, no. 1 (2000): 1–26. He quotes as follows :

"Writing in about 985 B.C.E., the Islamic geographer al-Muqaddasi listed some of the exports of central Asia:(Used by permission for Bridging World History, 7 The Annenberg Foundation copyright © 2004) "from Tirmidh, soap and asafoetida [a strong smelling resinous herb]; from Bukhara, soft fabrics, prayer carpets, woven fabrics for covering the floors of inns, copper lamps, Tabari tissues, horse girths (which are woven in places of detention), Ushmuni fabrics [from the Egyptian town of Ushmunayn], grease, sheepskins, oil for anointing the head; ...from Khorezmia, sables, miniver [a white fur], ermines, and the fur of steppe foxes, martens, foxes, beavers, spotted hares, and goats; alsowax, arrows, birch bark, high fur caps, fish glue, fish teeth [perhaps a reference to walrus tusks, which were carved into knife handles or ground up and used as medicine], castoreum [obtained from beavers and used as a perfume or medicine], amber, prepared horse hides, honey, hazel nuts, falcons, swords, armour, khalanj wood, Slavonic slaves, sheep and cattle. All these came from Bulghar, but Khorezmia exported also grapes, many raisins, almond pastry, sesame, fabrics of striped cloth, carpets, blanket cloth, satin for royal gifts, coverings of mulham fabric, locks, Aranj fabrics [probably cottons], bows which only the strongest could bend, rakhbin (a kind of cheese), yeast, fish, boats (the latter also exported from Tirmidh). From Samarqand is exported silver-coloured fabrics (simgun) and Samarqandi stuffs, large copper vessels, artistic goblets, tents, stirrups, bridleheads, and straps;...from Shash [modern Tashkent19 ], high saddles of horse hide, quivers, tents, hides (imported from the Turks and tanned), cloaks, praying carpets, leather capes, linseed, fine bows, needles of poor quality, cotton for export to the Turks, and scissors; from Samarqand again, satin which is exported to the Turks, and red fabrics known by the name of mumarjal, Sinizi cloth [from the Fars region, though originally the flax for them came from Egypt], many silks and silken fabrics, hazel and other nuts; from Farghana and Isfijab, Turkish slaves, white fabrics, arms, swords, copper, iron; from Taraz (Talas) goatskins... There is nothing to equal the meats of Bukhara, and a kind of melon they have called ashshaq (or ash-shaf), nor the bows of Khorezmia, the porcelain of Shash, and thepaper of Samarqand.

<sup>5</sup>I have extensively abridged and quoted in this section from the excellent writing of David



Christian, "Silk Roads or Steppe Roads? The Silk Roads in World History." *Journal of World History* 11, no. 1 (2000). Similarly the footnotes as well as the websites used from his writings have been rechecked before incorporation. All this is gratefully acknowledged.

<sup>6</sup>See Alfred J Andrea, *The Silk Road in World History*, in *Asian Review of World Histories* 2:1 (January 2014), 105-127, The Abstract to the article sums up the research paper in the journal in an excellent way as follows: "The Silk Road, a trans-Eurasian network of trade routes connecting East and Southeast Asia to Central Asia, India, Southwest Asia, the Mediterranean, and northern Europe, which flourished from roughly 100 BCE to around 1450, has enjoyed two modern eras of intense academic study. The first spanned a period of little more than five decades, from the late nineteenth century into the early 1930s, when a succession of European, Japanese, and American scholar-adventurers, working primarily in Chinese Turkestan (present-day Xinjiang Uyghur Autonomous Region, which comprises China's vast northwest) and China's Gansu Province (to the immediate east of Xinjiang) rediscovered and often looted many of the ancient sites and artifacts of the Silk Road. The second era began to pick up momentum in the 1980s due to a number of geopolitical, cultural, and technological realities as well as the emergence of the New World History as a historiographical field and area of teaching. This second period of fascination with the Silk Road has resulted in not only a substantial body of both learned and popular publications as well as productions in other media but also in an ever-expanding sense among historians of the scope, reach, and significance of the Silk Road".

<sup>7</sup>Christian op.cit., p.26

<sup>8</sup>Andrea, op.cit., p. 127

<sup>9</sup>J.-P. Drège and E. M. Bührer, *The Silk Road Saga* (New York: Facts on File, 1989), p. 6.

<sup>10</sup>Christian, op.cit., p.26

<sup>11</sup>Ibid, P.27

<sup>12</sup>Peter Hopkirk, *Foreign Devils on the Silk Road: The Search for the Lost Treasures of Central Asia* (Oxford: Oxford University Press, 1980).

<sup>13</sup>L. Boulnois, *The Silk Road*, trans. D. Chamberlain (New York: E. P.Dutton, 1966), is one of the few general histories; see also H.-J.Klimkeit, *Die Seidenstraße* (Cologne: DuMont, 1988). Drège and Bührer, *The Silk Road Saga*; and particularly I. M. Franck and D. M. Brownstone, *The Silk Road: A History* (New York: Facts on File, 1986), are good popular works. See also Morris Rossabi's survey of educational resources, "The Silk Roads: An Educational Resource," *Education about Asia* 4 (1999): 16–20.

<sup>14</sup>P. D. Curtin, *Cross-Cultural Trade in World History* (Cambridge: Cambridge University Press, 1985); W. H. McNeill, *Plagues and Peoples* (Oxford: Blackwell, 1977); Janet L. Abu-Lughod, *Before European Hegemony: The World System A.D. 1250 –1350* (Oxford: Oxford University Press, 1989); Jerry H. Bentley, *Old World Encounters: Cross-Cultural Contacts*

and Exchanges in Pre-Modern Times (New York: Oxford University Press, 1993); Frank and Gills, eds., *World System*.

<sup>15</sup>Christian, *op.cit.*, p.27

<sup>16</sup>Foe an excellent discourse read Frank, and B. K. Gills, eds., *The World System: Five Hundred Years or Five Thousand?* (New York: Routledge, 1992); Also see A G Frank "Re Orient: Global Economy in the Asian Age" (Berkeley: University of California Press, 1998).

<sup>17</sup>William H. McNeill, "World History and the Rise and Fall of the West," *Journal of World History* 9 (1998): 215–36; Jerry H. Bentley, "Hemispheric Integration, 500–1500 B.C.E.," *Journal of World History* 9 (1998): 237–54.

<sup>18</sup>Marshall G. S. Hodgson, "The Interrelations of Societies in History," in *Rethinking World History: Essays on Europe, Islam, and World History*, ed. Edmund Burke III (Cambridge: Cambridge University Press, 1993), p. 17.

<sup>19</sup>See David Christian, " 'Inner Eurasia' as a Unit of World History," *Journal of World History* 5 (1994): 6–36; and Christian, *A History of Russia, Central Asia and Mongolia*, vol. 1, *Inner Eurasia from Prehistory to the Mongol Empire* (Oxford: Blackwell, 1998).

