

The Belt and Road Initiative: Geopolitical Implications for South Asia

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Abstract: The Belt and Road Initiative (BRI) has been initiated in China in 2013 as a transformative global infrastructure and development endeavor involving more than 70 nations. Aside from its economic and financial implications, however, the BRI is often also perceived as China's expansionist strategy in increasing soft power. With South Asia playing a pivotal role due to its strategic position and growing economic potential, this paper examines the geopolitical implications of the BRI and Chinese influence in the region. The study explores BRI projects with case studies, revealing how the initiative both offers prospects for economic growth and highlights challenges around sovereignty, debt dependency, and regional security, especially in a region marked by historical rivalries and political complexities. Particular attention is given to the effects of the BRI on the power balance between China, India, and other South Asian nations, as well as its broader impact on strategic partnerships and regional dynamics. Through an analysis of key BRI projects in South Asia and its implications, this paper assesses both the opportunities and challenges the initiative presents, offering insights into the enduring geopolitical consequences for the region.

Keywords: China, BRI, CPEC, Pakistan, India.

1. Introduction

The Belt and Road Initiative (BRI) is China's most recent and most ambitious foreign policy. Introduced by President Xi Jinping in 2013, the BRI had goal of creating new economic channels that would link China with the world. In addition to infrastructure development, its greater goals include strengthening China's economic and political influence, expanding its market, and establishing the necessary framework for China to develop a high-tech economy [1]. Covering over 70 countries and involving over 60% of the world's population, the BRI facilitated the constructions of roads, railways, ports, and energy pipelines, reconfiguring global trade routes and expanding China's influence across multiple continents. The majority of the funding for the BRI's projects comes from a combination of Chinese government appropriations, state-owned corporate investments, and alliances with international organizations [2]. China has over 200 BRI cooperation agreements inked as of November 2023 with over 150 nations and 30 international organizations, demonstrating the initiative's importance on a worldwide scale [3].

1.1. Significance of South Asia

South Asia, with its strategic location and significant economic potential, is a focal point in the BRI framework. Major nations in the area include Bangladesh, India, Nepal, Sri Lanka, and the Maldives, and its key significance to the BRI lies in its geographic position as a corridor between China and the Middle East, Africa, and Europe. Similarly, it is seen that many other countries China has taken an interest in in South Asia for the BRI have a coastal border with the Indian Ocean and other seas, highlighting the region's geographic importance. Lastly, the region's vast population and growing economies present enormous opportunities for Chinese investment in infrastructure, energy, and trade.

1.2. Research Problem

The expansion of the BRI into South Asia has far-reaching geopolitical implications. While the initiative promises economic growth and improved infrastructure, it also raises significant concerns related to sovereignty, debt sustainability, and regional security. In countries where BRI projects have already been initiated, experts point to financial issues like sluggish growth, unexpectedly high expenses, and opaque bidding procedures. Concerns about retaliation, the potential for a debt trap, and the use of facilities for dual purposes have also been raised by BRI projects in other countries. Lastly, critics have also hypothesized the probability for societal problems including China owning local assets, labor safety concerns, and environmental harm from nonrenewable power plants.

Complex historical rivalries, especially between India and Pakistan, have defined South Asia, and China's growing influence through the BRI could tip the scales of power. The purpose of this essay is to examine the geopolitical effects of the Belt and Road program (BRI) in South Asia, with particular attention on how the program affects strategic alliances, economic growth, and regional security.

2. Understanding the Belt and Road Initiative

The principal goals of the Belt and Road Initiative (BRI) are augmenting worldwide commerce, advancing infrastructure, and promoting economic growth among member nations. The effort, which involves several nations throughout Asia and beyond, is organized around six major economic corridors. The BRI is centered on infrastructure development, with several initiatives to improve connectivity and economic integration being carried out throughout South Asia. These initiatives involve building ports, railroads, roadways, and energy infrastructure with the goal of establishing a seamless network that connects South Asia to other regions of Asia, Africa, and Europe. Touted as one of the biggest infrastructure projects ever launched by a single nation, the BRI and its infrastructure upgrades have boosted internet connection through digital breakthroughs, such as through providing 1,000 towns in Mozambique with satellite television [4].

