

China and India Torn Between Silk Roads and Cocked Guns

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So, once again it's down to a face-off in the Himalayas. Beijing builds a road in the disputed territory of Doklam (if you're Indian) or Donglang (if you're Chinese), in the tri-junction of Sikkim, Tibet and Bhutan, and all hell breaks loose. Or does it?

[The Global Times](#) blames it on an upsurge of Hindu nationalist fervor, but selected Indian officials prefer to privilege ongoing quiet diplomacy. After all, when Chinese President Xi Jinping and Indian Prime Minister Narendra Modi met on the sidelines of the Shanghai Cooperation Organization (SCO) summit in Astana last month, they struck a gentleman's agreement; this dispute is not supposed to escalate, and there's got to be a mutually face saving solution.

The [tri-junction drama](#) is actually a minor tremor in the much larger picture of the ongoing geopolitical tectonic shift in Eurasia. The major subplot occurs in the conjunction between the inexorable momentum of the New Silk Roads, aka China's Belt and Road Initiative (BRI), and the People's Liberation Army (PLA) Navy's push, these past nine years, to assert itself as a major naval power in the Indian Ocean.

In a nutshell, India could not but be deeply disturbed by China becoming a decisive front row player across South Asia - including in that Maritime Silk Road superhighway, the Indian Ocean.

The first-ever railway in Tibet, opened eleven years ago, links Lhasa with Xining, in northwest China. This railway will inevitably proceed all the way to Kathmandu, and assuming an OK from New Delhi - not on the cards for the time being - to north India as well. The key element of the New Silk Roads is Eurasian connectivity. And Beijing is the super-connector, not Delhi, with the scale and scope of BRI implying at least US\$1 trillion in short-term investment alone.

When India looks around, to its east or to its west, what it sees is China connecting everything from Dhaka in Bangladesh to Bandar Abbas in Iran.

We're talking about the interpenetration of the China-Indochina Peninsula Economic Corridor; the China-Indian Ocean-Africa-Mediterranean Sea Blue Economic Passage; the China-Pakistan Corridor (CPEC); and the Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC). To call all this an orgy of connectivity is an understatement.

Enter "BRICS-Plus"

Hindu nationalism qualifies South Asia and the Indian Ocean as an indisputable sphere of influence for Indian civilization - and one not that dissimilar to China's in relation to the South China Sea. Borders are scrutinized to the millimeter, especially now that the success of BRI is at stake.

The Doklam/Donglang stand-off pales, however, in comparison with the real danger zone. New Delhi argues that CPEC will be transiting an illegal territory, described in India as "Pak-occupied Kashmir."

South Asia happens to be all for BRI - with the wary self-exception of India. New Delhi refused to attend the recent BRI forum in Beijing, issuing an official statement: "No country can accept a project that ignores its core concerns on sovereignty and territorial integrity."

New Delhi's boycott actually betrays the fact it has seen the writing on the wall. Pakistan is destined to "[link together](#) a series of Eurasian economic blocs", including the Russian-led Eurasian Economic Union (EEU). And this connectivity feast will also boost the SCO (Shanghai Cooperation Organization), which, crucially, both India and Pakistan have just joined.

The following [proposal](#), from the chief economist of the Eurasian Development Bank, offers immense food for thought: the BRICS group (Brazil, Russia, India, China and South Africa) should be enlarged to a BRICS+ or BRICS++. Beijing enthusiastically agrees - it has, in fact, proposed its own "BRICS-Plus" idea to unite various BRI partners. Pakistan, as host of the CPEC connectivity corridor, would certainly be in line for "BRICS-Plus" membership.

So we have China and India as members of BRICS (including the bloc's New Development Bank), the SCO, the AIIB (Asian Infrastructure Investment Bank), and of the G-20, and India and Pakistan as members of the SCO. And then we have all three nations as members of a future BRICS-Plus. It all points towards interpenetration, inter-connectivity and advanced Eurasian integration.

To allow Hindu nationalism to block New Delhi's involvement in BRI would be counter-productive, to put it mildly. China-India bilateral trade was US\$70.08 billion last year. China is India's top trading partner.

Still, India launched an attempt at a [counter-offensive](#) last month when it joined the United Nations TIR convention, a global customs transit system with huge geographical coverage. India's TIR gambit covers only Bangladesh, Nepal, and Bhutan, however. To think this might [dent the appeal of BRI](#) - with its massive funds, support from the Silk Road Fund, the AIIB and further on down the road, private financing (from East and West) - is, frankly, naïve wishful thinking.

Stuff BRI, we've got AAGC

BRI is a juggernaut that has evolved over the past four years and is finally ready to launch its full connectivity firepower. Compare its resources with India's infrastructure predicament, its jungle of red-tape, its lack of funds for Eurasia-wide projects, and even the fact that its GDP growth dropped below China's in 2016.

There's also that pesky geopolitical open secret - that Pakistan constitutes a de facto Great Wall blocking India's land route to the West and its expansion across Central Asia. New Delhi is trying to circumvent these facts on the ground by all means available.

These include the International North South Transport Corridor ([INSTC](#)), founded in September 2000 by India, Iran and Russia, and which could potentially connect India to Europe via the Persian Gulf; investing in a trade corridor between the Iranian port of Chabahar and Afghanistan; trying to copy BRI via its TIR gambit, but on the cheap, without massive investment in infrastructure. And, to counter what New Delhi brands BRI's "Sinocentrism", there's its purported trump card, unveiled by Modi himself at the general meeting of the African Development Bank (AfDB) in the capital of Gujarat last May - the [Asia-Africa Growth Corridor](#) (AAGC), supported by Japan.

The [AAGC](#) has been spun by India as a project "acceptable for the banking sector," as opposed to BRI's "government-funded model." In theory, the AAGC is about Asia-Africa integration. Japan brings

its expertise technology and infrastructure building, India its “experience in Africa.”

The AAGC was duly derided in Beijing as a New Delhi-Tokyo scheme - aided and abetted by Washington - to sabotage China’s drive towards Eurasian integration. The case can certainly be made. New Delhi’s multiple strategies, so far, have yielded more rhetoric than action. Soon it may all come down to “if you can’t beat them, join them.” The ball is in the Hindu nationalist court.

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