<sup>20</sup>The exposition below is the output of a deliberation between Onkar Marwah and Gautam Sen on 11-12 May 2015, at the National Institute for Advanced Studies, Bangalore to ascertain the feasibility of a larger project on the needed India's approach to the political economy of India-China relationship. Being relevant the entire portion has been reproduced with the permission of DIRECTOR NIAS, which is gratefully acknowledged.

<sup>21</sup>See White Paper "[China's Military Strategy, 26 May 2015](#) " appended below (Xinhua) Updated: 2015-05-26 11:02 [http://www.chinadaily.com.cn/china/2015-05/26/content\\_20820628\\_7.htm](http://www.chinadaily.com.cn/china/2015-05/26/content_20820628_7.htm)

<sup>22</sup>Robert Olsen, R. (2012) "Arabia-Asia: China Builds New Silk Road, But Is The Middle East Ready?" *Forbes*, October 2012, available at <http://www.forbes.com/sites/robertolsen/2012/10/21/arabia-asia-china-builds-newsilk-road-but-is-the-middle-east-ready/> [accessed in April 2013].

<sup>23</sup>*Ibid.*

<sup>24</sup>"China president opens Turkmenistan gas pipeline," BBC News, December 2009, available at <http://news.bbc.co.uk/2/hi/asia-pacific/8411204.stm> [accessed in April 2013].

<sup>25</sup>"China president opens Turkmenistan gas pipeline," BBC News, December 2009, available at <http://news.bbc.co.uk/2/hi/asia-pacific/8411204.stm> [accessed in April 2013].

<sup>26</sup>"Kazakhstan-China oil pipeline could start operating at its full capacity by 2014," *Energy Global*, September 2012, available

at[http://www.energyglobal.com/news/pipelines/articles/Kazakhstan\\_to\\_China\\_oil\\_pipeline\\_could\\_start\\_operating\\_at\\_its\\_full\\_capacity\\_by\\_2014.aspx](http://www.energyglobal.com/news/pipelines/articles/Kazakhstan_to_China_oil_pipeline_could_start_operating_at_its_full_capacity_by_2014.aspx).

<sup>27</sup>Simon Pirani, "Central Asian Energy: the Turning Point," *Emerging Markets*, February 2010, available at <http://www.emergingmarkets.org/Article/2478245/CENTRALASIAN-ENERGY-The-turning-point.html>.

<sup>28</sup>Ibid.

<sup>29</sup>"????????????????????" [China's new trade routes], *Economic Safety*, February 2013, available at <http://ekonbez.ru/news/cat/16745>.

<sup>30</sup>Aditya Malhotra, "Chinese Inroads into Central Asia: Focus on Oil and Gas," *Journal of Energy Security*, November 2012, available at [http://www.ensec.org/index.php?option=com\\_content&view=article&id=387:chineseinroads-into-central-asia-focus-on-oil-and-gas&catid=130:issue-content&Itemid](http://www.ensec.org/index.php?option=com_content&view=article&id=387:chineseinroads-into-central-asia-focus-on-oil-and-gas&catid=130:issue-content&Itemid).

<sup>31</sup>China Daily, 9 September 2013, [http://usa.chinadaily.com.cn/china/2013-09/08/content\\_16952304.htm](http://usa.chinadaily.com.cn/china/2013-09/08/content_16952304.htm)

<sup>32</sup>President Xi Proposes a 'new Silk Road' with Central Asia, China Daily, [http://www.chinadaily.com.cn/china/2013xivisitcenterasia/2013-09/07/content\\_16951811.htm](http://www.chinadaily.com.cn/china/2013xivisitcenterasia/2013-09/07/content_16951811.htm)

<sup>33</sup>RustamMukhamedov, "Uyghurs in Kyrgyzstan under Careful Government Supervision", *Central Asia-Caucasus Analyst*, January 28 2004.

<sup>34</sup>See Charles Carlson, "Central Asia: Shanghai Cooperation Organization Makes Military Debut", RFE/RL, August 5 2003; "Central Asians Perform Military Maneuvers, Training Against Terrorists", RFE/RL Analytical Reports, August 3 2003; Antoine Blua, "Kazakhstan: President Nazarbaev Signs Mutual Cooperation Agreement with China", RFE/RL, December 27 2002.

<sup>35</sup>"Tashkent's New Balancing Act after SCO Summit", RFE/RL Analytical Reports, September 12 2003

<sup>36</sup>See Carlson, "Central Asia: Shanghai Cooperation Organization Makes Military Debut"; "Central Asians Perform Military Maneuvers, Training Against Terrorists"; "Tashkent's New Balancing Act After the SCO Summit," RFE/RL Analytical Reports, September 12 2003.

<sup>37</sup>"Is this young Kenyan Chinese descendant?" China Daily, July 11, 2005.

<sup>38</sup>AtulAneja, "China steps up drive to integrate Africa with Maritime Silk Road," *The Hindu*, January 21, 2015.

<sup>39</sup>Shannon Tiezzi, "What's It Like to Have China Build You a Port? Ask Cameroon," *The Diplomat*, February 27, 2015.

<sup>40</sup>Cheng Lu, "Return of maritime Silk Road does not forget Africa," Xinhua, February 12, 2015.

<sup>41</sup>"China-Africa relations: something besides natural resources," Xinhua, March 2, 2015.

<sup>42</sup>"Backgrounder: China's major railway construction projects in Africa, Latin America," Xinhua, 27 February, 2015.

<sup>43</sup>Brautigam, *Dragon's Gift*, 31-34.

<sup>44</sup>Brautigam, *Dragon's Gift*, 79.

<sup>45</sup>"China-funded light rail project puts Ethiopia on track for transformation," China Radio International, February 8, 2015.

<sup>46</sup>Chen Boyuan, "Chinese company completes Nigeria railway project," China.org.cn, December 2, 2014, accessed March 12, 2015. "Nigeria Completes First Standard Gauge Railway Modernization Project," Nigerian Television Authority, December 4, 2014.

<sup>47</sup>"Chinese-built railway in Angola open to traffic," Xinhua, February 15, 2015.

<sup>48</sup>"China airport construction going global," Xinhua, December 7, 2014, accessed March 12, 2015. "China, Sudan sign \$700m loan for new Khartoum airport," Sudan Tribune, December 17, 2014, accessed March 12, 2015. "Djibouti starts building two Chinese-funded airports," Reuters, January 20, 2015, accessed March 12, 2015. HouLiqliang and Hu Haiyan, "Jam-packed airports add to pressure," China Daily, January 30, 2015, accessed March 12, 2015. Li Lianxing, "Airports give Rwanda a ticket to growth," China Daily, January 30, 2015.

<sup>49</sup>Peter Bosshard, "China's Global Dam Builder at a Crossroads," *The Asia-Pacific Journal* 12 (2014).

<sup>50</sup>"China-Africa relations." Ronald Ssekandi and Yuan Qing, "China's investment in infrastructure key to Africa's development: experts," Xinhua, February 24, 2015.

<sup>51</sup>Zhang Yuzhe, "Gov't Said to Name Three to Silk Road Fund Leadership Team," Caixin, February 5, 2015.