2.1. Case Study: Pakistan

The China-Pakistan Economic Corridor (CPEC), one of the main projects in China's Belt and Road Initiative (BRI), has come to represent the expanding strategic and economic alliance between the two countries as well as the project's success since it was established. Announced in 2015, China aimed to invest \$60 billion in construction through building roads, railways, and pipelines to connect the 3,000 km distance from Gwadar port to Khunjerab, which is located on Pakistan's border with China [5]. China may gain access to vital marine lanes and lessen its dependency on the Malacca Strait by linking the Xinjiang area with Pakistan's Gwadar port on the Arabian marine [6]. For Pakistan, this development heralded significant economic opportunities. Investments in road networks, energy plants, and industrial zones have revitalized parts of the economy, while the

completion of highways and railways better connected the rural and urban parts of the country. Moreover, the nation's long-standing problem of energy shortages was also able to be addressed by renewable energy initiatives [7].

2.2. Case Study: Sri Lanka

Sri Lanka's involvement in the BRI and the Hambantota Port project have become classic case studies in the risks of debt diplomacy. During the last years of the country's civil war in the mid-2000s, when no other nation or international organization would provide funds to develop Hambantota, the hometown of Sri Lankan President Rajapaksa, China stepped in and offered significant funding. Initially envisioned as a key maritime hub along China's BRI, Hambantota was financed primarily by Chinese loans [8]. However, in the past decade, it became evident that the project was failing to generate expected returns, leaving Sri Lanka unable to repay its debt. In 2017, Sri Lanka was obliged to give 99-year port lease to China in return for debt relief [9].

For Sri Lanka, the situation has placed a strain on both its political legitimacy and economic stability. Looking back, critics argued that the country should've been more careful in evaluating the risks of accepting Chinese loans for infrastructure projects and managing their debt adequately. Additionally, opposition parties have accused the government of compromising the country's independence, stirring political tensions within Sri Lanka and increasing instability in the country.

3. Geopolitical Implications for South Asia

The BRI offers both economic opportunities and challenges for the various countries involved in its partnerships. In Bangladesh, the BRI has accelerated infrastructure development, particularly in the transportation and energy sectors. Chinese investments have funded the building of power plants, highways, and bridges, which are crucial for supporting the country's economic growth. One example of this would be the Padma Bridge, which has benefitted from Chinese expertise and support in its creation [10]. The bridge was expected to significantly improve connectivity in the country, reducing travel time and boosting trade across regions.

However, while countries like Bangladesh have benefited from significant Chinese investments in infrastructure projects, other countries have accumulated substantial debt. The high cost of projects in the Maldives such as the expansion of Malé's international airport and the construction of the China-Maldives Friendship Bridge have raised concerns about the country's ability to manage its debt burden. Its small economy and reliance on tourism, a volatile industry, could potentially strain the Maldivian economy and limit its ability to invest in other essential sectors [11]. This balance of economic prosperity and threat highlights the need for careful management of investments, debt, and environmental concerns to ensure long-term benefits for countries participating in the BRI.

3.1. Strategic Partnerships and Rivalries

The BRI has significantly influenced the strategic dynamics in South Asia, particularly in the context of India-China relations. Due to trade deficit, border disputes, and the worsening of their power balance, both countries view each other with suspicion, leading India to avoid the BRI. India perceives the BRI to be a tool for China to expand its influence in South Asia and undermine India's regional leadership, and particularly disfavors the CPEC, which travels across Pakistan-administered Kashmir's disputed Gilgit-Baltistan area [12].