<sup>52</sup>Zhang Yuzhe, "With New Funds."

<sup>53</sup>"Asian Infrastructure Development Bank to be operational by year-end," Press Trust of India, January 2, 2015, accessed March 12, 2015. Jamil Anderlini, Tom Mitchell and George Parker, "UK move to join AIIB meets mixed response in China," *Financial Times*, March 13, 2015, accessed March 14, 2015. "New Zealand becomes 24th founding member of AIIB," China Daily, January 5, 2015.

<sup>54</sup>Zhang Yuzhe, "With New Funds."

<sup>55</sup>Brian Eyster, "China's Maritime Silk Road is all about Africa," *East by Southeast*, November 17, 2014.

<sup>56</sup>Brautigam, *Dragon's Gift*, 136-137.

<sup>57</sup>*Ibid.*, p.56

<sup>58</sup>"Clinton Chastises China on Internet, African 'New Colonialism,'" *Bloomberg*, June 12, 2011.

<sup>59</sup>LamidoSanusi, "Africa must get real about Chinese ties," *Financial Times*, March 11, 2013, accessed March 12, 2015. Gregory Chin, "China's Challenge in Africa: Avoid Blame of Neo-Colonialism," *YaleGlobal*, 9 July 2014.

<sup>60</sup>Pew Research Center, "Chapter 2: China's Image," *Global Opposition to U.S. Surveillance and Drones, but Limited Harm to America's Image*, July 14, 2014.

<sup>61</sup>Katie Simmons, "U.S., China compete to woo Africa," *Pew Research Fact Tank*, August 4, 2014.

<sup>62</sup>"China's 2015 diplomacy focuses on 'Belt and Road,'" *Xinhua*, March 8, 2015.

<sup>63</sup>Chen Qin and Huang Shan, "Sri Lanka Tells China It Will Rethink Ties – and a Major Port Project," *Caixin*, March 10, 2015.

<sup>64</sup>Shee Poon Kim, "An Anatomy of China's 'String of Pearls' Strategy," *The Hikone Ronso 387* (2011), accessed March 12, 2015. David Tweed, "Modi Touring Indian Ocean to Keep China's Submarines at Bay," *Bloomberg*, March 10, 2015.

<sup>65</sup>"China invites India to join its Maritime Silk Road initiative," *Press Trust of India*, February 14, 2014, accessed March 12, 2015. C. Raja Mohan, "Silk Road Focus: Chinese Takeaway," *Indian Express*, March 10, 2015.

<sup>66</sup>The growing American military presence in Africa suggests that the putative hegemon is indeed not Chinese. See Nick Turse, "The US Military Has Been 'At War' in Africa on the Sly For Years," *The Nation*, April 14, 2014, accessed March 12, 2015. See also Nick Turse, "US Special Forces Are Operating in More Countries Than You Can Imagine," *The Nation*, January 20, 2015, accessed March 12, 2015.

<sup>67</sup>Richard Bradshaw and Jim Ransdell, "Japan, Britain and the Yellow Peril in Africa in the 1930s," *The Asia-Pacific Journal* 9 (2011).

<sup>68</sup>Dambisa Moyo, *Winner Take All: China's Race for Resources and What It Means for Us* (London: Allen Lane, 2012), 157.

<sup>69</sup>Brautigam, *Dragon's Gift*, 67-69.

<sup>70</sup>Brautigam, *Dragon's Gift*, 46-48.

<sup>71</sup>Barry Sautman and Yan Hairong, "Gilded Outside, Shoddy Within: The Human Rights Watch report on Chinese copper mining in Zambia," *The Asia-Pacific Journal* 9 (2011).

<sup>72</sup>Barry Sautman and Yan Hairong, "Trade, Investment, Power and the China-in-Africa Discourse," *The Asia-Pacific Journal* 9 (2009).

<sup>73</sup>Dambisa Moyo, "Beijing, a Boon for Africa," *New York Times*, June 27, 2012.

<sup>74</sup>"The Hopeful Continent: Africa Rising," *The Economist*, December 3, 2011, accessed March 12, 2015. World Bank, *Africa Rising: A Tale of Growth, Inequality and Great Promise*, April 14, 2014.

<sup>75</sup>Brautigam, *Dragon's Gift*, 219.

<sup>76</sup>Brautigam, *Dragon's Gift*, 222-223.

<sup>77</sup>Farai Gundan, "Made In Africa: Three Cars Designed And Manufactured In Africa," *Forbes*, January 31, 2015.

<sup>78</sup>By: Chen Fengying, Xi's Strategic conception of 'One Belt and One Road' Has Great Significance in CRINGLISH, 29 Dec. 2014.

<sup>79</sup>China's Silk Road Strategy, <http://foreignpolicy.com/2014/11/10/chinas-silk-road-strategy/>

<sup>80</sup>All white papers are available on the internet. The 2015 version can be found at [http://www.china.org.cn/china/2015-05/26/content\\_35661433.htm](http://www.china.org.cn/china/2015-05/26/content_35661433.htm). All others are available at <http://www.china.org.cn/e-white/>. The Chinese officially do not consider the first white paper on "Arms Control and Disarmament" among the nine defense white papers issued thereafter. A short summary of the nine defense white papers can be found at "Overview of all China's white papers on national defense," May 27, 2015, at [http://eng.mod.gov.cn/TopNews/2015-05/27/content\\_4587121.htm](http://eng.mod.gov.cn/TopNews/2015-05/27/content_4587121.htm).

<sup>81</sup>APPENDIX A

Full text: China's Military Strategy

(Xinhua) Updated: 2015-05-26 11:02

Comments Print Mail Large Medium Small

[http://www.chinadaily.com.cn/china/2015-05/26/content\\_20820628\\_7.htm](http://www.chinadaily.com.cn/china/2015-05/26/content_20820628_7.htm)

BEIJING - The Information Office of the State Council on Tuesday published a white paper on China's military strategy.

Following is the full text:

China's Military Strategy  
The State Council Information Office of the People's Republic of China  
May 2015, Beijing

Contents

Preface

I. National Security Situation

II. Missions and Strategic Tasks of China's Armed Forces

III. Strategic Guideline of Active Defense

IV. Building and Development of China's Armed Forces

V. Preparation for Military Struggle

VI. Military and Security Cooperation

Preface

The world today is undergoing unprecedented changes, and China is at a critical stage of reform and development. In their endeavor to realize the Chinese Dream of great national rejuvenation, the Chinese people aspire to join hands with the rest of the world to maintain peace, pursue development and share prosperity.

China's destiny is vitally interrelated with that of the world as a whole. A prosperous and stable world would provide China with opportunities, while China's peaceful development also offers an opportunity for the whole world. China will unswervingly follow the path of peaceful development, pursue an independent foreign policy of peace and a national defense policy that is defensive in nature, oppose hegemonism and power politics in all forms, and will never seek hegemony or expansion. China's armed forces will remain a staunch force in maintaining world peace.

Building a strong national defense and powerful armed forces is a strategic task of China's modernization drive and a security guarantee for China's peaceful development. Subordinate to and serving the national strategic goal, China's military strategy is an overarching guidance for blueprinting and directing the building and employment of the country's armed forces. At this new historical starting point, China's armed forces will adapt themselves to new changes in the national security environment, firmly follow the goal of the Communist Party of China (CPC) to build a strong military for the new situation, implement the military strategic guideline of active defense in the new situation, accelerate the modernization of national defense and armed forces, resolutely safeguard China's sovereignty, security and development interests, and provide a strong guarantee for achieving the national strategic goal of the "two centenaries" and for realizing the Chinese Dream of achieving the great rejuvenation of the Chinese nation.

## I. National Security Situation

In today's world, the global trends toward multi-polarity and economic globalization are intensifying, and an information society is rapidly coming into being. Countries are increasingly bound together in a community of shared destiny. Peace, development, cooperation and mutual benefit have become an irresistible tide of the times.

Profound changes are taking place in the international situation, as manifested in the historic changes in the balance of power, global governance structure, Asia-Pacific geostrategic landscape, and international competition in the economic, scientific and technological, and military fields. The forces for world peace are on the rise, so are the factors against war. In the foreseeable future, a world war is unlikely, and the international situation is expected to remain generally peaceful. There are, however, new threats from hegemonism, power politics and neo-interventionism. International competition for the redistribution of power, rights and interests is tending to intensify. Terrorist activities are growing increasingly worrisome. Hotspot issues, such as ethnic, religious, border and territorial disputes, are complex and volatile. Small-scale wars, conflicts and crises are recurrent in some regions. Therefore, the world still faces both immediate and potential threats of local wars.

With a generally favorable external environment, China will remain in an important period of strategic opportunities for its development, a period in which much can be achieved. China's comprehensive national strength, core competitiveness and risk-resistance capacity are notably increasing, and China enjoys growing international standing and influence. Domestically, the Chinese people's standard of living has remarkably improved, and Chinese society remains stable. China, as a large developing country, still faces multiple and complex security threats, as well as increasing external impediments and challenges. Subsistence and development security concerns, as well as traditional and non-traditional security threats are interwoven. Therefore, China has an arduous task to safeguard its national unification, territorial integrity and development interests.

As the world economic and strategic center of gravity is shifting ever more rapidly to the Asia-Pacific region, the US carries on its "rebalancing" strategy and enhances its military presence and its military alliances in this region. Japan is sparing no effort to dodge the post-war mechanism, overhauling its military and security policies. Such development has caused grave concerns among other countries in the region. On the issues concerning China's territorial sovereignty and maritime rights and interests, some of its offshore neighbors take provocative actions and reinforce their military presence on China's reefs and islands that they have illegally occupied. Some external countries are also busy meddling in South China Sea affairs; a tiny few maintain constant close-in air and sea surveillance and reconnaissance against China. It is thus a long-standing task for China to safeguard its maritime rights and interests. Certain disputes over land territory are still smoldering. The Korean Peninsula and Northeast Asia are shrouded in instability and



uncertainty. Regional terrorism, separatism and extremism are rampant. All these have a negative impact on the security and stability along China's periphery.

The Taiwan issue bears on China's reunification and long-term development, and reunification is an inevitable trend in the course of national rejuvenation. In recent years, cross-Taiwan Straits relations have sustained a sound momentum of peaceful development, but the root cause of instability has not yet been removed, and the "Taiwan independence" separatist forces and their activities are still the biggest threat to the peaceful development of cross-Straits relations. Further, China faces a formidable task to maintain political security and social stability. Separatist forces for "East Turkistan independence" and "Tibet independence" have inflicted serious damage, particularly with escalating violent terrorist activities by "East Turkistan independence" forces. Besides, anti-China forces have never given up their attempt to instigate a "color revolution" in this country. Consequently, China faces more challenges in terms of national security and social stability. With the growth of China's national interests, its national security is more vulnerable to international and regional turmoil, terrorism, piracy, serious natural disasters and epidemics, and the security of overseas interests concerning energy and resources, strategic sea lines of communication (SLOCs), as well as institutions, personnel and assets abroad, has become an imminent issue.

The world revolution in military affairs (RMA) is proceeding to a new stage. Long-range, precise, smart, stealthy and unmanned weapons and equipment are becoming increasingly sophisticated. Outer space and cyber space have become new commanding heights in strategic competition among all parties. The form of war is accelerating its evolution to informationization. World major powers are actively adjusting their national security strategies and defense policies, and speeding up their military transformation and force restructuring. The aforementioned revolutionary changes in military technologies and the form of war have not only had a significant impact on the international political and military landscapes, but also posed new and severe challenges to China's military security.

## II. Missions and Strategic Tasks of China's Armed Forces

China's national strategic goal is to complete the building of a moderately prosperous society in all respects by 2021 when the CPC celebrates its centenary; and the building of a modern socialist country that is prosperous, strong, democratic, culturally advanced and harmonious by 2049 when the People's Republic of China (PRC) marks its centenary. It is a Chinese Dream of achieving the great rejuvenation of the Chinese nation. The Chinese Dream is to make the country strong. China's armed forces take their dream of making the military strong as part of the Chinese Dream. Without a strong military, a country can be neither safe nor strong. In the new historical period, aiming at the CPC's goal of building a strong military in the new situation, China's armed forces will unswervingly adhere to the principle of the CPC's absolute leadership, uphold combat effectiveness as the sole and fundamental standard, carry on their glorious traditions, and work to build themselves into

a people's military that follows the CPC's commands, can fight and win, and boasts a fine style of work.

In the new circumstances, the national security issues facing China encompass far more subjects, extend over a greater range, and cover a longer time span than at any time in the country's history. Internally and externally, the factors at play are more complex than ever before. Therefore, it is necessary to uphold a holistic view of national security, balance internal and external security, homeland and citizen security, traditional and non-traditional security, subsistence and development security, and China's own security and the common security of the world.

To realize China's national strategic goal and implement the holistic view of national security, new requirements have been raised for innovative development of China's military strategy and the accomplishment of military missions and tasks. In response to the new requirement of safeguarding national security and development interests, China's armed forces will work harder to create a favorable strategic posture with more emphasis on the employment of military forces and means, and provide a solid security guarantee for the country's peaceful development. In response to the new requirement arising from the changing security situation, the armed forces will constantly innovate strategic guidance and operational thoughts so as to ensure the capabilities of fighting and winning. In response to the new requirement arising from the worldwide RMA, the armed forces will pay close attention to the challenges in new security domains, and work hard to seize the strategic initiative in military competition. In response to the new requirement coming from the country's growing strategic interests, the armed forces will actively participate in both regional and international security cooperation and effectively secure China's overseas interests. And in response to the new requirement arising from China's all-round and deepening reform, the armed forces will continue to follow the path of civil-military integration (CMI), actively participate in the country's economic and social construction, and firmly maintain social stability, so as to remain a staunch force for upholding the CPC's ruling position and a reliable force for developing socialism with Chinese characteristics.