India's concerns are not unfounded, as the BRI has deepened China's strategic partnerships with several South Asian countries. For example, Pakistan's close alignment with China through CPEC has strengthened their bilateral relationship, with China providing economic and military support to Pakistan [13]. This has further complicated the already tense relationship between India and Pakistan,

raising the stakes in their ongoing rivalry. Similarly, even though projects like Hambantota Port and Colombo Port City are well-liked in Sri Lanka, India has criticized Chinese investments in the country, citing concerns of greater Chinese military presence in the Indian Ocean [14]. Even with smaller South Asian countries such as Nepal and the Maldives, China's investments in these countries' industries have reduced their dependence on India, raising the latter's concerns about regional influence and China's footprint expanding into its maritime neighborhood.

To counteract China's influence, India's foreign policy reaction to the BRI has been to establish strategic alliances with other nations. For example, India's "Act East" policy aims to fortify links with Southeast Asian countries while also strengthening ties with Japan through programs like the Asia-Africa Growth Corridor (AAGC) [15]. India has also increased its involvement in regional infrastructure projects to offer alternative sources of funding to the BRI. One example of this can be seen in India's investment in Iran's Chabahar Port, as that both parallels and provides a counterpoint to China's Gwadar port in Pakistan, giving India access to Central Asia and Afghanistan [16]. In this way, India can both exert and expand its regional influence without aligning itself to China and the BRI.

3.2. Regional Security Concerns

Given the region's complex and often volatile geopolitical environment, the security implications of the BRI in South Asia are an important factor to consider in analyzing its regional impact. One of the main concerns of the BRI is the growing military might of China in the Indian Ocean. The development of strategic ports, such as Pakistan's Gwadar and Sri Lanka's Hambantota, has raised fears that these facilities could be used for military purposes, allowing China to project power in the region and challenge India's dominance [17]. India has responded to these developments by strengthening its military capabilities and forging closer security ties with other regional powers, and this can be seen with the establishment of the Quadrilateral Security Dialogue (Quad) [18].

Another security concern is the potential for increased tensions and conflicts in the region because of the BRI. The initiative has the potential to exacerbate existing territorial disputes, such as the Doklam standoff in 2017, where Indian and Chinese troops faced off in a disputed area near the India-Bhutan-China border [19]. Similarly, the initiative could also lead to increased competition for resources and influences in South Asia, as other countries seek to secure their interests in the face of China's expanding presence. This competition could lead to instability and conflict, particularly in areas where there are existing tensions between rival powers. While the BRI faces several complicated security concerns, however, the initiative still holds the potential to promote connectivity and collaboration. The challenge for South Asian countries will be to navigate these dynamics in a way that maximizes the benefits of the BRI while minimizing the risks.

3.3. Social and Environmental Consequences

Large-scale infrastructure initiatives under the Belt and Road Initiative have triggered significant environmental and social concerns in South Asia, and a stark example of this can be seen in Pakistan. While the CPEC is often called the Corridor of Opportunities, the project has also raised environmental and equity concerns. As a result of the CPEC, Pakistan could become more susceptible to climate change [20]. Due to CO₂ and pollutants, China-funded coal-fired power facilities pose the greatest potential to advance this development. Second, the CPEC route has caused the removal of around 54,000 trees for the construction of roads, resulting in an increase in CO₂ concentration. Finally, if the number of vehicles on the Karakorum Highway rises to 7,000 trucks every day, the project's anticipated outcomes will result in the release of 36.5 million tons of additional CO₂ [21]. Additionally, the influx of Chinese labor and uneven distribution of benefits have sparked discontent

in provinces like Balochistan, where locals feel marginalized and underrepresented in decision-making processes. The resource depletion in vulnerable regions and the perception that the economic advantages of CPEC disproportionately favor certain regions and elite groups have increased the country's social tensions.

4. Conclusion

The BRI has far-reaching geopolitical, economic, and social repercussions for South Asia. The program poses difficulties relating to debt sustainability, regional security, and environmental degradation, while simultaneously providing enormous prospects for infrastructure investment, trade development, and economic growth, as demonstrated by the case studies. This encapsulates the initiative's geopolitical ramifications, sparking worries about Indian Ocean security and even escalating local disputes. As the BRI continues to unfold, South Asia will remain a critical battleground for influence, investment, and strategic alignment in the broader geopolitical landscape.

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