China's armed forces will effectively perform their missions in the new historical period, resolutely uphold the leadership of the CPC and the socialist system with Chinese characteristics, safeguard China's sovereignty, security and development interests, safeguard the important period of strategic opportunities for China's development, maintain regional and world peace, and strive to provide a strong guarantee for completing the building of a moderately prosperous society in all respects and achieving the great rejuvenation of the Chinese nation.

China's armed forces mainly shoulder the following strategic tasks:

- To deal with a wide range of emergencies and military threats, and effectively safeguard the sovereignty and security of China's territorial land, air and sea;
- To resolutely safeguard the unification of the motherland;

- To safeguard China's security and interests in new domains;
- To safeguard the security of China's overseas interests;
- To maintain strategic deterrence and carry out nuclear counterattack;
- To participate in regional and international security cooperation and maintain regional and world peace;
- To strengthen efforts in operations against infiltration, separatism and terrorism so as to maintain China's political security and social stability; and
- To perform such tasks as emergency rescue and disaster relief, rights and interests protection, guard duties, and support for national economic and social development.

### III. Strategic Guideline of Active Defense

The strategic concept of active defense is the essence of the CPC's military strategic thought. From the long-term practice of revolutionary wars, the people's armed forces have developed a complete set of strategic concepts of active defense, which boils down to: adherence to the unity of strategic defense and operational and tactical offense; adherence to the principles of defense, self-defense and post-emptive strike; and adherence to the stance that "We will not attack unless we are attacked, but we will surely counterattack if attacked."

Shortly after the founding of the PRC in 1949, the Central Military Commission (CMC) established the military strategic guideline of active defense, and later, in line with the developments and changes in the national security situation, had made a number of major revisions of it. In 1993 the military strategic guideline of the new era was formulated, which took winning local wars in conditions of modern technology, particularly high technology, as the basic point in making preparation for military struggle (PMS). In 2004, the guideline was further substantiated, and the basic point for PMS was modified to winning local wars under conditions of informationization.

China's socialist nature, fundamental national interests and the objective requirement of taking the path of peaceful development all demand that China unswervingly adhere to and enrich the strategic concept of active defense. Guided by national security and development strategies, and required by the situation and their tasks in the new historical period, China's armed forces will continue to implement the military strategic guideline of active defense and enhance military strategic guidance as the times so require. They will further broaden strategic vision, update strategic thinking and make strategic guidance more forward-looking. A holistic approach will be taken to balance war preparation and war prevention, rights protection and stability maintenance, deterrence and warfighting, and operations in wartime and employment of military forces in peacetime. They will lay stress on farsighted planning and management to create a favorable posture, comprehensively manage crises, and resolutely deter and win wars.

To implement the military strategic guideline of active defense in the new situation, China's armed forces will adjust the basic point for PMS. In line with the evolving form of war and national security situation, the basic point for PMS will be placed on winning informationized local wars, highlighting maritime military struggle and maritime PMS. The armed forces will work to effectively control major crises, properly handle possible chain reactions, and firmly safeguard the country's territorial sovereignty, integrity and security.

To implement the military strategic guideline of active defense in the new situation, China's armed forces will innovate basic operational doctrines. In response to security threats from different directions and in line with their current capabilities, the armed forces will adhere to the principles of flexibility, mobility and self-dependence so that "you fight your way and I fight my way." Integrated combat forces will be employed to prevail in system-vs-system operations featuring information dominance, precision strikes and joint operations.

To implement the military strategic guideline of active defense in the new situation, China's armed forces will optimize the military strategic layout. In view of China's geostrategic environment, the security threats it faces and the strategic tasks they shoulder, the armed forces will make overall planning for strategic deployment and military disposition, in order to clearly divide areas of responsibility for their troops, and enable them to support each other and act as an organic whole. Threats from such new security domains as outer space and cyber space will be dealt with to maintain the common security of the world community. China's armed forces will strengthen international security cooperation in areas crucially related to China's overseas interests, to ensure the security of such interests.

To implement the military strategic guideline of active defense in the new situation, China's armed forces will uphold the following principles:

- To be subordinate to and in the service of the national strategic goal, implement the holistic view of national security, strengthen PMS, prevent crises, deter and win wars;
- To foster a strategic posture favorable to China's peaceful development, adhere to the national defense policy that is defensive in nature, persevere in close coordination of political, military, economic and diplomatic work, and positively cope with comprehensive security threats the country possibly encounters;
- To strike a balance between rights protection and stability maintenance, and make overall planning for both, safeguard national territorial sovereignty and maritime rights and interests, and maintain security and stability along China's periphery;
- To endeavor to seize the strategic initiative in military struggle, proactively plan for military struggle in all directions and domains, and grasp the opportunities to accelerate military building, reform and development;
- To employ strategies and tactics featuring flexibility and mobility, give full play to the overall effectiveness of joint operations, concentrate superior forces, and make integrated use of all operational means and methods;

- To make serious preparations to cope with the most complex and difficult scenarios, uphold bottom-line thinking, and do a solid job in all aspects so as to ensure proper responses to such scenarios with ease at any time and in any circumstances;
- To bring into full play the unique political advantages of the people's armed forces, uphold the CPC's absolute leadership over the military, accentuate the cultivation of fighting spirit, enforce strict discipline, improve the professionalism and strength of the troops, build closer relations between the government and the military as well as between the people and the military, and boost the morale of officers and men;
- To give full play to the overall power of the concept of people's war, persist in employing it as an ace weapon to triumph over the enemy, enrich the contents, ways and means of the concept of people's war, and press forward with the shift of the focus of war mobilization from human resources to science and technology; and
- To actively expand military and security cooperation, deepen military relations with major powers, neighboring countries and other developing countries, and promote the establishment of a regional framework for security and cooperation.

#### IV. Building and Development of China's Armed Forces

In the implementation of the military strategic guideline in the new situation, China's armed forces must closely center around the CPC's goal of building a strong military, respond to the state's core security needs, aim at building an informationized military and winning informationized wars, deepen the reform of national defense and the armed forces in an all-round way, build a modern system of military forces with Chinese characteristics, and constantly enhance their capabilities for addressing various security threats and accomplishing diversified military tasks.

Development of the Services and Arms of the People's Liberation Army (PLA) and the People's Armed Police Force (PAPF)

In line with the strategic requirement of mobile operations and multi-dimensional offense and defense, the PLA Army (PLAA) will continue to reorient from theater defense to trans-theater mobility. In the process of building small, multi-functional and modular units, the PLAA will adapt itself to tasks in different regions, develop the capacity of its combat forces for different purposes, and construct a combat force structure for joint operations. The PLAA will elevate its capabilities for precise, multi-dimensional, trans-theater, multi-functional and sustainable operations.

In line with the strategic requirement of offshore waters defense and open seas protection, the PLA Navy (PLAN) will gradually shift its focus from "offshore waters defense" to the combination of "offshore waters defense" with "open seas protection," and build a combined, multi-functional and efficient marine combat force structure. The PLAN will enhance its capabilities for strategic deterrence and counterattack, maritime maneuvers, joint operations at sea, comprehensive defense and comprehensive support.

In line with the strategic requirement of building air-space capabilities and conducting offensive and defensive operations, the PLA Air Force (PLAAF) will endeavor to shift its focus from territorial air defense to both defense and offense, and build an air-space defense force structure that can meet the requirements of informationized operations. The PLAAF will boost its capabilities for strategic early warning, air strike, air and missile defense, information countermeasures, airborne operations, strategic projection and comprehensive support.

In line with the strategic requirement of being lean and effective and possessing both nuclear and conventional missiles, the PLA Second Artillery Force (PLASAF) will strive to transform itself in the direction of informationization, press forward with independent innovations in weaponry and equipment by reliance on science and technology, enhance the safety, reliability and effectiveness of missile systems, and improve the force structure featuring a combination of both nuclear and conventional capabilities. The PLASAF will strengthen its capabilities for strategic deterrence and nuclear counterattack, and medium- and long-range precision strikes.

In line with the strategic requirement of performing multiple functions and effectively maintaining social stability, the PAPF will continue to develop its forces for guard and security, contingency response, stability maintenance, counter-terrorism operations, emergency rescue and disaster relief, emergency support and air support, and work to improve a force structure which highlights guard duty, contingency response, counter-terrorism and stability maintenance. The PAPF will enhance its capabilities for performing diversified tasks centering on guard duty and contingency response in informationized conditions.

#### Force Development in Critical Security Domains

The seas and oceans bear on the enduring peace, lasting stability and sustainable development of China. The traditional mentality that land outweighs sea must be abandoned, and great importance has to be attached to managing the seas and oceans and protecting maritime rights and interests. It is necessary for China to develop a modern maritime military force structure commensurate with its national security and development interests, safeguard its national sovereignty and maritime rights and interests, protect the security of strategic SLOCs and overseas interests, and participate in international maritime cooperation, so as to provide strategic support for building itself into a maritime power.

Outer space has become a commanding height in international strategic competition. Countries concerned are developing their space forces and instruments, and the first signs of weaponization of outer space have appeared. China has all along advocated the peaceful use of outer space, opposed the weaponization of and arms race in outer space, and taken an active part in international space cooperation. China will keep abreast of the dynamics of outer space, deal with security threats and challenges in that domain, and secure its space

assets to serve its national economic and social development, and maintain outer space security.

Cyberspace has become a new pillar of economic and social development, and a new domain of national security. As international strategic competition in cyberspace has been turning increasingly fiercer, quite a few countries are developing their cyber military forces. Being one of the major victims of hacker attacks, China is confronted with grave security threats to its cyber infrastructure. As cyberspace weighs more in military security, China will expedite the development of a cyber force, and enhance its capabilities of cyberspace situation awareness, cyber defense, support for the country's endeavors in cyberspace and participation in international cyber cooperation, so as to stem major cyber crises, ensure national network and information security, and maintain national security and social stability.

The nuclear force is a strategic cornerstone for safeguarding national sovereignty and security. China has always pursued the policy of no first use of nuclear weapons and adhered to a self-defensive nuclear strategy that is defensive in nature. China will unconditionally not use or threaten to use nuclear weapons against non-nuclear-weapon states or in nuclear-weapon-free zones, and will never enter into a nuclear arms race with any other country. China has always kept its nuclear capabilities at the minimum level required for maintaining its national security. China will optimize its nuclear force structure, improve strategic early warning, command and control, missile penetration, rapid reaction, and survivability and protection, and deter other countries from using or threatening to use nuclear weapons against China.

#### Military Force Building Measures

Strengthening ideological and political work. China's armed forces always treat ideological and political building as the first priority, and have endeavored to reinforce and improve their political work in the new situation. They will continue to practice and carry forward the Core Socialist Values, cultivate the Core Values of Contemporary Revolutionary Service Personnel, and carry forward their glorious traditions and fine styles. Moreover, the armed forces will uphold a series of fundamental principles for and institutions of the CPC's absolute leadership over the military, enhance the creativity, cohesion and combat effectiveness of their CPC organizations at all levels, make great efforts to cultivate a new generation of revolutionary service personnel of noble soul, competence, courage, uprightness and virtue, and ensure that the armed forces will resolutely follow the commands of the CPC Central Committee and the CMC at all times and under all conditions, and consistently retain the nature and purpose of the people's armed forces.

Pushing ahead with logistics modernization. China's armed forces will deepen logistics reform in relevant policies, institutions and support forces, and optimize strategic logistics deployment. They will innovate the modes of support, develop new support means, augment war reserves, integrate logistics information systems, improve rules and

standards, and meticulously organize supply and support, so as to build a logistics system that can provide support for fighting and winning modern wars, serve the modernization of the armed forces, and transform towards informationization.

Developing advanced weaponry and equipment. Persevering in information dominance, systems building, independent innovation, sustainable development, overall planning, and emphasis on priorities, China's armed forces will speed up to upgrade weaponry and equipment, and work to develop a weaponry and equipment system which can effectively respond to informationized warfare and help fulfill the missions and tasks.

Cultivating new-type military personnel. China's armed forces will continue with the strategic project for personnel training and perfect the system for military human resources. They will deepen the reform of military educational institutions and improve the triad training system for new-type military personnel - institutional education, unit training and military professional education, so as to pool more talented people and cultivate more personnel who can meet the demands of informationized warfare.

Intensifying efforts in running the armed forces with strict discipline and in accordance with the law. Aiming at strengthening the revolutionization, modernization and regularization of the armed forces in all respects, China will innovate and develop theories and practice in relation to running the armed forces in accordance with the law, establish a well-knit military law system with Chinese characteristics, so as to elevate the level of rule by law of national defense and armed forces building.

Innovating military theories. Under the guidance of the CPC's innovative theories, China's armed forces will intensify their studies of military operations, probe into the mechanisms of winning modern wars, innovate strategies and tactics featuring mobility and flexibility, and develop theories on military building in the new situation, so as to bring into place a system of advanced military theories commensurate with the requirement of winning future wars.

Improving strategic management. It is necessary to optimize the functions and institutions of the CMC and the general headquarters/departments, improve the leadership and management system of the services and arms, and adhere to demand-based planning and plan-based resource allocation. China's armed forces will set up a system and a working mechanism for overall and coordinated programming and planning. They will also intensify overall supervision and management of strategic resources, strengthen the in-process supervision and risk control of major projects, improve mechanisms for strategic assessment, and set up and improve relevant assessment systems and complementary standards and codes.

#### **In-depth Development of Civil-Military Integration (CMI)**

Following the guiding principle of integrating military with civilian purposes and combining military efforts with civilian support, China will forge further ahead with CMI by constantly



bettering the mechanisms, diversifying the forms, expanding the scope and elevating the level of the integration, so as to endeavor to bring into place an all-element, multi-domain and cost-efficient pattern of CMI.

Accelerating CMI in key sectors. With stronger policy support, China will work to establish uniform military and civilian standards for infrastructure, key technological areas and major industries, explore the ways and means for training military personnel in civilian educational institutions, developing weaponry and equipment by national defense industries, and outsourcing logistics support to civilian support systems. China encourages joint building and utilization of military and civilian infrastructure, joint exploration of the sea, outer space and air, and shared use of such resources as surveying and mapping, navigation, meteorology and frequency spectra. Accordingly, military and civilian resources can be more compatible, complementary and mutually accessible.

Building a mechanism for operating CMI. At the state level, it is necessary to establish a mechanism for CMI development, featuring unified leadership, military-civilian coordination, abutment of military and civilian needs, and resource sharing. Furthermore, it is necessary to improve the management responsibilities of relevant military and civilian institutions, improve the general standards for both the military and the civilian sectors, make studies on the establishment of a policy system in which the government makes the investment, offers tax incentives and financial support, and expedites legislation promoting military-civilian coordinated development, so as to form a pattern featuring overall military-civilian planning and coordinated development. It is also necessary to push forward with the shared utilization of military capabilities and those of other sectors, and establish a mechanism for joint civil-military response to major crises and emergencies.

Improving the systems and mechanisms of national defense mobilization. China will enhance education in national defense and boost the awareness of the general public in relation to national defense. It will continue to strengthen the building of the reserve force, optimize its structure, and increase its proportion in the PLAN, PLAAF and PLASAF as well as in combat support forces. The ways to organize and employ reserve forces will be more diversified. China will devote more efforts to science and technology in national defense mobilization, be more readily prepared for the requisition of information resources, and build specialized support forces. China aims to build a national defense mobilization system that can meet the requirements of winning informationized wars and responding to both emergencies and wars.

#### V. Preparation for Military Struggle

Preparation for military struggle (PMS) is a basic military practice and an important guarantee for safeguarding peace, containing crises and winning wars. To expand and intensify PMS, China's armed forces must meet the requirement of being capable of fighting and winning, focus on solving major problems and difficulties, and do solid work and make relentless efforts in practical preparations, in order to enhance their overall capabilities for deterrence and war fighting.

Enhancing capabilities for system-vs-system operations based on information systems. China's armed forces will quicken their steps to transform the generating mode of combat effectiveness, work to use information systems to integrate a wide range of operational forces, modules and elements into overall operational capacity, and gradually establish an integrated joint operational system in which all elements are seamlessly linked and various operational platforms perform independently and in coordination. China's armed forces will endeavor to address the pressing problems constraining the capabilities for system-vs-system operations. They will make further exploration and more efficient utilization of information resources, strengthen the building of the systems of reconnaissance, early-warning and command and control, develop medium- and long-range precision strike capabilities, and improve the comprehensive support systems. In accordance with the requirement of being authoritative, streamlined, agile and efficient, they will strive to establish and improve the CMC command organ and theater-level command systems for joint operations.

Pushing ahead with PMS in all directions and domains. Due to its complex geostrategic environment, China faces various threats and challenges in all its strategic directions and security domains. Therefore, PMS must be carried out in a well-planned, prioritized, comprehensive and coordinated way, so as to maintain the balance and stability of the overall strategic situation. China's armed forces will make overall planning for PMS in both traditional and new security domains, and get ready to safeguard national sovereignty and security, protect the country's maritime rights and interests, and deal with armed conflicts and emergencies. To adapt to the upgrading of weaponry and equipment as well as changes of operational patterns, China's armed forces will further optimize battlefield disposition and strengthen strategic prepositioning.

Maintaining constant combat readiness. China's armed forces will continue to improve its routine combat readiness, maintain a posture of high alertness, and conscientiously organize border, coastal and air defense patrols and guard duties. The PLAA will improve its combat readiness system with inter-connected strategic directions, combined arms and systematized operational support, so as to ensure agile maneuvers and effective response. The PLAN will continue to organize and perform regular combat readiness patrols and maintain a military presence in relevant sea areas. The PLAAF will continue to observe the principles of applicability in peacetime and wartime, all-dimensional response and full territorial reach, and maintain vigilant and efficient combat readiness. The PLASAF will continue to keep an appropriate level of vigilance in peacetime. By observing the principles of combining peacetime and wartime demands, maintaining all time vigilance and being action-ready, it will perfect the integrated, functional, agile and efficient operational duty system.

Enhancing realistic military training. The PLA will continue to attach strategic importance to combat training in realistic conditions, and strictly temper the troops according to the Outline of Military Training and Evaluation (OMTE). It will constantly innovate operational

and training methods, improve military training criteria and regulations, and work to build large-scale comprehensive training bases in an effort to provide real-combat environments for training. The PLA will continue to conduct live-setting training, IT-based simulated training, and face-on-face confrontation training in line with real-combat criteria, and strengthen command post training and joint and combined training. It will intensify training in complex electro-magnetic environments, complex and unfamiliar terrains, and complex weather conditions. It will also set up a training supervision and inspection system, so as to incorporate real-combat requirements into training.

Preparing for military operations other than war (MOOTWs). As a necessary requirement for China's armed forces to fulfill their responsibilities and missions in the new period as well as an important approach to enhancing their operational capabilities, the armed forces will continue to conduct such MOOTWs as emergency rescue and disaster relief, counter-terrorism and stability maintenance, rights and interests protection, guard duty, international peacekeeping, and international humanitarian assistance and disaster relief (HADR). They will work to incorporate MOOTW capacity building into military modernization and PMS, and pay special attention to establishing emergency command mechanisms, building emergency forces, training professionals, supporting task-specific equipment, and formulating relevant policies and regulations. Military emergency-response command systems will be tuned into state emergency management mechanisms. China's armed forces will persist in unified organization and command, scientific employment of forces, rapid and efficient actions, and strict observation of related policies and regulations.

#### VI. Military and Security Cooperation

Pursuing a security concept featuring common, comprehensive, cooperative and sustainable security, China's armed forces will continue to develop military-to-military relations that are non-aligned, non-confrontational and not directed against any third party. They will strive to establish fair and effective collective security mechanisms and military confidence-building measures (CBMs), expand military and security cooperation, and create a security environment favorable to China's peaceful development.

Developing all-round military-to-military relations. China's armed forces will further their exchanges and cooperation with the Russian military within the framework of the comprehensive strategic partnership of coordination between China and Russia, and foster a comprehensive, diverse and sustainable framework to promote military relations in more fields and at more levels. China's armed forces will continue to foster a new model of military relationship with the US armed forces that conforms to the new model of major-country relations between the two countries, strengthen defense dialogues, exchanges and cooperation, and improve the CBM mechanism for the notification of major military activities as well as the rules of behavior for safety of air and maritime encounters, so as to strengthen mutual trust, prevent risks and manage crises. In the spirit of neighborhood diplomacy of friendship, sincerity, reciprocity and inclusiveness, China's armed forces will

further develop relations with their counterparts in neighboring countries. Also, they will work to raise the level of military relations with European counterparts, continue the traditional friendly military ties with their African, Latin American and Southern Pacific counterparts. China's armed forces will work to further defense and security cooperation in the Shanghai Cooperation Organization (SCO), and continue to participate in multilateral dialogues and cooperation mechanisms such as the ASEAN Defense Ministers' Meeting Plus (ADMM+), ASEAN Regional Forum (ARF), Shangri-La Dialogue (SLD), Jakarta International Defence Dialogue (JIDD) and Western Pacific Naval Symposium (WPNS). The Chinese military will continue to host multilateral events like the Xiangshan Forum, striving to establish a new framework for security and cooperation conducive to peace, stability and prosperity in the Asia-Pacific region.

Pushing ahead with pragmatic military cooperation. On the basis of mutual respect, equality, mutual benefit and all-win cooperation, China's armed forces will continue to carry out pragmatic cooperation with their counterparts in various countries of the world. In response to the changing situation, China's armed forces will constantly explore new fields, new contents and new models of cooperation with other militaries, so as to jointly deal with a diverse range of security threats and challenges. Extensive dialogues and exchanges will be conducted with foreign militaries on defense policy, services and arms building, institutional education, logistics and other subjects to promote mutual understanding, mutual trust and mutual learning. The Chinese military will also strengthen cooperation with related countries in personnel training, material assistance, equipment and technology, so as to strengthen mutual support and enhance respective defensive capabilities. Bilateral and multilateral joint exercises and training, involving various services and arms, will be conducted at multiple levels and in various domains to enhance joint operational capabilities. The Chinese military will work to extend the subjects of such training and exercises from non-traditional to traditional security areas. It will actively participate in international maritime security dialogues and cooperation, and jointly deal with traditional and non-traditional maritime security threats.

Fulfilling international responsibilities and obligations. China's armed forces will continue to participate in UN peacekeeping missions, strictly observe the mandates of the UN Security Council, maintain its commitment to the peaceful settlement of conflicts, promote development and reconstruction, and safeguard regional peace and security. China's armed forces will continue to take an active part in international disaster rescue and humanitarian assistance, dispatch professional rescue teams to disaster-stricken areas for relief and disaster reduction, provide relief materials and medical aid, and strengthen international exchanges in the fields of rescue and disaster reduction. Through the aforementioned operations, the armed forces can also enhance their own capabilities and expertise. Faithfully fulfilling China's international obligations, the country's armed forces will continue to carry out escort missions in the Gulf of Aden and other sea areas as required, enhance exchanges and cooperation with naval task forces of other countries,

and jointly secure international SLOCs. China's armed forces will engage in extensive regional and international security affairs, and promote the establishment of the mechanisms of emergency notification, military risk precaution, crisis management and conflict control. With the growth of national strength, China's armed forces will gradually intensify their participation in such operations as international peacekeeping and humanitarian assistance, and do their utmost to shoulder more international responsibilities and obligations, provide more public security goods, and contribute more to world peace and common development.

<sup>82</sup>Kevin Rudd, *China's Impact on Regional and Global Order*, Alister Buchan Memorial Lecture, International Institute of Strategic Studies, London, 16 December 2013.

<sup>83</sup>See Sayed Ata Hasnain, *China's White Paper: How Should We View It*, *Swarajya Magazine*, <http://swarajyamag.com/world/chinas-white-paper-how-should-we-view-it/> Hassain further observes that "The importance of the oceans entered into China's security calculus for three reasons. First of these reasons was the dire shortage of hydrocarbons needed for the sustenance of the racing growth brought on by the rush of manufacturing. The dependence on the Middle East necessitated the transportation of energy by sea across the breadth of the Indian Ocean through such vulnerable bottlenecks as the Straits of Malacca. This could be interdicted by powerful navies of nations, which could turn inimical towards China's growth or were unwilling to see its rising power. 60% of China's GDP is from seaborne trade and is, therefore, vulnerable from the point of view of US naval presence across the world and presence of other inimical navies. The second reason was the disputed island territories in the East and South China Seas. The main adversaries in these disputes are Japan, Philippines and Vietnam; the first two being strong allies of the US. In its desire to be seen as a responsible member of the international community and with its huge stakes in globalization, China knows that it cannot use force to secure its interests. However, the model of gunboat diplomacy that it was subjected to in the mid-19th century can always be used against those who are inimical to its interests. For that, it requires 'gunboats' of the PLA Navy plus a conceptual projection of its intent to use sea power through a finer understanding of the 'seas and ocean'.... The third reason for the timing is the fact that China too realizes that the US is desperate to dilute its forces in West Asia and refocus itself towards the Asia Pacific region which it perceives emerging as the strategic center of gravity. The paper just sufficiently projects the intellectual understanding of China's strategic community about the US intent to balance China's ambitions.... The other doctrinal projection that the paper expounds is the intended transition of the PLA Navy from 'open seas protection' to 'offshore waters defense', while the PLA AF will shift its focus from 'territorial air defense' to both 'defense and offence'. This essentially is another set of semantics for the shift from the more clichéd Brown Water to Blue Water capability and the air element moving into the integrated platform capability of carriers.

<sup>85</sup>Denis J Blasko, *The 2015 Chinese Defense White Paper on Strategy in Perspective: Maritime Missions Require a Change in the PLA Mindset* Publication: China Brief Volume:

15 Issue: 12, see [http://www.jamestown.org/programs/chinabrief/single/?tx\\_ttnews\[tt\\_news\]=43974&cHash=d67db88687507367b668f71cd4199603#.VXR2Baa23PA](http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews[tt_news]=43974&cHash=d67db88687507367b668f71cd4199603#.VXR2Baa23PA)

<sup>86</sup>Ibid.

<sup>87</sup>Kapil Patil, "*India's Land Warfare Strategy Vis-à-vis China*" in *Diplomat*, 2012.



## About the VIVEKANANDA INTERNATIONAL FOUNDATION

The Vivekananda International Foundation is an independent non-partisan institution that conducts research and analysis on domestic and international issues, and offers a platform for dialogue and conflict resolution. Some of India's leading practitioners from the fields of security, military, diplomacy, government, academia and media fields have come together to generate ideas and stimulate action on national security issues.

The defining feature of VIF lies in its provision of core institutional support which enables the organization to be flexible in its approach and proactive in changing circumstances, with a long-term focus on India's strategic, developmental and civilisational interests. The VIF aims to channelize fresh insights and decades of experience harnessed from its faculty into fostering actionable ideas for the nation's stakeholders.

Since its establishment, VIF has successfully embarked on quality research and scholarship in an effort to highlight issues in governance and strengthen national security. This is being actualized through numerous activities like seminars, round tables, interactive-dialogues, Vimarsh (public discourse), conferences and briefings. The publications of the VIF form the lasting deliverables of the organisation's aspiration to impact on the prevailing discourse on issues concerning India's national interest.



### **VIVEKANANDA INTERNATIONAL FOUNDATION**

3, San Martin Marg, Chanakyapuri, New Delhi 110021

Tel : 011-24121764, Fax : 011-24106698

E-mail : [info@vifindia.org](mailto:info@vifindia.org), Website : <http://www.vifindia.org>